

to the county, provided that the resident will not be required to travel for more than thirty minutes one way to obtain services.

If off-campus services cannot be provided by a community-based provider, the state hospital-school shall offer the resident an on-campus vocational or employment training program. The on-campus program shall be operated in compliance with the federal Fair Labor Standards Act. At least semiannually, the state hospital-school shall seek an off-campus community-based vocational or employment training option for each resident placed in an on-campus program. The state hospital-school shall not place a resident in an off-campus program in which the cost to the state hospital-school would be in excess of the provider's actual cost as determined by purchase of service rules or if the service would not be reimbursed under the medical assistance program.

(3) The price of any goods and services offered to anyone other than a state agency or a political subdivision shall be at a minimum sufficient to cover the cost of any materials and supplies used in the program and to cover client wages as established in accordance with the federal Fair Labor Standards Act.

(4) Nothing in this paragraph shall be construed to prohibit a state hospital-school from providing a service a resident needs for compliance with accreditation standards for intermediate care facilities for the mentally retarded.

Sec. 2. Section 218.18, Code 1989, is repealed.

Approved April 3, 1990

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## CHAPTER 1130

### PRESCRIPTION DRUG INSURANCE RESTRICTION

*H.F. 2436*

**AN ACT** restricting the conditions under which a third-party payor of medical benefits may limit coverage for prescription drugs.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. **NEW SECTION. 514C.5 PRESCRIPTION DRUG BENEFIT RESTRICTIONS.**

1. A group policy or contract providing for third-party payment or prepayment for prescription drugs shall not require a person covered under the policy or contract to obtain prescription drugs from a mail order pharmacy as a condition of obtaining benefits for prescription drugs if the pharmacy selected by the covered person agrees to provide pharmaceutical services under the same terms and conditions as those provided by the mail order pharmacy.

2. Group third-party payor policies or contracts delivered, issued for delivery, continued, or renewed in this state on or after July 1, 1990, are subject to this section, including but not limited to the following classes:

- a. A group accident and sickness insurance policy.
- b. A group hospital or medical service contract.
- c. A group health maintenance organization contract.
- d. A group medicare supplemental policy.

Approved April 3, 1990