

1997

SENATE FILE 2188
BY VARN

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the establishment of an Iowa statewide health
2 insurance plan.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2188

1 Section 1. NEW SECTION. 509C.1 IOWA STATEWIDE HEALTH
2 INSURANCE PLAN ESTABLISHED.

3 The Iowa statewide health insurance plan is established in
4 the insurance division of the department of commerce for the
5 purpose of providing a publicly financed health insurance
6 program to provide comprehensive coverage for necessary health
7 care services for eligible public employees and employers, and
8 other residents of Iowa who choose to participate.

9 Sec. 2. NEW SECTION. 509C.2 DEFINITIONS.

10 1. "Administrator" means the administrator appointed
11 pursuant to section 509C.3.

12 2. "Commissioner" means the commissioner of insurance.

13 3. "Public employee" includes any individual employed by a
14 public employer.

15 4. "Public employer" includes the state of Iowa, its
16 boards, commissions, agencies, departments, and its political
17 subdivisions including but not limited to regents
18 institutions, school districts, cities, counties, and other
19 special purpose districts.

20 Sec. 3. NEW SECTION. 509C.3 ADMINISTRATOR.

21 The governor, subject to senate confirmation, shall appoint
22 an administrator for the plan. The administrator shall
23 perform all duties as required pursuant to this chapter.

24 Sec. 4. NEW SECTION. 509C.4 ADVISORY BOARD ESTABLISHED -
25 - ADMINISTRATION OF PLAN.

26 A twelve-member advisory board is established to administer
27 the Iowa statewide health insurance plan. Eight members of
28 the advisory board shall be voting members and shall be
29 appointed by the governor, subject to confirmation by the
30 senate, to staggered five-year terms. Four members shall be
31 appointed to represent eligible employees and four members
32 shall be appointed to represent employers. The following four
33 persons or their designees shall serve as ex officio,
34 nonvoting members: the director of public health, the
35 director of human services, the director of revenue and

1 finance, and the commissioner of insurance, who shall serve as
2 chairperson of the advisory board.

3 Vacancies on the advisory board shall be filled for the
4 remainder of the term of the original appointment. The
5 members of the advisory board shall elect from its membership
6 a vice chairperson and other officers as deemed necessary by
7 the advisory board. The members of the advisory board shall
8 receive reimbursement for actual and necessary expenses while
9 engaged in their official duties. Voting members may also be
10 eligible to receive compensation as provided in section 7E.6.

11 Sec. 5. NEW SECTION. 509C.5 ADVISORY BOARD DUTIES.

12 The advisory board shall perform all of the following
13 functions related to the Iowa statewide health insurance plan:

14 1. Recommend to the administrator budget and policy
15 guidelines.

16 2. Recommend to the administrator fee or premium
17 schedules.

18 3. Recommend to the administrator a reimbursement system
19 to be used by the plan giving priority to a system or measure
20 which includes effective cost containment provisions.

21 4. Review and recommend to the administrator changes in
22 the coverage offered by the Iowa statewide health insurance
23 plan.

24 5. Review and recommend to the administrator the most
25 effective methods of providing comprehensive health services
26 to public employees and other residents of this state.

27 6. Annually report to the general assembly and the
28 governor regarding the activities of the advisory board and
29 recommend changes in insurance and health care law necessary
30 to improve access to health care in Iowa.

31 7. Disseminate information to health care providers and to
32 public employees and employers, and other residents of this
33 state concerning the Iowa statewide health insurance plan.

34 8. Review and evaluate the operational aspects of the Iowa
35 statewide health insurance plan including, but not limited to,

1 adequacy and quality of services provided under the plan, the
2 cost of each service, and the effectiveness of the plan's cost
3 containment provisions.

4 9. Recommend to the administrator standards and procedures
5 for negotiating and entering into contracts with providers of
6 health care services, insurers, and service companies.

7 10. Develop and recommend to the administrator a
8 comprehensive plan of operation.

9 11. Monitor and recommend to the administrator policies to
10 address health care personnel shortages.

11 12. Recommend to the administrator programs intended to
12 prevent injury and illness and to increase the consumer skills
13 of covered persons.

14 Sec. 6. NEW SECTION. 509C.6 PARTICIPATION.

15 1. All public employers shall participate and provide
16 coverage under the Iowa statewide health insurance plan to
17 their employees unless the public employer or an employee
18 organization representing public employees demonstrates to the
19 satisfaction of the administrator that comparable coverage can
20 otherwise be provided to public employees at a lower cost.

21 2. An employer in this state may give notice to the
22 administrator of the employer's intent to participate in the
23 plan. The administrator, upon receiving the notice of intent,
24 shall make a determination as to whether the administrator can
25 provide coverage for the employer's employees at a cost
26 acceptable to the employer. The administrator shall notify
27 the employer of the determination made and the employer shall
28 in turn notify the administrator within thirty days after
29 receiving this notification of the employer's decision
30 regarding participation in the plan.

31 3. Subject to the terms of an existing collective
32 bargaining agreement, if applicable, a nonpublic employer may
33 participate in the plan. Notice of intent to participate
34 shall be given to the administrator at least ninety days prior
35 to the date on which participation in the Iowa statewide

1 health insurance plan is to commence. The administrator, upon
2 receiving the notice of intent, shall make a determination as
3 to whether the administrator can provide coverage for the
4 employees at a cost acceptable to the employer and consistent
5 with an existing collective bargaining agreement.

6 4. Any other individual may participate in the plan after
7 making application to the administrator and subject to
8 acceptance by the administrator and agreement on the terms and
9 conditions of participation.

10 5. Initial participation in the plan shall be for a
11 minimum period of two years. Participation shall continue
12 unless the employer, employee organization, employee, or
13 individual provides notice to the administrator of an intent
14 to withdraw at least ninety days prior to the expiration of
15 the agreed upon participation period. A person withdrawing
16 from participation in the plan is ineligible to participate in
17 the plan for the two-year period which commences on the date
18 participation ends as a result of the withdrawal.

19 6. The commissioner shall adopt rules governing entry into
20 the plan and the form of application to be made to the
21 administrator by employers, employee organizations, employees,
22 and individuals.

23 7. The insurance division and the department of human
24 services shall adopt rules pursuant to chapter 17A relating to
25 providing coverage under the Iowa statewide health insurance
26 plan to persons eligible to receive medical assistance under
27 chapter 249A. Coverage under the plan shall be provided if it
28 is determined coverage under the plan is less costly than
29 current coverage provided pursuant to chapter 249A and that
30 there will be no loss of federal funds as a result of
31 providing such plan coverage. The division and the department
32 shall seek any necessary waivers of federal law to implement
33 this subsection.

34 Sec. 7. NEW SECTION. 509C.7 COVERAGE.

35 The administrator shall determine the benefits to be

1 included in the Iowa statewide health insurance plan. The
2 plan shall include hospital, medical, and dental coverage
3 which is determined to be cost-effective by the administrator
4 and is requested by persons participating under the plan.
5 Health maintenance organization options and other delivery
6 system options shall be provided if the administrator
7 determines that they are available, cost-effective, and
8 capable of servicing all persons covered by the plan.
9 Participation in optional benefit coverages may be included
10 pursuant to a collective bargaining agreement or upon the
11 request of other persons covered under the plan subject to
12 acceptance by the administrator and agreement on the terms and
13 conditions related to such optional benefit coverages.

14 Sec. 8. NEW SECTION. 509C.8 RATES.

15 The administrator shall establish the premium rate to be
16 charged for coverage provided under the Iowa statewide health
17 insurance plan. The proportion of any premium to be paid by
18 an employer and an employee is subject to collective
19 bargaining or personnel policies, as applicable. The
20 administrator shall assess and each responsible party shall
21 pay the amount due to provide coverage under the plan.

22 Sec. 9. NEW SECTION. 509C.9 INSURANCE TRUST FUND.

23 A health insurance trust fund is established in the office
24 of the treasurer of state under the control of the
25 administrator. The administrator shall pay to the treasurer
26 of state all premiums collected pursuant to section 509C.7 for
27 deposit into the health insurance trust fund. The moneys
28 shall be held by the treasurer of state, subject at all times
29 to the warrant of the department of revenue and finance, drawn
30 upon written requisition of the administrator, for the payment
31 of insurance premiums, approved claims, refunds,
32 administrative costs, and other related costs associated with
33 the Iowa statewide health insurance plan.

34 EXPLANATION

35 This bill establishes an Iowa statewide health insurance

1 plan as new chapter 509C. All public employers and employees
2 are required to participate in the plan unless they can show
3 that similar coverage can be obtained at a lower cost from an
4 alternative provider. The plan is to be administered by an
5 administrator appointed by the governor, subject to senate
6 confirmation. An advisory board is established to make
7 recommendations concerning administration of the plan and
8 improving availability of cost-effective health care to
9 Iowans. The plan is to be open to any citizen or employer in
10 this state.

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