

SENATE FILE **2025**  
BY MURPHY

(COMPANION TO LSB 2422HH  
BY MURPHY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the provision of health care insurance  
2 coverage for individuals receiving or who have received  
3 unemployment compensation, and providing for employee  
4 contributions.

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

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SF 2025

1 Section 1. Section 96.3, Code 1993, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 10. HEALTH INSURANCE.

4 a. The division shall establish a program of health  
5 insurance or health care coverage under a group policy or  
6 contract provided to employees of the state pursuant to  
7 chapter 509A. The division shall consult with the executive  
8 council and the division of insurance in establishing the  
9 program. An individual eligible to receive benefits may be  
10 eligible for health insurance or health care coverage as  
11 provided in this subsection.

12 b. An individual is eligible for health insurance or  
13 health care coverage as provided for in this subsection if the  
14 individual was previously covered by a qualifying previous  
15 coverage prior to becoming eligible for benefits pursuant to  
16 this chapter and the individual indicates to the division of  
17 job service on a form provided by the division that the  
18 individual intends to participate under the program. A  
19 qualifying previous coverage shall be determined in the same  
20 manner as provided for in chapter 513B.

21 c. An individual may be eligible for health insurance or  
22 health care coverage as provided for in this subsection upon  
23 making application to the division and after review and  
24 approval by the division. The division of job service shall  
25 consult with the division of insurance in establishing a  
26 review process for determining whether an individual is  
27 eligible for health insurance or health care coverage as  
28 provided for in this subsection. The division of job service  
29 shall adopt rules pursuant to chapter 17A establishing such  
30 review process. In establishing the review process the  
31 division of job service and the division of insurance shall  
32 consider the potential abuses which may occur and the cost to  
33 the state in providing such coverage.

34 d. The division of job service shall deduct ten percent  
35 from each benefits payment made to a participating individual

1 pursuant to this chapter as the eligible individual's  
2 contribution toward the cost of the health insurance or health  
3 care coverage.

4 e. An individual who subsequently becomes ineligible to  
5 receive benefits pursuant to this chapter shall not be denied  
6 health insurance or health care coverage pursuant to this  
7 subsection unless the division determines that the individual  
8 is financially able to procure other health insurance or  
9 health care coverage. An individual who continues to receive  
10 health insurance or health care coverage pursuant to this  
11 paragraph shall not be assessed any contribution amount. The  
12 cost of such insurance or coverage shall be paid out of the  
13 unemployed health insurance account.

14 f. The division of job service, in consultation with the  
15 division of insurance, shall determine the health benefits to  
16 be provided under the plan of health insurance or health care  
17 coverage. In determining the health benefits to be included  
18 under the health insurance or health care coverage, priority  
19 shall be given to the following:

20 (1) Outpatient services.

21 (2) Physician services, including physician services  
22 received on an outpatient basis, in the physician's office,  
23 and during hospitalization.

24 (3) Emergency room services.

25 (4) Obstetrics services, including services provided  
26 during childbirth and during the individual's pregnancy.

27 (5) Well-baby care.

28 (6) Hospitalization indemnity coverage.

29 (7) Major medical expense coverage.

30 (8) Prescription costs.

31 (9) Coverage of preexisting conditions.

32 Review and determination of the health benefits to be  
33 provided shall include actuarial evidence as to cost-  
34 effectiveness.

35 Sec. 2. Section 96.9, subsection 2, Code 1993, is amended

1 to read as follows:

2 2. ACCOUNTS AND DEPOSITS. The state treasurer shall be ex  
3 officio treasurer and custodian of the fund and shall  
4 administer such fund in accordance with the directions of the  
5 division of job service. The director of revenue and finance  
6 shall issue warrants upon the fund pursuant to the order of  
7 the division of job service and such warrants shall be paid  
8 from the fund by the treasurer. The treasurer shall maintain  
9 within the fund ~~three~~ four separate accounts:

- 10 a. A clearing account.  
11 b. An unemployment trust fund account.  
12 c. A benefit account.  
13 d. An unemployed health insurance account.

14 All moneys payable to the unemployment compensation fund  
15 and all interest and penalties on delinquent contributions and  
16 reports shall, upon receipt thereof by the division, be  
17 forwarded to the treasurer who shall immediately deposit them  
18 in the clearing account, but the interest and penalties on  
19 delinquent contributions and reports shall not be deemed to be  
20 a part of the fund. Refunds of contributions payable pursuant  
21 to section 96.14 shall be paid by the treasurer from the  
22 clearing account upon warrants issued by the director of  
23 revenue and finance under the direction of the division of job  
24 service. After clearance thereof, all other moneys in the  
25 clearing account, except interest and penalties on delinquent  
26 contributions and reports, shall be immediately deposited with  
27 the secretary of the treasury of the United States to the  
28 credit of the account of this state in the unemployment trust  
29 fund, established and maintained pursuant to section 904 of  
30 the Social Security Act as amended, any provisions of law in  
31 this state relating to the deposit, administration, release or  
32 disbursement of moneys in the possession or custody of this  
33 state to the contrary notwithstanding. Interest and penalties  
34 on delinquent contributions and reports collected from  
35 employers shall be transferred from the clearing account to

1 the special employment security contingency fund. The benefit  
2 account shall consist of all moneys requisitioned from this  
3 state's account in the unemployment trust fund for the payment  
4 of benefits. Except as herein otherwise provided moneys in  
5 the clearing and benefit account may be deposited by the  
6 treasurer, under the direction of the division, in any bank or  
7 public depository in which general funds of the state may be  
8 deposited, but no public deposit insurance charge or premium  
9 shall be paid out of the fund. The treasurer shall give a  
10 separate bond conditioned upon the faithful performance of the  
11 treasurer's duties as custodian of the fund in an amount fixed  
12 by the governor and in form and manner prescribed by law.  
13 Premiums for said bond shall be paid from the administration  
14 fund.

15 Interest paid upon the moneys deposited with the secretary  
16 of the treasury of the United States shall be credited to the  
17 unemployment compensation fund.

18 Sec. 3. Section 96.9, Code 1993, is amended by adding the  
19 following new subsection:

20 NEW SUBSECTION. 8. Notwithstanding the provisions of  
21 subsection 2, moneys which would otherwise be deposited with  
22 the secretary of the treasury of the United States to the  
23 credit of the account of this state in the unemployment trust  
24 fund shall be deposited in the unemployed health insurance  
25 account whenever the total credited to the account of this  
26 state in the unemployment trust fund is equal to or exceeds  
27 six hundred million dollars. Moneys in the unemployed health  
28 insurance account shall be administered by the division of job  
29 service exclusively for the purposes of section 96.3,  
30 subsection 10. The department of employment services shall  
31 seek any necessary waivers from the federal government for the  
32 establishment and use of this fund.

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#### EXPLANATION

34 This bill establishes an unemployed health insurance  
35 account in the office of the treasurer of state for the

1 purpose of providing health insurance or health care coverage  
2 to individuals who are unemployed. An individual eligible to  
3 receive benefits or who has received benefits pursuant to  
4 chapter 96 (unemployment compensation), may be eligible for  
5 health insurance or health care coverage as provided in this  
6 bill. An individual is eligible for health insurance or  
7 health care coverage as provided if the individual was  
8 previously covered by a qualifying previous coverage prior to  
9 becoming eligible for unemployment compensation benefits. A  
10 qualifying previous coverage shall be determined in the same  
11 manner as provided for in chapter 513B. An individual may be  
12 eligible for health insurance or health care coverage as  
13 provided upon making application to the division of job  
14 service and after review and approval by the division. The  
15 division shall consult with the division of insurance in  
16 establishing a review process for determining whether an  
17 individual is eligible for health insurance or health care  
18 coverage as provided for in this subsection. The division of  
19 job service is to deduct 10 percent from each benefits payment  
20 made to a person as the eligible individual's contribution  
21 toward the cost of the health insurance or health care  
22 coverage.

23 Moneys which would otherwise be deposited with the United  
24 States secretary of the treasury to the credit of Iowa's  
25 account in the unemployment trust fund are to be deposited in  
26 the unemployed health insurance account whenever the total of  
27 Iowa's account in the unemployment trust fund is equal to or  
28 exceeds 600 million dollars.

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