

Regulatory Analysis

Notice of Intended Action to be published: 11—Chapter 64
“Benefits”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 8A.104(5) and 8A.413
State or federal law(s) implemented by the rulemaking: Iowa Code sections 8A.104(5) and 8A.413

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

January 28, 2025
1 to 1:30 p.m.

Via Google Meet
Dial: 1.413.728.2894
PIN: 372 678 365#

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Department of Administrative Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Tami Wienczek
Department of Administrative Services
1305 East Walnut Street, Third Floor
Des Moines, Iowa 50319
Email: tami.wienczek@iowa.gov

Purpose and Summary

2024 Iowa Acts, Senate File 2370, changes the definition of “governing body” in Iowa Code chapter 509A from the Executive Council of the State to the Director of the Department regarding authority for establishing plans for and procuring group insurance for public employees. This proposed rulemaking updates language to comport with the legislation.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
There are no costs associated with the rulemaking because the State already provides a health insurance plan.
 - **Classes of persons that will benefit from the proposed rulemaking:**
State employees will benefit from the rulemaking because the proposed rules will comport with state law.
2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**
 - **Quantitative description of impact:**
Not applicable.
 - **Qualitative description of impact:**
Not applicable.
3. **Costs to the State:**
 - **Implementation and enforcement costs borne by the agency or any other agency:**

There will be no implementation costs because the Department already administers a health insurance program and the Director has always been involved in informing the Executive Council regarding the health plan.

- **Anticipated effect on state revenues:**

These proposed amendments are intended to comport with state law and as such do not affect state revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

Not applicable.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

This is the proper method to align with state law.

6. Alternative methods considered by the agency:

- **Description of any alternative methods that were seriously considered by the agency:**

There are no alternative methods.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

This proposed rulemaking simply updates rule language to comport with state law, thus there are no alternatives.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

Not applicable.

Text of Proposed Rulemaking

ITEM 1. Amend rule 11—64.1(8A) as follows:

11—64.1(8A) Health benefits. The director is authorized by the executive council of Iowa to administer health benefit programs for employees of the state of Iowa who are covered under Iowa Code chapter 509A. The executive council of Iowa director shall determine the amount of the state's contribution toward each individual employee's premium cost and shall authorize the remaining premium cost to be deducted from the employee's pay. The state's contribution for each contract-covered employee shall be as provided for in applicable collective bargaining agreements negotiated in accordance with Iowa Code chapter 20.

ITEM 2. Amend rule 11—64.2(8A) as follows:

11—64.2(8A) Dental insurance. The director is authorized ~~by the executive council of Iowa~~ to administer dental insurance programs for employees of the state of Iowa who are covered under Iowa Code chapter 509A.

ITEM 3. Amend rule 11—64.3(8A) as follows:

11—64.3(8A) Life insurance. The director is authorized ~~by the executive council of Iowa~~ to administer life insurance programs for employees of the state of Iowa who are covered under Iowa Code chapter 509A, except for employees of the board of regents.

ITEM 4. Amend rule 11—64.4(8A) as follows:

11—64.4(8A) Long-term disability insurance. The director is authorized ~~by the executive council of Iowa~~ to administer long-term disability insurance programs for employees of the state of Iowa who are covered under Iowa Code chapter 509A, except for employees of the board of regents.

Employees who receive loss of time benefits under the state workers' compensation program shall have those benefits, except for benefits designated as medical costs pursuant to Iowa Code section 85.27 and that portion of benefits paid as attorneys' fees approved pursuant to Iowa Code section 86.39, deducted from any state long-term disability benefits received where the workers' compensation injury or illness was a substantial contributing factor to the award of long-term disability benefits. Disability benefit payments will be further reduced by primary and family social security payments as determined at the time social security disability payments commence, railroad retirement disability income, and any other state-sponsored sickness or disability benefits payable.