

House Amendment 8564

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1 1 Amend Senate File 2364, as passed by the Senate, as
1 2 follows:
1 3 #1. Page 1, by inserting after line 11 the
1 4 following:
1 5 Sec. _____. Section 15G.111, subsection 1, paragraph
1 6 a, Code Supplement 2005, is amended to read as
1 7 follows:
1 8 a. For the fiscal period beginning July 1, ~~2005~~
1 9 2006, and ending June 30, 2015, there is appropriated
1 10 each fiscal year from the grow Iowa values fund
1 11 created in section 15G.108, to the department of
1 12 economic development ~~thirty-five~~ thirty million
1 13 dollars for programs administered by the department of
1 14 economic development.
1 15 Sec. _____. Section 15G.111, Code Supplement 2005,
1 16 is amended by adding the following new subsection:
1 17 NEW SUBSECTION. 1A. For the fiscal period
1 18 beginning July 1, 2006, and ending June 30, 2015,
1 19 there is appropriated each fiscal year from the grow
1 20 Iowa values fund created in section 15G.108 to the
1 21 insurance division of the department of commerce five
1 22 million dollars for deposit in the small employer
1 23 health care reinsurance fund created in section
1 24 513B.13A for the purpose of administering the small
1 25 employer health care reinsurance program and fund
1 26 pursuant to section 513B.13A.>
1 27 #2. Page 30, by inserting after line 24 the
1 28 following:
1 29 <Sec. _____. NEW SECTION. 513B.13A SMALL EMPLOYER
1 30 HEALTH CARE REINSURANCE PROGRAM.
1 31 1. DEFINITIONS.
1 32 As used in this section, unless the context
1 33 otherwise requires:
1 34 a. "Fund" means the small employer health care
1 35 reinsurance fund.
1 36 b. "Qualified carrier" means a carrier, as defined
1 37 in section 513B.2.
1 38 c. "Small employer group health insurance plan"
1 39 means a group health insurance plan that provides
1 40 health insurance coverage for employees of a small
1 41 employer.
1 42 2. REINSURANCE FUND.
1 43 a. A small employer health care reinsurance fund
1 44 is created as a separate fund in the state treasury
1 45 under the control of the commissioner of insurance.
1 46 b. The treasurer of state shall act as custodian
1 47 of the fund and shall disburse amounts contained in
1 48 the fund as directed by the commissioner.
1 49 c. The commissioner shall keep accounts in
1 50 relation to the appropriation of moneys to the fund
2 1 and all amounts of approved vouchers for
2 2 reimbursements to qualified carriers chargeable to the
2 3 fund.
2 4 d. Notwithstanding section 12C.7, subsection 2,
2 5 interest or earnings on moneys deposited in the small
2 6 employer health care reinsurance fund shall be
2 7 credited to the small employer health care reinsurance
2 8 fund. Notwithstanding section 8.33, moneys credited
2 9 to the small employer health care reinsurance fund
2 10 shall not revert to the general fund of the state at
2 11 the close of a fiscal year.
2 12 3. REINSURANCE PROGRAM.
2 13 a. A reinsurance program is created in the
2 14 insurance division of the department of commerce to
2 15 administer the fund and to make expenditures from the
2 16 fund pursuant to this section.
2 17 b. Moneys in the fund shall be used to reimburse a
2 18 qualified carrier that offers a small employer group
2 19 health insurance plan in which at least eighty-five
2 20 percent of the eligible employees of the small
2 21 employer participate, for certain claims paid by the
2 22 qualified carrier. The amount of reimbursement shall
2 23 be fifty percent of the cost of each claim that
2 24 amounts to at least fifty thousand dollars that is

2 25 paid by a qualified carrier under such a plan in a
2 26 year.
2 27 c. The commissioner shall submit an annual report
2 28 not later than January 1 to the governor, the general
2 29 assembly, and the legislative services agency
2 30 evaluating the fund and reinsurance program, including
2 31 but not limited to consideration of the factors
2 32 contained in subsection 5, paragraph "b", summarizing
2 33 the status of the fund and reinsurance program, and
2 34 proposing modifications to or suspension of the
2 35 operation of the fund and reinsurance program as
2 36 deemed necessary by the commissioner.

2 37 4. QUALIFIED CARRIERS.

2 38 a. In order to qualify for participation in the
2 39 reinsurance program for the first time, a carrier
2 40 shall certify to the commissioner that the carrier
2 41 will immediately reduce its base premium rates or
2 42 otherwise demonstrate to the commissioner that the
2 43 carrier will immediately effectively reduce premiums,
2 44 according to accepted actuarial guidelines adopted by
2 45 the commissioner by rule under chapter 17A, for all
2 46 small employer group health insurance plans offered by
2 47 the carrier for the plan benefit year in an amount
2 48 that reflects the estimated reimbursement the carrier
2 49 will receive from participating in the reinsurance
2 50 program during that plan benefit year, as determined
3 1 by the commissioner according to accepted actuarial
3 2 guidelines adopted by rule under chapter 17A.

3 3 b. In order to qualify for continued participation
3 4 in the reinsurance program, a carrier shall certify to
3 5 the commissioner that for the plan benefit year for
3 6 which reimbursement from the fund is claimed, the
3 7 carrier reduced its base premium rates or otherwise
3 8 demonstrate to the commissioner that the carrier
3 9 effectively reduced premiums, according to accepted
3 10 actuarial guidelines adopted by the commissioner by
3 11 rule under chapter 17A, for all small employer group
3 12 health insurance plans offered by the carrier for that
3 13 plan benefit year.

3 14 c. A qualified carrier may claim reimbursement
3 15 from the fund for the cost of eligible claims
3 16 annually, by filing, with the commissioner, a claim in
3 17 a form prescribed by the commissioner by rule.

3 18 5. MONITORING AND EVALUATION.

3 19 a. The commissioner shall develop and implement
3 20 criteria to monitor and evaluate the fund and
3 21 reinsurance program on an ongoing basis and may make
3 22 recommendations to the general assembly, including
3 23 proposed modifications to or suspension of the
3 24 operation of the fund and reinsurance program.

3 25 b. In monitoring and evaluating the reinsurance
3 26 program, the commissioner shall consider such factors
3 27 as the population whose claims are being reimbursed by
3 28 the reinsurance program, the number and percentage of
3 29 qualified carriers electing to utilize the reinsurance
3 30 program, health care reform measures implemented in
3 31 the state, premium costs of small employer group
3 32 health insurance plans offered by qualified carriers
3 33 that participate in the reinsurance program compared
3 34 to carriers that do not, and other factors deemed
3 35 relevant by the commissioner.>

3 36 #3. Title page, line 10, by inserting after the
3 37 word <cemeteries> the following: <, and creating a
3 38 small employer health care reinsurance program and
3 39 fund, and providing an appropriation>.

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3 43 KAUFMANN of Cedar

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