

Senate Amendment 3072

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1 1 Amend Senate File 389 as follows:
1 2 #1. Page 1, line 8, by inserting after the word
1 3 <state> the following: <who are not eligible for
1 4 public programs>.
1 5 #2. Page 1, by striking lines 10 and 11.
1 6 #3. Page 1, by striking lines 17 through 24.
1 7 #4. Page 2, by striking lines 24 through 29.
1 8 #5. Page 8, by striking lines 31 through 33, and
1 9 inserting the following:
1 10 <d. The voting members of the board shall be
1 11 appointed for terms of six years within thirty days
1 12 after the effective date of this division of this Act
1 13 and by December 15 of each year thereafter. A member
1 14 of the board is eligible for reappointment.>
1 15 #6. Page 9, line 32, by inserting after the word
1 16 <exchange.> the following: <The executive director
1 17 shall not be a member of the board, shall serve at the
1 18 pleasure of the board, and shall receive compensation
1 19 as fixed by the board.>
1 20 #7. Page 10, by inserting after line 9 the
1 21 following:
1 22 <____. The voting members of the board may hire
1 23 independent consultants, as they deem necessary, to
1 24 assist them in carrying out the provisions of this
1 25 chapter.>
1 26 #8. By striking page 10, line 10, through page 22,
1 27 line 8, and inserting the following:
1 28 <Sec. _____. NEW SECTION. 514M.5 PLAN OF OPERATION
1 29 == ASSESSMENTS.
1 30 1. The exchange shall be organized as a nonprofit
1 31 corporation and shall submit to the commissioner a
1 32 plan of operation for the exchange and any amendments
1 33 necessary or suitable to assure the fair, reasonable,
1 34 and equitable administration of the exchange within
1 35 ninety days after the appointment of the board of
1 36 directors. The plan of operation shall include
1 37 provisions for the development of a comprehensive
1 38 health care coverage plan as provided in section
1 39 514M.6. After notice and hearing, the commissioner
1 40 shall approve the plan of operation if the plan is
1 41 determined to be suitable to assure the fair,
1 42 reasonable, and equitable administration of the
1 43 exchange, and provides for the sharing of exchange
1 44 losses, if any, on an equitable and proportionate
1 45 basis among the member carriers. In addition to other
1 46 requirements, the plan of operation shall provide for
1 47 all of the following:
1 48 a. The handling and accounting of assets and
1 49 moneys of the exchange.
1 50 b. The amount and method of reimbursing members of
2 1 the board.
2 2 c. Regular times and places for meetings of the
2 3 board.
2 4 d. Records to be kept of all financial
2 5 transactions, and the annual fiscal reporting to the
2 6 commissioner.
2 7 e. The periodic advertising of the general
2 8 availability of health insurance coverage from the
2 9 exchange.
2 10 f. Additional provisions necessary or proper for
2 11 the execution of the powers and duties of the
2 12 exchange.
2 13 2. The exchange has the general powers and
2 14 authority enumerated by this section and executed in
2 15 accordance with the plan of operation approved by the
2 16 commissioner under subsection 1. The exchange has the
2 17 general powers and authority granted under the laws of
2 18 this state to carriers licensed to issue health
2 19 insurance coverage.
2 20 3. Following the close of each calendar year, the
2 21 exchange shall determine the net premiums and
2 22 payments, the expenses of administration, and the
2 23 incurred losses of the exchange for the year. The
2 24 exchange shall certify the amount of any net loss for

2 25 the preceding calendar year to the commissioner and
2 26 director of revenue. Any loss shall be assessed by
2 27 the exchange to all members of the exchange in
2 28 proportion to their respective shares of total health
2 29 insurance premiums or payments for subscriber
2 30 contracts received in Iowa during the second preceding
2 31 calendar year, or with paid losses in the year,
2 32 coinciding with or ending during the calendar year or
2 33 on any other equitable basis as provided in the plan
2 34 of operation. In sharing losses, the exchange may
2 35 abate or defer in any part the assessment of a member,
2 36 if, in the opinion of the board, payment of the
2 37 assessment would endanger the ability of the member to
2 38 fulfill its contractual obligations. The exchange may
2 39 also provide for an initial or interim assessment
2 40 against members of the exchange if necessary to assure
2 41 the financial capability of the exchange to meet the
2 42 incurred or estimated claims expenses or operating
2 43 expenses of the exchange until the next calendar year
2 44 is completed. Net gains, if any, must be held at
2 45 interest to offset future losses or allocated to
2 46 reduce future premiums.

2 47 a. For purposes of this subsection, "total health
2 48 insurance premiums" and "payments for subscriber
2 49 contracts" include, without limitation, premiums or
2 50 other amounts paid to or received by a member for
3 1 individual and group health plan coverage provided
3 2 under any chapter of the Code or Acts, and "paid
3 3 losses" includes, without limitation, claims paid by a
3 4 member operating on a self-funded basis for individual
3 5 and group health plan coverage provided under any
3 6 chapter of the Code or Acts.

3 7 b. For purposes of calculating and conducting the
3 8 assessment under this subsection, the exchange shall
3 9 have the express authority to require members to
3 10 report on an annual basis each member's total health
3 11 insurance premiums and payments for subscriber
3 12 contracts and paid losses. A member is liable for its
3 13 share of the assessment calculated in accordance with
3 14 this section regardless of whether it participates in
3 15 the individual insurance market.

3 16 4. The exchange shall conduct annual audits to
3 17 assure the general accuracy of the financial data
3 18 submitted to the exchange, and the exchange shall have
3 19 an annual audit of its operations, made by an
3 20 independent certified public accountant.

3 21 5. The exchange is subject to examination by the
3 22 commissioner. Not later than April 30 of each year,
3 23 the board shall submit to the commissioner a financial
3 24 report for the preceding calendar year in a form
3 25 approved by the commissioner.

3 26 6. The exchange is subject to oversight by the
3 27 legislative fiscal committee of the legislative
3 28 council. Not later than April 30 of each year, the
3 29 board shall submit to the governor, the speaker of the
3 30 house of representatives, the majority leader of the
3 31 senate, and the legislative fiscal committee a
3 32 financial report, including enrollment information,
3 33 for the preceding year in a form approved by the
3 34 committee.

3 35 7. All policy forms issued by the exchange must be
3 36 filed with and approved by the commissioner before
3 37 their use.

3 38 8. The exchange is exempt from payment of all fees
3 39 and all taxes levied by this state or any of its
3 40 political subdivisions.

3 41 9. The exchange shall develop and implement a plan
3 42 of operation and corresponding timeline detailing
3 43 action steps toward implementing this chapter, by
3 44 rules adopted pursuant to chapter 17A as provided in
3 45 section 514M.7.

3 46 Sec. ____ NEW SECTION. 514M.6 IOWA CHOICE
3 47 INSURANCE EXCHANGE COMPREHENSIVE HEALTH CARE COVERAGE
3 48 PLAN.

3 49 1. The exchange, in collaboration with the Iowa
3 50 Medicaid enterprise and the hawk=i board, shall
4 1 develop a comprehensive health care coverage plan to
4 2 provide health care coverage to all children without
4 3 such coverage, that utilizes and modifies existing
4 4 public programs including the medical assistance
4 5 program and hawk=i program and maximizes the ability

4 6 of the state to obtain federal funding and
4 7 reimbursement for such programs. The comprehensive
4 8 health care coverage plan shall provide for the
4 9 coordination of a children's health care network in
4 10 the state that acts as a resource for consumers to
4 11 transition seamlessly among public and private health
4 12 care coverage options, including but not limited to
4 13 medical assistance, hawk=i, and Iowa choice care
4 14 programs. The plan shall also provide access to
4 15 private unsubsidized, affordable, qualified health
4 16 care coverage to children who are not otherwise
4 17 eligible for health care coverage through public
4 18 programs.

4 19 2. The comprehensive health care coverage plan
4 20 developed by the exchange shall also consider and
4 21 recommend options to provide access to private,
4 22 affordable, qualified health care coverage to all Iowa
4 23 children less than nineteen years of age with a family
4 24 income that is more than three hundred percent of the
4 25 federal poverty level and to adults and families with
4 26 a family income that is up to four hundred percent of
4 27 the federal poverty level who are not otherwise
4 28 eligible for health care coverage through public
4 29 programs. As part of the comprehensive plan, the
4 30 exchange shall design and implement a health care
4 31 coverage program called Iowa choice which offers
4 32 private qualified health care coverage through the
4 33 exchange with options to purchase at least three
4 34 levels of benefits including a gold plan which offers
4 35 a comprehensive benefits package, a silver plan which
4 36 offers a medium benefits package, and a bronze plan
4 37 which offers a basic benefits package. The Iowa
4 38 choice care plans shall be available for purchase by
4 39 individuals and families. The purchase of Iowa choice
4 40 health care coverage may be publicly subsidized for
4 41 low-income individuals and families who do not meet
4 42 eligibility guidelines for any other public program.
4 43 The subsidy program may include subsidizing an
4 44 employee's purchase of health insurance offered by
4 45 that person's employer. The subsidy program may be
4 46 implemented incrementally as funding becomes available
4 47 and may include rolling implementation of the program
4 48 to specified subgroups of low-income children, adults,
4 49 and families with incomes up to four hundred percent
4 50 of the federal poverty level. Iowa choice health care
5 1 coverage shall also provide affordable, unsubsidized
5 2 qualified health care coverage options for purchase by
5 3 any person who wishes to purchase them, including
5 4 individuals, families, and employees of small
5 5 businesses.

5 6 3. The comprehensive health care coverage plan
5 7 developed by the exchange shall also consider and
5 8 recommend options to offer a program to provide
5 9 coverage under the state health or medical group
5 10 insurance plan to nonstate public employees, including
5 11 employees of counties, cities, schools, and community
5 12 colleges, and employees of nonprofit employers and
5 13 small employers and to pool such employees with the
5 14 state plan. The program developed shall allow
5 15 employees and officials of such employers who apply
5 16 for coverage to be covered under the state plan under
5 17 the same conditions that state employees are covered
5 18 under the state plan and not be denied coverage on the
5 19 basis of risk, cost, preexisting conditions, or other
5 20 factors not applicable to state employees. The plan
5 21 may include options for the coverage of such employees
5 22 and officials under the state plan that include but
5 23 are not limited to the following:

- 5 24 a. Criteria for participation in and withdrawal
5 25 from the program.
- 5 26 b. Minimum participation intervals.
- 5 27 c. Collaboration with the department of
5 28 administrative services to develop coverage options
5 29 for coverage from vendors other than those providing
5 30 coverage to state employees and under plans different
5 31 from those available to state employees, that meet
5 32 minimum standards of quality and affordability.
- 5 33 d. Application and enrollment procedures.
- 5 34 e. Premium rates and procedures for the payment of
5 35 premiums by participants.

5 36 4. The exchange shall have broad authority to

5 37 accomplish the purposes of this chapter, including but
5 38 not limited to:

5 39 a. Establishing, by rule, what constitutes
5 40 qualified health care coverage within parameters set
5 41 by statute which may include consideration of the
5 42 following factors:

5 43 (1) Setting parameters for what is affordable by
5 44 creating an affordability schedule that is
5 45 conservative to prevent harm to people who are
5 46 struggling financially and that utilizes a progressive
5 47 scale of subsidization by the state that decreases as
5 48 incomes increase and requires people with very low
5 49 incomes to pay only small amounts for health care
5 50 coverage with no financial penalties.

6 1 (2) Setting the maximum limit for affordability of
6 2 coverage at approximately six and one-half percent of
6 3 an individual's or family's income, including
6 4 consideration of assets held.

6 5 b. Establishing what constitutes qualified health
6 6 care coverage which meets certain standards of quality
6 7 and affordability. For purposes of defining qualified
6 8 health care coverage, the board may consider
6 9 requirements for coverage and benefits that include
6 10 but are not limited to:

6 11 (1) No underwriting requirements and no
6 12 preexisting condition exclusions.

6 13 (2) Portability.

6 14 (3) Coverage of physical, behavioral, and dental
6 15 health services, vision services, and prescription
6 16 drugs.

6 17 (4) Copayments and deductibles that do not exceed
6 18 specified amounts, with no copayments or deductibles
6 19 for wellness, prevention, disease, and chronic care
6 20 management services.

6 21 (5) No reimbursement of providers for an otherwise
6 22 covered service if the service is required solely on
6 23 account of the provider's avoidable medical error.

6 24 (6) A requirement that all insureds have a medical
6 25 home.

6 26 (7) Coverage of wellness, prevention, disease
6 27 management, and chronic care management services
6 28 including, without limitation, physical and
6 29 psycho-social screenings for children which satisfy
6 30 the Medicaid early periodic screening, diagnosis, and
6 31 treatment standards.

6 32 (8) Coverage of emergency mental health services
6 33 when provided by a state-certified emergency mental
6 34 health services provider.

6 35 (9) Incentives for participating health care
6 36 providers who:

6 37 (a) Utilize electronic prescriptions.

6 38 (b) Utilize electronic medical records.

6 39 (c) Provide rate schedules to the board of all
6 40 services provided.

6 41 c. Establishing threshold requirements for a
6 42 future mandate to provide health care coverage that
6 43 must be met by parents of children less than nineteen
6 44 years of age with family incomes greater than three
6 45 hundred percent of the federal poverty level.

6 46 d. Establishing criteria for determining each
6 47 applicant's eligibility to purchase health insurance
6 48 offered by the exchange, including eligibility for
6 49 premium assistance payments.

6 50 e. Collaborating with carriers to do the
7 1 following, including but not limited to:

7 2 (1) Assuring the availability of private health
7 3 insurance coverage to all Iowans by designing
7 4 solutions to issues related to guaranteed issuance of
7 5 insurance, preexisting condition exclusions,
7 6 portability, and allowable pooling and rating
7 7 classifications.

7 8 (2) Formulating principles that ensure fair and
7 9 appropriate practices related to issues involving
7 10 individual health insurance policies such as rescision
7 11 and preexisting condition clauses, and that provide
7 12 for a binding third-party review process to resolve
7 13 disputes related to such issues.

7 14 (3) Designing affordable, portable health
7 15 insurance plans that meet the needs of low-income
7 16 populations.

7 17 5. The exchange shall conduct a study of pharmacy

7 18 benefits managers in the state to review all of the
7 19 following:

7 20 a. Transparency and disclosure arrangements
7 21 between pharmacy benefits managers and covered
7 22 entities.

7 23 b. Confidentiality protections for information
7 24 disclosed to covered entities and remedies for
7 25 unauthorized disclosure.

7 26 c. The ability of covered entities to audit
7 27 pharmacy benefits managers.

7 28 d. Appropriate remedies for covered entities to
7 29 enforce a provision of or for a violation of a
7 30 provision of chapter 510B.

7 31 6. The exchange shall make recommendations for
7 32 uniform insurance applications, uniform billing and
7 33 coding procedures in Iowa choice plans, and other
7 34 standardized administrative procedures that make the
7 35 purchase of insurance easier and lower administrative
7 36 costs for all health insurance that is sold in the
7 37 state.

7 38 7. The exchange shall study the ramifications of
7 39 requiring each employer with more than ten employees
7 40 in the state to adopt and maintain a cafeteria plan
7 41 that satisfies section 125 of the federal Internal
7 42 Revenue Code of 1986, and the rules adopted by the
7 43 exchange.

7 44 8. The exchange shall operate a health insurance
7 45 service center that collects and distributes
7 46 information to consumers about all health insurance
7 47 policies, contracts, and plans available in the state
7 48 and provides information to eligible Iowans about the
7 49 exchange.

7 50 9. The exchange shall establish criteria for
8 1 insurance producers licensed under chapter 522B to
8 2 sell private health care coverage offered through the
8 3 exchange, including the amount of commission which may
8 4 be earned for sales of such coverage.

8 5 10. The exchange shall provide for an exemption
8 6 from any health benefit coverage requirements of this
8 7 chapter that conflict with a person's genuine and
8 8 sincerely held religious belief.>

8 9 #9. By striking page 22, line 34, through page 25,
8 10 line 23, and inserting the following:

8 11 <Sec. _____. NEW SECTION. 514M.10 COMPREHENSIVE
8 12 HEALTH CARE COVERAGE PLAN == IMPLEMENTATION.

8 13 1. The comprehensive health care coverage plan
8 14 developed by the exchange pursuant to section 514M.6
8 15 shall be provided to the commissioner for review and
8 16 recommendations and shall then be forwarded along with
8 17 such recommendations to the general assembly no later
8 18 than February 15, 2010.

8 19 2. The comprehensive health care coverage plan
8 20 shall become effective upon approval by the general
8 21 assembly.

8 22 3. Upon approval by the general assembly, the
8 23 comprehensive health care coverage plan shall be
8 24 implemented by the board by rules adopted pursuant to
8 25 chapter 17A. The administrative rules review
8 26 committee shall provide oversight of the rules through
8 27 the administrative rulemaking process.>

8 28 #10. Page 27, by inserting after line 12, the
8 29 following:

8 30 <Sec. _____. EFFECTIVE DATE. This division of this
8 31 Act, being deemed of immediate importance, takes
8 32 effect upon enactment.>

8 33 #11. Page 28, by inserting after line 31, the
8 34 following:

8 35 <Sec. _____. NEW SECTION. 514B.9A COVERAGE OF
8 36 CHILDREN == CONTINUATION OR REENROLLMENT.

8 37 A health maintenance organization which provides
8 38 health care coverage pursuant to an individual or
8 39 group health maintenance organization contract
8 40 regulated under this chapter for children of an
8 41 enrollee shall permit continuation of existing
8 42 coverage or reenrollment in previously existing
8 43 coverage for an unmarried child of an enrollee who so
8 44 elects, at least through the policy anniversary date
8 45 on or after the date the child marries, ceases to be a
8 46 resident of this state, or attains the age of
8 47 twenty-five years old, whichever occurs first, or so
8 48 long as the unmarried child maintains full-time status

8 49 as a student in an accredited institution of
8 50 postsecondary education.>
9 1 [#12](#). Page 28, line 34, by inserting after the
9 2 figure <2,> the following: <and enacting section
9 3 514B.9A,>.
9 4 [#13](#). By renumbering as necessary.
9 5
9 6
9 7
9 8 JACK HATCH
9 9 SF 389.701 83
9 10 av/rj/22556