



Fiscal Note

Fiscal Services Division



[SF 2455](#) – Non-Network Medical Billing (LSB6871SV)

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Fiscal Note Version – New

Description

[Senate File 2455](#) relates to insurance coverage for emergency services, reimbursement for out-of-network providers, and complicating factors, and does the following:

- Requires policies, contracts, and plans that provide for third-party payment or prepayment of medical expenses to provide coverage for health care services provided to a covered person by an out-of-network provider in any of the following circumstances:
 - The health care services are emergency services.
 - The health care services were provided at a participating facility, and the covered person did not have the ability or opportunity to receive the services from a participating provider.
- Includes exceptions for the uniformity of treatment requirements in Iowa Code section [514C.6](#).
- Requires an out-of-network provider to submit claims to the covered person's health carrier within 60 days of providing the service.
- Requires, within 60 days of receiving a claim, the covered person's health carrier to reimburse the out-of-network provider with the greater amount of the following:
 - The median amount that would have been paid to a participating provider who practices in the same specialty as the out-of-network provider for providing the same health care services, excluding any cost sharing.
 - 150.0% of the most recently published federal Centers for Medicare and Medicaid Services (CMS) fee schedule for the health care services provided by the out-of-network provider, excluding any cost sharing.
- Authorizes out-of-network providers who provide health care services that involve complicating factors, as defined in the Bill, to submit a claim for reimbursement in addition to the amounts permitted above. Includes additional documentation requirements.
- Requires health carriers, within 30 days of receiving a claim for additional reimbursement from an out-of-network provider, to pay an additional 25.0% of the amount paid on the initial claim or to issue a denial and explain the basis for the denial.
- Authorizes an out-of-network provider whose claim for additional reimbursement has been denied by a health carrier to file with the Iowa Insurance Commissioner a request for binding arbitration.
- Provides additional requirements for arbitration related to notification, the selection of arbitrator, documentation, factors for consideration, timeline, and the even split of arbitration costs between the carrier and the provider.
- Authorizes the Commissioner to adopt administrative rules to administer the Bill.

The Bill is applicable to specified classes of third-party payment provider contracts, policies, and plans delivered, issued for delivery, continued, or renewed beginning January 1, 2027.

Background

Senate File 2455 is estimated to affect approximately 25.6% of the population of Iowa (829,000 people). This includes individual coverage, fully insured small and large employer groups, self-insured public employees, and the State of Iowa plan.

Of the individuals not covered by the mandate, approximately 42.9% are covered by government-sponsored health insurance; 26.7% are covered by employer coverage, which is governed by the federal [Employee Retirement Income Security Act of 1974 \(ERISA\)](#); and the remaining 4.8% are uninsured. Additional details are presented in **Figure 1**.

Figure 1 — Population Covered by Insurance Plans Regulated by Iowa Law

Type of Coverage	Iowa Population	Percent of Population
Total Population 2024	3,241,488	100.0%
Included in Mandate		
Individual Coverage	143,597	4.4%
Fully Insured Small Employer Group	129,342	4.0%
Fully Insured Large Employer Group	286,029	8.8%
Self-Insured Public Employees*	215,000	6.6%
State of Iowa Plan	55,000	1.7%
Total	828,968	25.6%
Not Included in Mandate		
Employer (self-insured + other types not listed)	864,752	26.7%
Uninsured	156,600	4.8%
Other Public (Military, Tricare, Veterans Affairs)	24,100	0.7%
Medicare	685,671	21.2%
Medicaid + Children's Health Insurance Plan	681,397	21.0%
Total	2,412,520	74.4%

Totals may not sum due to rounding

Sources: Iowa Insurance Division and Wellmark

**Represents total population 2020*

Membership by health insurance plan in CY 2025 is shown in **Figure 2**. The State of Iowa membership was provided by Wellmark, and the Board of Regents (BOR) universities' membership was provided by the BOR.

Figure 2 — CY 2025 Membership by Plan

Insurance Plan	Membership
State University of Iowa	53,597
Iowa State University	23,825
University of Northern Iowa	3,756
University Total	81,178
State of Iowa	58,403
Total	139,581

Assumptions

- According to Wellmark, the projected range of impact to the State of Iowa plan is approximately \$0.30 to \$0.60 per member, per month (PMPM).
- According to the BOR, the midpoint of the projected range of impact to the BOR universities' plans is \$0.45 PMPM.
- The number of members in each plan will remain at the CY 2025 plan level.
- A midpoint estimate of \$0.45 PMPM is appropriate for each plan.

Fiscal Impact

Senate File 2455 is estimated to increase costs to the State of Iowa and the BOR universities' health plans by \$0.45 PMPM beginning January 1, 2027.

The costs are expected to begin in FY 2028, with an estimated cost of \$158,000 to the State of Iowa plan. The total cost to the BOR universities' plans in FY 2028 is estimated to be \$219,000, which includes \$145,000 to the University of Iowa (SUI) plan, \$64,000 to the Iowa State University (ISU) plan, and \$10,000 to the University of Northern Iowa (UNI) plan.

The annual impact of SF 2455, beginning in FY 2029, is estimated to be an increase in costs of \$315,000 to the State of Iowa plan. The total annual cost to the BOR universities' plans beginning in FY 2029 is estimated to be \$438,000, which includes \$289,000 to the SUI plan, \$129,000 to the ISU plan, and \$20,000 to the UNI plan.

Sources

Board of Regents
Department of Administrative Services
Iowa Insurance Division
Wellmark

/s/ Jennifer Acton

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The Fiscal Note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this Fiscal Note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
