

**HF2539, DIVISION III, IOWA CHOICE HEALTH CARE AND ADVISORY COUNCIL**

This bill division establishes an Iowa Choice Health Care Coverage Advisory Council to assist the Iowa Comprehensive Health Insurance Association with developing a comprehensive health care coverage plan. This includes, but is not limited to, a definition of what constitutes qualified health care coverage, suggestions for the design of health care coverage options, and implementation of a health care coverage reporting requirement. Membership includes the two most recent former governors, 7 members appointed by the director of IDPH, the Insurance Commissioner and the directors of DHS and IDPH, and 4 legislators as ex officio, nonvoting members. The association, in consultation with the advisory council, shall develop a comprehensive health care coverage plan to cover all children. The association shall consider the use and modification of existing public programs (Medicaid, *hawk-i, hawk-i* Expansion).

The plan shall also consider and recommend options to provide access to private, unsubsidized coverage to children less than 19 years of age with family income greater than 300% FPL and to adults and families not otherwise eligible for coverage through public programs. The plan is due to the Governor and General Assembly by December 15, 2008 and requires approval by the 2009 General Assembly before funding is appropriated.

The legislative language as included in HF2539 is reprinted in its entirety below.

10 10 DIVISION III  
 10 11 IOWA CHOICE HEALTH CARE COVERAGE  
 10 12 AND ADVISORY COUNCIL  
 10 13 Sec. 17. Section 514E.1, Code 2007, is amended by adding  
 10 14 the following new subsections:  
 10 15 NEW SUBSECTION. 14A. "Iowa choice health care coverage  
 10 16 advisory council" or "advisory council" means the advisory  
 10 17 council created in section 514E.6.  
 10 18 NEW SUBSECTION. 21. "Qualified health care coverage"  
 10 19 means creditable coverage which meets minimum standards of  
 10 20 quality and affordability as determined by the association by  
 10 21 rule.  
 10 22 Sec. 18. Section 514E.2, subsection 3, unnumbered  
 10 23 paragraph 1, Code 2007, is amended to read as follows:  
 10 24 The association shall submit to the commissioner a plan of  
 10 25 operation for the association and any amendments necessary or  
 10 26 suitable to assure the fair, reasonable, and equitable  
 10 27 administration of the association. The plan of operation  
 10 28 shall include provisions for the development of a  
 10 29 comprehensive health care coverage plan as provided in section  
 10 30 514E.5. In developing the comprehensive plan the association

10 31 shall give deference to the recommendations made by the  
10 32 advisory council as provided in section 514E.6, subsection 1.  
10 33 The association shall approve or disapprove but shall not  
10 34 modify recommendations made by the advisory council.

10 35 Recommendations that are approved shall be included in the  
11 1 plan of operation submitted to the commissioner.  
11 2 Recommendations that are disapproved shall be submitted to the  
11 3 commissioner with reasons for the disapproval. The plan of  
11 4 operation becomes effective upon approval in writing by the  
11 5 commissioner prior to the date on which the coverage under  
11 6 this chapter must be made available. After notice and  
11 7 hearing, the commissioner shall approve the plan of operation  
11 8 if the plan is determined to be suitable to assure the fair,  
11 9 reasonable, and equitable administration of the association,  
11 10 and provides for the sharing of association losses, if any, on  
11 11 an equitable and proportionate basis among the member  
11 12 carriers. If the association fails to submit a suitable plan  
11 13 of operation within one hundred eighty days after the  
11 14 appointment of the board of directors, or if at any later time  
11 15 the association fails to submit suitable amendments to the  
11 16 plan, the commissioner shall adopt, pursuant to chapter 17A,  
11 17 rules necessary to implement this section. The rules shall  
11 18 continue in force until modified by the commissioner or  
11 19 superseded by a plan submitted by the association and approved  
11 20 by the commissioner. In addition to other requirements, the  
11 21 plan of operation shall provide for all of the following:

11 22 Sec. 19. NEW SECTION. 514E.5 IOWA CHOICE HEALTH CARE  
11 23 COVERAGE.

11 24 1. The association, in consultation with the Iowa choice  
11 25 health care coverage advisory council, shall develop a  
11 26 comprehensive health care coverage plan to provide health care  
11 27 coverage to all children without such coverage, that utilizes  
11 28 and modifies existing public programs including the medical  
11 29 assistance program, hawk=i program, and hawk=i expansion  
11 30 program, and to provide access to private unsubsidized,  
11 31 affordable, qualified health care coverage to children who are  
11 32 not otherwise eligible for health care coverage through public  
11 33 programs.

11 34 2. The comprehensive plan developed by the association and  
11 35 the advisory council, shall also consider and recommend  
12 1 options to provide access to private unsubsidized, affordable,  
12 2 qualified health care coverage to all Iowa children less than  
12 3 nineteen years of age with a family income that is more than  
12 4 three hundred percent of the federal poverty level and to  
12 5 adults and families who are not otherwise eligible for health  
12 6 care coverage through public programs.

12 7 3. As part of the comprehensive plan developed, the  
12 8 association, in consultation with the advisory council, shall  
12 9 define what constitutes qualified health care coverage for  
12 10 children less than nineteen years of age. For the purposes of  
12 11 this definition and for designing health care coverage options  
12 12 for children, the association, in consultation with the  
12 13 advisory council, shall recommend the benefits to be included  
12 14 in such coverage and shall explore the value of including  
12 15 coverage for the treatment of mental and behavioral disorders.  
12 16 The association and the advisory council shall perform a cost  
12 17 analysis as part of their consideration of benefit options.

12 18 The association and the advisory council shall also consider  
12 19 whether to include coverage of the following benefits:

12 20 a. Inpatient hospital services including medical,  
12 21 surgical, intensive care unit, mental health, and substance  
12 22 abuse services.

12 23 b. Nursing care services including skilled nursing  
12 24 facility services.

12 25 c. Outpatient hospital services including emergency room,  
12 26 surgery, lab, and x-ray services and other services.

12 27 d. Physician services, including surgical and medical,  
12 28 office visits, newborn care, well=baby and well=child care,  
12 29 immunizations, urgent care, specialist care, allergy testing  
12 30 and treatment, mental health visits, and substance abuse  
12 31 visits.

12 32 e. Ambulance services.

12 33 f. Physical therapy.

12 34 g. Speech therapy.

12 35 h. Durable medical equipment.

13 1 i. Home health care.

13 2 j. Hospice services.

13 3 k. Prescription drugs.

13 4 l. Dental services including preventive services.

13 5 m. Medically necessary hearing services.

13 6 n. Vision services including corrective lenses.

13 7 o. No underwriting requirements and no preexisting  
13 8 condition exclusions.

13 9 p. Chiropractic services.

13 10 4. As part of the comprehensive plan developed, the  
13 11 association, in consultation with the advisory council, shall  
13 12 consider and recommend affordable health care coverage options  
13 13 for purchase for children less than nineteen years of age with  
13 14 a family income that is more than three hundred percent of the  
13 15 federal poverty level, with the goal of including health care  
13 16 coverage options for which the contribution requirement for  
13 17 all cost=sharing expenses is no more than two percent of  
13 18 family income per each child covered, up to a maximum of six  
13 19 and one=half percent of family income per family. The  
13 20 association, in consultation with the advisory council, shall  
13 21 also consider and recommend whether such health care coverage  
13 22 options should require a copayment for services received in an  
13 23 amount determined by the association.

13 24 5. As part of the comprehensive plan, the association, in  
13 25 consultation with the advisory council, shall define what  
13 26 constitutes qualified health care coverage for adults and  
13 27 families who are not eligible for a public program. The  
13 28 association, in consultation with the advisory council, shall  
13 29 develop and recommend affordable health care coverage options  
13 30 for purchase by such adults and families that provide a  
13 31 selection of health benefit plans and standardized benefits  
13 32 with the goal of including health care coverage options for  
13 33 which the contribution requirement for all cost=sharing  
13 34 expenses is no more than six and one=half percent of family  
13 35 income.

14 1 6. As part of the comprehensive plan the association and  
14 2 the advisory council may collaborate with health insurance  
14 3 carriers to do the following, including but not limited to:

14 4 a. Design solutions to issues relating to guaranteed

14 5 issuance of insurance, preexisting condition exclusions,  
14 6 portability, and allowable pooling and rating classifications.

14 7 b. Formulate principles that ensure fair and appropriate  
14 8 practices relating to issues involving individual health care  
14 9 policies such as rescission and preexisting condition clauses,  
14 10 and that provide for a binding third-party review process to  
14 11 resolve disputes related to such issues.

14 12 c. Design affordable, portable health care coverage  
14 13 options for low-income children, adults, and families.

14 14 d. Design a proposed premium schedule for health care  
14 15 coverage options that are recommended which includes the  
14 16 development of rating factors that are consistent with market  
14 17 conditions.

14 18 e. Design protocols to limit the transfer from  
14 19 employer-sponsored or other private health care coverage to  
14 20 state-developed health care coverage plans.

14 21 7. The association shall submit the comprehensive plan  
14 22 required by this section to the governor and the general  
14 23 assembly by December 15, 2008. The appropriations to cover  
14 24 children under the medical assistance, hawk=i, and hawk=i  
14 25 expansion programs as provided in this Act and to provide  
14 26 related outreach for fiscal year 2009=2010 and fiscal year  
14 27 2010=2011 are contingent upon enactment of a comprehensive  
14 28 plan during the 2009 regular session of the Eighty-third  
14 29 General Assembly that provides health care coverage for all  
14 30 children in the state. Enactment of a comprehensive plan  
14 31 shall include a determination of what the prospects are of  
14 32 federal action which may impact the comprehensive plan and the  
14 33 fiscal impact of the comprehensive plan on the state budget.

14 34 Sec. 20. NEW SECTION. 514E.6 IOWA CHOICE HEALTH CARE  
14 35 COVERAGE ADVISORY COUNCIL.

15 1 1. The Iowa choice health care coverage advisory council  
15 2 is created for the purpose of assisting the association with  
15 3 developing a comprehensive health care coverage plan as  
15 4 provided in section 514E.5. The advisory council shall make  
15 5 recommendations concerning the design and implementation of  
15 6 the comprehensive plan including but not limited to a  
15 7 definition of what constitutes qualified health care coverage,  
15 8 suggestions for the design of health care coverage options,  
15 9 and implementation of a health care coverage reporting  
15 10 requirement.

15 11 2. The advisory council consists of the following persons  
15 12 who are voting members unless otherwise provided:

15 13 a. The two most recent former governors, or if one or both  
15 14 of them are unable or unwilling to serve, a person or persons  
15 15 appointed by the governor.

15 16 b. Seven members appointed by the director of public  
15 17 health:

15 18 (1) A representative of the federation of Iowa insurers.

15 19 (2) A health economist who resides in Iowa.

15 20 (3) Two consumers, one of whom shall be a representative  
15 21 of a children's advocacy organization and one of whom shall be  
15 22 a member of a minority.

15 23 (4) A representative of organized labor.

15 24 (5) A representative of an organization of employers.

15 25 (6) A representative of the Iowa association of health  
15 26 underwriters.

15 27 c. The following members shall be ex officio, nonvoting  
15 28 members of the council:

15 29 (1) The commissioner of insurance, or a designee.

15 30 (2) The director of human services, or a designee.

15 31 (3) The director of public health, or a designee.

15 32 (4) Four members of the general assembly, one appointed by  
15 33 the speaker of the house of representatives, one appointed by  
15 34 the minority leader of the house of representatives, one  
15 35 appointed by the majority leader of the senate, and one  
16 1 appointed by the minority leader of the senate.

16 2 3. The members of the council appointed by the director of  
16 3 public health shall be appointed for terms of six years  
16 4 beginning and ending as provided in section 69.19. Such a  
16 5 member of the board is eligible for reappointment. The  
16 6 director shall fill a vacancy for the remainder of the  
16 7 unexpired term.

16 8 4. The members of the council shall annually elect one  
16 9 voting member as chairperson and one as vice chairperson.  
16 10 Meetings of the council shall be held at the call of the  
16 11 chairperson or at the request of a majority of the council's  
16 12 members.

16 13 5. The members of the council shall not receive  
16 14 compensation for the performance of their duties as members  
16 15 but each member shall be paid necessary expenses while engaged  
16 16 in the performance of duties of the council. Any legislative  
16 17 member shall be paid the per diem and expenses specified in  
16 18 section 2.10.

16 19 6. The members of the council are subject to and are  
16 20 officials within the meaning of chapter 68B.