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MAR 22 1989

HOUSE FILE 729

BY COMMITTEE ON SMALL BUSINESS AND  
COMMERCE

Place On Calendar

(SUCCESSOR TO HF 339)

Passed House, Date 3-30-89 (p.115) Passed Senate, Date \_\_\_\_\_  
Vote: Ayes 97 Nays 0 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to insurance coverage for health care services,  
2 requiring that coverage be made available for care provided by  
3 certain registered nurses, providing for direct payment,  
4 modifying provisions relating to preferred providers, and  
5 providing for data collection and utilization review.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 729

1 Section 1. Section 145.3, subsection 3, paragraph h, Code  
2 1989, is amended to read as follows:

3 h. The commissioner of insurance and the director of  
4 public health require the collection of physicians and  
5 registered nurses billing information from third-party payers  
6 and self-insurers as specified by the health data commission  
7 ~~by July 1, 1986~~. This billing information shall be collected  
8 for physicians as defined by section 135.1 and for registered  
9 nurses licensed under chapter 152. The collection,  
10 correlation, and development of this data shall include, but  
11 not be limited to, information and reports covering the  
12 physician designations as defined in section 135.1 and  
13 registered nurses licensed under chapter 152 and shall be made  
14 available annually.

15 Sec. 2. Section 509.3, Code 1989, is amended by adding the  
16 following new subsection:

17 NEW SUBSECTION. 8. A provision shall be made available to  
18 policyholders, under group policies covering hospital,  
19 medical, or surgical expenses, for payment of covered services  
20 determined to be medically necessary provided by registered  
3014-21 nurses certified by a national certifying organization if the  
22 services are within the practice of the profession of a  
23 registered nurse as that practice is defined in section 152.1,  
24 under terms and conditions agreed upon between the insurer and  
25 the policyholder, subject to utilization controls. This  
26 subsection shall not require payment for nursing services  
27 provided by a certified nurse practicing in a hospital,  
28 nursing facility, health care institution, physician's office,  
29 or other noninstitutional setting if the certified nurse is an  
30 employee of the hospital, nursing facility, health care  
31 institution, physician, or other health care facility or  
32 health care provider. This subsection applies to group  
33 policies delivered or issued for delivery in this state on or  
34 after July 1, 1989, and to existing group policies on their  
35 next anniversary or renewal dates, or upon expiration of the

1 applicable collective bargaining contract, if any, whichever  
2 is later. This subsection does not apply to blanket, short-  
3 term travel, accident only, limited or specified disease, or  
4 individual or group conversion policies, policies rated on a  
5 community basis, or policies designed only for issuance to  
6 persons for eligible coverage under Title XVIII of the federal  
7 Social Security Act, or any other similar coverage under a  
8 state or federal government plan.

9 Sec. 3. Section 514.7, Code 1989, is amended by adding the  
10 following new unnumbered paragraph:

3014 11 NEW UNNUMBERED PARAGRAPH. A provision shall be available  
12 in approved contracts with hospital and medical service  
13 corporate subscribers under group subscriber contracts or  
14 plans covering medical and surgical service, for payment of  
15 covered services provided by certified registered nurses  
16 certified by a national certifying organization if the  
17 services are within the practice of the profession of a  
18 registered nurse as that practice is defined in section 152.1,  
19 under terms and conditions agreed upon between the corporation  
20 and subscriber group, subject to utilization controls. This  
21 paragraph shall not require payment for nursing services  
22 provided by a certified registered nurse practicing in a  
23 hospital, nursing facility, health care institution, a  
24 physician's office, or other noninstitutional setting if the  
25 certified registered nurse is an employee of the hospital,  
26 nursing facility, health care institution, physician, or other  
27 health care facility or health care provider. This paragraph  
28 applies to group subscriber contracts delivered in this state  
29 on or after July 1, 1989, and to group subscriber contracts on  
30 their anniversary or renewal date, or upon the expiration of  
31 the applicable collective bargaining contract, if any,  
32 whichever is the later. This paragraph does not apply to  
33 limited or specified disease or individual contracts or  
34 contracts designed only for issuance to subscribers eligible  
35 for coverage under Title XVIII of the federal Social Security

1 Act, contracts which are rated on a community basis, or any  
2 other similar coverage under a state or federal government  
3 plan.

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4 Sec. 4. Section 514B.1, subsection 2, Code 1989, is  
5 amended by adding the following new unnumbered paragraph:

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6 NEW UNNUMBERED PARAGRAPH. The health care services  
7 available to enrollees under prepaid group plans covering  
8 hospital, medical, or surgical expenses, may include, at the  
9 option of the employer purchaser, a provision for payment of  
10 covered services provided by a certified registered nurse  
11 certified by a national certifying organization if the  
12 services are within the practice of the profession of a  
13 registered nurse as that practice is defined in section 152.1,  
14 under terms and conditions agreed upon between the employer  
15 purchaser and the health maintenance organization, subject to  
16 utilization controls. This paragraph shall not require  
17 payment for nursing services provided by a certified  
18 registered nurse practicing in a hospital, nursing facility,  
19 health care institution, a physician's office, or other  
20 noninstitutional setting if the certified registered nurse is  
21 an employee of the hospital, nursing facility, health care  
22 institution, physician, or other health care facility or  
23 health care provider. This paragraph applies to services  
24 provided under plans within this state made on or after July  
25 1, 1989, and to existing group plans on their next anniversary  
26 or renewal date, or upon the expiration of the applicable  
27 collective bargaining contract, if any, whichever is later.  
28 This paragraph does not apply to enrollees eligible for  
29 coverage under an individual contract or coverage designed  
30 only for issuance to enrollees eligible for coverage under  
31 Title XVIII of the federal Social Security Act, or under  
32 coverage which is rated on a community basis, or any other  
33 similar coverage under a state or federal government plan.

34 Sec. 5. Section 514F.1, Code 1989, is amended to read as  
35 follows:

1 514F.1 UTILIZATION AND COST CONTROL REVIEW COMMITTEES.

2 The boards of examiners under chapters 148, 149, 150, 150A,  
3 151, 152, and 153 shall establish utilization and cost control  
4 review committees of licensees under the respective chapters,  
5 selected from licensees who have practiced in Iowa for at  
6 least the previous five years, or shall accredit and designate  
7 other utilization and cost control organizations as  
8 utilization and cost control committees under this section,  
9 for the purposes of utilization review of the appropriateness  
10 of levels of treatment and of giving opinions as to the  
11 reasonableness of charges for diagnostic or treatment services  
12 of licensees. Persons governed by the various chapters of  
13 Title XX of the Code and self-insurers for health care  
14 benefits to employees may utilize the services of the  
15 utilization and cost control review committees upon the  
16 payment of a reasonable fee for the services, to be determined  
17 by the respective boards of examiners. The respective boards  
18 of examiners under chapters 148, 149, 150, 150A, 151, 152, and  
19 153 shall adopt rules necessary and proper for the  
20 implementation of this section pursuant to chapter 17A. It is  
21 the intent of this general assembly that conduct of the  
22 utilization and cost control review committees authorized  
23 under this section shall be exempt from challenge under  
24 federal or state antitrust laws or other similar laws in  
25 regulation of trade or commerce.

26 Sec. 6. Section 514F.3, Code 1989, is amended to read as  
27 follows:

28 514F.3 PREFERRED PROVIDERS.

29 The commissioner of insurance shall adopt rules for  
30 preferred provider contracts and organizations, both those  
31 that limit choice of specific provider and those that do not.  
32 The rules adopted shall include, but not be limited to, the  
33 following subjects: preferred provider arrangements and  
34 participation requirements, health benefit plans, and civil  
35 penalties. The rules shall require that any group preferred

1 provider arrangement shall include the same benefits that are  
2 covered by insurers under section 509.3, nonprofit health  
3 service corporations under section 514.7, and health  
4 maintenance organizations under section 514B.1.

5 EXPLANATION

6 This bill provides that all group health insurance policies  
7 under chapter 509, group subscriber contracts and plans of  
8 nonprofit health service corporations under chapter 514, and  
9 prepaid group plans of health maintenance organizations under  
10 chapter 514B must make available a provision for payment for  
11 covered health care services determined to be medically  
12 necessary provided by a registered nurse if the services are  
13 within the scope of practice of a registered nurse.  
14 Provisions relating to data collection and utilization and  
15 cost control review are expanded to include registered nurses.  
16 The bill amends the rulemaking requirements of the  
17 commissioner of insurance relating to preferred provider  
18 contracts and organizations.

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## HOUSE FILE 729

H-3614

Amend House File 729 as follows:

1. Page 1, line 21, by inserting after the word "organization" the following: ", which organization shall be identified by the Iowa board of nursing pursuant to rules adopted by the board,".
2. Page 2, line 15, by inserting after the word "services" the following: "determined to be medically necessary".
3. Page 2, line 16, by inserting after the word "organization" the following: ", which organization shall be identified by the Iowa board of nursing pursuant to rules adopted by the board,".
4. Page 3, by inserting after line 3 the following:

"Sec. \_\_\_\_ . Section 514.21, Code 1989, is amended to read as follows:  
514.21 UTILIZATION REVIEW PROGRAM.  
A utilization review program shall be established for purposes of health care cost control, according to usual and customary third-party insurance payment or reimbursement procedures, by a corporation subject to this chapter and by physician providers as defined in section 135.1 and registered nurse providers licensed under chapter 152. This utilization review program shall not be used directly or indirectly to circumvent the provisions for payment or reimbursement to providers of health care services as provided in section 509.3, subsection subsections 7 and 8, and section 514.7."
5. Page 3, line 10, by inserting after the word "services" the following: "determined to be medically necessary".
6. Page 3, line 11, by inserting after the word "organization" the following: ", which organization shall be identified by the Iowa board of nursing pursuant to rules adopted by the board,".

By DVORSKY of Johnson

H-3614 FILED MARCH 27, 1989

Adopted 3-30-89 (p. 1115)

HOUSE FILE 729

BY COMMITTEE ON SMALL BUSINESS AND  
COMMERCE

(SUCCESSOR TO HF 339)

(As Amended and Passed by the House March 30, 1989)

Re Passed House, Date 4-20-89 (p.1754) Passed Senate, Date 4-11-89 (p.1359)  
Vote: Ayes 92 Nays 1 Vote: Ayes 45 Nays 2  
Approved May 15, 1989

*MOTION TO RECONSIDER  
4-11-89 (p.1361)  
WITHDRAWN 4-12-89  
(p.1371)*

**A BILL FOR**

1 An Act relating to insurance coverage for health care services,  
2 requiring that coverage be made available for care provided by  
3 certain registered nurses, providing for direct payment,  
4 modifying provisions relating to preferred providers, and  
5 providing for data collection and utilization review.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

**HOUSE FILE 729**

**S-3572**

- 1 Amend House File 729 as amended, passed and
  - 2 reprinted by the House, as follows:
  - 3 1. Page 5, by striking lines 10 through 23.
- By WALLY HORN

S-3572 FILED APRIL 6, 1989  
*Adopted 4-11-89 (p.1358)*

**SENATE AMENDMENT TO HOUSE FILE 729**

**H-3990**

- 1 Amend House File 729 as amended, passed and
- 2 reprinted by the House, as follows:
- 3 1. Page 5, by striking lines 10 through 23.

RECEIVED FROM THE SENATE

**H-3990 FILED APRIL 12, 1989**

*House concurred 4-20-89 (p.1754)*

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3 h. The commissioner of insurance and the director of  
4 public health require the collection of physicians and  
5 registered nurses billing information from third-party payers  
6 and self-insurers as specified by the health data commission  
7 ~~by July 1, 1986~~. This billing information shall be collected  
8 for physicians as defined by section 135.1 and for registered  
9 nurses licensed under chapter 152. The collection,  
10 correlation, and development of this data shall include, but  
11 not be limited to, information and reports covering the  
12 physician designations as defined in section 135.1 and  
13 registered nurses licensed under chapter 152 and shall be made  
14 available annually.

15 Sec. 2. Section 509.3, Code 1989, is amended by adding the  
16 following new subsection:

17 NEW SUBSECTION. 8. A provision shall be made available to  
18 policyholders, under group policies covering hospital,  
19 medical, or surgical expenses, for payment of covered services  
20 determined to be medically necessary provided by registered  
21 nurses certified by a national certifying organization, which  
22 organization shall be identified by the Iowa board of nursing  
23 pursuant to rules adopted by the board, if the services are  
24 within the practice of the profession of a registered nurse as  
25 that practice is defined in section 152.1, under terms and  
26 conditions agreed upon between the insurer and the  
27 policyholder, subject to utilization controls. This  
28 subsection shall not require payment for nursing services  
29 provided by a certified nurse practicing in a hospital,  
30 nursing facility, health care institution, physician's office,  
31 or other noninstitutional setting if the certified nurse is an  
32 employee of the hospital, nursing facility, health care  
33 institution, physician, or other health care facility or  
34 health care provider. This subsection applies to group  
35 policies delivered or issued for delivery in this state on or

1 after July 1, 1989, and to existing group policies on their  
2 next anniversary or renewal dates, or upon expiration of the  
3 applicable collective bargaining contract, if any, whichever  
4 is later. This subsection does not apply to blanket, short-  
5 term travel, accident only, limited or specified disease, or  
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7 community basis, or policies designed only for issuance to  
8 persons for eligible coverage under Title XVIII of the federal  
9 Social Security Act, or any other similar coverage under a  
10 state or federal government plan.

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19 providers of health care services as provided in section  
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21 Sec. 5. Section 514B.1, subsection 2, Code 1989, is  
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34 upon between the employer purchaser and the health maintenance  
35 organization, subject to utilization controls. This paragraph

1 shall not require payment for nursing services provided by a  
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6 care institution, physician, or other health care facility or  
7 health care provider. This paragraph applies to services  
8 provided under plans within this state made on or after July  
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10 or renewal date, or upon the expiration of the applicable  
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28 for the purposes of utilization review of the appropriateness  
29 of levels of treatment and of giving opinions as to the  
30 reasonableness of charges for diagnostic or treatment services  
31 of licensees. Persons governed by the various chapters of  
32 Title XX of the Code and self-insurers for health care  
33 benefits to employees may utilize the services of the  
34 utilization and cost control review committees upon the  
35 payment of a reasonable fee for the services, to be determined

1 by the respective boards of examiners. The respective boards  
2 of examiners under chapters 148, 149, 150, 150A, 151, 152, and  
3 153 shall adopt rules necessary and proper for the  
4 implementation of this section pursuant to chapter 17A. It is  
5 the intent of this general assembly that conduct of the  
6 utilization and cost control review committees authorized  
7 under this section shall be exempt from challenge under  
8 federal or state antitrust laws or other similar laws in  
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357210 Sec. 7. Section 514F.3, Code 1989, is amended to read as  
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17 following subjects: preferred provider arrangements and  
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19 penalties. The rules shall require that any group preferred  
20 provider arrangement shall include the same benefits that are  
21 covered by insurers under section 509.3, nonprofit health  
22 service corporations under section 514.7, and health  
23 maintenance organizations under section 514B.1.

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HOUSE FILE 729

AN ACT

RELATING TO INSURANCE COVERAGE FOR HEALTH CARE SERVICES,  
REQUIRING THAT COVERAGE BE MADE AVAILABLE FOR CARE  
PROVIDED BY CERTAIN REGISTERED NURSES, PROVIDING FOR  
DIRECT PAYMENT, MODIFYING PROVISIONS RELATING TO PRE-  
REFERRED PROVIDERS, AND PROVIDING FOR DATA COLLECTION  
AND UTILIZATION REVIEW.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 145.3, subsection 3, paragraph h, Code 1989, is amended to read as follows:

h. The commissioner of insurance and the director of public health require the collection of physicians and registered nurses billing information from third-party payers and self-insurers as specified by the health data commission by ~~July 17~~-1986. This billing information shall be collected for physicians as defined by section 135.1 and for registered nurses licensed under chapter 152. The collection, correlation, and development of this data shall include, but not be limited to, information and reports covering the physician designations as defined in section 135.1 and registered nurses licensed under chapter 152 and shall be made available annually.

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Sec. 5. Section 514B.1, subsection 2, Code 1989, is amended by adding the following new unnumbered paragraph:

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identified by the Iowa board of nursing pursuant to rules adopted by the board, if the services are within the practice of the profession of a registered nurse as that practice is defined in section 152.1, under terms and conditions agreed upon between the employer purchaser and the health maintenance organization, subject to utilization controls. This paragraph shall not require payment for nursing services provided by a certified registered nurse practicing in a hospital, nursing facility, health care institution, a physician's office, or other noninstitutional setting if the certified registered nurse is an employee of the hospital, nursing facility, health care institution, physician, or other health care facility or health care provider. This paragraph applies to services provided under plans within this state made on or after July 1, 1989, and to existing group plans on their next anniversary or renewal date, or upon the expiration of the applicable collective bargaining contract, if any, whichever is later. This paragraph does not apply to enrollees eligible for coverage under an individual contract or coverage designed only for issuance to enrollees eligible for coverage under Title XVIII of the federal Social Security Act, or under coverage which is rated on a community basis, or any other similar coverage under a state or federal government plan.

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The boards of examiners under chapters 148, 149, 150, 150A, 151, 152, and 153 shall establish utilization and cost control review committees of licensees under the respective chapters, selected from licensees who have practiced in Iowa for at least the previous five years, or shall accredit and designate other utilization and cost control organizations as utilization and cost control committees under this section, for the purposes of utilization review of the appropriateness of levels of treatment and of giving opinions as to the reasonableness of charges for diagnostic or treatment services of licensees. Persons governed by the various chapters of

Title XX of the Code and self-insurers for health care benefits to employees may utilize the services of the utilization and cost control review committees upon the payment of a reasonable fee for the services, to be determined by the respective boards of examiners. The respective boards of examiners under chapters 148, 149, 150, 150A, 151, 152, and 153 shall adopt rules necessary and proper for the implementation of this section pursuant to chapter 17A. It is the intent of this general assembly that conduct of the utilization and cost control review committees authorized under this section shall be exempt from challenge under federal or state antitrust laws or other similar laws in regulation of trade or commerce.

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 729, Seventy-third General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved May 15, 1989

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TERRY E. BRANSTAD  
Governor

**HF 729**