

See link Copy

SENATE FILE 380
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO SSB 276)

Passed Senate, ⁽⁹⁰⁵⁾ Date 3/30/93 Passed House, Date _____
Vote: Ayes 47 Nays 0 Vote: Ayes _____ Nays _____
Approved May 28, 1993

A BILL FOR

1 An Act relating to providing greater accessibility to health care
2 and health care insurance coverage and establishing pilot
3 projects.

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

SF 380

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1 Section 1. Section 96.3, Code 1993, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 10. HEALTH INSURANCE. The division shall
4 establish a program of health insurance or health care
5 coverage under a group policy or contract provided pursuant to
6 chapter 509, 514, or 514B by an underwriter for individuals
7 receiving benefits under this chapter. The individual may
8 elect to be covered by having the amount of the premium or
9 payment deducted from benefits and remitted to the
10 underwriter. The division shall adopt rules pursuant to
11 chapter 17A to implement this program.

12 Sec. 2. HEALTH INSURANCE PURCHASING COOPERATIVE PILOT
13 PROJECTS.

14 1. The commissioner of insurance shall adopt rules and a
15 licensing procedure for establishing up to three health
16 insurance purchasing cooperatives. The rules shall include,
17 at a minimum, all of the following:

18 a. Procedures to sanction voluntary agreements between
19 competitors within the service region of a health insurance
20 purchasing cooperative, upon a finding by the commissioner
21 that the agreement will improve quality, access, or
22 affordability of health care, but which agreement might be a
23 violation of antitrust laws if undertaken without government
24 direction and approval.

25 b. Procedures to assure ongoing supervision of contracts
26 sanctioned under this subsection, in order to assure that the
27 contracts do in fact improve quality, access, or
28 affordability. Approval may be withdrawn on a prospective
29 basis at the discretion of the commissioner to enforce the
30 intent to improve quality, access, or affordability.

31 c. A requirement to review the plan of operation of a
32 health insurance purchasing cooperative, and standards for
33 approval or disapproval of a plan.

34 d. A requirement that a plan of operation include
35 guaranteed access and rating practices no more restrictive

1 than those required of small group health insurers under
2 chapter 513B or 514H.

3 e. An annual report to be submitted to the general
4 assembly and the Iowa health care reform project not later
5 than February 1 of each year, describing the operations of all
6 health insurance purchasing cooperatives, and permitting
7 review of the success of health insurance purchasing
8 cooperatives in furthering the goals of improved quality,
9 access, or affordability. The report shall include any
10 recommendations on whether additional health insurance
11 purchasing cooperatives should be authorized and the manner in
12 which they should be authorized.

13 2. A health insurance purchasing cooperative operating
14 within this state shall obtain the prior approval of the
15 commissioner of insurance, except that if a health insurance
16 purchasing cooperative is operating on July 1, 1993, the
17 health insurance purchasing cooperative shall have until four
18 months after the effective date of the commissioner's rules to
19 file a plan of operation that meets the requirements
20 established in the rules.

21 Sec. 3. ORGANIZED DELIVERY SYSTEMS PILOT PROJECTS.

22 1. The director of public health shall adopt rules and a
23 licensing procedure for establishing up to three organized
24 delivery systems. The rules shall include, at a minimum, all
25 of the following:

26 a. Procedures to sanction voluntary agreements between
27 competitors within the service region of an organized delivery
28 system, upon a finding by the director that the agreement will
29 improve quality, access, or affordability of health care, but
30 which agreement might be a violation of antitrust laws if
31 undertaken without government direction and approval.

32 b. Procedures to assure ongoing supervision of contracts
33 sanctioned under this subsection, in order to assure that the
34 contracts do in fact improve quality, access, or
35 affordability. Approval may be withdrawn on a prospective

1 basis at the discretion of the director to enforce the intent
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3 c. A requirement to review the plan of operation of an
4 organized delivery system, and standards for approval or
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6 d. A requirement that a plan of operation include
7 guaranteed access and rating practices no more restrictive
8 than those required of small group health insurers under
9 chapter 513B or 514H.

10 e. A requirement that a plan of operation provide for
11 capitated payment of services.

12 f. Solvency standards to assure an organized delivery
13 system's ability to deliver promised services. Solvency
14 oversight may be conducted by the division of insurance under
15 an agreement with the Iowa department of public health, with
16 examination fees paid as provided for health maintenance
17 organizations.

18 g. An annual report to be submitted to the general
19 assembly and the Iowa health care reform project established
20 by the Iowa leadership consortium on health care reform not
21 later than February 1 of each year, describing the operations
22 of all organized delivery systems, and permitting review of
23 the success of organized delivery systems in furthering the
24 goals of improved quality, access, or affordability. The
25 report shall include any recommendations on whether additional
26 organized delivery systems should be authorized and the manner
27 in which they should be authorized.

28 2. An organized delivery system operating within this
29 state shall obtain the prior approval of the director, except
30 that if an organized delivery system is operating on July 1,
31 1993, the organized delivery system shall have until four
32 months after the effective date of the department's rules to
33 file a plan of operation that meets the requirements
34 established in the rules.

35 Sec. 4. EMERGENCY RULES. Pursuant to sections 1, 2, and 3

1 of this Act, the commissioner of insurance or the director of
2 public health shall adopt administrative rules under section
3 17A.4, subsection 2, and section 17A.5, subsection 2,
4 paragraph "b", to implement the provisions of this Act and the
5 rules shall become effective immediately upon filing, unless a
6 later effective date is specified in the rules. Any rules
7 adopted in accordance with the provisions of this section
8 shall also be published as notice of intended action as
9 provided in section 17A.4.

10 EXPLANATION

11 This bill amends certain provisions relating to the
12 availability and affordability of health care coverage.

13 Section 96.3 is amended to direct the division of job
14 service of the department of employment services to establish
15 a program to allow an unemployed individual to obtain group
16 health insurance or health care coverage, with the cost of the
17 coverage deducted from the individual's unemployment benefits.

18 The bill directs the commissioner of insurance to adopt
19 rules for establishing up to three health insurance purchasing
20 cooperatives as pilot projects. The rules are to include
21 procedures to sanction voluntary agreements between
22 competitors within the service region of a purchasing
23 cooperative when such agreements will improve quality, access,
24 or affordability of health care, but which might violate
25 antitrust laws if entered into without government direction
26 and approval.

27 The director of public health is directed to adopt rules
28 for establishing up to three organized delivery systems as
29 pilot projects. The rules are to include procedures to
30 sanction voluntary agreements between competitors within the
31 service region of a purchasing cooperative when such
32 agreements will improve quality, access, or affordability of
33 health care, but which might violate antitrust laws if entered
34 into without government direction and approval. A project
35 must include guaranteed access and rating practices no more

1 restrictive than those required of small group health insurers
2 under chapters 513B and 514H and must provide for capitated
3 payment of services.

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SENATE FILE 380

S-3299

- 1 Amend Senate File 380 as follows:
- 2 1. Page 3, by striking lines 10 and 11.
- 3 2. By renumbering as necessary.

By RICHARD VARN

S-3299 FILED MARCH 30, 1993

ADOPTED

*adopted 3-30-93
(p.904)*

SENATE FILE 380

S-3237

- 1 Amend Senate File 380 as follows:
- 2 1. Page 1, by striking line 16 and inserting the
- 3 following: "insurance purchasing cooperative pilot
- 4 projects. The rules shall be drafted in consultation
- 5 with the health care reform project. The rules shall
- 6 include,".
- 7 2. Page 2, by striking lines 13 through 20 and
- 8 inserting the following:
- 9 "2. Nothing in this section shall prevent the
- 10 development of any other purchasing cooperative
- 11 otherwise permitted by law."
- 12 3. Page 2, by striking line 24 and inserting the
- 13 following: "delivery system pilot projects. The
- 14 rules shall be drafted in consultation with the health
- 15 care reform project. The rules shall include, at a
- 16 minimum, all".
- 17 4. Page 3, by striking lines 28 through 34 and
- 18 inserting the following:
- 19 "2. Nothing in this section shall prevent the
- 20 development of any other health care delivery system
- 21 or provider organization otherwise permitted by law."

By RICHARD VARN

S-3237 FILED MARCH 24, 1993

*adopted
3/30/93
(p.904)*

3/31/93 House - Human Resource
4/12/93 Amend/Do Pass W/H - 3839

SENATE FILE **380**
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO SSB 276)

(AS AMENDED AND PASSED BY THE SENATE MARCH 30, 1993)

- _____ - New Language by the Senate
- * - Language Stricken by the Senate

Passed Senate, Date 4/22/93 ^(p.1533) Passed House, Date _____
 Vote: Ayes 100 Nays 0 Vote: Ayes _____ Nays _____

Repassed Senate approved May 25, 1993
 48-0 4/27/93 (p.1365)

A BILL FOR

1 An Act relating to providing greater accessibility to health care
 2 and health care insurance coverage and establishing pilot
 3 projects.

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S.F. 380

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2 the following new subsection:

3 NEW SUBSECTION. 10. HEALTH INSURANCE. The division shall
4 establish a program of health insurance or health care
5 coverage under a group policy or contract provided pursuant to
6 chapter 509, 514, or 514B by an underwriter for individuals
7 receiving benefits under this chapter. The individual may
8 elect to be covered by having the amount of the premium or
9 payment deducted from benefits and remitted to the
10 underwriter. The division shall adopt rules pursuant to
11 chapter 17A to implement this program.

12 Sec. 2. HEALTH INSURANCE PURCHASING COOPERATIVE PILOT
13 PROJECTS.

14 1. The commissioner of insurance shall adopt rules and a
15 licensing procedure for establishing up to three health
16 insurance purchasing cooperative pilot projects. The rules
17 shall be drafted in consultation with the health care reform
18 project. The rules shall include, at a minimum, all of the
19 following:

20 a. Procedures to sanction voluntary agreements between
21 competitors within the service region of a health insurance
22 purchasing cooperative, upon a finding by the commissioner
23 that the agreement will improve quality, access, or
24 affordability of health care, but which agreement might be a
25 violation of antitrust laws if undertaken without government
26 direction and approval.

27 b. Procedures to assure ongoing supervision of contracts
28 sanctioned under this subsection, in order to assure that the
29 contracts do in fact improve quality, access, or
30 affordability. Approval may be withdrawn on a prospective
31 basis at the discretion of the commissioner to enforce the
32 intent to improve quality, access, or affordability.

33 c. A requirement to review the plan of operation of a
34 health insurance purchasing cooperative, and standards for
35 approval or disapproval of a plan.

1 d. A requirement that a plan of operation include
2 guaranteed access and rating practices no more restrictive
3 than those required of small group health insurers under
4 chapter 513B or 514H.

5 e. An annual report to be submitted to the general
6 assembly and the Iowa health care reform project not later
7 than February 1 of each year, describing the operations of all
8 health insurance purchasing cooperatives, and permitting
9 review of the success of health insurance purchasing
10 cooperatives in furthering the goals of improved quality,
11 access, or affordability. The report shall include any
12 recommendations on whether additional health insurance
13 purchasing cooperatives should be authorized and the manner in
14 which they should be authorized.

15 2. Nothing in this section shall prevent the development
16 of any other purchasing cooperative otherwise permitted by
17 law.

18 Sec. 3. ORGANIZED DELIVERY SYSTEMS PILOT PROJECTS.

19 1. The director of public health shall adopt rules and a
20 licensing procedure for establishing up to three organized
21 delivery system pilot projects. The rules shall be drafted in
22 consultation with the health care reform project. The rules
23 shall include, at a minimum, all of the following:

24 a. Procedures to sanction voluntary agreements between
25 competitors within the service region of an organized delivery
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5 guaranteed access and rating practices no more restrictive
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7 chapter 513B or 514H.

* 8 e. Solvency standards to assure an organized delivery
9 system's ability to deliver promised services. Solvency
10 oversight may be conducted by the division of insurance under
11 an agreement with the Iowa department of public health, with
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15 assembly and the Iowa health care reform project established
16 by the Iowa leadership consortium on health care reform not
17 later than February 1 of each year, describing the operations
18 of all organized delivery systems, and permitting review of
19 the success of organized delivery systems in furthering the
20 goals of improved quality, access, or affordability. The
21 report shall include any recommendations on whether additional
22 organized delivery systems should be authorized and the manner
23 in which they should be authorized.

24 2. Nothing in this section shall prevent the development
25 of any other health care delivery system or provider
26 organization otherwise permitted by law.

27 Sec. 4. EMERGENCY RULES. Pursuant to sections 1, 2, and 3
28 of this Act, the commissioner of insurance or the director of
29 public health shall adopt administrative rules under section
30 17A.4, subsection 2, and section 17A.5, subsection 2,
31 paragraph "b", to implement the provisions of this Act and the
32 rules shall become effective immediately upon filing, unless a
33 later effective date is specified in the rules. Any rules
34 adopted in accordance with the provisions of this section
35 shall also be published as notice of intended action as

1 provided in section 17A.4.

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H-3839

- 1 Amend Senate File 380 as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, line 12, by striking the word "PILOT".
- 4 2. Page 1, line 15, by striking the words "up to
- 5 three".
- 6 3. Page 1, line 16, by striking the word "pilot".
- 7 4. Page 2, line 18, by striking the word "PILOT".
- 8 5. Page 2, line 20, by striking the words "up to
- 9 three".
- 10 6. Page 2, line 21, by striking the word "pilot".
- 11 7. Page 3, by striking lines 15 and 16 and
- 12 inserting the following: "assembly not".
- 13 8. Title page, line 2, by striking the word
- 14 "pilot".

adopted 4/22/93 (P.1533) By COMMITTEE ON HUMAN RESOURCES
PLASIER of Sioux, Chairperson

H-3839 FILED APRIL 12, 1993

SENATE FILE 380

H-3998

- 1 Amend Senate File 380, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 2, line 16, by inserting after the word
- 4 "other" the following: "health insurance or health
- 5 care".

By PLASIER of Sioux
HAVERLAND of Polk

H-3998 FILED APRIL 15, 1993

Adopted 4/22/93 (P.1533)

HOUSE AMENDMENT TO
SENATE FILE 380

S-3606

- 1 Amend Senate File 380 as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, line 12, by striking the word "PILOT".
- 4 2. Page 1, line 15, by striking the words "up to
- 5 three".
- 6 3. Page 1, line 16, by striking the word "pilot".
- 7 4. Page 2, line 16, by inserting after the word
- 8 "other" the following: "health insurance or health
- 9 care".
- 10 5. Page 2, line 18, by striking the word "PILOT".
- 11 6. Page 2, line 20, by striking the words "up to
- 12 three".
- 13 7. Page 2, line 21, by striking the word "pilot".
- 14 8. Page 3, by striking lines 15 and 16 and
- 15 inserting the following: "assembly not".
- 16 9. Title page, line 2, by striking the word
- 17 "pilot".
- 18 10. By renumbering, relettering, or redesignating
- 19 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-3606 FILED APRIL 23, 1993

Senate concurred 4/27/93 (p.1363)

VARN. CH.
SZYMONIAK
KRAMER

SSB 276
HUMAN RESOURCES

SENATE FILE 380
BY (PROPOSED COMMITTEE ON HUMAN
RESOURCES BILL BY CHAIR-
PERSON SZYMONIAK)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

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EXPLANATION

11 This bill amends certain provisions relating to the
12 availability and affordability of health care coverage.

13 Section 96.3 is amended to direct the division of job
14 service of the department of employment services to establish
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SENATE FILE 380

AN ACT
RELATING TO PROVIDING GREATER ACCESSIBILITY TO HEALTH CARE AND
HEALTH CARE INSURANCE COVERAGE AND ESTABLISHING PROJECTS.

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

Section 1. Section 96.3, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 10. HEALTH INSURANCE. The division shall establish a program of health insurance or health care coverage under a group policy or contract provided pursuant to chapter 509, 514, or 514B by an underwriter for individuals receiving benefits under this chapter. The individual may elect to be covered by having the amount of the premium or payment deducted from benefits and remitted to the underwriter. The division shall adopt rules pursuant to chapter 17A to implement this program.

Sec. 2. HEALTH INSURANCE PURCHASING COOPERATIVE PROJECTS.

1. The commissioner of insurance shall adopt rules and a licensing procedure for establishing health insurance purchasing cooperative projects. The rules shall be drafted in consultation with the health care reform project. The rules shall include, at a minimum, all of the following:

a. Procedures to sanction voluntary agreements between competitors within the service region of a health insurance purchasing cooperative, upon a finding by the commissioner that the agreement will improve quality, access, or affordability of health care, but which agreement might be a violation of antitrust laws if undertaken without government direction and approval.

b. Procedures to assure ongoing supervision of contracts sanctioned under this subsection, in order to assure that the contracts do in fact improve quality, access, or

affordability. Approval may be withdrawn on a prospective basis at the discretion of the commissioner to enforce the intent to improve quality, access, or affordability.

c. A requirement to review the plan of operation of a health insurance purchasing cooperative, and standards for approval or disapproval of a plan.

d. A requirement that a plan of operation include guaranteed access and rating practices no more restrictive than those required of small group health insurers under chapter 513B or 514H.

e. An annual report to be submitted to the general assembly and the Iowa health care reform project not later than February 1 of each year, describing the operations of all health insurance purchasing cooperatives, and permitting review of the success of health insurance purchasing cooperatives in furthering the goals of improved quality, access, or affordability. The report shall include any recommendations on whether additional health insurance purchasing cooperatives should be authorized and the manner in which they should be authorized.

2. Nothing in this section shall prevent the development of any other health insurance or health care purchasing cooperative otherwise permitted by law.

Sec. 3. ORGANIZED DELIVERY SYSTEMS PROJECTS.

1. The director of public health shall adopt rules and a licensing procedure for establishing organized delivery system projects. The rules shall be drafted in consultation with the health care reform project. The rules shall include, at a minimum, all of the following:

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f. An annual report to be submitted to the general assembly not later than February 1 of each year, describing the operations of all organized delivery systems, and permitting review of the success of organized delivery systems in furthering the goals of improved quality, access, or affordability. The report shall include any recommendations on whether additional organized delivery systems should be authorized and the manner in which they should be authorized.

2. Nothing in this section shall prevent the development of any other health care delivery system or provider organization otherwise permitted by law.

Sec. 4. EMERGENCY RULES. Pursuant to sections 1, 2, and 3 of this Act, the commissioner of insurance or the director of public health shall adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this Act and the

rules shall become effective immediately upon filing, unless a later effective date is specified in the rules. Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

LEONARD L. BOSWELL
President of the Senate

HAROLD VAN MAANEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 380, Seventy-fifth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved 5/25, 1993

TERRY E. BRANSTAD
Governor