

3/5/96 Referred to app

FILED MAR 4 1996

SENATE FILE 2382
BY COMMITTEE ON HUMAN RESOURCES
(SUCCESSOR TO SSB 2296)

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

A BILL FOR

1 An Act creating an Iowa healthy kids corporation for health
2 services and health coverage of children, providing a penalty,
3 and making an appropriation.

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

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S.F. 2382

1 Section 1. NEW SECTION. 514I.1 IOWA HEALTHY KIDS
2 CORPORATION ACT -- SHORT TITLE -- LEGISLATIVE INTENT.

3 1. This chapter may be cited as the "Iowa Healthy Kids
4 Corporation Act".

5 2. The general assembly finds that increased access to
6 health care services could improve children's health and
7 reduce the incidence and costs of childhood illness and
8 disabilities among children in this state. Many children do
9 not have health care services available or funded, and for
10 those who do, lack of access is a restriction to obtaining
11 such services. It is the intent of the general assembly that
12 a nonprofit corporation be organized to facilitate a program
13 to provide health care services and comprehensive health
14 benefit or insurance coverage to children. A goal for the
15 corporation created in this chapter is to cooperate with any
16 existing programs funded by either the public or private
17 sector.

18 3. For the purposes of this chapter, unless the context
19 otherwise requires:

20 a. "Board" means the Iowa healthy kids corporation board
21 of directors designated in section 514I.4.

22 b. "Corporation" means the Iowa healthy kids corporation
23 created in section 514I.2.

24 c. "Program" means the program developed by the
25 corporation in accordance with section 514I.3.

26 Sec. 2. NEW SECTION. 514I.2 IOWA HEALTHY KIDS
27 CORPORATION AUTHORIZATION.

28 1. The general assembly creates the Iowa healthy kids
29 corporation, a quasi-public nonprofit corporation which shall
30 be organized under chapter 504A. The corporation shall not be
31 regarded as a state agency. A member of the board is not
32 considered a state employee, except for purposes of chapter
33 669, relating to state tort claims. Chapters 8, 17A, 18, 19A,
34 and 20, and other provisions of law that relate to the
35 requirements or restrictions dealing with state personnel or

1 state funds, do not apply to the corporation and any employees
2 of the board or the corporation except to the extent provided
3 in this chapter. The corporation shall have all powers
4 necessary to carry out the purposes of this chapter,
5 including, but not limited to, the power to receive and accept
6 grants, loans, or advances of funds from any person and to
7 receive and accept from any source contributions of money,
8 property, labor, or any other thing of value, to be held,
9 used, and applied for the purposes of this chapter.

10 2. The corporation shall operate initially on a pilot
11 project basis to include urban and rural areas. Expansion
12 beyond the initial pilot project is subject to authorization
13 by law.

14 Sec. 3. NEW SECTION. 514I.3 IOWA HEALTHY KIDS
15 CORPORATION DUTIES.

16 The corporation shall develop a program to attain all of
17 the following objectives:

18 1. Provide comprehensive health benefits or insurance
19 coverage to children.

20 2. Arrange for the collection of any payment or premium,
21 in an amount to be determined by the corporation board of
22 directors. The payment or premium shall be collected from a
23 family of a participating child or other person to provide for
24 payment for health care services or premiums for comprehensive
25 health benefits or insurance coverage and for the actual or
26 estimated administrative expenses incurred during the period
27 for which the payments are made. The amount of payment or
28 premium charged shall be based on the ability of the family of
29 a child to pay. The board shall provide for adjustment of the
30 amount charged to reflect contributions, public subsidy, or
31 other means used to defray the amount charged.

32 3. Establish administrative and accounting procedures for
33 the operation of the corporation.

34 4. Establish, in consultation with appropriate
35 professional organizations, standards for health care

1 services, providers, and comprehensive health benefits or
2 insurance coverage appropriate for children and their family
3 members.

4 5. Establish eligibility criteria which children and their
5 family members must meet in order to participate in the
6 program.

7 6. Establish participation criteria for the program and,
8 if appropriate, contract with an authorized insurer, health
9 maintenance organization, or insurance or benefits
10 administrator to provide administrative services to the
11 corporation.

12 7. Contract with authorized insurers or benefits providers
13 or any provider of health care services, meeting standards
14 established by the corporation, for the provision of
15 comprehensive health benefits or insurance coverage and health
16 care services to participants.

17 8. Develop and implement a plan to publicize the Iowa
18 healthy kids corporation program, eligibility requirements of
19 the program, and procedures for enrollment in the program and
20 to maintain public awareness of the corporation and the
21 program.

22 9. Secure staff necessary to properly administer the
23 corporation and the program. Staff costs shall be funded from
24 state and local matching funds and other private or public
25 funds as they become available. The board shall determine the
26 number of staff members necessary to administer the
27 corporation and the program.

28 10. As appropriate, enter into contracts with local school
29 boards or other agencies to provide on-site information,
30 enrollment, and other services necessary to the operation of
31 the program.

32 11. Provide an interim report on or before March 1, 1997,
33 to the governor, commissioner of insurance, director of the
34 department of education, director of public health, and
35 general assembly, on the development of the program to date

1 and an annual report thereafter until the program is
2 terminated or extended statewide.

3 Sec. 4. NEW SECTION. 514I.4 BOARD OF DIRECTORS.

4 1. The corporation shall operate subject to the
5 supervision and approval of a board of directors chaired by
6 the commissioner of insurance or the commissioner's designee,
7 and composed of fourteen other members selected for three-year
8 staggered terms as follows:

9 a. One member who is a school administrator appointed by
10 the director of the department of education.

11 b. One member who is a member of a school board appointed
12 by the director of the department of education.

13 c. One member employed by the state or local government in
14 public health services appointed by the director of public
15 health.

16 d. One member who is a pediatrician nominated by the
17 American academy of pediatrics, Iowa chapter, appointed by the
18 director of public health.

19 e. The director of human services or the director's
20 designee.

21 f. One member appointed by the commissioner of insurance
22 from among persons nominated by the association of Iowa
23 hospitals and health systems.

24 g. Two members who are representatives of authorized
25 health care insurers or health maintenance organizations
26 appointed by the commissioner of insurance.

27 h. One member who represents a university center for
28 health issues appointed by the commissioner of insurance.

29 i. One member who is a family practice physician nominated
30 by the Iowa academy of family physicians appointed by the
31 director of public health.

32 j. One member who is a school nurse nominated by the Iowa
33 nurses association appointed by the director of public health.

34 k. The director of public health or the director's
35 designee.

1 1. A citizen who is knowledgeable concerning health care
2 and children's issues appointed by the commissioner of
3 insurance.

4 m. A citizen who is a parent with children at home who is
5 active in a school-parent organization appointed by the
6 director of the department of education.

7 2. A member of the board of directors may be removed by
8 the official who appointed that member prior to the completion
9 of the member's term. The board shall appoint an executive
10 director, who is responsible for other staff authorized by the
11 board.

12 3. Board members are entitled to receive, from funds of
13 the corporation, reimbursement for actual and necessary
14 expenses incurred in the performance of their official duties.
15 There shall be no liability on the part of, and no cause of
16 action shall arise against, any member of the board of
17 directors for any action the member takes in the performance
18 of the member's powers and duties under this chapter.

19 Sec. 5. NEW SECTION. 514I.5 LICENSING NOT REQUIRED --
20 FISCAL OPERATION.

21 1. Health benefits or insurance coverage obtained under
22 the Iowa healthy kids corporation program is secondary to any
23 other available private or public health benefits or insurance
24 coverage held by the participant child or family member. The
25 corporation may establish procedures for coordinating benefits
26 under this program with benefits under other public and
27 private coverage.

28 2. The corporation shall not be deemed an insurer. The
29 officers, directors, and employees of the corporation shall
30 not be deemed to be agents of an insurer. The corporation and
31 any officer, director, or employee of the corporation is not
32 subject to the insurance licensing requirements of state law
33 or the administrative rules of the insurance division.
34 However, the insurance division may require that any marketing
35 representative utilized and compensated by the corporation be

1 appointed as a representative of the insurers or health
2 benefits services providers with which the corporation
3 contracts.

4 3. The board has complete fiscal control over the
5 corporation and is responsible for all corporate operations.

6 4. The insurance division shall supervise any liquidation
7 or dissolution of the corporation and shall have, with respect
8 to a liquidation or dissolution, all power granted to it
9 pursuant to this subtitle.

10 Sec. 6. NEW SECTION. 514I.6 THE IOWA HEALTHY KIDS TRUST
11 FUND.

12 1. An Iowa healthy kids trust fund is created in the state
13 treasury under the authority of the commissioner of insurance,
14 to which all appropriations shall be deposited and used to
15 carry out the purposes of this chapter. Other revenues of the
16 corporation such as grants, contributions, matching funds, and
17 participant payments shall not be considered revenue of the
18 state, but rather shall be funds of the corporation. However,
19 the corporation may designate portions of grants,
20 contributions, matching funds, and participant payments as
21 funds of the state and deposit those funds in the trust fund.

22 2. The trust fund shall be separate from the general fund
23 of the state and shall not be considered part of the general
24 fund of the state. The moneys in the trust fund are not
25 subject to section 8.33 and shall not be transferred, used,
26 obligated, appropriated, or otherwise encumbered except as
27 provided in this section. Notwithstanding section 12C.7,
28 subsection 2, interest or earnings on moneys deposited in the
29 trust fund shall be credited to the trust fund.

30 Sec. 7. NEW SECTION. 514I.7 ACCESS TO RECORDS --
31 CONFIDENTIALITY -- PENALTIES.

32 1. Notwithstanding any other law to the contrary, the
33 corporation shall have access to the medical records of a
34 child who is participating or applying to participate in the
35 program upon receipt of permission from a parent or guardian

1 of the child, including but not limited to the medical records
2 maintained by the state or a political subdivision of the
3 state. Notwithstanding chapter 22, any identifying
4 information, including medical records and family financial
5 information, obtained by the corporation pursuant to this
6 subsection is confidential. The corporation, the
7 corporation's employees, and agents of the corporation shall
8 not release, without the written consent of the participant or
9 the parent or guardian of the participant, to any state or
10 federal agency, to any private business or person, or to any
11 other entity, any confidential information received pursuant
12 to this subsection.

13 2. A violation of the provisions of subsection 1 is a
14 serious misdemeanor.

15 Sec. 8. INITIAL TERMS. In order to provide for staggered
16 terms, the initial terms of the appointments to the Iowa
17 healthy kids corporation board of directors in section 514I.4,
18 as enacted by this Act, shall be as follows:

19 1. The appointments in subsection 1, paragraphs "a"
20 through "d", one year.

21 2. The appointments in subsection 1, paragraphs "e"
22 through "h", two years.

23 3. The appointments in subsection 1, paragraphs "i"
24 through "k", three years.

25 Sec. 9. HEALTHY KIDS CORPORATION. There is appropriated
26 from the general fund of the state to the insurance division
27 of the department of commerce for the fiscal year beginning
28 July 1, 1996, and ending June 30, 1997, the following amount,
29 or so much thereof as is necessary, to be used for the
30 purposes designated:

31 For planning, administration, and implementation of the
32 Iowa healthy kids corporation:

33 \$ 500,000

34 Notwithstanding section 8.33, moneys appropriated in this
35 section which remain unexpended or unobligated at the close of

1 the fiscal year shall not revert to the general fund of the
2 state but shall remain available for expenditure in the
3 succeeding fiscal year.

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EXPLANATION

5 This bill creates an Iowa healthy kids corporation to
6 provide health services and health coverage to children.

7 New section 514I.1 provides legislative findings as to the
8 need for the corporation and definitions.

9 New section 514I.2 provides the corporation is a quasi-
10 public nonprofit corporation organized under state law and is
11 authorized to receive moneys and other assistance to be used
12 for the purposes of the program. The bill provides that as a
13 quasi-public corporation, the corporation shall not be
14 regarded as a state agency and the following chapters' state
15 personnel and state fund requirements or restrictions do not
16 apply: chapter 8, the state budget and financial control Act;
17 chapter 17A, the state administrative procedures Act; chapter
18 19A, relating to the department of personnel; and chapter 20,
19 relating to collective bargaining. A member of the board is
20 not considered a state employee except for purposes of chapter
21 669, relating to tort claims. Initially, the corporation is
22 to operate a pilot project which includes rural and urban
23 areas. Expansion beyond the pilot project must be authorized
24 by law.

25 New section 514I.3 specifies the corporation's duties to
26 provide a program of services, comprehensive health benefits,
27 or insurance coverage to children; arrange for collection of
28 payments or premiums; establish administrative processes;
29 establish standards for services and benefits; establish
30 eligibility criteria; provide authority for the corporation to
31 contract for health coverages or administrative services;
32 require development of a publicity plan; authorize staff;
33 authorize contracting with school boards and other agencies;
34 and require an initial and annual report.

35 New section 514I.4 provides for the membership on the board

1 of directors. Appointments of knowledgeable members are to be
2 made by the governor, commissioner of insurance, director of
3 the department of education, and director of public health.
4 Members are to serve for three-year staggered terms but can be
5 removed by the appointing authority. Members are eligible for
6 reimbursement of actual and necessary expenses.

7 New section 514I.5 provides that insurance under the
8 program is secondary coverage. In addition, this section
9 provides the corporation is not to be deemed an insurer and
10 its officers, directors, and employees are not to be deemed
11 agents of an insurer. The board of directors has complete
12 fiscal control. The insurance division is directed to
13 supervise if the corporation is liquidated or dissolved.

14 New section 514I.6 creates an Iowa healthy kids trust fund
15 under the authority of the commissioner of insurance for
16 deposit and disbursement of public moneys and other funds
17 appropriated for the program.

18 New section 514I.7 provides for access to confidential
19 medical records of a child as authorized by the child's parent
20 or guardian. Confidential records are not an open public
21 record and unauthorized disclosure is a serious misdemeanor.

22 The bill makes a \$500,000 appropriation to the insurance
23 division for the fiscal year beginning July 1, 1996, for
24 purposes of the Iowa healthy kids corporation planning,
25 administration, and implementation. Moneys from the
26 appropriation can be carried to the succeeding fiscal year.

27 A temporary law section provides for staggering the initial
28 terms of the corporation's board of directors.

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Szymoniak
Vilsack
Boettger

SSB-2296
Human Resources

Succeeded By
SENATE FILE 2382
BY (PROPOSED COMMITTEE ON
HUMAN RESOURCES BILL
BY CHAIRPERSON SZYMONIAK)

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

A BILL FOR

1 An Act creating an Iowa healthy kids corporation for preventive
2 health services and health coverage of children, providing a
3 penalty, and making an appropriation.

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

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1 Section 1. NEW SECTION. 514I.1 IOWA HEALTHY KIDS
2 CORPORATION ACT -- SHORT TITLE -- LEGISLATIVE INTENT.

3 1. This chapter may be cited as the "Iowa Healthy Kids
4 Corporation Act".

5 2. The general assembly finds that increased access to
6 health care services could improve children's health and
7 reduce the incidence and costs of childhood illness and
8 disabilities among children in this state. Many children do
9 not have preventive health care services available or funded,
10 and for those who do, lack of access is a restriction to
11 obtaining such services. It is the intent of the general
12 assembly that a nonprofit corporation be organized to
13 facilitate a program to bring preventive health care services
14 to children, if necessary through the use of school facilities
15 in this state if more appropriate sites are unavailable, and
16 to provide comprehensive health benefit or insurance coverage
17 to such children. A goal for the corporation created in this
18 chapter is to cooperate with any existing preventive service
19 programs funded by either the public or private sector.

20 3. For the purposes of this chapter, unless the context
21 otherwise requires:

22 a. "Board" means the Iowa healthy kids corporation board
23 of directors designated in section 514I.4.

24 b. "Corporation" means the Iowa healthy kids corporation
25 created in section 514I.2.

26 c. "Program" means the program developed by the
27 corporation in accordance with section 514I.3.

28 Sec. 2. NEW SECTION. 514I.2 IOWA HEALTHY KIDS
29 CORPORATION AUTHORIZATION.

30 1. The general assembly creates the Iowa healthy kids
31 corporation, a quasi-public nonprofit corporation which shall
32 be organized under chapter 504A. The corporation shall not be
33 regarded as a state agency. A member of the board is not
34 considered a state employee, except for purposes of chapter
35 669, relating to state tort claims. Chapters 8, 17A, 18, 19A,

1 and 20, and other provisions of law that relate to the
2 requirements or restrictions dealing with state personnel or
3 state funds, do not apply to the corporation and any employees
4 of the board or the corporation except to the extent provided
5 in this chapter. The corporation shall have all powers
6 necessary to carry out the purposes of this chapter,
7 including, but not limited to, the power to receive and accept
8 grants, loans, or advances of funds from any person and to
9 receive and accept from any source contributions of money,
10 property, labor, or any other thing of value, to be held,
11 used, and applied for the purposes of this chapter.

12 2. The corporation shall operate initially in no more than
13 one area of the state on a pilot project basis to be
14 designated by the corporation. The area shall include urban
15 and rural schools. Additional areas are subject to
16 authorization by law.

17 Sec. 3. NEW SECTION. 514I.3 IOWA HEALTHY KIDS
18 CORPORATION DUTIES.

19 The corporation shall develop a program to attain all of
20 the following objectives:

21 1. Organize children groups to facilitate the provision of
22 preventive health care services to children at schools or
23 other designated sites and to provide comprehensive health
24 benefits or insurance coverage to children and their family
25 members.

26 2. Arrange for the collection of any payment or premium,
27 in an amount to be determined by the corporation board of
28 directors. The payment or premium shall be collected from a
29 participant family or other person to provide for payment for
30 preventive health care services or premiums for comprehensive
31 health benefits or insurance coverage and for the actual or
32 estimated administrative expenses incurred during the period
33 for which the payments are made.

34 3. Establish administrative and accounting procedures for
35 the operation of the corporation.

1 4. Establish, in consultation with appropriate
2 professional organizations, standards for preventive health
3 care services, providers, and comprehensive health benefits or
4 insurance coverage appropriate for children and their family
5 members.

6 5. Establish eligibility criteria which children and their
7 family members must meet in order to participate in the
8 program.

9 6. Establish participation criteria for the program and,
10 if appropriate, contract with an authorized insurer, health
11 maintenance organization, or insurance or benefits
12 administrator to provide administrative services to the
13 corporation.

14 7. Contract with authorized insurers or benefits providers
15 or any provider of health care services, meeting standards
16 established by the corporation, for the provision of
17 comprehensive health benefits or insurance coverage and
18 preventive health care services to participants.

19 8. Develop and implement a plan to publicize the Iowa
20 healthy kids corporation program, eligibility requirements of
21 the program, and procedures for enrollment in the program and
22 to maintain public awareness of the corporation and the
23 program.

24 9. Secure staff necessary to properly administer the
25 corporation and the program. Staff costs shall be funded from
26 state and local matching funds and other private or public
27 funds as they become available. The board shall determine the
28 number of staff members necessary to administer the
29 corporation and the program.

30 10. As appropriate, enter into contracts with local school
31 boards or other agencies to provide on-site information,
32 enrollment, and other services necessary to the operation of
33 the program.

34 11. Provide an interim report on or before March 1, 1997,
35 to the governor, commissioner of insurance, director of the

1 department of education, director of public health, and
2 general assembly, on the development of the program to date
3 and an annual report thereafter until the program is
4 terminated or extended statewide.

5 Sec. 4. NEW SECTION. 514I.4 BOARD OF DIRECTORS.

6 1. The corporation shall operate subject to the
7 supervision and approval of a board of directors chaired by
8 the commissioner of insurance or the commissioner's designee,
9 and composed of fourteen other members selected for three-year
10 staggered terms as follows:

11 a. One member who is a school administrator appointed by
12 the director of the department of education.

13 b. One member who is a member of a school board appointed
14 by the director of the department of education.

15 c. One member employed by the state or local government in
16 public health services appointed by the director of public
17 health.

18 d. One member who is a pediatrician nominated by the Iowa
19 academy of family physicians appointed by the director of
20 public health.

21 e. The director of human services or the director's
22 designee.

23 f. One member appointed by the commissioner of insurance
24 from among persons nominated by the association of Iowa
25 hospitals and health systems.

26 g. Two members who are representatives of authorized
27 health care insurers or health maintenance organizations
28 appointed by the commissioner of insurance.

29 h. One member who represents a university center for
30 health issues appointed by the commissioner of insurance.

31 i. One member who is a family practice physician appointed
32 by the director of public health.

33 j. One member representing family practice or pediatrics
34 educators appointed by the director of public health.

35 k. The director of public health or the director's

1 designee.

2 1. A citizen who is knowledgeable concerning health care
3 and children's issues appointed by the commissioner of
4 insurance.

5 m. A citizen who is a parent with children at home who is
6 active in a school-parent organization appointed by the
7 director of the department of education.

8 2. A member of the board of directors may be removed by
9 the official who appointed that member prior to the completion
10 of the member's term. The board shall appoint an executive
11 director, who is responsible for other staff authorized by the
12 board.

13 3. Board members are entitled to receive, from funds of
14 the corporation, reimbursement for actual and necessary
15 expenses incurred in the performance of their official duties.
16 There shall be no liability on the part of, and no cause of
17 action shall arise against, any member of the board of
18 directors for any action the member takes in the performance
19 of the member's powers and duties under this chapter.

20 Sec. 5. NEW SECTION. 514I.5 LICENSING NOT REQUIRED --
21 FISCAL OPERATION.

22 1. Health benefits or insurance coverage obtained under
23 the Iowa healthy kids corporation program is secondary to any
24 other available private or public health benefits or insurance
25 coverage held by the participant child or family member. The
26 corporation may establish procedures for coordinating benefits
27 under this program with benefits under other public and
28 private coverage.

29 2. The corporation shall not be deemed an insurer. The
30 officers, directors, and employees of the corporation shall
31 not be deemed to be agents of an insurer. The corporation and
32 any officer, director, or employee of the corporation is not
33 subject to the insurance licensing requirements of state law
34 or the administrative rules of the insurance division.
35 However, the insurance division may require that any marketing

1 representative utilized and compensated by the corporation be
2 appointed as a representative of the insurers or health
3 benefits services providers with which the corporation
4 contracts.

5 3. The board has complete fiscal control over the
6 corporation and is responsible for all corporate operations.

7 4. The insurance division shall supervise any liquidation
8 or dissolution of the corporation and shall have, with respect
9 to a liquidation or dissolution, all power granted to it
10 pursuant to this subtitle.

11 Sec. 6. NEW SECTION. 514I.6 THE IOWA HEALTHY KIDS TRUST
12 FUND.

13 1. An Iowa healthy kids trust fund is created in the state
14 treasury under the authority of the commissioner of insurance,
15 to which all appropriations shall be deposited and used to
16 carry out the purposes of this chapter. Other revenues of the
17 corporation such as grants, contributions, matching funds, and
18 participant payments shall not be considered revenue of the
19 state, but rather shall be funds of the corporation. However,
20 the corporation may designate portions of grants,
21 contributions, matching funds, and participant payments as
22 funds of the state and deposit those funds in the trust fund.

23 2. The trust fund shall be separate from the general fund
24 of the state and shall not be considered part of the general
25 fund of the state. The moneys in the trust fund are not
26 subject to section 8.33 and shall not be transferred, used,
27 obligated, appropriated, or otherwise encumbered except as
28 provided in this section. Notwithstanding section 12C.7,
29 subsection 2, interest or earnings on moneys deposited in the
30 trust fund shall be credited to the trust fund.

31 Sec. 7. NEW SECTION. 514I.7 ACCESS TO RECORDS --
32 CONFIDENTIALITY -- PENALTIES.

33 1. Notwithstanding any other law to the contrary, the
34 corporation shall have access to the medical records of a
35 child who is participating or applying to participate in the

1 program upon receipt of permission from a parent or guardian
2 of the child, including but not limited to the medical records
3 maintained by the state or a political subdivision of the
4 state. Notwithstanding chapter 22, any identifying
5 information, including medical records and family financial
6 information, obtained by the corporation pursuant to this
7 subsection is confidential. The corporation, the
8 corporation's employees, and agents of the corporation shall
9 not release, without the written consent of the participant or
10 the parent or guardian of the participant, to any state or
11 federal agency, to any private business or person, or to any
12 other entity, any confidential information received pursuant
13 to this subsection.

14 2. A violation of the provisions of subsection 1 is a
15 serious misdemeanor.

16 Sec. 8. INITIAL TERMS. In order to provide for staggered
17 terms, the initial terms of the appointments to the Iowa
18 healthy kids corporation board of directors in section 514I.4,
19 as enacted by this Act, shall be as follows:

20 1. The appointments in subsection 1, paragraphs "a"
21 through "d", one year.

22 2. The appointments in subsection 1, paragraphs "e"
23 through "h", two years.

24 3. The appointments in subsection 1, paragraphs "i"
25 through "k", three years.

26 Sec. 9. HEALTHY KIDS CORPORATION. There is appropriated
27 from the general fund of the state to the insurance division
28 of the department of commerce for the fiscal year beginning
29 July 1, 1996, and ending June 30, 1997, the following amount,
30 or so much thereof as is necessary, to be used for the
31 purposes designated:

32 For planning, administration, and implementation of the
33 Iowa healthy kids corporation:

34 \$ 500,000

35 Notwithstanding section 8.33, moneys appropriated in this

1 section which remain unexpended or unobligated at the close of
2 the fiscal year shall not revert to the general fund of the
3 state but shall remain available for expenditure in the
4 succeeding fiscal year.

5 EXPLANATION

6 This bill creates an Iowa healthy kids corporation to
7 provide preventive health services and health coverage to
8 children.

9 New section 514I.1 provides legislative findings as to the
10 need for the corporation and definitions.

11 New section 514I.2 provides the corporation is a quasi-
12 public nonprofit corporation organized under state law and is
13 authorized to receive moneys and other assistance to be used
14 for the purposes of the program. The bill provides that as a
15 quasi-public corporation, the corporation shall not be
16 regarded as a state agency and the following chapters' state
17 personnel and state fund requirements or restrictions do not
18 apply: chapter 8, the state budget and financial control Act;
19 chapter 17A, the state administrative procedures Act; chapter
20 19A, relating to the department of personnel; and chapter 20,
21 relating to collective bargaining. A member of the board is
22 not considered a state employee except for purposes of chapter
23 669, relating to tort claims. Initially, the corporation is
24 to operate in one area of the state which includes rural and
25 urban schools. Additional sites must be authorized by law.

26 New section 514I.3 specifies the corporation's duties to
27 provide a program of preventive services to children and
28 comprehensive health benefits or insurance coverage to
29 children and their family members; arrange for collection of
30 payments or premiums; establish administrative processes;
31 establish standards for services and benefits; establish
32 eligibility criteria; provide authority for the corporation to
33 contract for health coverages or administrative services;
34 require development of a publicity plan; authorize staff;
35 authorize contracting with school boards and other agencies;

1 and require an initial and annual report.

2 New section 514I.4 provides for the membership on the board
3 of directors. Appointments of knowledgeable members are to be
4 made by the governor, commissioner of insurance, director of
5 the department of education, and director of public health.
6 Members are to serve for three-year staggered terms but can be
7 removed by the appointing authority. Members are eligible for
8 reimbursement of actual and necessary expenses.

9 New section 514I.5 provides that insurance under the
10 program is secondary coverage. In addition, this section
11 provides the corporation is not to be deemed an insurer and
12 its officers, directors, and employees are not to be deemed
13 agents of an insurer. The board of directors has complete
14 fiscal control. The insurance division is directed to
15 supervise if the corporation is liquidated or dissolved.

16 New section 514I.6 creates an Iowa healthy kids trust fund
17 under the authority of the commissioner of insurance for
18 deposit and disbursement of public moneys and other funds
19 appropriated for the program.

20 New section 514I.7 provides for access to confidential
21 medical records of a child as authorized by the child's parent
22 or guardian. Confidential records are not an open public
23 record and unauthorized disclosure is a serious misdemeanor.

24 The bill makes a \$500,000 appropriation to the insurance
25 division for the fiscal year beginning July 1, 1996, for
26 purposes of the Iowa healthy kids corporation planning,
27 administration, and implementation. Moneys from the
28 appropriation can be carried to the succeeding fiscal year.

29 A temporary law section provides for staggering the initial
30 terms of the corporation's board of directors.

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