

# Senate Study Bill 2296

## Conference Committee Text

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1 1 Section 1. NEW SECTION. 514I.1 IOWA HEALTHY KIDS  
1 2 CORPORATION ACT - SHORT TITLE - LEGISLATIVE INTENT.  
1 3 1. This chapter may be cited as the "Iowa Healthy Kids  
1 4 Corporation Act".  
1 5 2. The general assembly finds that increased access to  
1 6 health care services could improve children's health and  
1 7 reduce the incidence and costs of childhood illness and  
1 8 disabilities among children in this state. Many children do  
1 9 not have preventive health care services available or funded,  
1 10 and for those who do, lack of access is a restriction to  
1 11 obtaining such services. It is the intent of the general  
1 12 assembly that a nonprofit corporation be organized to  
1 13 facilitate a program to bring preventive health care services  
1 14 to children, if necessary through the use of school facilities  
1 15 in this state if more appropriate sites are unavailable, and  
1 16 to provide comprehensive health benefit or insurance coverage  
1 17 to such children. A goal for the corporation created in this  
1 18 chapter is to cooperate with any existing preventive service  
1 19 programs funded by either the public or private sector.  
1 20 3. For the purposes of this chapter, unless the context  
1 21 otherwise requires:  
1 22 a. "Board" means the Iowa healthy kids corporation board  
1 23 of directors designated in section 514I.4.  
1 24 b. "Corporation" means the Iowa healthy kids corporation  
1 25 created in section 514I.2.  
1 26 c. "Program" means the program developed by the  
1 27 corporation in accordance with section 514I.3.  
1 28 Sec. 2. NEW SECTION. 514I.2 IOWA HEALTHY KIDS  
1 29 CORPORATION AUTHORIZATION.  
1 30 1. The general assembly creates the Iowa healthy kids  
1 31 corporation, a quasi-public nonprofit corporation which shall  
1 32 be organized under chapter 504A. The corporation shall not be  
1 33 regarded as a state agency. A member of the board is not  
1 34 considered a state employee, except for purposes of chapter  
1 35 669, relating to state tort claims. Chapters 8, 17A, 18, 19A,  
2 1 and 20, and other provisions of law that relate to the  
2 2 requirements or restrictions dealing with state personnel or  
2 3 state funds, do not apply to the corporation and any employees  
2 4 of the board or the corporation except to the extent provided  
2 5 in this chapter. The corporation shall have all powers  
2 6 necessary to carry out the purposes of this chapter,  
2 7 including, but not limited to, the power to receive and accept  
2 8 grants, loans, or advances of funds from any person and to  
2 9 receive and accept from any source contributions of money,  
2 10 property, labor, or any other thing of value, to be held,  
2 11 used, and applied for the purposes of this chapter.  
2 12 2. The corporation shall operate initially in no more than  
2 13 one area of the state on a pilot project basis to be  
2 14 designated by the corporation. The area shall include urban  
2 15 and rural schools. Additional areas are subject to  
2 16 authorization by law.  
2 17 Sec. 3. NEW SECTION. 514I.3 IOWA HEALTHY KIDS  
2 18 CORPORATION DUTIES.  
2 19 The corporation shall develop a program to attain all of  
2 20 the following objectives:  
2 21 1. Organize children groups to facilitate the provision of

2 22 preventive health care services to children at schools or  
2 23 other designated sites and to provide comprehensive health  
2 24 benefits or insurance coverage to children and their family  
2 25 members.

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

2 34 3. Establish administrative and accounting procedures for  
2 35 the operation of the corporation.

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

3 6 5. Establish eligibility criteria which children and their  
3 7 family members must meet in order to participate in the  
3 8 program.

3 9 6. Establish participation criteria for the program and,  
3 10 if appropriate, contract with an authorized insurer, health  
3 11 maintenance organization, or insurance or benefits  
3 12 administrator to provide administrative services to the  
3 13 corporation.

3 14 7. Contract with authorized insurers or benefits providers  
3 15 or any provider of health care services, meeting standards  
3 16 established by the corporation, for the provision of  
3 17 comprehensive health benefits or insurance coverage and  
3 18 preventive health care services to participants.

3 19 8. Develop and implement a plan to publicize the Iowa  
3 20 healthy kids corporation program, eligibility requirements of  
3 21 the program, and procedures for enrollment in the program and  
3 22 to maintain public awareness of the corporation and the  
3 23 program.

3 24 9. Secure staff necessary to properly administer the  
3 25 corporation and the program. Staff costs shall be funded from  
3 26 state and local matching funds and other private or public  
3 27 funds as they become available. The board shall determine the  
3 28 number of staff members necessary to administer the  
3 29 corporation and the program.

3 30 10. As appropriate, enter into contracts with local school  
3 31 boards or other agencies to provide on-site information,  
3 32 enrollment, and other services necessary to the operation of  
3 33 the program.

3 34 11. Provide an interim report on or before March 1, 1997,  
3 35 to the governor, commissioner of insurance, director of the  
4 1 department of education, director of public health, and  
4 2 general assembly, on the development of the program to date  
4 3 and an annual report thereafter until the program is  
4 4 terminated or extended statewide.

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

4 6 1. The corporation shall operate subject to the  
4 7 supervision and approval of a board of directors chaired by  
4 8 the commissioner of insurance or the commissioner's designee,  
4 9 and composed of fourteen other members selected for three-year  
4 10 staggered terms as follows:

4 11 a. One member who is a school administrator appointed by  
4 12 the director of the department of education.

4 13 b. One member who is a member of a school board appointed  
4 14 by the director of the department of education.

4 15 c. One member employed by the state or local government in  
4 16 public health services appointed by the director of public  
4 17 health.

4 18 d. One member who is a pediatrician nominated by the Iowa

4 19 academy of family physicians appointed by the director of  
4 20 public health.

4 21 e. The director of human services or the director's  
4 22 designee.

4 23 f. One member appointed by the commissioner of insurance  
4 24 from among persons nominated by the association of Iowa  
4 25 hospitals and health systems.

4 26 g. Two members who are representatives of authorized  
4 27 health care insurers or health maintenance organizations  
4 28 appointed by the commissioner of insurance.

4 29 h. One member who represents a university center for  
4 30 health issues appointed by the commissioner of insurance.

4 31 i. One member who is a family practice physician appointed  
4 32 by the director of public health.

4 33 j. One member representing family practice or pediatrics  
4 34 educators appointed by the director of public health.

4 35 k. The director of public health or the director's  
5 1 designee.

5 2 l. A citizen who is knowledgeable concerning health care  
5 3 and children's issues appointed by the commissioner of  
5 4 insurance.

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

5 8 2. A member of the board of directors may be removed by  
5 9 the official who appointed that member prior to the completion  
5 10 of the member's term. The board shall appoint an executive  
5 11 director, who is responsible for other staff authorized by the  
5 12 board.

5 13 3. Board members are entitled to receive, from funds of  
5 14 the corporation, reimbursement for actual and necessary  
5 15 expenses incurred in the performance of their official duties.  
5 16 There shall be no liability on the part of, and no cause of  
5 17 action shall arise against, any member of the board of  
5 18 directors for any action the member takes in the performance  
5 19 of the member's powers and duties under this chapter.

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

5 22 1. Health benefits or insurance coverage obtained under  
5 23 the Iowa healthy kids corporation program is secondary to any  
5 24 other available private or public health benefits or insurance  
5 25 coverage held by the participant child or family member. The  
5 26 corporation may establish procedures for coordinating benefits  
5 27 under this program with benefits under other public and  
5 28 private coverage.

5 29 2. The corporation shall not be deemed an insurer. The  
5 30 officers, directors, and employees of the corporation shall  
5 31 not be deemed to be agents of an insurer. The corporation and  
5 32 any officer, director, or employee of the corporation is not  
5 33 subject to the insurance licensing requirements of state law  
5 34 or the administrative rules of the insurance division.  
5 35 However, the insurance division may require that any marketing  
6 1 representative utilized and compensated by the corporation be  
6 2 appointed as a representative of the insurers or health  
6 3 benefits services providers with which the corporation  
6 4 contracts.

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

6 7 4. The insurance division shall supervise any liquidation  
6 8 or dissolution of the corporation and shall have, with respect  
6 9 to a liquidation or dissolution, all power granted to it  
6 10 pursuant to this subtitle.

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

6 13 1. An Iowa healthy kids trust fund is created in the state  
6 14 treasury under the authority of the commissioner of insurance,  
6 15 to which all appropriations shall be deposited and used to

6 16 carry out the purposes of this chapter. Other revenues of the  
6 17 corporation such as grants, contributions, matching funds, and  
6 18 participant payments shall not be considered revenue of the  
6 19 state, but rather shall be funds of the corporation. However,  
6 20 the corporation may designate portions of grants,  
6 21 contributions, matching funds, and participant payments as  
6 22 funds of the state and deposit those funds in the trust fund.  
6 23 2. The trust fund shall be separate from the general fund  
6 24 of the state and shall not be considered part of the general  
6 25 fund of the state. The moneys in the trust fund are not  
6 26 subject to section 8.33 and shall not be transferred, used,  
6 27 obligated, appropriated, or otherwise encumbered except as  
6 28 provided in this section. Notwithstanding section 12C.7,  
6 29 subsection 2, interest or earnings on moneys deposited in the  
6 30 trust fund shall be credited to the trust fund.

6 31 Sec. 7. NEW SECTION. 514I.7 ACCESS TO RECORDS -  
6 32 CONFIDENTIALITY - PENALTIES.

6 33 1. Notwithstanding any other law to the contrary, the  
6 34 corporation shall have access to the medical records of a  
6 35 child who is participating or applying to participate in the  
7 1 program upon receipt of permission from a parent or guardian  
7 2 of the child, including but not limited to the medical records  
7 3 maintained by the state or a political subdivision of the  
7 4 state. Notwithstanding chapter 22, any identifying  
7 5 information, including medical records and family financial  
7 6 information, obtained by the corporation pursuant to this  
7 7 subsection is confidential. The corporation, the  
7 8 corporation's employees, and agents of the corporation shall  
7 9 not release, without the written consent of the participant or  
7 10 the parent or guardian of the participant, to any state or  
7 11 federal agency, to any private business or person, or to any  
7 12 other entity, any confidential information received pursuant  
7 13 to this subsection.

7 14 2. A violation of the provisions of subsection 1 is a  
7 15 serious misdemeanor.

7 16 Sec. 8. INITIAL TERMS. In order to provide for staggered  
7 17 terms, the initial terms of the appointments to the Iowa  
7 18 healthy kids corporation board of directors in section 514I.4,  
7 19 as enacted by this Act, shall be as follows:

7 20 1. The appointments in subsection 1, paragraphs "a"  
7 21 through "d", one year.

7 22 2. The appointments in subsection 1, paragraphs "e"  
7 23 through "h", two years.

7 24 3. The appointments in subsection 1, paragraphs "i"  
7 25 through "k", three years.

7 26 Sec. 9. HEALTHY KIDS CORPORATION. There is appropriated  
7 27 from the general fund of the state to the insurance division  
7 28 of the department of commerce for the fiscal year beginning  
7 29 July 1, 1996, and ending June 30, 1997, the following amount,  
7 30 or so much thereof as is necessary, to be used for the  
7 31 purposes designated:

7 32 For planning, administration, and implementation of the  
7 33 Iowa healthy kids corporation:  
7 34 ..... \$ 500,000

7 35 Notwithstanding section 8.33, moneys appropriated in this  
8 1 section which remain unexpended or unobligated at the close of  
8 2 the fiscal year shall not revert to the general fund of the  
8 3 state but shall remain available for expenditure in the  
8 4 succeeding fiscal year.

8 5 EXPLANATION

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

8 9 New section 514I.1 provides legislative findings as to the  
8 10 need for the corporation and definitions.

8 11 New section 514I.2 provides the corporation is a quasi-  
8 12 public nonprofit corporation organized under state law and is

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

8 26 New section 514I.3 specifies the corporation's duties to  
8 27 provide a program of preventive services to children and  
8 28 comprehensive health benefits or insurance coverage to  
8 29 children and their family members; arrange for collection of  
8 30 payments or premiums; establish administrative processes;  
8 31 establish standards for services and benefits; establish  
8 32 eligibility criteria; provide authority for the corporation to  
8 33 contract for health coverages or administrative services;  
8 34 require development of a publicity plan; authorize staff;  
8 35 authorize contracting with school boards and other agencies;  
9 1 and require an initial and annual report.

9 2 New section 514I.4 provides for the membership on the board  
9 3 of directors. Appointments of knowledgeable members are to be  
9 4 made by the governor, commissioner of insurance, director of  
9 5 the department of education, and director of public health.  
9 6 Members are to serve for three-year staggered terms but can be  
9 7 removed by the appointing authority. Members are eligible for  
9 8 reimbursement of actual and necessary expenses.

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

9 16 New section 514I.6 creates an Iowa healthy kids trust fund  
9 17 under the authority of the commissioner of insurance for  
9 18 deposit and disbursement of public moneys and other funds  
9 19 appropriated for the program.

9 20 New section 514I.7 provides for access to confidential  
9 21 medical records of a child as authorized by the child's parent  
9 22 or guardian. Confidential records are not an open public  
9 23 record and unauthorized disclosure is a serious misdemeanor.

9 24 The bill makes a \$500,000 appropriation to the insurance  
9 25 division for the fiscal year beginning July 1, 1996, for  
9 26 purposes of the Iowa healthy kids corporation planning,  
9 27 administration, and implementation. Moneys from the  
9 28 appropriation can be carried to the succeeding fiscal year.

9 29 A temporary law section provides for staggering the initial  
9 30 terms of the corporation's board of directors.

9 31 LSB 3960SC 76

9 32 jp/jw/5