

REPRINTED

2-19-97 Amend/Do Pass
W/H- 1060
H. 2/25/97 Commerce

JAN 31 1997
COMMERCE AND REGULATION

HOUSE FILE 133
BY METCALF, JACOBS, GIPP, GRIES,
CARROLL, TEIG, LAMBERTI,
BRUNKHORST, BRADLEY, SUKUP,
DINKLA, CHIODO, BARRY, LARSON,
WISE, CHURCHILL, MILLAGE, LORD,
WELTER, VAN FOSSEN, BLODGETT,
ARNOLD, CHAPMAN, GRUNDBERG,
VEENSTRA, GREIG, DRAKE, CATALDO,
VANDE HOEF, MYERS, JENKINS,
RANTS, BRAUNS, RAYHONS, HUSER,
MORELAND, and JOCHUM

Passed House, Date 2/24/97 ^(P.394) Passed Senate, Date 4/10/97 ^(P.1099)
Vote: Ayes 98 Nays 0 Vote: Ayes 48 Nays 0
Approved April 30, 1997

A BILL FOR

1 An Act relating to the offering of point of service plan options
2 in certain health benefit plans.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4
5
6
7
8
9
10
11
12
13
14
15

HF 133

1 Section 1. NEW SECTION. 514C.13 GROUP MANAGED CARE
2 HEALTH PLANS -- ALTERNATIVE OFFERS.

3 1. As used in this section, unless the context otherwise
4 requires:

5 a. "Carrier" means an entity that provides health benefit
6 plans in this state. "Carrier" includes an insurance company,
7 group hospital or medical service corporation, health
8 maintenance organization, multiple employer welfare
9 arrangement, and any other person providing health benefit
10 plans in this state subject to regulation by the commissioner
11 of insurance.

12 b. "Health benefit plan" means a policy, certificate, or
13 contract providing hospital or medical coverage, benefits, or
14 services rendered by a health care provider. "Health benefit
15 plan" does not include a group conversion plan, accident-only,
16 specific-disease, short-term hospital or medical hospital
17 confinement indemnity, credit, dental, vision, Medicare
18 supplement, long-term care, or disability income insurance,
19 coverage issued as a supplement to liability insurance,
20 workers' compensation or similar insurance, or automobile
21 medical payment insurance.

22 c. "Health care provider" means a hospital licensed
23 pursuant to chapter 135B, or a person licensed under chapter
24 148, 149, 150, 150A, 151, or 154.

25 d. "Indemnity plan" means a hospital or medical expense-
26 incurred policy, certificate, or contract, major medical
27 expense insurance, or hospital or medical service plan
28 contract.

29 e. "Large employer" means a person actively engaged in
30 business who, during at least fifty percent of the employer's
31 working days during the preceding calendar year, employed more
32 than fifty full-time equivalent employees.

33 f. "Limited provider network plan" means a managed care
34 health plan which limits access to or coverage for services to
35 selected health care providers who are under contract with the

1 managed care health plan.

2 g. "Managed care health plan" means a health benefit plan
3 that selects and contracts with health care providers; manages
4 and coordinates health care delivery; monitors necessity,
5 appropriateness, and quality of health care delivered by
6 health care providers; and performs utilization review and
7 cost control.

8 h. "Organized delivery system" means an organized delivery
9 system as defined in section 513C.3.

10 i. "Point of service plan option" means a provision in a
11 managed care health plan that permits insureds, enrollees, or
12 subscribers access to health care from health care providers
13 who have not contracted with the managed care health plan.

14 j. "Small employer" means a person actively engaged in
15 business who, during at least fifty percent of the employer's
16 working days during the preceding calendar year, employed not
17 less than two and not more than fifty full-time equivalent
18 employees.

19 2. A carrier or organized delivery system which offers to
20 a small employer a limited provider network plan to provide
21 health care services or benefits to the small employer's
22 employees shall also offer to the small employer a point of
23 service option to the limited provider network plan.

24 3. A carrier or organized delivery system which offers to
25 a large employer a limited provider network plan to provide
26 health care services or benefits to the large employer's
27 employees shall also offer to the large employer one or more
28 of the following:

29 a. A point of service plan option to the limited provider
30 network plan.

31 b. A managed care health plan that is not a limited
32 provider network plan.

33 c. An indemnity plan.

34 4. A large employer that offers a limited provider network
35 plan to its employees shall also offer to its employees one or

1 more of the following:

2 a. A point of service plan option to the limited provider
3 network plan.

4 b. A managed care health plan that is not a limited
5 provider network plan.

6 c. An indemnity plan.

7

EXPLANATION

8 This bill provides that a carrier or organized delivery
9 system which offers to a small employer a limited provider
10 network plan to provide health care services or benefits to
11 the small employer's employees must also offer the small
12 employer a point of service option to the limited provider
13 network plan. The bill also provides that a carrier or
14 organized delivery system which offers to a large employer a
15 limited provider network plan to provide health care services
16 or benefits to the large employer's employees must also offer
17 the large employer one or more of the following: a point of
18 service option to the limited provider network plan, a managed
19 care health plan that is not a limited provider network plan,
20 or an indemnity plan. A large employer that offers a limited
21 provider network to its employees must also offer one or more
22 of the following: a point of service option to the limited
23 provider network plan, a managed care health plan that is not
24 a limited provider network plan, or an indemnity plan. A
25 point of service plan option is defined as a provision in a
26 managed care health plan that permits insureds, enrollees, or
27 subscribers access to health care from health care providers
28 who have not contracted with the managed care health plan.

29

30

31

32

33

34

35

HOUSE FILE 133

H-1060

- 1 Amend House File 133 as follows:
2 1. Page 1, line 23, by striking the word "or".
3 2. Page 1, line 24, by inserting after the figure
4 "148," the following: "148C,".
5 3. Page 1, line 24, by inserting after the figure
6 "154" the following: ", or a person licensed as an
7 advanced registered nurse practitioner under chapter
8 152".
9 4. Page 2, line 30, by inserting after the word
10 "plan." the following: "The price of the point of
11 service plan option shall be actuarially determined."
12 5. By renumbering, relettering, or redesignating
13 and correcting internal references as necessary.

By COMMITTEE ON COMMERCE AND
REGULATION

METCALF of Polk, Chairperson

Adopted 2/24/97
(P. 394)

H-1060 FILED FEBRUARY 19, 1997

HOUSE FILE 133

H-1078

- 1 Amend House File 133 as follows:
2 1. Page 1, line 17, by striking the word
3 "dental,".
4 2. Page 1, line 24, by inserting after the figure
5 "151," the following: "153,".
By BLODGETT of Cerro Gordo

H-1078 FILED FEBRUARY 21, 1997

WITHDRAWN

2-24-97 (P. 394)
HOUSE FILE 133

H-1079

- 1 Amend the amendment, H-1060, to House File 133, as
2 follows:
3 1. Page 1, by inserting after line 1 the
4 following:
5 "____". Page 1, line 17, by striking the word
6 "dental,".
7 2. Page 1, by inserting after line 4 the
8 following:
9 "____". Page 1, line 24, by inserting after the
10 figure "151," the following: "153,".
11 3. By renumbering as necessary.

By BLODGETT of Cerro Gordo

H-1079 FILED FEBRUARY 21, 1997

WITHDRAWN

2/24/97
(P. 394)

HOUSE FILE 133

H-1098

1 Amend the amendment, H-1060, to House File 133, as
2 follows:

- 3 1. Page 1, line 6, by striking the word "or".
- 4 2. Page 1, line 8, by inserting after the figure
5 "152" the following: ", or a person licensed as a
6 pharmacist or pharmacy under chapter 155A".

By OSTERHAUS of Jackson

H-1098 FILED FEBRUARY 24, 1997

2/24/97 P. 394)

WITHDRAWN

S. ...
5-3/26/97 Do Pass

HOUSE FILE 133

BY METCALF, JACOBS, GIPP, GRIES,
CARROLL, TEIG, LAMBERTI,
BRUNKHORST, BRADLEY, SUKUP,
DINKLA, CHIODO, BARRY, LARSON,
WISE, CHURCHILL, MILLAGE, LORD,
WELTER, VAN FOSSEN, BLODGETT,
ARNOLD, CHAPMAN, GRUNDBERG,
VEENSTRA, GREIG, DRAKE, CATALDO,
VANDE HOEF, MYERS, JENKINS,
RANTS, BRAUNS, RAYHONS, HUSER,
MORELAND, and JOCHUM

(As Amended and Passed by the House, February 24, 1997)

Passed House, Date _____ Passed Senate, Date 4/10/97 (p. 1099)
Vote: Ayes _____ Nays _____ Vote: Ayes 48 Nays 0
Approved April 30, 1997

A BILL FOR

1 An Act relating to the offering of point of service plan options
2 in certain health benefit plans.

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

4
5
6
7
8
9
10
11
12

House Amendments _____

Deleted Language *

1 Section 1. NEW SECTION. 514C.13 GROUP MANAGED CARE
2 HEALTH PLANS -- ALTERNATIVE OFFERS.

3 1. As used in this section, unless the context otherwise
4 requires:

5 a. "Carrier" means an entity that provides health benefit
6 plans in this state. "Carrier" includes an insurance company,
7 group hospital or medical service corporation, health
8 maintenance organization, multiple employer welfare
9 arrangement, and any other person providing health benefit
10 plans in this state subject to regulation by the commissioner
11 of insurance.

12 b. "Health benefit plan" means a policy, certificate, or
13 contract providing hospital or medical coverage, benefits, or
14 services rendered by a health care provider. "Health benefit
15 plan" does not include a group conversion plan, accident-only,
16 specific-disease, short-term hospital or medical hospital
17 confinement indemnity, credit, dental, vision, Medicare
18 supplement, long-term care, or disability income insurance,
19 coverage issued as a supplement to liability insurance,
20 workers' compensation or similar insurance, or automobile
21 medical payment insurance.

22 c. "Health care provider" means a hospital licensed
23 pursuant to chapter 135B, a person licensed under chapter 148,
24 148C, 149, 150, 150A, 151, or 154, or a person licensed as an
25 advanced registered nurse practitioner under chapter 152.

26 d. "Indemnity plan" means a hospital or medical expense-
27 incurred policy, certificate, or contract, major medical
28 expense insurance, or hospital or medical service plan
29 contract.

30 e. "Large employer" means a person actively engaged in
31 business who, during at least fifty percent of the employer's
32 working days during the preceding calendar year, employed more
33 than fifty full-time equivalent employees.

34 f. "Limited provider network plan" means a managed care
35 health plan which limits access to or coverage for services to

1 selected health care providers who are under contract with the
2 managed care health plan.

3 g. "Managed care health plan" means a health benefit plan
4 that selects and contracts with health care providers; manages
5 and coordinates health care delivery; monitors necessity,
6 appropriateness, and quality of health care delivered by
7 health care providers; and performs utilization review and
8 cost control.

9 h. "Organized delivery system" means an organized delivery
10 system as defined in section 513C.3.

11 i. "Point of service plan option" means a provision in a
12 managed care health plan that permits insureds, enrollees, or
13 subscribers access to health care from health care providers
14 who have not contracted with the managed care health plan.

15 j. "Small employer" means a person actively engaged in
16 business who, during at least fifty percent of the employer's
17 working days during the preceding calendar year, employed not
18 less than two and not more than fifty full-time equivalent
19 employees.

20 2. A carrier or organized delivery system which offers to
21 a small employer a limited provider network plan to provide
22 health care services or benefits to the small employer's
23 employees shall also offer to the small employer a point of
24 service option to the limited provider network plan.

25 3. A carrier or organized delivery system which offers to
26 a large employer a limited provider network plan to provide
27 health care services or benefits to the large employer's
28 employees shall also offer to the large employer one or more
29 of the following:

30 a. A point of service plan option to the limited provider
31 network plan. The price of the point of service plan option
32 shall be actuarially determined.

33 b. A managed care health plan that is not a limited
34 provider network plan.

35 c. An indemnity plan.

1 4. A large employer that offers a limited provider network
2 plan to its employees shall also offer to its employees one or
3 more of the following:

4 a. A point of service plan option to the limited provider
5 network plan.

6 b. A managed care health plan that is not a limited
7 provider network plan.

8 c. An indemnity plan.

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE 133

S-3414

1 Amend House File 133, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 3, by inserting after line 8 the
4 following:

5 "Sec. ____ . NEW SECTION. 514C.14 PATIENT ACCESS
6 TO TYPES OF PHYSICIANS UNDER MANAGED CARE HEALTH PLAN
7 OR INDEMNITY PLAN WITH LIMITED PROVIDER NETWORK.

8 Notwithstanding section 514C.6, a managed care
9 health plan or indemnity plan with a limited provider
10 network shall provide patients direct access to each
11 type of physician, as defined in section 135.1 and
12 licensed under chapter 148, 150A, or 151. Direct
13 access to a physician licensed under chapter 151 shall
14 not be conditioned upon a referral by a provider
15 licensed under another chapter. Access to a
16 specialist may be conditioned upon a referral by a
17 primary care provider physician licensed under chapter
18 148, 150A, or 151. If a physician licensed under
19 chapter 151 determines that a referral should be made
20 to a physician licensed under another chapter, a
21 managed care health plan or indemnity plan with a
22 limited provider network may require that the referral
23 be made first to a provider designated by the plan.
24 Any copayment deductible, cost containment mechanism,
25 or premium rate shall not discriminate directly or
26 indirectly upon the basis of the license held by the
27 physician. Access to a specialist may be subject to a
28 different copayment or deductible than access to a
29 primary care provider. Access to a nonparticipating
30 physician may be restricted or may be subject to
31 different copayments, deductibles, or premium rates,
32 or may be excluded, provided that a plan shall not
33 differentiate or exclude a physician directly or
34 indirectly upon the basis of the license held by the
35 physician.

36 Each plan must demonstrate that it is capable of
37 serving appropriately the needs of the subscriber
38 population in the service area of the plan with regard
39 to patient access to each type of physician. The
40 commissioner of insurance shall adopt rules as
41 necessary to administer this paragraph.

42 For purposes of this section, "managed care health
43 plan or indemnity plan with a limited provider
44 network" means a health maintenance organization,
45 organized delivery system, accountable health plan,
46 health care insurance plan which limits the number of
47 licensed physicians who can provide services under the
48 plan, preferred provider organization, exclusive
49 provider organization, restricted access network, or
50 similar health-care plan. For purposes of this

S-3414

-1-

S-3414

Page 2

- 1 section, "physician" means physician as defined in
- 2 section 135.1 and licensed under chapter 148, 150A, or
- 3 151."
- 4 2. Renumber as necessary.

By MARY LUNDBY

MICHAEL E. GRONSTAL

MERLIN E. BARTZ

PATTY JUDGE

STEVEN D. HANSEN

H. KAY HEDGE

JOHN W. JENSEN

PATRICK J. DELUHERY

WILLIAM D. PALMER

WILMER RENSINK

EUGENE S. FRAISE

JACK RIFE

S-3414 FILED APRIL 8, 1997

wd 4/10/97 (p. 1099)

HOUSE FILE 133

S-3335

- 1 Amend House File 133, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 1, line 23, by inserting after the figure
- 4 "148," the following: "148A,".

By ELAINE SZYMONIAK
JOHNIE HAMMOND

S-3335 FILED APRIL 2, 1997

Last 4/10/97 (p. 1099)

HOUSE FILE 133

AN ACT

RELATING TO THE OFFERING OF POINT OF SERVICE PLAN OPTIONS
IN CERTAIN HEALTH BENEFIT PLANS.

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

Section 1. NEW SECTION. 514C.13 GROUP MANAGED CARE
HEALTH PLANS -- ALTERNATIVE OFFERS.

1. As used in this section, unless the context otherwise requires:

a. "Carrier" means an entity that provides health benefit plans in this state. "Carrier" includes an insurance company, group hospital or medical service corporation, health maintenance organization, multiple employer welfare arrangement, and any other person providing health benefit plans in this state subject to regulation by the commissioner of insurance.

b. "Health benefit plan" means a policy, certificate, or contract providing hospital or medical coverage, benefits, or services rendered by a health care provider. "Health benefit plan" does not include a group conversion plan, accident-only, specific-disease, short-term hospital or medical hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, or disability income insurance, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

c. "Health care provider" means a hospital licensed pursuant to chapter 135B, a person licensed under chapter 148, 148C, 149, 150, 150A, 151, or 154, or a person licensed as an advanced registered nurse practitioner under chapter 152.

d. "Indemnity plan" means a hospital or medical expense-incurred policy, certificate, or contract, major medical expense insurance, or hospital or medical service plan contract.

e. "Large employer" means a person actively engaged in business who, during at least fifty percent of the employer's working days during the preceding calendar year, employed more than fifty full-time equivalent employees.

f. "Limited provider network plan" means a managed care health plan which limits access to or coverage for services to selected health care providers who are under contract with the managed care health plan.

g. "Managed care health plan" means a health benefit plan that selects and contracts with health care providers; manages and coordinates health care delivery; monitors necessity, appropriateness, and quality of health care delivered by health care providers; and performs utilization review and cost control.

h. "Organized delivery system" means an organized delivery system as defined in section 513C.3.

i. "Point of service plan option" means a provision in a managed care health plan that permits insureds, enrollees, or subscribers access to health care from health care providers who have not contracted with the managed care health plan.

j. "Small employer" means a person actively engaged in business who, during at least fifty percent of the employer's working days during the preceding calendar year, employed not less than two and not more than fifty full-time equivalent employees.

2. A carrier or organized delivery system which offers to a small employer a limited provider network plan to provide health care services or benefits to the small employer's employees shall also offer to the small employer a point of service option to the limited provider network plan.

3. A carrier or organized delivery system which offers to a large employer a limited provider network plan to provide health care services or benefits to the large employer's employees shall also offer to the large employer one or more of the following:

a. A point of service plan option to the limited provider network plan. The price of the point of service plan option shall be actuarially determined.

b. A managed care health plan that is not a limited provider network plan.

c. An indemnity plan.

4. A large employer that offers a limited provider network plan to its employees shall also offer to its employees one or more of the following:

a. A point of service plan option to the limited provider network plan.

b. A managed care health plan that is not a limited provider network plan.

c. An indemnity plan.

RON J. CORBETT
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 133, Seventy-seventh General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved April 30, 1997

TERRY E. BRANSTAD
Governor