

FEB 15 2000

COMMERCE AND REGULATION

HOUSE FILE
BY REYNOLDS

2259

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

A BILL FOR

1 An Act relating to the criteria, established by rule, for
 2 approval of an application for participation in the healthy
 3 and well kids in Iowa program when prior employer-sponsored
 4 coverage ends less than six months prior to application.

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

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HF 2259

1 Section 1. Section 514I.5, subsection 8, paragraph m, Code
2 Supplement 1999, is amended to read as follows:

3 m. The reasons allowed for approval of an application in
4 cases in which prior employer-sponsored coverage ended less
5 than six months prior to the determination of eligibility for
6 the HAWK-I program. The reasons established by rule shall
7 include, but are not limited to, all of the following:

8 (1) Loss or change of employment due to factors other than
9 voluntary termination.

10 ~~(2) Death of a parent.~~

11 ~~(3) Change in employment to a new employer that does not~~
12 ~~provide an option for dependent coverage.~~

13 (4) (2) Change of address so that no employer-sponsored
14 coverage is not available.

15 (5) (3) Discontinuation of health benefits to all
16 employees of the applicant's employer.

17 (6) (4) Expiration of the coverage periods established by
18 the federal Consolidated Omnibus Budget Reconciliation Act of
19 1986, Pub. L. No. 99-272, as amended.

20 (7) (5) Self-employment.

21 ~~(8) Termination of health benefits due to a long-term~~
22 ~~disability.~~

23 (9) (6) Termination of dependent coverage due to an
24 extreme economic hardship on the part of either the employee
25 ~~or the employer~~, as determined by rule.

26 ~~(10) Substantial reduction in either lifetime medical~~
27 ~~benefits or benefit category available to an employee and~~
28 ~~dependents under an employer's health care plan.~~

29 (7) Loss of employer-sponsored coverage, while employed by
30 the current employer, due to factors which are involuntary on
31 the part of the employee.

32 If the board determines that the allowance of the six-month
33 period from the time of dropping coverage to be eligible for
34 participation in the HAWK-I program is insufficient to
35 effectively deter applicants or employers of applicants from

1 discontinuing employer-sponsored dependent care coverage for
2 the purpose of participation in the HAWK-I program, the board
3 may adopt rules to extend the time period to a period not to
4 exceed twelve months.

5 EXPLANATION

6 This bill amends the listing of reasons, to be established
7 by rule, allowed for approval of an application for
8 participation in the healthy and well kids in Iowa program
9 under circumstances in which the applicant's employer-
10 sponsored coverage ended less than six months prior to the
11 determination of eligibility for the program.

12 The bill eliminates the current reasons of death of a
13 parent, change in employment to a new employer that does not
14 provide the option of dependent care coverage, termination of
15 health benefits due to a long-term disability, termination of
16 dependent coverage due to an extreme economic hardship on the
17 part of the employer, and substantial reduction in either
18 lifetime medical benefits or benefit category available to an
19 employee and dependents under an employer's health care plan.
20 The bill provides that the criteria are to include loss or
21 change of employment; and loss of employer-sponsored coverage,
22 while employed by the current employer, due to factors which
23 are involuntary on the part of the employee.

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