

3-11-00 Do Pass

COMMERCE

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FILED FEB 10 2000

SENATE FILE

2126

BY JOHNSON, BOETTGER, REHBERG, SZYMONIAK, MCKIBBEN, LUNDBY, SOUKUP, HARPER, McCOY, BOLKCOM, TINSMAN, SHEARER, DVORSKY, HAMMOND, DEARDEN, GRONSTAL, and MADDOX

(COMPANION TO LSB 5871HH BY MARTIN)

Passed Senate, Date (P.661) 3-14-00 Passed House, Date (P.1377) 4-11-00  
Vote: Ayes 41 Nays 7 Vote: Ayes 85 Nays 12  
Approved 4/20/00

(P.1164) re-passed 4-13-00  
vote 44-5

A BILL FOR

1 An Act relating to third-party payment of health care coverage  
2 costs for prescription contraceptive drugs, devices, and  
3 services.

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

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SF 2126 COMMERCE

1 Section 1. NEW SECTION. 514C.19 PRESCRIPTION  
2 CONTRACEPTIVE COVERAGE.

3 1. Notwithstanding the uniformity of treatment  
4 requirements of section 514C.6, an individual or group policy  
5 or contract providing for third-party payment or prepayment of  
6 health or medical expenses shall not do either of the  
7 following:

8 a. Exclude or restrict benefits for prescription  
9 contraceptive drugs or prescription contraceptive devices  
10 approved by the United States food and drug administration, or  
11 generic equivalents approved as substitutable by the United  
12 States food and drug administration, if such policy or  
13 contract provides benefits for other outpatient prescription  
14 drugs or devices.

15 b. Exclude or restrict benefits for outpatient  
16 contraceptive services if such policy or contract provides  
17 benefits for other outpatient services provided by a health  
18 care professional.

19 2. A person who provides an individual or group policy or  
20 contract providing for third-party payment or prepayment of  
21 health or medical expenses which is subject to subsection 1  
22 shall not do any of the following:

23 a. Deny to an individual eligibility, or continued  
24 eligibility, to enroll in or to renew coverage under the terms  
25 of the policy or contract because of the individual's use or  
26 potential use of such prescription contraceptive drugs or  
27 devices, or use or potential use of outpatient contraceptive  
28 services.

29 b. Provide a monetary payment or rebate to a covered  
30 individual to encourage such individual to accept less than  
31 the minimum benefits provided for under subsection 1.

32 c. Penalize or otherwise reduce or limit the reimbursement  
33 of a health care professional because such professional  
34 prescribes contraceptive drugs or devices, or provides  
35 contraceptive services.

1 d. Provide incentives, monetary or otherwise, to a health  
2 care professional to induce such professional to withhold from  
3 a covered individual contraceptive drugs or devices, or  
4 contraceptive services.

5 3. This section shall not be construed to prevent a third-  
6 party payor from including deductibles, coinsurance, or  
7 copayments under the policy or contract, as follows:

8 a. A deductible, coinsurance, or copayment for benefits  
9 for prescription contraceptive drugs shall not be greater than  
10 such deductible, coinsurance, or copayment for any outpatient  
11 prescription drug for which coverage under the policy or  
12 contract is provided.

13 b. A deductible, coinsurance, or copayment for benefits  
14 for prescription contraceptive devices shall not be greater  
15 than such deductible, coinsurance, or copayment for any  
16 outpatient prescription device for which coverage under the  
17 policy or contract is provided.

18 c. A deductible, coinsurance, or copayment for benefits  
19 for outpatient contraceptive services shall not be greater  
20 than such deductible, coinsurance, or copayment for any  
21 outpatient health care services for which coverage under the  
22 policy or contract is provided.

23 4. This section shall not be construed to require a third-  
24 party payor under a policy or contract to provide benefits for  
25 experimental or investigational contraceptive drugs or  
26 devices, or experimental or investigational contraceptive  
27 services, except to the extent that such policy or contract  
28 provides coverage for other experimental or investigational  
29 outpatient prescription drugs or devices, or experimental or  
30 investigational outpatient health care services.

31 5. a. This section applies to the following classes of  
32 third-party payment provider contracts or policies delivered,  
33 issued for delivery, continued, or renewed in this state on or  
34 after July 1, 2000:

35 (1) Individual or group accident and sickness insurance

SENATE FILE 2126

S-5112

1 Amend Senate File 2126 as follows;

2 1. Page 1, line 4, by striking the words "an  
3 individual or" and inserting the following: "a".

4 2. Page 1, line 19, by striking the words "an  
5 individual or" and inserting the following: "a".

6 3. Page 2, by inserting after line 30 the  
7 following:

8 "4A. This section shall not be construed to limit  
9 or otherwise discourage the use of generic equivalent  
10 drugs approved by the United States food and drug  
11 administration, whenever available and appropriate.  
12 This section, when a brand name drug is requested by a  
13 covered individual and a suitable generic equivalent  
14 is available and appropriate, shall not be construed  
15 to prohibit a third-party payor from requiring the  
16 covered individual to pay a deductible, coinsurance,  
17 or copayment consistent with subsection 3, in addition  
18 to the difference of the cost of the brand name drug  
19 less the maximum covered amount for a generic  
20 equivalent.

21 4B. A person who provides an individual policy or  
22 contract providing for third-party payment or  
23 prepayment of health or medical expenses shall make  
24 available a coverage provision that satisfies the  
25 requirements in subsections 1 through 4A in the same  
26 manner as such requirements are applicable to a group  
27 policy or contract under those subsections. The  
28 policy or contract shall provide that the individual  
29 policyholder may reject the coverage provision at the  
30 option of the policyholder."

By JOANN JOHNSON

S-5112 FILED MARCH 9, 2000

*Adopted*  
3/14/00  
(P. 659)

SENATE FILE 2126

S-5144

1 Amend Senate File 2126 as follows:

2 1. Page 1, by striking lines 6 and 7 and  
3 inserting the following: "health or medical expenses  
4 shall make available a coverage provision for  
5 contraceptive benefits as provided in this section.  
6 Such policy or contract shall not do either of the  
7 following:"

8 2. Page 1, by inserting after line 18 the  
9 following:

10 "1A. A policy or contract subject to subsection 1  
11 shall provide that the policyholder may reject the  
12 coverage provision for contraceptive benefits at the  
13 option of the policyholder."

14 3. Page 1, line 21, by inserting after the figure  
15 "1" the following: "and which includes a coverage  
16 provision for contraceptive benefits".

17 4. By renumbering as necessary.

By NEAL SCHUERER

S-5144 FILED MARCH 14, 2000

LOST

(p. 660)

SENATE FILE 2126

S-5145

1 Amend Senate File 2126 as follows:

2 1. Page 1, by inserting after line 18 the  
3 following:

4 "1A. An individual or group policy or contract  
5 providing for third-party payment or prepayment of  
6 health or medical expenses which does not provide  
7 coverage benefits for viagra or similar drugs is not  
8 subject to the requirements of subsection 1."

9 2. By renumbering as necessary.

By STEVE KING

S-5145 FILED MARCH 14, 2000

LOST

(p. 660)

SENATE FILE 2126

S-5146

1 Amend Senate File 2126 as follows:

2 1. Page 1, by inserting after line 18 the  
3 following:

4 "1A. Notwithstanding subsection 1, a group policy  
5 or contract providing for third-party payment or  
6 prepayment of health or medical expenses which is  
7 issued to an employer who on at least fifty percent of  
8 the employer's working days during the preceding  
9 calendar year employed no more than one hundred full-  
10 time equivalent employees is not subject to the  
11 requirements of subsection 1."

12 2. By renumbering as necessary.

By STEVE KING

S-5146 FILED MARCH 14, 2000

LOST

(p. 661)



1 Section 1. NEW SECTION. 514C.19 PRESCRIPTION  
2 CONTRACEPTIVE COVERAGE.

3 1. Notwithstanding the uniformity of treatment  
4 requirements of section 514C.6, a group policy or contract  
5 providing for third-party payment or prepayment of health or  
6 medical expenses shall not do either of the following:

7 a. Exclude or restrict benefits for prescription  
8 contraceptive drugs or prescription contraceptive devices  
9 approved by the United States food and drug administration, or  
10 generic equivalents approved as substitutable by the United  
11 States food and drug administration, if such policy or  
12 contract provides benefits for other outpatient prescription  
13 drugs or devices.

14 b. Exclude or restrict benefits for outpatient  
15 contraceptive services if such policy or contract provides  
16 benefits for other outpatient services provided by a health  
17 care professional.

18 2. A person who provides a group policy or contract  
19 providing for third-party payment or prepayment of health or  
20 medical expenses which is subject to subsection 1 shall not do  
21 any of the following:

22 a. Deny to an individual eligibility, or continued  
23 eligibility, to enroll in or to renew coverage under the terms  
24 of the policy or contract because of the individual's use or  
25 potential use of such prescription contraceptive drugs or  
26 devices, or use or potential use of outpatient contraceptive  
27 services.

28 b. Provide a monetary payment or rebate to a covered  
29 individual to encourage such individual to accept less than  
30 the minimum benefits provided for under subsection 1.

31 c. Penalize or otherwise reduce or limit the reimbursement  
32 of a health care professional because such professional  
33 prescribes contraceptive drugs or devices, or provides  
34 contraceptive services.

35 d. Provide incentives, monetary or otherwise, to a health

1 care professional to induce such professional to withhold from  
2 a covered individual contraceptive drugs or devices, or  
3 contraceptive services.

4 3. This section shall not be construed to prevent a third-  
5 party payor from including deductibles, coinsurance, or  
6 copayments under the policy or contract, as follows:

7 a. A deductible, coinsurance, or copayment for benefits  
8 for prescription contraceptive drugs shall not be greater than  
9 such deductible, coinsurance, or copayment for any outpatient  
10 prescription drug for which coverage under the policy or  
11 contract is provided.

12 b. A deductible, coinsurance, or copayment for benefits  
13 for prescription contraceptive devices shall not be greater  
14 than such deductible, coinsurance, or copayment for any  
15 outpatient prescription device for which coverage under the  
16 policy or contract is provided.

17 c. A deductible, coinsurance, or copayment for benefits  
18 for outpatient contraceptive services shall not be greater  
19 than such deductible, coinsurance, or copayment for any  
20 outpatient health care services for which coverage under the  
21 policy or contract is provided.

22 4. This section shall not be construed to require a third-  
23 party payor under a policy or contract to provide benefits for  
24 experimental or investigational contraceptive drugs or  
25 devices, or experimental or investigational contraceptive  
26 services, except to the extent that such policy or contract  
27 provides coverage for other experimental or investigational  
28 outpatient prescription drugs or devices, or experimental or  
29 investigational outpatient health care services.

30 5. This section shall not be construed to limit or  
31 otherwise discourage the use of generic equivalent drugs  
32 approved by the United States food and drug administration,  
33 whenever available and appropriate. This section, when a  
34 brand name drug is requested by a covered individual and a  
35 suitable generic equivalent is available and appropriate,

1 shall not be construed to prohibit a third-party payor from  
2 requiring the covered individual to pay a deductible,  
3 coinsurance, or copayment consistent with subsection 3, in  
4 addition to the difference of the cost of the brand name drug  
5 less the maximum covered amount for a generic equivalent.

6 6. A person who provides an individual policy or contract  
7 providing for third-party payment or prepayment of health or  
8 medical expenses shall make available a coverage provision  
9 that satisfies the requirements in subsections 1 through 5 in  
10 the same manner as such requirements are applicable to a group  
11 policy or contract under those subsections. The policy or  
12 contract shall provide that the individual policyholder may  
13 reject the coverage provision at the option of the  
14 policyholder.

15 7. a. This section applies to the following classes of  
16 third-party payment provider contracts or policies delivered,  
17 issued for delivery, continued, or renewed in this state on or  
18 after July 1, 2000:

19 (1) Individual or group accident and sickness insurance  
20 providing coverage on an expense-incurred basis.

21 (2) An individual or group hospital or medical service  
22 contract issued pursuant to chapter 509, 514, or 514A.

23 (3) An individual or group health maintenance organization  
24 contract regulated under chapter 514B.

25 (4) Any other entity engaged in the business of insurance,  
26 risk transfer, or risk retention, which is subject to the  
27 jurisdiction of the commissioner.

28 (5) A plan established pursuant to chapter 509A for public  
29 employees.

30 (6) An organized delivery system licensed by the director  
31 of public health.

32 b. This section shall not apply to accident only,  
33 specified disease, short-term hospital or medical, hospital  
34 confinement indemnity, credit, dental, vision, Medicare  
35 supplement, long-term care, basic hospital and medical-

1 surgical expense coverage as defined by the commissioner,  
2 disability income insurance coverage, coverage issued as a  
3 supplement to liability insurance, workers' compensation or  
4 similar insurance, or automobile medical payment insurance.

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SENATE FILE 2126

H-8477

1 Amend Senate File 2126, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 1, line 8, by inserting after the word  
4 "devices" the following: "which prevent conception  
5 and which are".  
6 2. Page 1, line 15, by inserting after the word  
7 "services" the following: "which are provided for the  
8 purpose of preventing conception".

By BODDICKER of Cedar O'BRIEN of Boone  
CHIODO of Polk MERTZ of Kossuth  
GARMAN of Story CARROLL of Poweshiek

H-8477 FILED MARCH 22, 2000

*Adopted*

*4-11-00 (P. 1376)*

SENATE FILE 2126

H-8768

1 Amend Senate File 2126, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 2, by inserting after line 21 the  
4 following:  
5 "3A. This section shall not be construed to  
6 require a third-party payor under a policy or contract  
7 to provide benefits for any drugs or devices which are  
8 used after conception for the termination of a  
9 pregnancy."

10 2. By renumbering as necessary.  
By VAN FOSSEN of Scott RAECKER of Polk  
SUKUP of Franklin HANSEN of Pottawattamie  
CHIODO of Polk

H-8768 FILED APRIL 6, 2000

*w/d*

*4/11/00 (P. 1376)*

SENATE FILE 2126

H-8740

1 Amend Senate File 2126, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. Page 1, line 4, by striking the word "a" and  
4 inserting the following: "an individual or".  
5 2. Page 1, by striking line 6 and inserting the  
6 following: "medical expenses shall make available a  
7 coverage provision for contraceptive benefits as  
8 provided in this section. Such policy or contract, if  
9 the coverage provision for contraceptive benefits is  
10 accepted by the policyholder, shall not do either of  
11 the following:"

12 3. Page 1, by inserting after line 17 the  
13 following:  
14 "1A. A policy or contract subject to subsection 1  
15 shall not include a provision for contraceptive  
16 benefits as provided under this section, unless such  
17 provision is expressly accepted by the policyholder,  
18 as evidenced by written acceptance signed by the  
19 policyholder."

20 4. Page 1, line 18, by striking the word "a" and  
21 inserting the following: "an individual or".

22 5. Page 3, by striking lines 6 through 14.

23 6. By renumbering as necessary.

By RAYHONS of Hancock

H-8740 FILED APRIL 5, 2000

HOUSE AMENDMENT TO  
SENATE FILE 2126

S-5383

- 1 Amend Senate File 2126, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, line 8, by inserting after the word
- 4 "devices" the following: "which prevent conception
- 5 and which are".
- 6 2. Page 1, line 15, by inserting after the word
- 7 "services" the following: "which are provided for the
- 8 purpose of preventing conception".

RECEIVED FROM THE HOUSE

S-5383 FILED APRIL 11, 2000

*Senate Concurred*

*4-13-00*

*(P 1164)*

SENATE FILE 2126

AN ACT

RELATING TO THIRD-PARTY PAYMENT OF HEALTH CARE COVERAGE  
COSTS FOR PRESCRIPTION CONTRACEPTIVE DRUGS, DEVICES,  
AND SERVICES.

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

Section 1. NEW SECTION. 514C.19 PRESCRIPTION  
CONTRACEPTIVE COVERAGE.

1. Notwithstanding the uniformity of treatment requirements of section 514C.6, a group policy or contract providing for third-party payment or prepayment of health or medical expenses shall not do either of the following:

a. Exclude or restrict benefits for prescription contraceptive drugs or prescription contraceptive devices which prevent conception and which are approved by the United States food and drug administration, or generic equivalents approved as substitutable by the United States food and drug administration, if such policy or contract provides benefits for other outpatient prescription drugs or devices.

b. Exclude or restrict benefits for outpatient contraceptive services which are provided for the purpose of preventing conception if such policy or contract provides benefits for other outpatient services provided by a health care professional.

2. A person who provides a group policy or contract providing for third-party payment or prepayment of health or medical expenses which is subject to subsection 1 shall not do any of the following:

a. Deny to an individual eligibility, or continued eligibility, to enroll in or to renew coverage under the terms of the policy or contract because of the individual's use or potential use of such prescription contraceptive drugs or devices, or use or potential use of outpatient contraceptive services.

b. Provide a monetary payment or rebate to a covered individual to encourage such individual to accept less than the minimum benefits provided for under subsection 1.

c. Penalize or otherwise reduce or limit the reimbursement of a health care professional because such professional prescribes contraceptive drugs or devices, or provides contraceptive services.

d. Provide incentives, monetary or otherwise, to a health care professional to induce such professional to withhold from a covered individual contraceptive drugs or devices, or contraceptive services.

3. This section shall not be construed to prevent a third-party payor from including deductibles, coinsurance, or copayments under the policy or contract, as follows:

a. A deductible, coinsurance, or copayment for benefits for prescription contraceptive drugs shall not be greater than such deductible, coinsurance, or copayment for any outpatient prescription drug for which coverage under the policy or contract is provided.

b. A deductible, coinsurance, or copayment for benefits for prescription contraceptive devices shall not be greater than such deductible, coinsurance, or copayment for any outpatient prescription device for which coverage under the policy or contract is provided.

c. A deductible, coinsurance, or copayment for benefits for outpatient contraceptive services shall not be greater than such deductible, coinsurance, or copayment for any outpatient health care services for which coverage under the policy or contract is provided.

4. This section shall not be construed to require a third-party payor under a policy or contract to provide benefits for experimental or investigational contraceptive drugs or devices, or experimental or investigational contraceptive services, except to the extent that such policy or contract provides coverage for other experimental or investigational outpatient prescription drugs or devices, or experimental or investigational outpatient health care services.

5. This section shall not be construed to limit or otherwise discourage the use of generic equivalent drugs approved by the United States food and drug administration, whenever available and appropriate. This section, when a brand name drug is requested by a covered individual and a suitable generic equivalent is available and appropriate, shall not be construed to prohibit a third-party payor from requiring the covered individual to pay a deductible, coinsurance, or copayment consistent with subsection 3, in addition to the difference of the cost of the brand name drug less the maximum covered amount for a generic equivalent.

6. A person who provides an individual policy or contract providing for third-party payment or prepayment of health or medical expenses shall make available a coverage provision that satisfies the requirements in subsections 1 through 5 in the same manner as such requirements are applicable to a group policy or contract under those subsections. The policy or contract shall provide that the individual policyholder may reject the coverage provision at the option of the policyholder.

7. a. This section applies to the following classes of third-party payment provider contracts or policies delivered, issued for delivery, continued, or renewed in this state on or after July 1, 2000:

- (1) Individual or group accident and sickness insurance providing coverage on an expense-incurred basis.
- (2) An individual or group hospital or medical service contract issued pursuant to chapter 509, 514, or 514A.
- (3) An individual or group health maintenance organization contract regulated under chapter 514B.
- (4) Any other entity engaged in the business of insurance, risk transfer, or risk retention, which is subject to the jurisdiction of the commissioner.
- (5) A plan established pursuant to chapter 509A for public employees.
- (6) An organized delivery system licensed by the director of public health.

b. This section shall not apply to accident only, specified disease, short-term hospital or medical, hospital confinement indemnity, credit, dental, vision, Medicare supplement, long-term care, basic hospital and medical-surgical expense coverage as defined by the commissioner, disability income insurance coverage, coverage issued as a supplement to liability insurance, workers' compensation or similar insurance, or automobile medical payment insurance.

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MARY E. KRAMER  
President of the Senate

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BRENT SIEGRIST  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2126, Seventy-eighth General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved 4/20, 2000

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THOMAS J. VILSACK  
Governor