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STATE GOVERNMENT

HOUSE FILE 434

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CONNORS, and MURPHY

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

A BILL FOR

1 An Act providing for a feasibility study on creating a statewide
2 public employee health insurance system.

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

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HF 434

1 Section 1. IOWA PUBLIC EMPLOYEE HEALTH INSURANCE SYSTEM --
2 FEASIBILITY STUDY.

3 1. The director of the department of personnel, in
4 collaboration with the commissioner of insurance, shall
5 conduct a feasibility study on the creation of a statewide
6 public employee health benefit system. The study shall
7 examine whether a statewide public employee health benefit
8 system will minimize health insurance risk by combining the
9 numerous subgroups of public employees into a single risk pool
10 to stabilize health insurance costs. The study shall include
11 a cost-benefit analysis of the current system of providing
12 health benefits versus a single risk pool envisioned with a
13 statewide public employee health benefit system. The director
14 of personnel and the commissioner of insurance shall involve
15 state and political subdivision representatives and
16 representatives of organizations representing state and
17 political subdivision employees subdivisions to advise the
18 director and commissioner in the development of the
19 feasibility study.

20 2. The study shall examine the feasibility of all of the
21 following:

22 a. Establishing a premium rating system based on the
23 statewide health status, claim experience, and other
24 demographic characteristics of public employees.

25 b. Establishing basic or standard health benefit plans
26 with benefit levels, cost-sharing levels, exclusions, and
27 limitations available to the state and all political
28 subdivisions and their employees.

29 c. Establishing uniform coverage plans with benefit
30 coverage that may be added to the basic or standard plans at
31 the option of the state and political subdivisions.

32 d. Establishing restrictions on premium rates and rate
33 increases.

34 e. Establishing a statewide public employee health
35 reinsurance program.

1 3. The director of the department of personnel and the
2 commissioner of insurance shall submit a joint report
3 concerning the results of the feasibility study, including
4 their findings and recommendations, to the general assembly by
5 January 15, 2004.

6 EXPLANATION

7 This bill requires the director of the department of
8 personnel and the commissioner of insurance to jointly conduct
9 a feasibility study concerning the creation of a statewide
10 public employee health benefit system. The bill provides that
11 the study include a cost-benefit analysis of the current
12 system of providing health benefits versus a single risk pool
13 envisioned with a statewide public employee health benefit
14 system. The director of personnel and the commissioner of
15 insurance are also required to involve representatives of the
16 state and its political subdivisions and organizations
17 representing employees of the state and these political
18 subdivisions to advise them regarding the feasibility study.
19 The bill requires that the director of the department of
20 personnel and the commissioner of insurance submit a joint
21 report on the results of the study to the general assembly by
22 January 15, 2004.

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