

MAR 13 2003

COMMERCE, REGULATION & LABOR

HOUSE FILE

540

BY PETERSEN

Passed House, Date \_\_\_\_\_

Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the establishment of pilot projects for  
2 individual and group health insurance.

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

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HF 540

1 Section 1. GROUP HEALTH INSURANCE PILOT PROJECT -- SMALL  
2 EMPLOYERS AND NONPROFIT ENTITIES.

3 1. DEFINITIONS. For purposes of this section, unless the  
4 context otherwise requires:

5 a. "Nonprofit entity" means an entity organized under the  
6 provisions of chapter 504 or 504A, or an entity that qualifies  
7 under 26 U.S.C. § 501(c)(3).

8 b. "Small employer" means as defined in section 513B.2.

9 2. PILOT PROJECTS.

10 a. The insurance division of the department of commerce  
11 shall implement one or more pilot projects designed to examine  
12 methods of improving the availability and affordability of  
13 health insurance for individuals and group health insurance  
14 for small employers and nonprofit entities, including child  
15 day care centers. The division shall determine whether the  
16 unique needs and characteristics of each group warrant  
17 separate pilot projects.

18 b. The pilot projects shall be designed to gather  
19 information regarding the feasibility of alternative types of  
20 coverages, including but not limited to the following:

21 (1) Policies that provide only catastrophic coverage.

22 (2) Policies that offer very basic benefits that are not  
23 subject to some or all of the existing coverage mandates under  
24 the Code.

25 (3) Policies that offer a basic level of benefits plus an  
26 option to choose additional benefits from a list of additional  
27 coverages.

28 (4) Policies offering alternative types of coverage that  
29 are restricted to individuals or groups that have been without  
30 health insurance for a period of time.

31 3. PROGRESS REPORTS. The division shall determine the  
32 design and scope of each pilot project, including the length  
33 of time necessary to evaluate adequately the performance of  
34 each pilot project, and shall provide periodic progress  
35 reports to the general assembly, including when each pilot

1 project is launched and the expected duration. The first  
2 progress report is due in January 2004, and at least annually  
3 thereafter until each pilot project has been completed. Once  
4 all pilot projects have been completed, the division shall  
5 issue a final report to the general assembly regarding its  
6 findings.

7 EXPLANATION

8 This bill provides for the development of pilot projects  
9 for health insurance for individuals and group health  
10 insurance for small employers and nonprofit entities by the  
11 division of insurance, department of commerce, to examine  
12 methods of improving availability and affordability. Specific  
13 groups for pilot project focus are individuals, small  
14 businesses, nonprofit entities, and child day care centers.  
15 The division may determine whether separate pilot projects are  
16 warranted for each group, or whether the groups may be  
17 encompassed within one project. The division is also directed  
18 to determine the design, scope, and time for the projects.

19 The division is directed to gather certain information,  
20 including but not limited to that regarding the feasibility of  
21 implementation of certain specific alternative coverages.  
22 Periodic reporting to the general assembly, beginning in  
23 January 2004, evaluating the performance of each pilot project  
24 is required by the division, as well as a final report at the  
25 conclusion of all pilot projects.

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