

House Study Bill 701

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE, REGULATION
AND LABOR BILL BY
CHAIRPERSON JENKINS)

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

A BILL FOR

1 An Act providing for a health insurance study by the commissioner
2 of insurance and by providing an effective date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 6582HC 80
5 kk/gg/14

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1 1 Section 1. IOWA HEALTH INSURANCE VALUE INITIATIVE.
1 2 1. The commissioner of insurance shall conduct a study
1 3 regarding the costs of health insurance premiums for
1 4 businesses and individual customers in this state. The
1 5 purpose of the study shall be to provide the general assembly
1 6 with recommendations to reduce the cost of health insurance
1 7 premiums for businesses and individuals who purchase health
1 8 insurance policies by at least ten percent.
1 9 2. The study shall include a broad review and cost
1 10 comparison of health insurance policies offered in this state
1 11 including, but not limited to, those purchased as a group or
1 12 individually, by employers or employees, by self-employed or
1 13 self-insured persons, and through benevolent organizations,
1 14 nonprofit health service corporations, or health maintenance
1 15 organizations.
1 16 3. The study shall also consider methods to reduce the
1 17 cost of health care services that affect health insurance
1 18 premiums such as wellness programs, managed care, priority in
1 19 costs of service, equitable discounts to insurers, and the
1 20 costs of pharmaceuticals. The study shall consider possible
1 21 advantages of reinsurance programs, medical savings accounts,
1 22 and premium tax credits and assessments.
1 23 4. The study shall identify economic growth opportunities
1 24 and competitive advantages that may be gained over neighboring
1 25 states for Iowa businesses due to a decrease in health
1 26 insurance premiums in Iowa.
1 27 5. The commissioner shall provide at least two
1 28 recommendations for reducing health insurance premiums by at
1 29 least ten percent. The commissioner shall ensure that the
1 30 recommendations are supportive of the insurance industry,
1 31 which is a vital component of the economy of this state, and
1 32 that Iowa remains competitive with other states for continued
1 33 economic development in the insurance industry.
1 34 6. The commissioner of insurance shall select persons to
1 35 participate in the study, which persons shall include
2 1 representatives from the health insurance industry,
2 2 independent health insurance agents, health care providers,
2 3 and other health insurance-related parties or experts as
2 4 deemed appropriate by the commissioner.
2 5 7. The commissioner shall provide an action plan outlining
2 6 the proposed agenda for the study to the general assembly by
2 7 April 1, 2004. The commissioner shall provide at least two
2 8 interim reports to the legislative government oversight
2 9 committee and a final report to the house standing committee
2 10 on commerce, regulation and labor, the senate standing
2 11 committee on commerce, and the legislative oversight committee
2 12 by January 3, 2005.
2 13 Sec. 2. EFFECTIVE DATE. This Act, being deemed of
2 14 immediate importance, takes effect upon enactment.
2 15 EXPLANATION
2 16 This bill requires the commissioner of insurance to conduct
2 17 a study regarding the costs of health insurance premiums. The
2 18 bill requires the study to include a review and cost
2 19 comparison of the various types of health insurance policies
2 20 issued in this state. The study shall also consider various
2 21 suggested methods to reduce the cost of health care services

2 22 that affect the cost of health insurance premiums. The study
2 23 shall identify economic opportunities and competitive
2 24 advantages that would be gained by Iowa businesses due to
2 25 reduced health insurance premiums in Iowa. The insurance
2 26 commissioner is required to provide at least two
2 27 recommendations for reducing health insurance premiums by at
2 28 least 10 percent, but must also ensure that the importance of
2 29 the insurance industry to this state is not compromised. The
2 30 commissioner shall select persons to participate in the study
2 31 from the health insurance industry, independent health
2 32 insurance agents, health care providers, and other interested
2 33 persons.

2 34 The bill requires the commissioner to provide an action
2 35 plan to the general assembly by April 1, 2004. The bill
3 1 requires the commissioner to provide at least two interim
3 2 reports to the legislative government oversight committee and
3 3 a final report to the house standing committee on commerce,
3 4 regulation and labor, the senate standing committee on
3 5 commerce, and the legislative government oversight committee
3 6 by January 3, 2005.

3 7 The bill has an immediate effective date.

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