

FILED MAR 12 '03

SENATE FILE **350**

BY COMMITTEE ON COMMERCE

Referred to ^{Appropriations} ~~Ways and Means~~ 3/17/03

(SUCCESSOR TO SSB 1124)

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

A BILL FOR

1 An Act relating to a premium tax offset for the Iowa individual
2 health reinsurance association, and phasing-in a standing
3 appropriation for replacement of the individual health
4 reinsurance association assessments upon political
5 subdivisions and school corporations.

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

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SE 350

1 Section 1. NEW SECTION. 509A.16 APPROPRIATION FOR
2 ASSESSMENTS LEVIED ON LOCAL GOVERNMENTS.

3 There is appropriated from the general fund of the state to
4 the Iowa individual health benefit reinsurance association
5 established pursuant to section 513C.10 the following amount
6 of the assessments due and owing, pursuant to section 513C.10,
7 from each political subdivision and school corporation for
8 health benefit plans:

9 1. For the fiscal year beginning July 1, 2006, twenty
10 percent of such assessments.

11 2. For the fiscal year beginning July 1, 2007, forty
12 percent of such assessments.

13 3. For the fiscal year beginning July 1, 2008, sixty
14 percent of such assessments.

15 4. For the fiscal year beginning July 1, 2009, eighty
16 percent of such assessments.

17 5. For the fiscal year beginning July 1, 2010, and
18 succeeding fiscal years, one hundred percent of such
19 assessments.

20 Sec. 2. Section 514E.2, subsection 13, Code 2003, is
21 amended to read as follows:

22 13. A member who, after July 1, ~~1986~~ 2003, has paid one or
23 more assessments levied under this chapter or chapter 513C may
24 take a credit against the premium taxes, or similar taxes,
25 upon revenues or income of the member that are imposed by the
26 state on health insurance premiums pursuant to chapter 432 or
27 payments subject to taxation under section 514B.31, up to the
28 amount of twenty percent of those taxes due, for each of the
29 five calendar years following the year for which an assessment
30 was paid, or until the aggregate of those assessments has been
31 offset by credits against those taxes if this occurs first.

32 If a member ceases doing business, all uncredited assessments
33 may be credited against its premium tax liability for the year
34 it ceases doing business.

35 Sec. 3. INDIVIDUAL HEALTH INSURANCE TASK FORCE. The

1 insurance division of the department of commerce shall
2 establish an individual health insurance task force. The
3 individual health insurance task force shall conduct a study
4 to review the individual health insurance market reform under
5 chapter 513C and the Iowa comprehensive health insurance
6 association under chapter 514E. The study shall include
7 review of the following:

8 1. The premium rating system for the guaranteed basic and
9 standard plans regulated under chapter 513C and the
10 comprehensive health insurance plans under chapter 514E.

11 2. The availability of and qualifications for coverage
12 under the guaranteed basic and standard plans regulated under
13 chapter 513C and the comprehensive health insurance plans
14 under chapter 514E.

15 3. The cost-sharing and assessment mechanisms under
16 sections 513C.10 and 514E.2.

17 4. Any other matters as agreed upon by the task force
18 which affect the individual health insurance market.

19 The commissioner of insurance shall select the members of
20 the task force which shall include representatives from the
21 Iowa comprehensive health insurance association, the public
22 employee governing bodies subject to chapter 509A, and other
23 health insurance-related parties or experts as deemed
24 appropriate by the commissioner.

25 The commissioner shall submit a report from the task force
26 to the general assembly on or before January 15, 2004,
27 regarding the task force's findings and recommendations
28 including proposed legislation concerning individual health
29 insurance.

30 EXPLANATION

31 This bill amends Code section 514E.2 to provide for a
32 phased-in, graduated, five-year premium tax offset for the
33 individual health reinsurance association assessments paid by
34 health insurers and health plans. In conjunction, the bill
35 adds new Code section 509A.16, which establishes a five-year,

1 phased-in, graduated general fund appropriation to replace the
2 elimination of the individual health reinsurance association
3 assessments paid by self-funded government entities and school
4 districts.

5 The bill also requires the insurance division to establish
6 an individual health insurance task force to study individual
7 health insurance market reform and the Iowa comprehensive
8 health insurance association, including certain specific
9 issues. Members of the task force are to include
10 representatives from the insurance industry, public employees,
11 and health insurance-related parties or experts as
12 appropriate. The report from the task force is due to the
13 general assembly on or before January 15, 2004.

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Brunkhorst
Wieck
Wamstadt

Commerce

SSB 1124

Succeeded By

(SF) HF 350

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY CHAIRPERSON
ANGELO)

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