

Senate Study Bill 3195

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CO=CHAIRPERSON BEHN)

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

A BILL FOR

1 An Act relating to loans made to resident account beneficiaries
2 of health savings accounts.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 6395SK 81
5 mg/gg/14

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1 1 Section 1. NEW SECTION. 421.48 PURPOSE == PROGRAM
1 2 ESTABLISHMENT.
1 3 The purpose of this section and sections 421.49 through
1 4 421.51 is to assist resident account beneficiaries of health
1 5 savings accounts to be able to fund, as quickly as possible,
1 6 the amount of the annual deductible and maximum out-of-pocket
1 7 amounts under the beneficiary's high deductible health plan.
1 8 To fulfill the purpose of this section and sections 421.49
1 9 through 421.51, the department shall establish a health
1 10 savings account loan program.
1 11 Sec. 2. NEW SECTION. 421.49 DEFINITIONS.
1 12 For purposes of sections 421.48 through 421.51, unless the
1 13 context otherwise requires:
1 14 1. "Account beneficiary", "health savings account", and
1 15 "high deductible health plan" mean the same as defined in
1 16 section 223 of the Internal Revenue Code.
1 17 2. "Internal Revenue Code" means the same as defined in
1 18 section 422.3.
1 19 Sec. 3. NEW SECTION. 421.50 HEALTH SAVINGS ACCOUNT LOAN
1 20 FUND.
1 21 1. A health savings account loan fund is created under the
1 22 authority of the department of revenue. The fund shall
1 23 consist of appropriations made to the fund and transfers of
1 24 interest, earnings, and moneys from other funds as provided by
1 25 law. The fund shall be separate from the general fund of the
1 26 state and the balance in the fund shall not be considered part
1 27 of the balance of the general fund of the state. However, the
1 28 fund shall be considered a special account for the purposes of
1 29 section 8.53, relating to generally accepted accounting
1 30 principles.
1 31 2. Notwithstanding section 12C.7, subsection 2, interest
1 32 or earnings on moneys in the fund shall be credited to the
1 33 fund.
1 34 3. The moneys in the health savings account loan fund are
1 35 appropriated to the department for purposes of providing loans
2 1 to resident account beneficiaries of health savings accounts
2 2 pursuant to section 421.51.
2 3 Sec. 4. NEW SECTION. 421.51 LOANS == PENALTY.
2 4 1. a. A resident of the state who is an account
2 5 beneficiary and whose balance in the health savings account is
2 6 less than the deductible under the account beneficiary's high
2 7 deductible health plan may apply to the department for a loan
2 8 in an amount not to exceed the difference.
2 9 b. An individual seeking a loan under this section shall
2 10 apply for the loan on a form approved by the department and
2 11 provide the following information:
2 12 (1) The amount of the deductible, the balance in the
2 13 health savings account, and the loan sought.
2 14 (2) A list of the major assets and liabilities of the
2 15 individual and the individual's household. The department
2 16 shall establish by rule what constitutes a major asset or

2 17 liability.

2 18 (3) Any other health coverage of the individual and the
2 19 corresponding deductible.

2 20 (4) Other information deemed necessary by the department.

2 21 c. If the department determines that the applicant
2 22 qualifies for a loan and sufficient funds are available, the
2 23 department shall provide the applicant with a loan equal to
2 24 the amount requested by the applicant, not to exceed the limit
2 25 specified in paragraph "a". The loan shall be on terms set by
2 26 rule of the department with interest at the rate established
2 27 under section 421.7. The loan shall be deposited into the
2 28 applicant's health savings account. As part of the loan
2 29 agreement, the applicant shall agree that moneys shall not be
2 30 deposited by the applicant into the applicant's health savings
2 31 account until after the loan has been repaid.

2 32 2. If an applicant or other person knowingly makes a false
2 33 statement for the purpose of enabling the applicant to receive
2 34 a loan under this section, the applicant or other person is
2 35 guilty of a fraudulent practice as described in section 714.8.

3 1 EXPLANATION

3 2 This bill establishes a health savings account loan
3 3 program. Under the program an Iowa resident who is an account
3 4 beneficiary of a health savings account may apply to the
3 5 department of revenue for a loan in an amount equal to the
3 6 difference between the resident's annual deductible under the
3 7 high deductible health plan and the balance in the resident's
3 8 health savings account. A health savings account is a trust
3 9 account established to assist the account beneficiary, on
3 10 whose behalf the account is established, to pay the annual
3 11 deductible and out-of-pocket expenses of a high deductible
3 12 health plan. Such health plan has a deductible of at least
3 13 \$1,000 for single coverage and at least \$2,000 for family
3 14 coverage.

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