

House File 2650 - Introduced

HOUSE FILE _____
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HF 2128)

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

A BILL FOR

1 An Act establishing a state health insurance mandate commission,
2 and providing for a repeal and an effective date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 5301HV 82
5 av/nh/8

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1 1 Section 1. NEW SECTION. 514C.23 STATE HEALTH INSURANCE
1 2 MANDATE COMMISSION.
1 3 1. DEFINITIONS. As used in this section, unless the
1 4 context otherwise requires:
1 5 a. "Carrier" means an entity subject to the insurance laws
1 6 and regulations of this state, or subject to the jurisdiction
1 7 of the commissioner, that contracts or offers to contract to
1 8 provide, deliver, arrange for, pay for, or reimburse any of
1 9 the costs of health care services, including an insurance
1 10 company offering sickness and accident plans, a health
1 11 maintenance organization, a nonprofit health service
1 12 corporation, an organized delivery system, or any other entity
1 13 that provides a plan of health insurance, health benefits, or
1 14 health services.
1 15 b. "Commissioner" means the Iowa commissioner of
1 16 insurance.
1 17 c. "Mandated health care benefit" means coverage that is
1 18 required or required to be offered under this chapter or other
1 19 state law in an individual or group hospital or health care
1 20 service contract if the law mandating coverage does any of the
1 21 following:
1 22 (1) Stipulates coverage for specific health care services,
1 23 benefits, technologies, or treatments.
1 24 (2) Places limitations or restrictions on deductibles,
1 25 coinsurance, copayments, or annual or lifetime maximum benefit
1 26 amounts.
1 27 (3) Designates a specific category of health care provider
1 28 from whom an insured is entitled to receive care.
1 29 (4) Requires coverage for all services that a health care
1 30 provider recommends that are consistent with "generally
1 31 accepted principles of professional medicine" or a similar
1 32 standard.
1 33 (5) Requires a specific level of payment or rate of
1 34 reimbursement.
1 35 d. "Small employer" means a person actively engaged in
2 1 business who, on at least fifty percent of the employer's
2 2 working days during the preceding year, employed not less than
2 3 two and not more than fifty full-time equivalent eligible
2 4 employees, as defined in section 513B.2.
2 5 2. EVALUATION BY COMMISSION.
2 6 a. When a bill is requested, the legislative services
2 7 agency shall make an initial determination of whether the bill
2 8 contains a requirement for a mandated health care benefit. If
2 9 a mandated health care benefit may be required as a result of
2 10 the bill, that fact shall be included in the explanation of
2 11 the bill.
2 12 b. A bill containing a notice that the bill contains a
2 13 requirement for a mandated health care benefit shall not be
2 14 assigned to a standing committee of the house of
2 15 representatives or the senate until the speaker of the house
2 16 of representatives or the president of the senate has referred
2 17 the bill to the commissioner for review and evaluation by the
2 18 state health insurance mandate commission created in this

2 19 section and a report has been received from the commission by
2 20 the speaker of the house of representatives and the president
2 21 of the senate.

2 22 c. Upon referral of such a bill to the commissioner, the
2 23 commissioner shall convene the state health insurance mandate
2 24 commission to conduct a review and evaluation of the bill.
2 25 The commission shall prepare a written report, with the
2 26 assistance of the commissioner, that sets forth the
2 27 commission's findings, evaluations, and recommendations. The
2 28 completed report shall be transmitted to the speaker of the
2 29 house of representatives and to the president of the senate
2 30 within forty-five days from the date the commissioner receives
2 31 referral of the bill. The report shall include a financial
2 32 impact analysis performed by an actuary who is a member of the
2 33 American academy of actuaries and who certifies that the
2 34 analysis is consistent with accepted actuarial techniques.

2 35 d. The report shall include but is not limited to a review
3 1 and evaluation of all of the following, to the extent that the
3 2 information is available:

3 3 (1) Public impact, including all of the following:

3 4 (a) The extent to which the mandated health care benefit
3 5 is generally utilized by a significant portion of the
3 6 population.

3 7 (b) The extent to which insurance coverage for the
3 8 mandated health care benefit is already generally available,
3 9 and if coverage is not generally available, the extent to
3 10 which the lack of coverage results in persons forgoing
3 11 necessary health care treatments or results in unreasonable
3 12 financial hardship to patients.

3 13 (c) The extent to which the mandated health care benefit
3 14 is covered by self-funded employers' groups.

3 15 (d) The level of public demand for the mandated health
3 16 care benefit.

3 17 (e) The extent to which the mandated health care benefit
3 18 has previously been covered by Iowa carriers and the specific
3 19 plans currently offered by Iowa carriers that provide coverage
3 20 for the mandated health care benefit.

3 21 (f) The level of public demand for insurance coverage of
3 22 the mandated health care benefit.

3 23 (g) The level of interest of collective bargaining agents
3 24 in negotiating privately for inclusion of the coverage in
3 25 group health insurance contracts.

3 26 (2) Medical impact, including all of the following:

3 27 (a) The extent to which the mandated health care benefit
3 28 is recognized by the appropriate recognized American health
3 29 care specialty society as being effective in the treatment of
3 30 patients.

3 31 (b) The extent to which the mandated health care benefit
3 32 is recognized by the appropriate recognized American health
3 33 care specialty society as being effective as demonstrated by a
3 34 review of scientific and peer-reviewed literature.

3 35 (c) The extent to which the mandated health care benefit
4 1 is available and utilized by health care providers in the
4 2 state.

4 3 (d) The extent to which the mandated health care benefit
4 4 makes a positive contribution to the health status of the
4 5 population, including the ramifications of using alternatives
4 6 to or not providing the mandated health care benefit.

4 7 (e) The extent to which the mandated health care benefit
4 8 would diminish or eliminate access to currently available
4 9 health care services.

4 10 (3) Financial impact, including all of the following:

4 11 (a) The extent to which the mandated health care benefit
4 12 will increase or decrease the cost of health care benefits
4 13 over the next five years.

4 14 (b) The extent to which the mandated health care benefit
4 15 will increase the appropriate use of the health care benefit
4 16 over the next five years.

4 17 (c) The extent to which the mandated health care benefit
4 18 will be a substitute for a more expensive health care benefit
4 19 over the next five years.

4 20 (d) The impact of the mandated health care benefit on
4 21 small employers.

4 22 (e) The extent to which the costs resulting from lack of
4 23 coverage for the mandated health care benefit are currently
4 24 paid by or will be shifted to other payers, including both
4 25 public and private entities.

4 26 (f) The extent to which the mandated health care benefit
4 27 will increase or decrease the administrative expenses of
4 28 carriers and the premiums and administrative expenses of
4 29 policyholders.

4 30 (g) The impact of the mandated health care benefit on the
4 31 total cost of health care over the next five years.

4 32 e. Upon receipt of the report, the bill may be assigned to
4 33 a standing committee of the house of representatives or the
4 34 senate and shall be considered eligible for consideration in
4 35 the same manner as a bill that is sponsored by the majority
5 1 and minority leaders of one house.

5 2 3. EVALUATION AND RECOMMENDATION == EFFECT. The state
5 3 health insurance mandate commission's evaluation and
5 4 recommendation concerning a specific proposed mandated health
5 5 care benefit that is submitted in a report to the speaker of
5 6 the house of representatives and the president of the senate
5 7 is conclusive and may be used in support of or in opposition
5 8 to any additional proposals made to require the specific
5 9 mandated health care benefit for three years from the date of
5 10 the report. A bill to require that specific mandated health
5 11 care benefit shall not be referred to the commission for
5 12 another evaluation and recommendation during that three-year
5 13 period. However, if the commission determines that new health
5 14 care data would significantly change its findings regarding
5 15 the specific mandated health care benefit, prior to the
5 16 conclusion of the three-year period, the commission may amend
5 17 its report. At the conclusion of the three-year period and
5 18 thereafter, if a bill is proposed that contains a requirement
5 19 to mandate that specific health care benefit, the bill shall
5 20 be referred to the commission as provided in subsection 2, for
5 21 a new evaluation and recommendation by the commission.

5 22 4. COMMISSION == ESTABLISHMENT.

5 23 a. A state health insurance mandate commission is
5 24 established to review legislation that proposes to mandate
5 25 health care benefits in this state.

5 26 b. The commission shall consist of the following members:

5 27 (1) The commissioner or the commissioner's designee.

5 28 (2) The chairperson and the ranking member of the senate
5 29 commerce committee or designees of either, both of whom shall
5 30 be ex officio, nonvoting members of the commission.

5 31 (3) The chairperson and the ranking member of the house
5 32 commerce committee or designees of either, both of whom shall
5 33 be ex officio, nonvoting members of the commission.

5 34 (4) Five members appointed by the governor, one of whom
5 35 shall be a representative of a small employer, one a
6 1 representative of a large employer, one a member of a
6 2 collective bargaining unit, one a person who has individual
6 3 health insurance coverage, and one representing the general
6 4 public.

6 5 (5) Four members appointed by the commissioner, one of
6 6 whom shall be an expert in the field of health insurance, one
6 7 an expert in medical research, one an expert in the field of
6 8 social sciences, and one an actuary.

6 9 c. Members of the commission who are appointed shall be
6 10 appointed for three-year terms and shall be balanced as to
6 11 political affiliation as provided in section 69.16. However,
6 12 a member shall serve until a successor has been appointed and
6 13 qualified. A vacancy on the commission shall be filled for
6 14 the unexpired portion of the regular term in the same manner
6 15 as regular appointments are made.

6 16 d. Members of the commission shall receive a per diem and
6 17 mileage, at the same rate that is paid to members of the
6 18 general assembly, when attending to the duties of the
6 19 commission.

6 20 e. The commission shall not conduct business until all
6 21 members of the commission have been appointed or selected and
6 22 qualify. A majority of the members of the commission shall
6 23 constitute a quorum. The commissioner or the commissioner's
6 24 designee shall serve as chairperson of the commission.

6 25 f. Staff and administrative support for the commission
6 26 shall be furnished by the insurance division.

6 27 g. The commission shall hold public hearings on bills that
6 28 are submitted to it for evaluation and recommendation prior to
6 29 issuing a written report under subsection 2.

6 30 h. The commission may do all of the following:

6 31 (1) Conduct research.

6 32 (2) Receive testimony from experts.

6 33 (3) Review, for purposes of comparison, the health
6 34 benefits mandated in other states and the jurisdiction and
6 35 effect of such mandates.

7 1 (4) Contract with experts to develop needed data
7 2 concerning a proposed mandate.

7 3 (5) Perform other actions necessary to accomplish the
7 4 commission's assigned tasks.

7 5 5. COMMISSION BUDGET.

7 6 a. The commissioner shall propose a budget for the first
7 7 year of operation of the state health insurance mandate
7 8 commission, subject to the approval of the state health
7 9 insurance mandate commission.

7 10 b. On or after July 1, 2009, and each July 1 thereafter,
7 11 the state health insurance mandate commission shall review the
7 12 costs of the commission's operation for the preceding year and
7 13 develop a budget for the commission's operation for the
7 14 current fiscal year.

7 15 6. RULES. The commissioner may adopt rules deemed
7 16 necessary for the administration of this section in accordance
7 17 with chapter 17A.

7 18 Sec. 2. FUTURE REPEAL. This section 514C.23 is repealed
7 19 on December 31, 2018.

7 20 Sec. 3. EFFECTIVE DATE AND TRANSITION. This Act, being
7 21 deemed of immediate importance, takes effect upon enactment.
7 22 A bill that is on the calendar or assigned to a standing
7 23 committee of either the house of representatives or the senate
7 24 on the last day of the 2008 session of the general assembly
7 25 and contains a requirement for a mandated health care benefit
7 26 as determined by the speaker of the house of representatives
7 27 or the president of the senate, shall be referred to the state
7 28 health insurance mandate commission for evaluation and
7 29 recommendation and a written report shall be submitted by the
7 30 commission to the speaker of the house of representatives and
7 31 the president of the senate as provided in section 514C.23.

7 32 EXPLANATION

7 33 This bill adds new Code section 514C.23 creating a state
7 34 health insurance mandate commission consisting of 14 specified
7 35 members and chaired by the commissioner of insurance or the
8 1 commissioner's designee.

8 2 The bill provides that when a bill is requested, the
8 3 legislative services agency shall make an initial
8 4 determination of whether the bill contains a requirement that
8 5 a mandated health care benefit be offered in all individual or
8 6 group hospital or health care service contracts in this state,
8 7 and if so, notice of that fact must be included in the
8 8 explanation of the bill.

8 9 The bill further provides that if such a notice is included
8 10 in the explanation of a bill, the bill shall not be assigned
8 11 to a standing committee of the house of representatives or the
8 12 senate until the speaker of the house of representatives or
8 13 the president of the senate has referred the bill to the
8 14 commissioner of insurance for review and evaluation by the
8 15 state health insurance mandate commission. The bill provides
8 16 that upon receiving such a referral, the insurance
8 17 commissioner shall convene the commission, and after
8 18 completing its review and evaluation the commission shall
8 19 prepare and transmit a written report to the speaker of the
8 20 house of representatives and to the president of the senate
8 21 setting forth the commission's findings, evaluations, and
8 22 recommendations including an evaluation of the public,
8 23 medical, and financial impacts, to the extent that the
8 24 information is available, of the proposed mandated health care
8 25 benefit within 45 days from the date the commissioner receives
8 26 referral of the bill. The report must include a financial
8 27 impact analysis performed by an actuary who is a member of the
8 28 American academy of actuaries and who certifies that the
8 29 analysis is consistent with accepted actuarial techniques.
8 30 Upon receipt of the report the bill may then be assigned to a
8 31 standing committee of the house of representatives or the
8 32 senate and is considered eligible for consideration in the
8 33 same manner as a bill that is sponsored by the majority and
8 34 minority leaders of one house.

8 35 The bill provides that the state health insurance mandate
9 1 commission's evaluation and recommendation concerning a
9 2 specific proposed mandated health care benefit that is
9 3 submitted in such a report is conclusive and may be used in
9 4 support of or in opposition to any additional proposals made
9 5 to require the specific mandated health care benefit for three
9 6 years from the date of the report. During that time another
9 7 bill to require that specific mandated health care benefit
9 8 cannot be referred to the commission for another evaluation
9 9 and recommendation. However, if the commission determines
9 10 that new health care data would significantly change its
9 11 findings prior to the conclusion of the three-year period, the
9 12 commission may amend its report. At the conclusion of the
9 13 three-year period, a bill to require that a specific mandated
9 14 health care benefit can be referred to the commission for a
9 15 new evaluation and recommendation.

9 16 The bill provides for the organization of the state health

9 17 insurance mandate commission, including three-year terms for
9 18 appointed members, balance in political affiliation,
9 19 vacancies, compensation for a per diem and mileage, quorums,
9 20 and staff and administrative support from the insurance
9 21 division. The bill specifies that the commission may hold
9 22 public hearings, receive testimony from experts, compare
9 23 health benefits mandated in other states, contract with
9 24 experts to develop needed data, and perform other actions
9 25 necessary to accomplish the commission's assigned tasks.

9 26 The bill also provides that the commissioner of insurance
9 27 shall propose a budget for the first year of operation of the
9 28 new commission subject to approval by the commission. The
9 29 bill provides that on or after July 1, 2009, and each July 1
9 30 thereafter, the commission shall review the costs of the
9 31 preceding year and develop a budget for the commission's
9 32 operation for the current fiscal year.

9 33 The bill allows the commissioner of insurance to adopt
9 34 rules deemed necessary for the administration of the new Code
9 35 section in accordance with Code chapter 17A.

10 1 New Code section 514C.23 is repealed on December 31, 2018.

10 2 The bill takes effect upon enactment and provides that a
10 3 bill that is on the calendar or assigned to a standing
10 4 committee of either the house of representatives or the senate
10 5 on the last day of the 2008 session of the general assembly
10 6 and contains a requirement for a mandated health care benefit,
10 7 as determined by the speaker of the house of representatives
10 8 or the president of the senate, shall be referred to the new
10 9 state health insurance mandate commission for evaluation and
10 10 recommendation. A written report shall be submitted by the
10 11 commission within 45 days of such referral as provided in new
10 12 Code section 514C.23.

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