

House File 420 - Introduced

HOUSE FILE _____
BY QUIRK

(COMPANION TO LSB 2328SS
BY RIELLY)

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

A BILL FOR

1 An Act allowing small business wellness and disease management
2 initiatives, and providing an effective date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2328HH 82
5 av/cf/24

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1 1 Section 1. Section 513B.4, Code 2007, is amended by adding
1 2 the following new subsection:
1 3 NEW SUBSECTION. 6. Notwithstanding subsection 4, a small
1 4 employer carrier may offer to transfer a small employer into a
1 5 different class of business with a lower index rate based upon
1 6 claims experience, implementation of managed care or wellness
1 7 programs, or health status improvement of the small employer
1 8 since issue.

1 9 Sec. 2. NEW SECTION. 513B.4B SMALL EMPLOYER INCENTIVES
1 10 == SUSPENSION OR MODIFICATION OF PREMIUM RATE RESTRICTIONS.
1 11 1. In order to encourage voluntary participation in
1 12 wellness or disease management programs, a small employer
1 13 carrier may offer premium credits or discounts to a small
1 14 employer for the benefit of eligible employees of that small
1 15 employer who participate in such a program. An employee shall
1 16 not be penalized in any way for not participating in such a
1 17 program.

1 18 2. The commissioner shall adopt, by rule or order,
1 19 provisions allowing suspension or modification of premium rate
1 20 restrictions to enable a small employer carrier to provide
1 21 premium credits or discounts to a small employer based on
1 22 measurable reductions in costs of that small employer,
1 23 including but not limited to tobacco use cessation,
1 24 participation in established wellness or disease management
1 25 programs, and reduced administrative or distribution costs.

1 26 Sec. 3. EFFECTIVE DATE. This Act, being deemed of
1 27 immediate importance, takes effect upon enactment.

EXPLANATION

1 29 This bill authorizes small business wellness and disease
1 30 management initiatives. Code section 513B.4 is amended to
1 31 allow a small employer carrier to transfer a small employer
1 32 into a different class of business with a lower index rate
1 33 based upon claims experience, implementation of managed care
1 34 or wellness programs, or health status improvement of the
1 35 small employer since issuance of the policy.

2 1 New Code section 513B.4B allows a small employer carrier to
2 2 offer premium credits or discounts to a small employer for the
2 3 benefit of eligible employees of that employer who voluntarily
2 4 participate in wellness or disease management programs. The
2 5 bill requires the commissioner of insurance to adopt rules or
2 6 orders allowing suspension or modification of premium rate
2 7 restrictions to enable a small employer carrier to provide
2 8 such premium credits or discounts to a small employer based on
2 9 measurable reductions in costs of that small employer,
2 10 including but not limited to tobacco use cessation,
2 11 participation in established wellness or disease management
2 12 programs, and reduced administrative or distribution costs.
2 13 The bill prohibits an employee from being penalized in any way
2 14 for not participating in a wellness or disease management
2 15 program.

2 16 The bill takes effect upon enactment.

2 17 LSB 2328HH 82

