

House File 437 - Introduced

HOUSE FILE _____
BY UPMEYER

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

A BILL FOR

1 An Act requiring a review of legislation containing a proposed
2 health care benefit mandate prior to filing.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2494YH 83
5 av/rj/14

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1 1 Section 1. NEW SECTION. 2.57 HEALTH CARE BENEFIT MANDATE
1 2 REVIEW.
1 3 1. When a bill or joint resolution is requested, the
1 4 legislative services agency shall make an initial
1 5 determination of whether the bill or joint resolution contains
1 6 a requirement for a mandated health care benefit. If a
1 7 mandated health care benefit may be required as a result of
1 8 the bill or resolution, that information shall be contained in
1 9 the explanation of the bill or joint resolution.
1 10 2. A bill or resolution containing a notice that the bill
1 11 contains a requirement for a mandated health care benefit
1 12 shall not be considered in committee until the bill or
1 13 resolution has been referred to the commissioner of insurance
1 14 for an analysis of the proposed mandate by the legislative
1 15 services agency.
1 16 3. Upon referral of such a bill or resolution to the
1 17 commissioner of insurance, the commissioner shall prepare a
1 18 written report that sets forth the commissioner's findings,
1 19 evaluations, and recommendations. The completed report shall
1 20 be transmitted to the sponsor of the bill or resolution and
1 21 shall include a financial impact analysis performed by an
1 22 actuary who certifies that the analysis is consistent with
1 23 accepted actuarial techniques.
1 24 4. The report shall include but is not limited to a review
1 25 and evaluation of all of the following, to the extent that the
1 26 information is available:
1 27 a. Public impact, including all of the following:
1 28 (1) The extent to which the mandated health care benefit
1 29 is generally utilized by a significant portion of the
1 30 population.
1 31 (2) The extent to which insurance coverage for the
1 32 mandated health care benefit is already generally available,
1 33 and if coverage is not generally available, the extent to
1 34 which the lack of coverage results in persons forgoing
1 35 necessary health care treatments or results in unreasonable
2 1 financial hardship to patients.
2 2 (3) The extent to which the mandated health care benefit
2 3 is covered by self-funded employers' groups.
2 4 (4) The level of public demand for the mandated health
2 5 care benefit.
2 6 (5) The level of public demand for insurance coverage of
2 7 the mandated health care benefit.
2 8 (6) The level of interest of collective bargaining agents
2 9 in negotiating privately for inclusion of the coverage in
2 10 group health insurance contracts.
2 11 b. Medical impact, including all of the following:
2 12 (1) The extent to which the mandated health care benefit
2 13 is recognized by the medical community as being effective in
2 14 the treatment of patients.
2 15 (2) The extent to which the mandated health care benefit
2 16 is recognized by the medical community as being effective as
2 17 demonstrated by a review of scientific and peer-reviewed
2 18 literature.
2 19 (3) The extent to which the mandated health care benefit
2 20 is available and utilized by health care providers in the

2 21 state.
2 22 (4) The extent to which the mandated health care benefit
2 23 makes a positive contribution to the health status of the
2 24 population, including the ramifications of using alternatives
2 25 to or not providing the mandated health care benefit.
2 26 (5) The extent to which the mandated health care benefit
2 27 would diminish or eliminate access to currently available
2 28 health care services.
2 29 c. Financial impact, including all of the following:
2 30 (1) The extent to which the mandated health care benefit
2 31 will increase or decrease the cost of health care benefits
2 32 over the next five years.
2 33 (2) The extent to which the mandated health care benefit
2 34 will increase the appropriate use of the health care benefit
2 35 over the next five years.
3 1 (3) The extent to which the mandated health care benefit
3 2 will be a substitute for a more expensive health care benefit
3 3 over the next five years.
3 4 (4) The impact of the mandated health care benefit on
3 5 small employers.
3 6 (5) The extent to which the costs resulting from lack of
3 7 coverage for the mandated health care benefit are currently
3 8 paid by or will be shifted to other payers, including both
3 9 public and private entities.
3 10 (6) The extent to which the mandated health care benefit
3 11 will increase or decrease the administrative expenses of
3 12 carriers and the premiums and administrative expenses of
3 13 policyholders.
3 14 (7) The impact of the mandated health care benefit on the
3 15 total cost of health care over the next five years.
3 16 5. As used in this section, unless the context otherwise
3 17 requires:
3 18 a. "Carrier" means an entity subject to the insurance laws
3 19 and regulations of this state, or subject to the jurisdiction
3 20 of the commissioner, that contracts or offers to contract to
3 21 provide, deliver, arrange for, pay for, or reimburse any of
3 22 the costs of health care services, including an insurance
3 23 company offering sickness and accident plans, a health
3 24 maintenance organization, a nonprofit health service
3 25 corporation, an organized delivery system, or any other entity
3 26 that provides a plan of health insurance, health benefits, or
3 27 health services.
3 28 b. "Commissioner" means the commissioner of insurance.
3 29 c. "Mandated health care benefit" means coverage that is
3 30 required or required to be offered under this chapter or other
3 31 state law in an individual or group hospital or health care
3 32 service contract if the law mandating coverage does any of the
3 33 following:
3 34 (1) Stipulates coverage for specific health care services,
3 35 benefits, technologies, or treatments.
4 1 (2) Places limitations or restrictions on deductibles,
4 2 coinsurance, copayments, or annual or lifetime maximum benefit
4 3 amounts.
4 4 (3) Designates a specific category of health care provider
4 5 from whom an insured is entitled to receive care.
4 6 (4) Requires coverage for all services that a health care
4 7 provider recommends that are consistent with generally
4 8 accepted principles of professional medicine or a similar
4 9 standard.
4 10 (5) Requires a specific level of payment or rate of
4 11 reimbursement.
4 12 d. "Small employer" means a person actively engaged in
4 13 business who, on at least fifty percent of the employer's
4 14 working days during the preceding year, employed not less than
4 15 two and not more than fifty full-time equivalent eligible
4 16 employees, as defined in section 513B.2.
4 17 Sec. 2. Section 505.8, Code 2009, is amended by adding the
4 18 following new subsection:
4 19 NEW SUBSECTION. 7A. The commissioner shall review any
4 20 proposed legislation that contains a requirement for a
4 21 mandated health care benefit and prepare and transmit a
4 22 written report of the commissioner's findings, evaluations,
4 23 and recommendations as to the proposed legislation as provided
4 24 in section 2.57.

4 25 EXPLANATION

4 26 This bill adds new Code section 2.57 requiring a review by
4 27 the commissioner of insurance of any proposed legislation that
4 28 contains a requirement for a mandated health care benefit.
4 29 The bill provides that when a bill or joint resolution is
4 30 requested, the legislative services agency shall make an
4 31 initial determination of whether the bill or joint resolution

4 32 contains a requirement for a mandated health care benefit and
4 33 include that information in the explanation of the bill or
4 34 joint resolution. A bill or joint resolution containing such
4 35 a notice shall not be considered in committee until the bill
5 1 or joint resolution has been referred to the commissioner of
5 2 insurance for an analysis of the proposed mandate.
5 3 Upon receiving such a referral, the commissioner of
5 4 insurance is required to prepare a written report that sets
5 5 forth the commissioner's findings, evaluations, and
5 6 recommendations concerning the proposed mandate. The report
5 7 is required to include a review and evaluation of the public,
5 8 medical, and financial impacts of the mandate, including a
5 9 financial impact analysis performed by an actuary. The report
5 10 is then to be transmitted to the sponsor of the bill or
5 11 resolution.
5 12 Code section 505.8 is amended to include the provisions of
5 13 the bill requiring the commissioner to prepare and transmit
5 14 written reports about proposed mandated health care benefits
5 15 in the general powers and duties of the commissioner.
5 16 LSB 2494YH 83
5 17 av/rj/14