

House File 694 - Introduced

HOUSE FILE _____
BY L. MILLER

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

A BILL FOR

1 An Act relating to the offering of health care coverage to state
2 employees through high deductible health plans and health
3 savings accounts.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2650YH 83
6 mg/nh/5

PAG LIN

1 1 Section 1. NEW SECTION. 509A.12A HEALTH SAVINGS ACCOUNTS
1 2 FOR STATE EMPLOYEES AND RETIREES.
1 3 1. For purposes of this section:
1 4 a. "Health savings account" or "high deductible health
1 5 plan" mean the same as defined in section 223 of the Internal
1 6 Revenue Code.
1 7 b. "Internal Revenue Code" means the same as defined in
1 8 section 422.3.
1 9 2. Beginning with the open enrollment period for the 2010
1 10 plan year, the executive council of the state shall offer to
1 11 all state employees and retirees, in addition to the plans
1 12 currently offered, the option of receiving health care
1 13 coverage through a high deductible health plan and the
1 14 establishment of a health savings account. In no instance
1 15 shall an employee or retiree be required to enroll in a high
1 16 deductible health plan with a deductible greater than the
1 17 minimum allowed by law. However, an employee or retiree shall
1 18 have the option to enroll in a high deductible health plan up
1 19 to the maximum allowed by law. The health savings account
1 20 shall conform to the guidelines established pursuant to
1 21 section 223 of the Internal Revenue Code for the applicable
1 22 tax year but in no case shall an employee or retiree be
1 23 required to contribute more than the minimum amount allowed by
1 24 law. A qualified employee or retiree may contribute up to the
1 25 maximum allowed by law. In order for a state employee or
1 26 retiree to obtain a high deductible health plan under this
1 27 section, such individual shall present evidence, in a manner
1 28 prescribed by the executive council, to the council that the
1 29 individual has established a health savings account in
1 30 compliance with section 223 of the Internal Revenue Code.
1 31 3. The executive council shall issue a request for
1 32 proposals from companies interested in offering a high
1 33 deductible health plan in connection with a health savings
1 34 account.
1 35 4. The executive council of the state shall adopt rules
2 1 for the administration and implementation of this section.

EXPLANATION

2 2
2 3 This bill directs the state executive council to offer,
2 4 beginning with the open enrollment period for the 2010 plan
2 5 year, the option for state employees or retirees to receive
2 6 health care coverage through a high deductible health plan and
2 7 the establishment of a health savings account.
2 8 High deductible health plans and health savings accounts
2 9 are defined in the Internal Revenue Code. A high deductible
2 10 health plan is a plan with a minimum annual deductibility of
2 11 \$1,100 for single-only coverage and \$2,200 for family
2 12 coverage. In addition, the annual out-of-pocket expenses
2 13 cannot exceed \$5,600 for self-only coverage and \$11,200 for
2 14 family coverage. These figures are adjusted for inflation.
2 15 Contributions made to a health savings account are deductible
2 16 in determining federal adjusted gross income and thus
2 17 deductible for Iowa tax purposes. The amount of the deduction
2 18 is adjusted for inflation and is approximately \$2,850 for
2 19 self-only coverage and \$5,650 for family coverage.

2 20 LSB 2650YH 83
2 21 mg/nh/5