

# Senate File 396 - Introduced

SENATE FILE \_\_\_\_\_  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SF 317)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act requiring a yearly review of legislation and current state  
2 laws that contain health care benefit mandates and providing  
3 an effective date.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 2501SV 83  
6 av/rj/8

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1 1 Section 1. NEW SECTION. 2.57 HEALTH CARE BENEFIT MANDATE  
1 2 REVIEW.  
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, policy, or contract of health insurance,  
1 14 health benefits, or health services.  
1 15 b. "Commissioner" means the commissioner of insurance.  
1 16 c. "Mandated health care benefit" means coverage that is  
1 17 required to be provided or required to be offered in an  
1 18 individual or group hospital or health care service plan,  
1 19 policy, or contract by a proposal in a bill or joint  
1 20 resolution or in an existing state law that requires such a  
1 21 plan, policy, or contract to do any of the following:  
1 22 (1) Provide coverage or increase the amount of coverage  
1 23 for the treatment of a particular disease, condition, or other  
1 24 health care need.  
1 25 (2) Provide coverage or increase the amount of coverage of  
1 26 a particular type of health care treatment or service, or of  
1 27 equipment, supplies, or drugs used in connection with a health  
1 28 care treatment or service.  
1 29 (3) Provide coverage for health care delivered by a  
1 30 specific type of provider.  
1 31 2. PROPOSED MANDATED HEALTH CARE BENEFITS == EVALUATION  
1 32 AND REPORT.  
1 33 a. When the drafting of a bill or joint resolution is  
1 34 requested, the legislative services agency shall make an  
1 35 initial determination of whether the bill or joint resolution  
2 1 contains a requirement for a mandated health care benefit. If  
2 2 a mandated health care benefit may be required as a result of  
2 3 the bill or joint resolution, that information shall be  
2 4 contained in the explanation of the bill or joint resolution  
2 5 and the bill or resolution shall be referred by the  
2 6 legislative services agency to the commissioner for an  
2 7 analysis of the proposed mandate.  
2 8 b. Upon referral of such a bill or joint resolution to the  
2 9 commissioner, the commissioner shall undertake a complete and  
2 10 timely analysis of all ramifications of the proposed mandated  
2 11 health care benefit and shall prepare a written report that  
2 12 sets forth the commissioner's findings, evaluations, and  
2 13 recommendations. The completed report shall be transmitted to  
2 14 the general assembly and the governor and shall include a  
2 15 financial impact analysis performed by an actuary who

2 16 certifies that the analysis is consistent with accepted  
2 17 actuarial standards. The referral of a bill or joint  
2 18 resolution to the commissioner pursuant to this section does  
2 19 not prevent the general assembly from considering or enacting  
2 20 the bill or joint resolution while the analysis is ongoing or  
2 21 prior to transmittal of the written report.

2 22 c. The report shall include but is not limited to a review  
2 23 and evaluation of all of the following, to the extent that the  
2 24 information is available:

2 25 (1) Social impact, including all of the following:

2 26 (a) Extent to which the mandated health care benefit is  
2 27 generally utilized by a significant portion of the population.

2 28 (b) Extent to which insurance coverage for the mandated  
2 29 health care benefit is generally available, and if not, the  
2 30 extent to which lack of coverage results in persons foregoing  
2 31 necessary health care or results in unreasonable financial  
2 32 hardship.

2 33 (c) Level of public demand for the mandated health care  
2 34 benefit.

2 35 (d) Level of public demand for insurance coverage of the  
3 1 mandated health care benefit.

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

3 3 (a) Extent to which the mandated health care benefit is  
3 4 recognized by the appropriate recognized health care specialty  
3 5 society as being an effective treatment.

3 6 (b) Extent to which the mandated health care benefit is  
3 7 recognized by the appropriate health care specialty society as  
3 8 being an effective treatment as demonstrated by a review of  
3 9 scientific and peer-reviewed literature.

3 10 (c) Extent to which the mandated health care benefit is  
3 11 available and is utilized by health care providers.

3 12 (d) Extent to which the mandated health care benefit makes  
3 13 a positive contribution to the health status of the  
3 14 population, including the ramifications of using alternatives  
3 15 to the mandated health care benefit or not providing the  
3 16 mandated health care benefit.

3 17 (e) Extent to which the mandated health care benefit would  
3 18 diminish or eliminate access to currently available health  
3 19 care services.

3 20 (3) Financial impact, including all of the following:

3 21 (a) Extent to which coverage of the mandated health care  
3 22 benefit will increase or decrease the cost of a treatment or  
3 23 service.

3 24 (b) Extent to which coverage of the mandated health care  
3 25 benefit will increase the appropriate use of a treatment or  
3 26 service.

3 27 (c) Extent to which the mandated health care benefit will  
3 28 serve as an alternative to a more expensive treatment or  
3 29 service.

3 30 (d) Extent to which coverage of the mandated health care  
3 31 benefit will increase or decrease the administrative expenses  
3 32 of insurers and the premium and administrative expenses of  
3 33 policyholders.

3 34 (e) Impact of coverage of the mandated health care benefit  
3 35 on the total cost of health care.

4 1 3. EXISTING MANDATED HEALTH CARE BENEFITS == EVALUATION  
4 2 AND REPORT. The commissioner shall annually conduct an  
4 3 evaluation of mandated health care benefits that are currently  
4 4 required under state law that includes a financial impact  
4 5 analysis performed by an actuary who certifies that the  
4 6 analysis is consistent with accepted actuarial standards. The  
4 7 evaluation shall include but is not limited to all of the  
4 8 following:

4 9 a. An assessment of the full cost of each existing  
4 10 mandated health care benefit as a percentage of the state's  
4 11 average annual wage and premiums under each of the following:

4 12 (1) A typical individual and group health benefit plan,  
4 13 policy, or contract in the state.

4 14 (2) A typical state employee health benefit plan.

4 15 (3) The comprehensive plan developed by the Iowa  
4 16 comprehensive health insurance association under chapter 514E.

4 17 b. An assessment of the degree to which existing mandated  
4 18 health care benefits are covered in self-funded insurance  
4 19 plans.

4 20 c. A comparison of mandated health care benefits in Iowa  
4 21 with those required in Nebraska, Minnesota, Missouri, and  
4 22 Wisconsin which includes but is not limited to all of the  
4 23 following:

4 24 (1) The number of mandated health care benefits in each  
4 25 state.

4 26 (2) The type of mandated health care benefits required in

4 27 each state.

4 28 (3) The level and extent of coverage required for each  
4 29 mandated health care benefit in each state.

4 30 (4) The financial impact of differences in levels of  
4 31 required coverage for each mandated health care benefit in  
4 32 each state.

4 33 4. CONTRACTUAL SERVICES. The commissioner may contract  
4 34 for actuarial services and any other professional services as  
4 35 necessary to carry out the requirements of this section.

5 1 5. ANNUAL REPORT. On or before December 31, 2009, and  
5 2 each December 31 thereafter, the commissioner shall submit a  
5 3 report to the general assembly and the governor that includes  
5 4 its findings as to any bill or joint resolution that has been  
5 5 referred to the commissioner in the previous year as provided  
5 6 in subsection 2, and as to existing mandated health care  
5 7 benefits under state law as provided in subsection 3. The  
5 8 report shall also include recommendations to the general  
5 9 assembly and the governor concerning decision-making criteria  
5 10 which may be employed to reduce the number of mandated health  
5 11 care benefits or the extent of coverage.

5 12 Sec. 2. EFFECTIVE DATE. This Act, being deemed of  
5 13 immediate importance, takes effect upon enactment.

#### 5 14 EXPLANATION

5 15 This bill creates new Code section 2.57 requiring a yearly  
5 16 review of legislation and current state laws that contain  
5 17 mandated health care benefits by the commissioner of  
5 18 insurance.

5 19 The bill provides that when a bill or joint resolution is  
5 20 requested, the legislative services agency shall make a  
5 21 determination of whether the bill or resolution contains a  
5 22 requirement for a mandated health care benefit, and if so,  
5 23 shall include that information in the explanation. The  
5 24 legislative services agency is then required to refer the bill  
5 25 or resolution to the commissioner for analysis and issuance of  
5 26 a report to the general assembly and the governor with the  
5 27 commissioner's findings, evaluations, and recommendations  
5 28 concerning the proposed mandated health care benefit. The  
5 29 report must include a financial impact analysis performed by  
5 30 an actuary who certifies that the analysis is consistent with  
5 31 accepted actuarial standards.

5 32 The bill specifies that the commissioner's review of  
5 33 proposed legislation shall include a number of factors  
5 34 including the social, medical, and financial impacts of  
5 35 enacting the proposed mandated health care benefit. The  
6 1 referral of a bill or resolution to the commissioner does not  
6 2 prevent the general assembly from considering or enacting the  
6 3 legislation while the analysis is ongoing or prior to  
6 4 transmittal of the written report.

6 5 The bill also requires the commissioner to conduct an  
6 6 annual evaluation of all mandated health care benefits that  
6 7 are currently required under state law and specifies a number  
6 8 of factors that should be contained in the evaluation,  
6 9 including a comparison of mandated health care benefits in  
6 10 neighboring states. This analysis must also include a  
6 11 financial impact analysis performed by an actuary who  
6 12 certifies that the analysis is consistent with accepted  
6 13 actuarial standards.

6 14 The commissioner is authorized to contract for actuarial  
6 15 services and any other professional services as necessary to  
6 16 carry out the requirements of the bill. On or before December  
6 17 31, 2009, and each December 31 thereafter, the commissioner is  
6 18 required to submit a report to the general assembly and the  
6 19 governor that includes its findings as to any bill or joint  
6 20 resolution containing a proposed mandated health care benefit  
6 21 that has been referred to the commissioner in the previous  
6 22 year and as to existing mandated health care benefits required  
6 23 by Iowa law. The report shall also include recommendations  
6 24 concerning decision-making criteria which may be employed to  
6 25 reduce the number of mandated health care benefits or the  
6 26 extent of coverage.

6 27 The bill is effective upon enactment.

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