

Senate Study Bill 3128 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON McCOY)

A BILL FOR

1 An Act relating to the Iowa comprehensive health insurance
2 association and to HIPIOWA-FED, and including effective date
3 provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 514E.1, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 12A. "HIPIOWA-FED" means the limited
4 liability company organized by the association for the
5 purposes of administering the state of Iowa temporary high-risk
6 insurance pool program pursuant to a contract with the United
7 States department of health and human services.

8 Sec. 2. Section 514E.2, subsection 7, Code 2011, is amended
9 by adding the following new paragraph:

10 NEW PARAGRAPH. *Ob.* Following the close of each calendar
11 year, HIPIOWA-FED shall determine the net premiums and
12 payments, the expenses of administration, and the incurred
13 losses of the program for the year. HIPIOWA-FED shall certify
14 the amount of any net loss for the preceding calendar year to
15 the commissioner of insurance and director of revenue and to
16 the United States department of health and human services. In
17 the event that additional federal funding is not provided to
18 HIPIOWA-FED to offset the loss, the loss shall be assessed by
19 the association on behalf of HIPIOWA-FED to all members of the
20 association in proportion to their respective shares of total
21 health insurance premiums or payments for subscriber contracts
22 received in Iowa during the second preceding calendar year, or
23 with paid losses in the year, coinciding with or ending during
24 the calendar year or on any other equitable basis as provided
25 in the plan of operation of the association or as required by
26 the United States department of health and human services. In
27 sharing losses, the association, on behalf of HIPIOWA-FED, may
28 abate or defer in any part the assessment of a member, if, in
29 the opinion of the board of the association, payment of the
30 assessment would endanger the ability of the member to fulfill
31 its contractual obligations. The association, on behalf
32 of HIPIOWA-FED, may also provide for an initial or interim
33 assessment against members of the association if necessary to
34 assure the financial capability of HIPIOWA-FED to meet the
35 incurred or estimated claims expenses or operating expenses of

1 the temporary high-risk insurance pool program until the next
2 calendar year is completed. Net gains, if any, must be held at
3 interest to offset future losses or allocated to reduce future
4 premiums.

5 Sec. 3. Section 514E.2, Code 2011, is amended by adding the
6 following new subsections:

7 NEW SUBSECTION. 12A. The association shall be considered a
8 governmental body for purposes of chapter 21 and a government
9 body for purposes of chapter 22. A person to whom the
10 association delegates the duties and powers of the association
11 shall be considered a governmental body for purposes of chapter
12 21 and a government body for purposes of chapter 22 to the
13 extent that the person carries out the powers and duties of the
14 association.

15 NEW SUBSECTION. 12B. HIPIOWA-FED shall be considered a
16 governmental body for purposes of chapter 21 and a government
17 body for purposes of chapter 22. A person to whom the duties
18 and powers of the limited liability company are delegated shall
19 be considered a governmental body for purposes of chapter
20 21 and a government body for purposes of chapter 22 to the
21 extent that the person carries out the powers and duties of the
22 limited liability company.

23 Sec. 4. REQUEST FOR WAIVER OF CONTRACT PROVISIONS BY
24 HIPIOWA-FED. Within thirty days after the effective date of
25 this Act, HIPIOWA-FED, the limited liability company organized
26 by the Iowa comprehensive health insurance association for the
27 purpose of administering the state of Iowa temporary high-risk
28 insurance pool program pursuant to a contract with the United
29 State department of health and human services, shall request
30 a waiver from the United States department of health and
31 human services from the requirements of the contract between
32 HIPIOWA-FED and the department to allow HIPIOWA-FED to accept
33 third-party payment of premiums for an individual enrolled in
34 the program.

35 Sec. 5. EFFECTIVE UPON ENACTMENT. This Act, being deemed of

1 immediate importance, takes effect upon enactment.

2

EXPLANATION

3 This bill relates to HIPIOWA-FED, a limited liability
4 company organized by the Iowa comprehensive health insurance
5 association for the purpose of administering the state of
6 Iowa temporary high-risk insurance pool program pursuant to a
7 contract with the United States department of health and human
8 services. The bill provides that both the Iowa comprehensive
9 health insurance association and HIPIOWA-FED shall be
10 considered governmental bodies for purposes of Iowa's open
11 meetings law and government bodies for purposes of Iowa's open
12 records law and must meet the requirements of those provisions.
13 A person to whom the association or HIPIOWA-FED delegates its
14 duties and powers is also subject to the requirements of the
15 open records law and the open meetings law to the extent that
16 the person carries out those powers and duties.

17 The bill also provides that HIPIOWA-FED must determine its
18 net premiums and payments, the expenses of administration, and
19 the incurred losses of the program at the end of each year
20 and certify the amount of any net loss to the commissioner of
21 insurance and the director of revenue and to the United States
22 department of health and human services. If additional federal
23 funding is not provided to HIPIOWA-FED to offset the loss, the
24 loss shall be assessed to members of the Iowa comprehensive
25 health insurance association in the same manner as assessments
26 are made for losses incurred by the state high-risk pool.
27 Members of the association subject to this assessment include
28 all health insurers, health maintenance organizations, and
29 organized delivery systems licensed by the director of public
30 health, providing individual and group health insurance or
31 health care services in the state. An insurer that is subject
32 to the assessment is eligible to offset the assessment paid
33 pursuant to Code chapter 514E against the insurer's premium tax
34 liability owed pursuant to Code chapter 432.

35 The bill also requires HIPIOWA-FED to request a waiver from

S.F. _____

1 the United States department of health and human services from
2 the requirements of the contract between HIPIOWA-FED and the
3 department to allow HIPIOWA-FED to accept third-party payment
4 of premiums for an individual enrolled in insurance through the
5 HIPIOWA-FED program. The bill is effective upon enactment and
6 the request for a waiver must be made within 30 days after the
7 effective date of the bill.