

**Senate File 2035 - Introduced**

SENATE FILE 2035

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**A BILL FOR**

1 An Act relating to health care coverage including the  
2 establishment of a healthy Iowans for a public option and  
3 the administration of the Medicaid program, and including  
4 effective date provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

LEGISLATIVE INTENT

Section 1. LEGISLATIVE INTENT. The Medicaid program has been utilized and expanded in a bipartisan manner since its inception to provide a health care safety net to seniors in nursing facilities, to people with disabilities living in the community, to pregnant women and children, and to poor and working class families. The federal Patient Protection and Affordable Care Act provided many opportunities for improvement in health care and health care coverage, including an opportunity for further expansion of the Medicaid program to additional populations. It is the intent of the general assembly to establish a public health care coverage safety net by utilizing a Medicaid program buy-in option to counteract the effects of inadequate private competition and make affordable health care coverage accessible to those Iowans without individual health care coverage.

DIVISION II

HEALTHY IOWANS FOR A PUBLIC OPTION — ESTABLISHMENT

Sec. 2. HEALTHY IOWANS FOR A PUBLIC OPTION.

1. The department of human services shall apply to the secretary of the United States department of health and human services for any necessary waiver pursuant to 42 U.S.C. §1315 or 42 U.S.C. §18052, to do all of the following:

a. Allow the department of human services to establish and administer the healthy Iowans for a public option to provide coverage to individuals who are eligible for and enroll in the healthy Iowans for a public option established in this section. The department may make coverage through the healthy Iowans for a public option available for purchase through the Iowa state-federal partnership marketplace created pursuant to the federal Patient Protection and Affordable Care Act as defined in section 249N.2.

b. Allow an individual who is determined eligible for advanced premium tax credits and cost-sharing reductions

1 pursuant to 45 C.F.R. §155.305 to use such credits and  
2 reductions to purchase coverage through the healthy Iowans for  
3 a public option.

4 2. If the secretary of the United States department  
5 of health and human services grants the necessary waivers  
6 requested under this section, the department of human services  
7 shall do all of the following:

8 a. Establish the healthy Iowans for a public option  
9 to provide coverage for individuals who are not otherwise  
10 eligible for the Medicaid program and who do not have access to  
11 affordable employer-sponsored health care coverage. Coverage  
12 under the healthy Iowans for a public option shall provide the  
13 same benefits as those specified for Iowa health and wellness  
14 plan members under section 249N.5.

15 b. Administer the healthy Iowans for a public option through  
16 the Iowa Medicaid enterprise. The duties of the Iowa Medicaid  
17 enterprise may include determining member eligibility for the  
18 program using policies and procedures adopted by rule of the  
19 department pursuant to chapter 17A; maintaining eligibility  
20 files with pertinent eligibility determination and ongoing  
21 enrollment information; providing periodic reports to the  
22 department for administrative oversight and monitoring of  
23 compliance with federal requirements; and maintaining data for  
24 the purpose of quality assurance reports as required by rule  
25 of the department.

26 3. If the secretary of the United States department  
27 of health and human services grants the necessary waivers  
28 requested under this section, the department of human services  
29 may make the healthy Iowans for a public option available on  
30 the Iowa state-federal partnership marketplace created pursuant  
31 to the federal Patient Protection and Affordable Care Act as  
32 defined in section 249N.2.

33 4. The department of human services shall adopt rules  
34 pursuant to chapter 17A as necessary to administer this  
35 section.

DIVISION III

TERMINATION OF MEDICAID MANAGED CARE CONTRACTS

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2           Sec. 3. TERMINATION OF MEDICAID MANAGED CARE CONTRACTS —  
3           TRANSITION TO ADMINISTRATION BY IOWA MEDICAID ENTERPRISE —  
4           EFFECTIVE DATE. The department of human services shall, upon  
5           the effective date of this division of this Act, terminate  
6           the contracts executed with managed care organizations to  
7           administer the Iowa high quality health care initiative  
8           as established by the department, in accordance with the  
9           termination provisions of the contracts. The termination  
10          shall include a transition period to ensure that health care  
11          delivery and coverage for affected Medicaid members is not  
12          disrupted. The department of human services shall seek any  
13          Medicaid state plan and waiver amendments necessary to complete  
14          the transition and, upon completion of the transition, shall  
15          instead administer the Medicaid program under alternative  
16          value-based payment methodologies to promote quality and  
17          efficiency, investment in patient-centered, integrated, primary  
18          and preventive care, improved health care outcomes, innovation  
19          and integration in the organization and delivery of health  
20          care, and health care cost containment and minimization of  
21          administrative costs.  
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23          Sec. 4. EFFECTIVE UPON ENACTMENT. This division of this  
24          Act, being deemed of immediate importance, takes effect upon  
25          enactment.

EXPLANATION

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27                   The inclusion of this explanation does not constitute agreement with  
28                   the explanation's substance by the members of the general assembly.

29          This bill relates to the provision of health insurance  
30          coverage in the state.

31          Division I of the bill provides legislative intent to  
32          establish a public health care coverage safety net by utilizing  
33          a Medicaid program buy-in option to counteract the effects of  
34          inadequate private competition and make affordable health care  
35          coverage accessible to those Iowans without individual health

1 care coverage.

2 Division II of the bill provides for the establishment of  
3 healthy Iowans for a public option. The bill directs the  
4 department of human services (DHS) to apply to the secretary  
5 of the United States department of health and human services  
6 for any necessary federal waivers relative to the Medicaid  
7 program and the federal Patient Protection and Affordable Care  
8 Act (ACA) to allow DHS to establish and administer the healthy  
9 Iowans for a public option to provide coverage to individuals  
10 who are eligible for and enroll in the healthy Iowans for  
11 a public option established in the bill, and to allow an  
12 individual who is determined eligible for advanced premium tax  
13 credits and cost-sharing reductions under the ACA to use such  
14 credits and reductions to purchase coverage through the healthy  
15 Iowans for a public option.

16 The bill provides that if the necessary waivers are granted  
17 by the secretary of the United States department of health  
18 and human services, DHS shall establish and administer the  
19 healthy Iowans for a public option through the Iowa Medicaid  
20 enterprise. The department may make coverage through the  
21 healthy Iowans for a public option available for purchase  
22 through the Iowa state-federal partnership marketplace created  
23 pursuant to the ACA. Coverage under the healthy Iowans for a  
24 public option includes the same benefits as those specified for  
25 Iowa health and wellness plan members under Code chapter 249N.

26 The bill directs DHS to adopt rules pursuant to Code chapter  
27 17A as necessary to administer the bill.

28 Division III of the bill requires DHS, upon the effective  
29 date of Division III of the bill, to terminate the contracts  
30 executed with managed care organizations to administer the  
31 Iowa high quality health care initiative as established by  
32 DHS, in accordance with the termination provisions of the  
33 contracts. The termination shall include a transition period  
34 to ensure that health care delivery and coverage for affected  
35 Medicaid members is not disrupted. DHS is directed to seek

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1 any Medicaid state plan and waiver amendments necessary to  
2 complete the transition and, upon completion of the transition,  
3 to instead administer the Medicaid program under alternative  
4 payment methodologies to promote quality and efficiency,  
5 patient-centered, integrated, primary and preventive care, and  
6 innovation and integration in the organization and delivery of  
7 health care.

8 Division III of the bill takes effect upon enactment.