

**Senate Study Bill 3004 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
HUMAN RESOURCES BILL BY  
CHAIRPERSON SEGEBART)

**A BILL FOR**

1 An Act relating to a no-deductible copayment structure for an  
2 entire prescription drug benefit, including all formulary  
3 tiers, in a specified percentage of individual, group, and  
4 small group insurance contracts, policies, and plans offered  
5 in the state by health carriers.

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

1 Section 1. NEW SECTION. 514C.5A Prescription drug benefits  
2 — no-deductible copayment structure.

3 1. *Definitions.* For the purpose of this section:

4 a. "*Health care service*" means the same as defined in  
5 section 514J.102.

6 b. "*No-deductible copayment*" means a copayment for a covered  
7 health care service that is not subject to a deductible.

8 2. *No-deductible copayment structure.*

9 a. A health carrier that offers individual, group, or small  
10 group contracts, policies, or plans in this state that provide  
11 for third-party payment or prepayment of prescription drugs  
12 shall, in at least twenty-five percent of the individual,  
13 twenty-five percent of the group, and twenty-five percent of  
14 the small group contracts, policies, or plans offered, do all  
15 of the following:

16 (1) Apply a no-deductible copayment structure to the  
17 entire prescription drug benefit, including all tiers of the  
18 formulary, for which payment or prepayment is covered under the  
19 contract, policy, or plan.

20 (2) Implement a no-deductible copayment structure  
21 in all formulary tiers that is reasonably graduated and  
22 proportionately related in all formulary tier levels.

23 b. A health carrier that offers only one contract, policy,  
24 or plan of individual coverage in this state issued pursuant  
25 to chapter 514, 514A, or 514B, or small group health coverage  
26 issued pursuant to chapter 513B, shall do all of the following:

27 (1) Apply a no-deductible copayment structure to the  
28 entire prescription drug benefit, including all tiers of the  
29 formulary, for which payment or prepayment is covered under the  
30 contract, policy, or plan.

31 (2) Implement a no-deductible copayment structure  
32 in all formulary tiers that is reasonably graduated and  
33 proportionately related in all formulary tier levels.

34 3. *Rules.* The commissioner shall adopt rules pursuant to  
35 chapter 17A to administer this section.



1 including all tiers of the formulary. The no-deductible  
2 copayment structure must be applied in at least 25 percent of  
3 the individual, 25 percent of the group, and 25 percent of the  
4 small group contracts, policies, or plans offered by the health  
5 carrier.

6 If a health carrier offers only one contract, policy, or plan  
7 of individual coverage issued per Code chapter 514, 514A, or  
8 514B, or small group health coverage issued per Code chapter  
9 513B, all contracts, policies, or plans offered by the health  
10 carrier must apply a no-deductible copayment structure to the  
11 entire prescription drug benefit, including all tiers of the  
12 formulary.

13 The no-deductible copayment structure must be reasonably  
14 graduated and proportionately related in all formulary tier  
15 levels.

16 The bill is applicable to third-party payment provider  
17 contracts, policies, or plans delivered, issued for delivery,  
18 continued, or renewed in this state on or after January 1,  
19 2019, including individual or group accident and sickness  
20 insurance providing coverage on an expense-incurred basis, an  
21 individual or group hospital or medical service contract issued  
22 pursuant to Code chapter 509, 514, or 514A, an individual or  
23 group health maintenance organization contract regulated under  
24 Code chapter 514B, or a plan established for public employees  
25 pursuant to Code chapter 509A.

26 The bill does not apply to accident-only, specified disease,  
27 short-term hospital or medical, hospital confinement indemnity,  
28 credit, dental, vision, Medicare supplement, long-term care,  
29 basic hospital and medical-surgical expense, disability  
30 income insurance coverage, coverage issued as a supplement  
31 to liability insurance, workers' compensation or similar  
32 insurance, or automobile medical payment insurance.