

Senate Study Bill 3173 - Introduced

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

A BILL FOR

1 An Act relating to health benefit plans for members of certain
2 agricultural organizations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 505.20 Certain agricultural
2 organizations exempt from regulation.

3 1. A health benefit plan, sponsored by a nonprofit
4 agricultural organization domiciled in this state and created
5 primarily to promote programs for the development of rural
6 communities and the economic stability and sustainability of
7 farmers in the state which meets the requirements set forth in
8 subsection 2, shall be deemed to not be insurance and shall
9 not be subject to the provisions of Title XIII, subtitle 1, to
10 the extent such plan, after January 1, 2018, provides health
11 benefits under a self-funded arrangement that is administered
12 by a domestic entity that is registered as a third-party
13 administrator pursuant to chapter 510 and that has continuously
14 provided, either directly or through an affiliate, health
15 care administrative services to the nonprofit agricultural
16 organization or its affiliates for a period in excess of ten
17 years.

18 2. A nonprofit agricultural organization providing a health
19 benefit plan to its members under this section must meet all
20 of the following requirements:

21 a. Have been in existence for twenty-five continuous years
22 prior to the issuance of health benefits to members of the
23 organization.

24 b. Provide membership opportunities for eligible individuals
25 in all ninety-nine counties of the state.

26 c. Collect annual dues from members.

27 d. Hold regular meetings to further the purposes of the
28 members.

29 e. Provide the members with representation on its governing
30 board and committees.

31 f. Provide education, mentoring, and financial assistance to
32 grow and expand rural businesses in the state.

33 g. Have contracted with the domestic entity described in
34 subsection 1 to administer the health benefit plan.

35 3. Such nonprofit agricultural organization shall file a

1 certification with the commissioner that the organization meets
2 the foregoing requirements prior to providing health benefits
3 under a self-funded arrangement to its members.

4

EXPLANATION

5

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

7

This bill relates to health benefit plans for members of
8 certain agricultural organizations.

9

The bill provides that a health benefit plan sponsored by a
10 nonprofit agricultural organization domiciled in the state for
11 its members shall not be deemed to be insurance and shall not
12 be subject to the jurisdiction of the commissioner of insurance
13 if it meets the requirements as outlined in the bill.

14

The bill requires that the health benefit plan be provided
15 via a self-funded arrangement and administered by a domestic
16 third-party administrator that holds a certificate of
17 registration issued by the commissioner. The third-party
18 administrator shall have acted as the third-party administrator
19 of health care administrative services, either directly
20 or through an affiliate, for the nonprofit agricultural
21 organization for more than 10 consecutive years prior to the
22 date the nonprofit agricultural organization begins offering a
23 health benefit plan to its members.

24

The organization shall certify its compliance with the
25 requirements of the bill with the commissioner prior to
26 providing a health benefit plan to its members.