

Senate File 2064 - Introduced

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A BILL FOR

1 An Act relating to preexisting condition protections and
2 including applicability provisions.

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

1 Section 1. NEW SECTION. 514M.1 Short title.

2 This chapter shall be known and may be cited as *"The Protect*
3 *Coverage for Preexisting Conditions Act"*.

4 Sec. 2. NEW SECTION. 514M.2 Definitions.

5 As used in this chapter, unless the context otherwise
6 requires:

7 1. *"Commissioner"* means the commissioner of insurance.

8 2. *"Health benefit plan"* means any policy, contract,
9 certificate, or agreement, including a short-term,
10 limited-duration policy, offered or issued by a health carrier
11 to provide, deliver, arrange for, pay for, or reimburse any of
12 the costs of health care services.

13 3. *"Health care services"* means services for the diagnosis,
14 prevention, treatment, cure, or relief of a health condition,
15 illness, injury, or disease.

16 4. *"Health carrier"* means an entity subject to the
17 insurance laws and regulations of this state, or subject
18 to the jurisdiction of the commissioner, including an
19 insurance company offering sickness and accident plans, a
20 health maintenance organization, a nonprofit health service
21 corporation, a plan established pursuant to chapter 509A for
22 public employees, a plan offered or maintained by a multiple
23 employer welfare association, or any other entity providing
24 a plan of health insurance, health benefits, or health care
25 services. Notwithstanding section 505.20, subsection 1, *"health*
26 *carrier"* also includes a nonprofit agricultural organization
27 domiciled in the state that sponsors a health benefit plan
28 pursuant to section 505.20.

29 5. *"Preexisting condition exclusion"* means a limitation or
30 exclusion of benefits, or a denial of coverage, relating to
31 a condition based on the fact that the condition was present
32 before the date of enrollment for such coverage or the date
33 of denial of coverage, whether or not any medical advice,
34 diagnosis, care, or treatment was recommended or received for
35 the condition before the date of enrollment or the date of

1 denial of coverage.

2 Sec. 3. NEW SECTION. 514M.3 Preexisting conditions.

3 Notwithstanding any other provision of law to the contrary,
4 a health carrier that offers an individual health benefit plan
5 or a group health benefit plan in this state shall not do
6 either of the following:

7 1. Deny coverage to any employer or to any individual that
8 is eligible to apply for the individual health benefit plan or
9 the group health benefit plan.

10 2. Impose any preexisting condition exclusion on an
11 employer or on an individual with respect to the individual
12 health benefit plan or the group health benefit plan.

13 Sec. 4. NEW SECTION. 514M.4 Premium rates.

14 1. *a.* Notwithstanding any other provision of law to the
15 contrary, a health carrier that offers an individual health
16 benefit plan or a group health benefit plan in this state shall
17 develop premium rates for the individual health benefit plan
18 or the group health benefit plan based only on the following
19 factors:

20 (1) Age, except that the rate shall not vary by more than
21 three-to-one for like individuals of different ages who are age
22 twenty-one and older.

23 (2) Whether the health benefit plan covers an individual or
24 family.

25 (3) Tobacco use, except that the rate shall not vary by more
26 than one and one-half times the rate charged to a non-tobacco
27 user.

28 (4) Geographic rating area established in compliance with
29 federal law.

30 *b.* Notwithstanding any other provision of law to the
31 contrary, with respect to premium rates for family coverage
32 under an individual health benefit plan or a group health
33 benefit plan offered in this state, a health carrier shall
34 apply the factors permitted pursuant to paragraph "a" based on
35 the premium that is attributable to each family member covered

1 under the health benefit plan in accordance with rules adopted
2 by the commissioner.

3 2. Notwithstanding any other provision of law to the
4 contrary, a health carrier that offers an individual health
5 benefit plan or a group health benefit plan in this state shall
6 adjust the premium rates established pursuant to subsection 1
7 no more frequently than annually and based only on the factors
8 in subsection 1, paragraph "a", except that the health carrier
9 may adjust the premium rates in the following circumstances:

10 a. With respect to a small group health plan, if there are
11 changes in enrollment.

12 b. There is a change to the family composition of an
13 individual enrolled in an individual health benefit plan or of
14 an employee enrolled in a group health benefit plan.

15 c. There is a change in the geographic rating area or in
16 tobacco use for an individual enrolled in an individual health
17 benefit plan.

18 d. An individual enrolled in an individual health benefit
19 plan requests changes to the health benefit plan or a small
20 employer requests changes to a group health benefit plan.

21 e. A change in federal law or federal regulations requiring
22 a premium rate adjustment.

23 Sec. 5. NEW SECTION. 514M.5 Rules.

24 The commissioner shall adopt rules pursuant to chapter 17A
25 as necessary to implement and administer this chapter.

26 Sec. 6. NEW SECTION. 514M.6 Enforcement.

27 The commissioner shall take any action within the
28 commissioner's authority to enforce compliance with this
29 chapter.

30 Sec. 7. APPLICABILITY. This Act applies to health benefit
31 plans delivered, issued for delivery, continued, or renewed in
32 this state on or after January 1, 2021.

33 EXPLANATION

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

1 This bill relates to preexisting condition protections and
2 creates "The Protect Coverage for Preexisting Conditions Act".

3 The bill prohibits a health carrier that offers an
4 individual health benefit plan (individual plan) or a group
5 health benefit plan (group plan) in this state from denying
6 coverage to any employer or to any individual that is eligible
7 to apply for the individual plan or the group plan, or from
8 imposing any preexisting condition exclusion on an employer or
9 on an individual with respect to the individual plan or the
10 group plan. "Health carrier" is defined in the bill as an
11 entity subject to the insurance laws and regulations of this
12 state, or subject to the jurisdiction of the commissioner,
13 including an insurance company offering sickness and accident
14 plans, a health maintenance organization, a nonprofit health
15 service corporation, a plan established pursuant to Code
16 chapter 509A for public employees, a plan offered or maintained
17 by a multiple employer welfare association, or any other
18 entity providing a plan of health insurance, health benefits,
19 or health care services. "Health carrier" also includes a
20 nonprofit agricultural organization domiciled in the state that
21 sponsors a health benefit plan pursuant to Code section 505.20.

22 The bill defines "preexisting condition exclusion" as a
23 limitation or exclusion of benefits, or a denial of coverage,
24 relating to a condition based on the fact that the condition
25 was present before the date of enrollment for such coverage
26 or the date of denial of coverage, whether or not any medical
27 advice, diagnosis, care, or treatment was recommended or
28 received for the condition before the date of enrollment or the
29 date of denial of coverage.

30 A health carrier that offers an individual plan or a group
31 plan must develop premium rates for the individual or group
32 plan based on age, whether the health benefit plan covers an
33 individual or family, tobacco use, and the geographic rating
34 area established in compliance with federal law. With respect
35 to premium rates for family coverage under an individual

1 plan or a group plan, a health carrier must apply those same
2 factors, in accordance with rules adopted by the commissioner,
3 based on the premium attributable to each family member
4 covered under the plan. Premium rates can be adjusted no more
5 frequently than annually and based only on those same factors,
6 except that the health carrier may adjust the premium rates in
7 specified circumstances as detailed in the bill.

8 The bill directs the commissioner to adopt rules as
9 necessary to implement and administer the provisions of the
10 bill and to take any action within the commissioner's authority
11 to enforce compliance with the provisions of the bill.

12 The bill applies to health benefit plans delivered, issued
13 for delivery, continued, or renewed in this state on or after
14 January 1, 2021.