

House Study Bill 741 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON KAUFMANN)

A BILL FOR

1 An Act relating to the establishment of an easy enrollment
2 health care coverage program utilizing the state income tax
3 form.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 422.12P Income tax form — easy
2 enrollment health care coverage program.

3 1. The department, in cooperation with the department of
4 health and human services and the insurance division, shall
5 establish an easy enrollment health care coverage program
6 utilizing the state income tax form to identify residents
7 of the state who are uninsured but may qualify for benefits
8 under a health care coverage program. The easy enrollment
9 health care coverage program shall be designed to do all of the
10 following:

11 a. Facilitate identification of taxpayers and members of
12 taxpayers' households who are uninsured.

13 b. Provide taxpayers with a method to authorize the
14 department to share insurance-relevant information with the
15 Iowa health insurance marketplace and the department of health
16 and human services for the purpose of assessing eligibility for
17 a health care coverage program.

18 c. Provide for automatic enrollment or provisionally
19 assessed eligibility of the taxpayer or a member of the
20 taxpayer's household in the Medicaid program or other health
21 care coverage program.

22 d. Facilitate enrollment in a health care coverage program.

23 2. For the tax year beginning January 1, 2024, the director
24 or the director's designee shall develop the income tax form to
25 include all of the following options for a taxpayer who files
26 an individual or joint income tax return with the department
27 under section 422.13:

28 a. A check box indicating that the taxpayer filing the tax
29 return either has or does not have health care coverage.

30 b. A check box indicating that the spouse of the taxpayer
31 filing the tax return either has or does not have health care
32 coverage.

33 c. A check box indicating each dependent of the taxpayer who
34 does not have health care coverage, and a space to indicate the
35 birth date of each such dependent.

1 *d.* A check box indicating each member of the taxpayer's
2 household who is not the spouse of the taxpayer or a dependent
3 of the taxpayer, the individual's relationship to the taxpayer,
4 the individual's birth date, and whether the individual has
5 health care coverage.

6 *e.* A check box authorizing the department to share
7 insurance-relevant information with the Iowa health insurance
8 marketplace and the department of health and human services.

9 *f.* A check box authorizing the department of health and
10 human services to enroll the taxpayer or a member of the
11 taxpayer's household in the Medicaid program if the department
12 of health and human services has sufficient insurance-relevant
13 information to complete an eligibility determination for the
14 taxpayer or a member of the taxpayer's household, but only if
15 the taxpayer or the member of the taxpayer's household will not
16 be subject to any cost including deductibles or copayments for
17 such health care coverage.

18 *g.* An email address, telephone number, or other preferred
19 method of communicating with the taxpayer for additional
20 contact by the Iowa health insurance marketplace or the
21 department of health and human services.

22 3. If a taxpayer indicates on the income tax form that
23 the taxpayer or anyone in the taxpayer's household does
24 not have health care coverage, and the taxpayer authorizes
25 the department to share the taxpayer's insurance-relevant
26 information with the Iowa health insurance marketplace and
27 the department of health and human services, the department
28 shall forward to the Iowa health insurance marketplace and to
29 the department of health and human services the taxpayer's
30 insurance-relevant information and a copy of the taxpayer's
31 authorization.

32 4. *a.* Upon receiving a taxpayer's insurance-relevant
33 information and authorization from the department under
34 this section, the Iowa health insurance marketplace and the
35 department of health and human services shall assess the

1 taxpayer's eligibility or the eligibility of the members of the
2 taxpayer's household for a health care coverage program.

3 *b.* (1) Following the assessment, if the department of
4 health and human services has sufficient insurance-relevant
5 information to determine the taxpayer or a member of the
6 taxpayer's household is eligible for the Medicaid program, the
7 department shall do one of the following:

8 (a) If the taxpayer authorized such enrollment, enroll
9 the eligible taxpayer or eligible member of the taxpayer's
10 household in the Medicaid program.

11 (b) If the taxpayer did not authorize such enrollment in the
12 Medicaid program, contact the taxpayer and provide the taxpayer
13 with information on the Medicaid program.

14 (2) Following the assessment, if the department of
15 health and human services has sufficient insurance-relevant
16 information to determine the taxpayer or a member of the
17 taxpayer's household is not eligible for the Medicaid program
18 but may be eligible for other health care coverage programs
19 under the purview of the department, contact the taxpayer to
20 provide the taxpayer with information about the other health
21 care coverage program options including specific benefits
22 and cost-sharing requirements, enrollment instructions, and
23 enrollment assistance.

24 (3) Following the assessment, if the department of health
25 and human services does not have sufficient insurance-relevant
26 information to determine if the taxpayer or a member of the
27 taxpayer's household is eligible for the Medicaid program
28 or other health care coverage programs under the purview of
29 the department, contact the taxpayer to obtain sufficient
30 information to make a determination.

31 *c.* Following the assessment, if the Iowa health insurance
32 marketplace determines the taxpayer or a member of the
33 taxpayer's household may be eligible for a qualified health
34 plan or financial assistance through the Iowa health insurance
35 marketplace, the Iowa health insurance marketplace shall

1 contact the taxpayer and provide the taxpayer with information
2 on all of the following:

3 (1) Qualified health plans available to the taxpayer or
4 a member of the taxpayer's household through the Iowa health
5 insurance marketplace.

6 (2) Specific enrollment instructions and information
7 on enrollment assistance for each of the qualified health
8 plans available to the taxpayer or a member of the taxpayer's
9 household.

10 (3) Information on the federal premium assistance credit
11 provided pursuant to 26 U.S.C. §36B.

12 5. Notwithstanding any state confidentiality or privacy
13 protection or other provision of law to the contrary, the
14 department may share confidential tax return information with
15 the department of health and human services and the Iowa health
16 insurance marketplace to the extent the confidential tax return
17 information constitutes insurance-relevant information and the
18 department has received the taxpayer's consent to share the
19 information.

20 6. The provision of information by a taxpayer under this
21 section is voluntary and a taxpayer shall not be subject to a
22 penalty for not providing the information specified under this
23 section.

24 7. The department, the department of health and human
25 services, and the insurance division shall collaboratively do
26 all of the following:

27 a. Develop the instructions for completion of the income
28 tax return form and compile other information to accompany the
29 income tax form provided to taxpayers under this section.

30 b. Define terms for the purposes of both completion of the
31 income tax form and for information about and eligibility for
32 health care coverage programs including the terms "dependent"
33 and "household".

34 c. Develop outreach educational materials and programming
35 to communicate the availability and the purpose of the easy

1 enrollment health care coverage program to the public. The
2 materials and programming shall include materials developed for
3 different target groups, including but not limited to in-person
4 and online tax preparers, consumer assistance organizations,
5 community groups, and underserved groups.

6 *d.* Enter into any data-sharing agreements necessary to
7 facilitate insurance-relevant information sharing and tracking,
8 eligibility verification procedures, and outreach efforts.

9 *e.* Consider criteria for automatic exclusions such as
10 taxpayers who do not reside in the state.

11 *f.* Notify and provide training for both in-person tax
12 preparers and electronic tax preparation programs regarding the
13 changes to the tax forms to facilitate software updates and
14 compliance.

15 *g.* Automate the tracking and response mechanisms to the
16 greatest extent possible.

17 *h.* Develop and utilize any other processes or procedures
18 that facilitate the easy enrollment health care coverage
19 program.

20 8. Beginning January 15, 2026, and annually thereafter,
21 the department, the department of health and human services,
22 and the insurance division shall collaboratively report to
23 the governor and the general assembly all of the following
24 information based on the immediately preceding calendar year's
25 tax return data:

26 *a.* The number of taxpayers who indicated on their tax form
27 that the taxpayer, the taxpayer's spouse, a dependent of the
28 taxpayer, or another household member of the taxpayer did not
29 have health care coverage.

30 *b.* The number of taxpayers who authorized the sharing of
31 insurance-relevant information for the purposes of assessing
32 eligibility for a health care coverage program.

33 *c.* The number of taxpayers or members of a taxpayer's
34 household provisionally assessed as eligible for a health care
35 coverage program.

1 *d.* The number of taxpayers or members of a taxpayer's
2 household who enrolled in a health care coverage program as the
3 result of the easy enrollment health care coverage program, and
4 the type of health care coverage program in which the person
5 enrolled.

6 *e.* Demographic data on enrollment in specific health care
7 coverage programs resulting from the easy enrollment health
8 care coverage program.

9 *f.* Recommendations to improve outreach materials, address
10 issues related to information required for establishing
11 eligibility while maintaining confidentiality, and other
12 proposed changes to improve the easy enrollment health care
13 coverage program.

14 9. The department, the department of health and human
15 services, and the insurance division shall each adopt rules
16 pursuant to chapter 17A to jointly implement and administer
17 the easy enrollment health care coverage program under this
18 section.

19 10. As used in this section:

20 *a.* "*Affordable Care Act*" means the federal Patient
21 Protection and Affordable Care Act, Pub. L. No. 111-148, as
22 amended by the federal Health Care and Education Reconciliation
23 Act of 2010, Pub. L. No. 111-152, and any amendments thereto.

24 *b.* "*Health care coverage program*" means the Medicaid
25 program, the healthy and well kids in Iowa program, the Iowa
26 health and wellness plan, or a qualified health plan available
27 through the Iowa health insurance marketplace.

28 *c.* "*Healthy and well kids in Iowa program*" or "*Hawki program*"
29 means the Hawki program as defined in section 514I.2.

30 *d.* "*Household*" means the spouse, any dependent, and any
31 other individual who resides with the taxpayer but is not
32 claimed as a spouse or dependent on the taxpayer's income tax
33 return.

34 *e.* "*Insurance division*" means the insurance division of the
35 department of insurance and financial services.

1 *f. "Insurance-relevant information"* means information
2 pertaining to the insurance enrollment status of a taxpayer
3 or members of a taxpayer's household and that is derived or
4 obtained from the taxpayer's state income tax return; provided
5 that information is limited to information necessary to assess
6 the eligibility of the taxpayer or members of the taxpayer's
7 household for health coverage programs and includes:

8 (1) Adjusted gross income and other types of reported income
9 used to assess eligibility for a health coverage program.

10 (2) Household size.

11 (3) Claimed dependents.

12 (4) Contact information and personally identifying
13 information necessary to assess health coverage program
14 eligibility and used to match against relevant third-party data
15 sources.

16 (5) Any other information necessary to determine
17 eligibility for a health care coverage program as specified by
18 rule of the department, in consultation with the department of
19 health and human services and the insurance division.

20 *g. "Iowa health and wellness plan"* means the Iowa health and
21 wellness plan established in chapter 249N.

22 *h. "Iowa health insurance marketplace"* means the American
23 health benefits exchange created pursuant to the Affordable
24 Care Act.

25 *i. "Medicaid program"* means the same as defined in section
26 249A.2.

27 *j. "Qualified health plan"* means an insurance plan that is
28 certified by the Iowa health insurance marketplace, provides
29 essential health benefits, follows established limits on
30 cost-sharing including for deductibles, copayments, and
31 out-of-pocket maximum amounts, and meets other requirements
32 under the Affordable Care Act.

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 establishes an easy enrollment health care
2 coverage program. The bill requires the department of revenue
3 (DOR) in cooperation with the department of health and human
4 services (HHS) and the insurance division of the department
5 of insurance and financial services (insurance division) to
6 establish an easy enrollment health care coverage program
7 (program) utilizing the state income tax form to identify
8 residents of the state who are uninsured but may qualify for
9 benefits under a health care coverage program. The program is
10 designed to facilitate identification of taxpayers and members
11 of taxpayers' households who are uninsured; provide taxpayers
12 with a method to authorize the sharing of insurance-relevant
13 information for the purpose of assessing eligibility for a
14 health care coverage program; provide for automatic enrollment
15 or provisionally assessed eligibility of the taxpayer or a
16 member of the taxpayer's household in the Medicaid program or
17 other health care coverage program; and facilitate enrollment
18 in a health care coverage program.

19 For the tax year beginning January 1, 2024, the director of
20 revenue (director), or the director's designee shall develop
21 the income tax form to include specific options for a taxpayer
22 who files an individual or joint income tax return to indicate
23 certain information, including that the taxpayer either does
24 or does not have health care coverage, that the spouse of the
25 taxpayer either does or does not have health care coverage,
26 each of the dependents of the taxpayer who do not have health
27 care coverage and their birth dates, information about
28 other members of the taxpayer's household including whether
29 the individual does or does not have health care coverage,
30 authorization for DOR to share insurance-relevant information
31 with the Iowa health insurance marketplace (marketplace) and
32 HHS; authorization for HHS to enroll the taxpayer or a member
33 of the taxpayer's household in the Medicaid program if HHS
34 has sufficient insurance-relevant information to complete
35 an eligibility determination; and the taxpayer's contact

1 information for their preferred method of communication.
2 The bill provides alternative processes that the marketplace
3 and HHS may follow depending on whether the taxpayer indicates
4 the taxpayer or anyone in the taxpayer's household does not
5 have health care coverage, the taxpayer authorizes the sharing
6 of the taxpayer's insurance-relevant information, and the
7 taxpayer's insurance-relevant information and authorization are
8 shared with the marketplace and HHS. Once the marketplace and
9 HHS receive the taxpayer's insurance-relevant information, the
10 marketplace and HHS shall assess the taxpayer's eligibility
11 or the eligibility of the members of the taxpayer's household
12 for a health care coverage program. Following the assessment,
13 if HHS has sufficient insurance-relevant information to
14 determine the taxpayer or a member of the taxpayer's household
15 is eligible for the Medicaid program, and if the taxpayer
16 authorized such enrollment, HHS shall enroll the eligible
17 taxpayer or eligible member of the taxpayer's household in
18 the Medicaid program. If the taxpayer did not authorize
19 such enrollment in the Medicaid program, HHS shall contact
20 the taxpayer and provide the taxpayer with information on
21 the Medicaid program. Following the assessment, if HHS
22 has sufficient insurance-relevant information to determine
23 the taxpayer or a member of the taxpayer's household is not
24 eligible for the Medicaid program but may be eligible for
25 other health care coverage programs under the purview of
26 HHS, HHS shall contact the taxpayer to provide the taxpayer
27 with information about the other health care coverage
28 program options, including specific benefits and cost-sharing
29 requirements, enrollment instructions, and enrollment
30 assistance. Following the assessment, if HHS does not have
31 sufficient information to determine if the taxpayer or a member
32 of the taxpayer's household is eligible for the Medicaid
33 program or another health care coverage program under the
34 purview of the department, contact the taxpayer to obtain
35 sufficient information to make a determination.

1 Following the assessment, if the marketplace determines
2 the taxpayer or a member of the taxpayer's household may be
3 eligible for a qualified health plan or financial assistance
4 through the marketplace, the marketplace shall contact the
5 taxpayer and provide the taxpayer with specific information
6 about the qualified health plans available through the
7 marketplace.

8 The bill provides that notwithstanding any state
9 confidentiality or privacy protection or other provision
10 of law to the contrary, DOR may share confidential tax
11 return information with HHS and the marketplace to the
12 extent the confidential tax return information constitutes
13 insurance-relevant information and DOR has received the
14 taxpayer's authorization to share the information.

15 The provision of information by a taxpayer under the bill is
16 voluntary and a taxpayer shall not be subject to a penalty for
17 not providing the information.

18 The bill requires DOR, HHS, and the insurance division to
19 collaboratively develop the tax return form and accompanying
20 information to be provided to taxpayers; develop outreach
21 educational materials and programming to communicate the
22 availability and the purpose of the program to the public;
23 enter into any data-sharing agreements necessary to facilitate
24 insurance-relevant information sharing and tracking,
25 eligibility verification procedures, and outreach efforts;
26 consider criteria for automatic exclusions such as taxpayers
27 who do not reside in the state; notify and provide training for
28 both in-person tax preparers and electronic tax preparation
29 programs regarding the changes to the tax forms to facilitate
30 software updates and compliance; automate the tracking and
31 response mechanisms to the greatest extent possible; and
32 develop and utilize any other processes or procedures that
33 facilitate the program.

34 Beginning January 15, 2026, and annually thereafter, DOR,
35 HHS, and the insurance division shall collaboratively report

1 specified information and recommendations to the governor
2 and the general assembly based on the immediately preceding
3 calendar year's tax return data.

4 DOR, HHS, and the insurance division shall each adopt
5 administrative rules to jointly implement and administer the
6 program.

7 The bill provides definitions used in the bill.