

House File 355 - Introduced

HOUSE FILE 355
BY ZABNER

A BILL FOR

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

unofficial

1 Section 1. NEW SECTION. **422.12Q 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 of the
7 state who are uninsured but may qualify for benefits under a
8 health care coverage program. The easy enrollment health care
9 coverage program shall be designed to do all of the following:

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

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

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

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

22 2. For the tax year beginning January 1, 2025, the director
23 or the director's designee shall develop the income tax form to
24 include all of the following options for a taxpayer who files an
25 individual or joint income tax return with the department under
26 section 422.13:

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

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

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

35 d. A check box indicating each member of the taxpayer's

1 household who is not the spouse of the taxpayer or a dependent of
2 the taxpayer, the individual's relationship to the taxpayer, the
3 individual's birth date, and whether the individual has health
4 care coverage.

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

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

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

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

30 4. a. Upon receiving a taxpayer's insurance-relevant
31 information and authorization from the department under this
32 section, the Iowa health insurance marketplace and the department
33 of health and human services shall assess the taxpayer's
34 eligibility or the eligibility of the members of the taxpayer's
35 household for a health care coverage program.

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

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

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

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

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

28 c. Following the assessment, if the Iowa health insurance
29 marketplace determines the taxpayer or a member of the
30 taxpayer's household may be eligible for a qualified health
31 plan or financial assistance through the Iowa health insurance
32 marketplace, the Iowa health insurance marketplace shall contact
33 the taxpayer and provide the taxpayer with information on all of
34 the following:

35 (1) Qualified health plans available to the taxpayer or

1 a member of the taxpayer's household through the Iowa health
2 insurance marketplace.

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

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

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

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

21 7. The department, the department of health and human
22 services, and the insurance division shall collaboratively do all
23 of the following:

24 a. Develop the instructions for completion of the income tax
25 return form and compile other information to accompany the income
26 tax form provided to taxpayers under this section.

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

31 c. Develop outreach educational materials and programming
32 to communicate the availability and the purpose of the easy
33 enrollment health care coverage program to the public. The
34 materials and programming shall include materials developed for
35 different target groups, including but not limited to in-person

1 and online tax preparers, consumer assistance organizations,
2 community groups, and underserved groups.

3 d. Enter into any data-sharing agreements necessary to
4 facilitate insurance-relevant information sharing and tracking,
5 eligibility verification procedures, and outreach efforts.

6 e. Consider criteria for automatic exclusions such as
7 taxpayers who do not reside in the state.

8 f. Notify and provide training for both in-person tax
9 preparers and electronic tax preparation programs regarding the
10 changes to the tax forms to facilitate software updates and
11 compliance.

12 g. Automate the tracking and response mechanisms to the
13 greatest extent possible.

14 h. Develop and utilize any other processes or procedures that
15 facilitate the easy enrollment health care coverage program.

16 8. Beginning January 15, 2027, and annually thereafter, the
17 department, the department of health and human services, and the
18 insurance division shall collaboratively report to the governor
19 and the general assembly all of the following information based
20 on the immediately preceding calendar year's tax return data:

21 a. The number of taxpayers who indicated on their tax form
22 that the taxpayer, the taxpayer's spouse, a dependent of the
23 taxpayer, or another household member of the taxpayer did not
24 have health care coverage.

25 b. The number of taxpayers who authorized the sharing of
26 insurance-relevant information for the purposes of assessing
27 eligibility for a health care coverage program.

28 c. The number of taxpayers or members of a taxpayer's
29 household provisionally assessed as eligible for a health care
30 coverage program.

31 d. The number of taxpayers or members of a taxpayer's
32 household who enrolled in a health care coverage program as the
33 result of the easy enrollment health care coverage program, and
34 the type of health care coverage program in which the person
35 enrolled.

1 e. Demographic data on enrollment in specific health care
2 coverage programs resulting from the easy enrollment health care
3 coverage program.

4 f. Recommendations to improve outreach materials, address
5 issues related to information required for establishing
6 eligibility while maintaining confidentiality, and other proposed
7 changes to improve the easy enrollment health care coverage
8 program.

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

13 10. As used in this section:

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

18 b. "*Health care coverage program*" means the Medicaid program,
19 the healthy and well kids in Iowa program, the Iowa health and
20 wellness plan, or a qualified health plan available through the
21 Iowa health insurance marketplace.

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

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

27 e. "*Insurance division*" means the insurance division of the
28 department of insurance and financial services.

29 f. "*Insurance-relevant information*" means information
30 pertaining to the insurance enrollment status of a taxpayer
31 or members of a taxpayer's household and that is derived or
32 obtained from the taxpayer's state income tax return; provided
33 that information is limited to information necessary to assess
34 the eligibility of the taxpayer or members of the taxpayer's
35 household for health coverage programs and includes:

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

3 (2) Household size.

4 (3) Claimed dependents.

5 (4) Contact information and personally identifying
6 information necessary to assess health coverage program
7 eligibility and used to match against relevant third-party data
8 sources.

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

13 g. "Iowa health and wellness plan" means the Iowa health and
14 wellness plan established in chapter 249N.

15 h. "Iowa health insurance marketplace" means the American
16 health benefits exchange created pursuant to the Affordable Care
17 Act.

18 i. "Medicaid program" means the same as defined in section
19 249A.2.

20 j. "Qualified health plan" means an insurance plan that
21 is certified by the Iowa health insurance marketplace,
22 provides essential health benefits, follows established limits
23 on cost-sharing including for deductibles, copayments, and
24 out-of-pocket maximum amounts, and meets other requirements under
25 the Affordable Care Act.

26 EXPLANATION

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 establishes an easy enrollment health care coverage
30 program. The bill requires the department of revenue (DOR) in
31 cooperation with the department of health and human services
32 (HHS) and the insurance division of the department of insurance
33 and financial services (insurance division) to establish an
34 easy enrollment health care coverage program (program) utilizing
35 the state income tax form to identify residents of the state

1 who are uninsured but may qualify for benefits under a health
2 care coverage program. The program is designed to facilitate
3 identification of taxpayers and members of taxpayers' households
4 who are uninsured; provide taxpayers with a method to authorize
5 the sharing of insurance-relevant information for the purpose of
6 assessing eligibility for a health care coverage program; provide
7 for automatic enrollment or provisionally assessed eligibility
8 of the taxpayer or a member of the taxpayer's household in
9 the Medicaid program or other health care coverage program; and
10 facilitate enrollment in a health care coverage program.

11 For the tax year beginning January 1, 2025, the director
12 of revenue (director), or the director's designee shall develop
13 the income tax form to include specific options for a taxpayer
14 who files an individual or joint income tax return to indicate
15 certain information, including that the taxpayer either does
16 or does not have health care coverage, that the spouse of the
17 taxpayer either does or does not have health care coverage,
18 each of the dependents of the taxpayer who do not have
19 health care coverage and their birth dates, information about
20 other members of the taxpayer's household including whether
21 the individual does or does not have health care coverage,
22 authorization for DOR to share insurance-relevant information
23 with the Iowa health insurance marketplace (marketplace) and
24 HHS; authorization for HHS to enroll the taxpayer or a member
25 of the taxpayer's household in the Medicaid program if HHS
26 has sufficient insurance-relevant information to complete an
27 eligibility determination; and the taxpayer's contact information
28 for their preferred method of communication.

29 The bill provides alternative processes that the marketplace
30 and HHS may follow depending on whether the taxpayer indicates
31 the taxpayer or anyone in the taxpayer's household does not have
32 health care coverage, the taxpayer authorizes the sharing of
33 the taxpayer's insurance-relevant information, and the taxpayer's
34 insurance-relevant information and authorization are shared with
35 the marketplace and HHS. Once the marketplace and HHS receive the

1 taxpayer's insurance-relevant information, the marketplace and
2 HHS shall assess the taxpayer's eligibility or the eligibility
3 of the members of the taxpayer's household for a health
4 care coverage program. Following the assessment, if HHS
5 has sufficient insurance-relevant information to determine the
6 taxpayer or a member of the taxpayer's household is eligible
7 for the Medicaid program, and if the taxpayer authorized such
8 enrollment, HHS shall enroll the eligible taxpayer or eligible
9 member of the taxpayer's household in the Medicaid program.
10 If the taxpayer did not authorize such enrollment in the
11 Medicaid program, HHS shall contact the taxpayer and provide the
12 taxpayer with information on the Medicaid program. Following the
13 assessment, if HHS has sufficient insurance-relevant information
14 to determine the taxpayer or a member of the taxpayer's
15 household is not eligible for the Medicaid program but may
16 be eligible for other health care coverage programs under the
17 purview of HHS, HHS shall contact the taxpayer to provide the
18 taxpayer with information about the other health care coverage
19 program options, including specific benefits and cost-sharing
20 requirements, enrollment instructions, and enrollment assistance.
21 Following the assessment, if HHS does not have sufficient
22 information to determine if the taxpayer or a member of the
23 taxpayer's household is eligible for the Medicaid program or
24 another health care coverage program under the purview of the
25 department, contact the taxpayer to obtain sufficient information
26 to make a determination.

27 Following the assessment, if the marketplace determines the
28 taxpayer or a member of the taxpayer's household may be eligible
29 for a qualified health plan or financial assistance through
30 the marketplace, the marketplace shall contact the taxpayer
31 and provide the taxpayer with specific information about the
32 qualified health plans available through the marketplace.

33 The bill provides that notwithstanding any state
34 confidentiality or privacy protection or other provision
35 of law to the contrary, DOR may share confidential tax

1 return information with HHS and the marketplace to the
2 extent the confidential tax return information constitutes
3 insurance-relevant information and DOR has received the
4 taxpayer's authorization to share the information.

5 The provision of information by a taxpayer under the bill is
6 voluntary and a taxpayer shall not be subject to a penalty for
7 not providing the information.

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

23 Beginning January 15, 2027, and annually thereafter, DOR, HHS,
24 and the insurance division shall collaboratively report specified
25 information and recommendations to the governor and the general
26 assembly based on the immediately preceding calendar year's tax
27 return data.

28 DOR, HHS, and the insurance division shall each adopt
29 administrative rules to jointly implement and administer the
30 program.

31 The bill provides definitions used in the bill.