

**House File 716 - Introduced**

HOUSE FILE 716  
BY GEARHART

**A BILL FOR**

1 An Act relating to health care coverage of certain nonstate  
2 public employees and officials under the state health  
3 insurance plan, and including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **8A.471 Definitions.**

2 As used in this part, unless the context otherwise requires:

3 1. "Nonstate public employee" means any employee or elected  
4 official of a nonstate public employer who is an active member,  
5 as defined in section 97B.1A, of the Iowa public employees'  
6 retirement system.

7 2. "Nonstate public employer" means a political subdivision  
8 of the state or its offices or units, including but not limited  
9 to a county, city, community college, or school district.

10 3. "State health or medical group insurance plan" or "state  
11 plan" means a health or medical group insurance plan for  
12 employees of the state.

13 Sec. 2. NEW SECTION. **8A.472 Nonstate public employees —**  
14 **coverage.**

15 1. Nonstate public employees may obtain coverage under the  
16 state plan in accordance with this section.

17 2. A nonstate public employer may submit an application to  
18 the department for coverage under the state plan of all of  
19 such employer's nonstate public employees. If a nonstate public  
20 employer submits such an application for coverage, the department  
21 shall provide such coverage no later than the first day of the  
22 third calendar month following such application.

23 3. Premium rates for nonstate public employers shall be the  
24 total premium rate paid by the state inclusive of any premiums  
25 paid by state employees for the particular state health care  
26 product offered by the state plan.

27 Sec. 3. NEW SECTION. **8A.473 Premium payments —**  
28 **administrative fees.**

29 1. A nonstate public employer participating in the state plan  
30 shall pay the monthly amount determined by the department, for  
31 coverage of its employees or elected officials as appropriate  
32 under the state plan. A nonstate public employer may require  
33 each covered employee or elected official to contribute a portion  
34 of the cost of such coverage under the state plan, subject to any  
35 collective bargaining obligation applicable to such employer. If

1 any payment due by a nonstate public employer under this section  
2 is not timely paid, after the due date interest shall be added  
3 to such payment at the prevailing rate of interest, as determined  
4 by the department. Such interest shall be paid by the nonstate  
5 public employer.

6 2. The department shall charge a nonstate public employer  
7 participating in the state plan an administrative fee calculated  
8 on a per-month basis per covered employee or elected official.

9 3. Payments made pursuant to this section shall be deposited  
10 in the Iowa health care coverage partnership program trust fund  
11 created in section 8A.474.

12 4. If a nonstate public employer fails to make premium  
13 payments as required under this section, the department may  
14 direct the treasurer of state, or any other office of the state  
15 that is the custodian of any moneys made available by reason of  
16 any grant, allocation, or appropriation by the state or state  
17 agencies payable to the nonstate public employer at any time  
18 subsequent to the failure of the nonstate public employer, to  
19 pay such premiums and interest that are due and unpaid and  
20 to withhold payment of moneys payable to the nonstate public  
21 employer until the amount of the premiums and interest then  
22 due and unpaid by the nonstate public employer has been paid  
23 to the state or until the treasurer of state determines that  
24 arrangements, satisfactory to the treasurer of state, have been  
25 made for the payment of such premiums and interest. However,  
26 such moneys shall not be withheld from a nonstate public employer  
27 if such withholding will adversely affect the receipt of any  
28 federal grant or aid in connection with such moneys.

29 Sec. 4. NEW SECTION. **8A.474 Iowa health care coverage**  
30 **partnership program trust fund.**

31 1. An Iowa health care coverage partnership program trust  
32 fund is created in the state treasury under the control of the  
33 department. The trust fund shall consist of all moneys deposited  
34 in the fund and other assets that must be held in trust and  
35 is appropriated to the department for the exclusive benefit of

1 nonstate public employees covered under the state plan, including  
2 for payment of insurance premiums and administrative fees for  
3 nonstate public employees covered under the state plan.

4 2. The director is the trustee of the fund and shall  
5 administer the fund. Any loss to the fund shall be charged  
6 against the trust and the director shall not be personally liable  
7 for such loss.

8 3. Moneys in the fund are not subject to section 8.33.  
9 Notwithstanding section 12C.7, subsection 2, interest or earnings  
10 on moneys in the fund shall be credited to the fund.

11 Sec. 5. NEW SECTION. **8A.475 Rules.**

12 The department, by rule, shall develop procedures for the  
13 implementation and administration of the provisions contained in  
14 this part.

15 Sec. 6. NEW SECTION. **8A.476 Reporting.**

16 On or before December 31 of each year, the department shall  
17 submit to the governor and general assembly a report on the  
18 health care coverage provided to nonstate public employees,  
19 detailing costs, enrollment metrics, operational efficiency, and  
20 stakeholder feedback, including the financial and operational  
21 impact of the expanded enrollment eligibility for state health or  
22 medical group insurance plans, including overall cost savings for  
23 members and the state.

24 Sec. 7. **EFFECTIVE DATE.** This Act takes effect July 1, 2026.

25 **EXPLANATION**

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

28 This bill allows employees and elected officials of a nonstate  
29 public employer who actively contribute to the Iowa public  
30 employees' retirement system to apply for coverage and enroll in  
31 a state health or medical group insurance plan provided to state  
32 employees by the department of administrative services (DAS).  
33 Premium payments for coverage received through a state plan must  
34 be the same as for state employees, including any premiums paid  
35 by state employees.

1 Each employer who participates in a state health or medical  
2 group insurance plan must pay monthly premium amounts for  
3 coverage to DAS, plus administrative fees calculated on a  
4 per-month basis per employee or elected official. An employer  
5 may require each covered employee or elected official to  
6 contribute a portion of the cost of such coverage under the state  
7 plan, subject to any collective bargaining obligations. The  
8 payments are to be deposited in the Iowa health care coverage  
9 partnership program trust fund, created in the bill, and expended  
10 for coverage being provided to the covered employees or elected  
11 officials.

12 If monthly premium payments are not made, DAS may charge  
13 interest on the unpaid balance. If a nonstate public employer  
14 fails to make premium payments, DAS may direct the treasurer of  
15 state to withhold grants, allocations, or appropriations payable  
16 to the nonstate public employer, until the premium payments are  
17 made.

18 For purposes of the program, a "nonstate public employer" is a  
19 political subdivision of the state, including but not limited to  
20 counties, cities, community colleges, and school districts.

21 The bill requires DAS to submit an annual report to the  
22 governor and the general assembly on the health care coverage  
23 provided to nonstate public employees.

24 The bill takes effect July 1, 2026.