

House File 735 - Introduced

HOUSE FILE 735
BY MOORE

A BILL FOR

- 1 An Act relating to health carriers, pharmacy benefits managers,
- 2 and the calculation of cost-sharing contributions by covered
- 3 persons.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. **514F.10 Cost-sharing contribution**
2 **— calculation.**

3 1. For purposes of this section, unless the context otherwise
4 requires:

5 a. "*Cost-sharing*" means any coverage limit, copayment,
6 coinsurance, deductible, or other out-of-pocket cost obligation
7 imposed by a health benefit plan on a covered person.

8 b. "*Covered person*" means a policyholder, subscriber,
9 enrollee, or other individual participating in a health benefit
10 plan.

11 c. "*Health benefit plan*" means the same as defined in section
12 510B.1.

13 d. "*Health carrier*" means the same as defined in section
14 514J.102.

15 e. "*Pharmacy benefits manager*" means the same as defined in
16 section 510B.1.

17 2. a. Notwithstanding the uniformity of treatment
18 requirements of section 514C.6, for purposes of calculating
19 a covered person's overall contribution to any cost-sharing
20 requirement under a health benefit plan, a health carrier or a
21 pharmacy benefits manager shall include any amount paid by the
22 covered person or paid by any other person on behalf of the
23 covered person.

24 b. If the contribution calculation under paragraph "a" will
25 result in the ineligibility of a health savings account under
26 section 223 of the Internal Revenue Code, the contribution
27 calculation for the health savings account shall apply only
28 after the covered person has satisfied the minimum deductible
29 under section 233 of the Internal Revenue Code, except that for
30 items or services that are preventive care pursuant to section
31 223(c)(2)(C) of the Internal Revenue Code, the contribution
32 calculation under paragraph "a" shall apply regardless of whether
33 the minimum deductible under section 233 of the Internal Revenue
34 Code has been satisfied.

35 3. a. This section applies to the following classes of

1 health benefit plans delivered, issued for delivery, continued,
2 or renewed in this state on or after January 1, 2026:

3 (1) Individual or group accident A and sickness insurance
4 providing coverage on an expense-incurred basis.

5 (2) An individual or group hospital or medical service
6 contract issued pursuant to chapter 509, 514, or 514A.

7 (3) An individual or group health maintenance organization
8 contract regulated under chapter 514B.

9 (4) A plan established for public employees pursuant to
10 chapter 509A.

11 b. This section shall not apply to accident-only, specified
12 disease, short-term hospital or medical, hospital confinement
13 indemnity, credit, dental, vision, Medicare supplement, long-term
14 care, basic hospital and medical-surgical expense coverage as
15 defined by the commissioner of insurance, disability income
16 insurance coverage, coverage issued as a supplement to liability
17 insurance, workers' compensation or similar insurance, or
18 automobile medical payment insurance.

19 4. The commissioner of insurance may adopt rules pursuant to
20 chapter 17A to administer this section.

21 EXPLANATION

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

24 This bill relates to health carriers, pharmacy benefits
25 managers, and the calculation of cost-sharing covered persons.
26 "Cost-sharing" and "health carrier" are defined in the bill.

27 Under the bill, when a health carrier calculates a covered
28 person's overall contribution to any cost-sharing requirement
29 under a health benefit plan, the health carrier and pharmacy
30 benefits manager shall include any amount paid by the covered
31 person, or paid by another person on behalf of the covered
32 person. Where the contribution calculation would result in
33 the ineligibility of a health savings account (HSA) under
34 section 223 of the Internal Revenue Code (IRC), the contribution
35 calculation for the HSA shall apply only after the covered

1 person has satisfied the minimum deductible, except that for
2 items or services that are preventive care pursuant to section
3 223(c)(2)(C) of the IRC, the contribution calculation shall apply
4 regardless of whether the minimum deductible has been satisfied.

5 The bill applies to health benefit plans delivered, issued for
6 delivery, continued, or renewed in this state on or after January
7 1, 2026, as enumerated in the bill. The bill specifies the types
8 of specialized health-related insurance not subject to the bill.

9 The commissioner of insurance may adopt rules to administer
10 the bill.

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