

Continuing Health Insurance for Certain Surviving Spouses and Dependents Bill House File 1016

Last Action:
**House Appropriations
Committee**
April 16, 2025

An Act providing for the continuation of health insurance in certain circumstances for the surviving spouse and each surviving child of employees of the state of Iowa and including retroactive applicability provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at www.legis.iowa.gov/publications/information/appropriationBillAnalysis

LSA Staff Contact: Xavier Leonard (515.725.0509)

SIGNIFICANT CODE CHANGES

Provides for the continuation of health insurance in certain circumstances for the surviving spouse and each surviving child of an eligible employee of the State of Iowa. Page 1, Line 1

Defines "eligible employee of the State of Iowa" to mean an employee of the State of Iowa, including but not limited to any department, agency, board, bureau, or commission of the State of Iowa, who is participating in a State health or medical group insurance plan under Iowa Code chapter [509A](#) (Group Insurance for Public Employees), which covers the employee at the time of death of the employee; whose death has been determined by the Department of Administrative Services (DAS) to be the direct and proximate result of a traumatic personal injury incurred in the performance of the employee's work duties; and lists disqualifying conditions. Page 1, Line 4

Allows the governing body of the State to pay for up to the full cost of the health insurance. If any portion of the cost of the coverage is not paid by the governing body, the surviving spouse and each surviving child who is eligible for health insurance may elect to continue coverage by paying the remaining cost of the health insurance. Page 2, Line 4

FISCAL IMPACT: The DAS estimates that the maximum annual cost per eligible employee is approximately \$30,000. Any potential cost would be borne by the governing body of the State, if the governing body chooses to pay for the cost of the health insurance.

Provides that the Bill does not require continuation of coverage if the surviving spouse or a surviving child was a substantial contributing factor to the death of the eligible employee of the State or if the surviving spouse or a surviving child become ineligible for continuing coverage pursuant to Iowa Code section [509A.13B](#). Page 2, Line 22

EFFECTIVE DATE

Provides that the Bill applies retroactively to January 1, 2024. Page 3, Line 3

House File 1016 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	1	1	New	509A.13E

1 1 Section 1. NEW SECTION 509A.13E HEALTH INSURANCE COVERAGE
 1 2 — SURVIVING SPOUSE AND CHILDREN OF EMPLOYEES OF THE STATE OF
 1 3 IOWA.

1 4 1. For the purposes of this section, “eligible employee
 1 5 of the state of Iowa” means an employee of the state of
 1 6 Iowa, including but not limited to any department, agency,
 1 7 board, bureau, or commission of the state of Iowa, who is
 1 8 participating in a state health or medical group insurance plan
 1 9 under chapter 509A which covers the employee at the time of
 1 10 death of the employee and whose death has been determined by
 1 11 the department of administrative services to be the direct and
 1 12 proximate result of a traumatic personal injury incurred in the
 1 13 performance of the employee’s work duties, and to whom none of
 1 14 the following applies:
 1 15 a. The employee’s death resulted from stress, strain,
 1 16 occupational illness, or a chronic, progressive, or congenital
 1 17 illness, including but not limited to a disease of the heart,
 1 18 lungs, or respiratory system, unless the traumatic personal
 1 19 injury was a substantial contributing factor to the employee’s
 1 20 death.
 1 21 b. The employee’s death was caused by the employee’s
 1 22 intentional misconduct, or by the employee’s intent to cause
 1 23 the employee’s own death.
 1 24 c. The employee was voluntarily intoxicated at the time of
 1 25 the employee’s death.
 1 26 d. The employee was performing the employee’s duties in a
 1 27 grossly negligent manner at the time of the employee’s death.

1 28 2. a. The governing body of the state shall permit
 1 29 continuation of existing health insurance coverage or
 1 30 reenrollment in previously existing coverage for the surviving
 1 31 spouse and each surviving child of an eligible employee of the
 1 32 state of Iowa.
 1 33 b. The governing body of the state shall permit continuation
 1 34 of existing health insurance coverage for the surviving spouse
 1 35 and each surviving child of an employee of the state of Iowa
 2 1 who dies and who is reasonably expected to be determined to be
 2 2 an eligible employee of the state of Iowa, until such time as
 2 3 the determination of eligibility is made.

CODE: Defines "eligible employee of the State of Iowa" to mean an employee of the State of Iowa, including but not limited to any department, agency, board, bureau, or commission of the State of Iowa, who is participating in a State health or medical group insurance plan under Iowa Code chapter [509A](#) (Group Insurance for Public Employees), which covers the employee at the time of death of the employee; whose death has been determined by the Department of Administrative Services (DAS) to be the direct and proximate result of a traumatic personal injury incurred in the performance of the employee's work duties; and to whom none of the listed conditions apply.

CODE: Requires the governing body of the State to allow continuation of existing health insurance coverage or reenrollment in previously existing coverage for the surviving spouse and each surviving child of an eligible employee. Permits continuation of existing health insurance coverage until to a determination of eligibility is made.

2 4 3. The governing body of the state shall not be required to
 2 5 pay for the cost of the health insurance under this section;
 2 6 however, the governing body of the state may pay the full cost
 2 7 or a portion of the cost of the health insurance, in which case
 2 8 the department, agency, board, bureau, commission, or other
 2 9 employing entity of the eligible employee of the state of Iowa
 2 10 shall bear the cost of such health insurance. If the full
 2 11 cost or a portion of the cost of the coverage is not paid by
 2 12 the governing body of the state, the surviving spouse and each
 2 13 surviving child who is eligible for health insurance under this
 2 14 section may elect to continue coverage by paying that portion
 2 15 of the cost of the health insurance not paid by the governing
 2 16 body of the state.

CODE: Allows the governing body of the State to pay for up to the full cost of the health insurance. If any portion of the cost of the coverage is not paid by the governing body, the surviving spouse and each surviving child who is eligible for health insurance may elect to continue coverage by paying the remaining cost of the health insurance.

DETAIL: According to the DAS, there has been one employee death in the past five years that was not covered by current law but would be covered by the Bill. The cost of the 2025 annual premiums is approximately \$28,000 for the National Choice family plan and approximately \$25,000 for the Iowa Choice family plan.

NOTE: See the Legislative Services Agency's **Factbook** pages on the [National Choice](#) and [Iowa Choice](#) plans for more information regarding the cost trend of these plans for the past seven years.

FISCAL IMPACT: The DAS estimates that the maximum annual cost per eligible employee is approximately \$30,000. Any potential cost would be borne by the governing body of the State, if the governing body chooses to pay for the cost of the health insurance.

2 17 4. The governing body of the state shall notify the
 2 18 provider of health insurance coverage for state employees of
 2 19 the identity of the surviving spouse and each surviving child
 2 20 who is to be provided health insurance coverage pursuant to the
 2 21 requirements of this section.

CODE: Requires the governing body of the State to notify the provider of health insurance coverage for State employees of the identity of the surviving spouse and each surviving child.

2 22 5. a. This section shall not require continuation of health
 2 23 insurance coverage if the surviving spouse or a surviving child
 2 24 who would otherwise be entitled to continuation of health
 2 25 insurance coverage under this section was, through the actions
 2 26 of the surviving spouse or the surviving child, a substantial
 2 27 contributing factor to the death of the eligible employee of
 2 28 the state of Iowa.

CODE: Provides that the Bill does not require continuation of coverage if the surviving spouse or a surviving child was a substantial contributing factor to the death of the eligible employee of the State, or if the surviving spouse or a surviving child become ineligible due to remarriage of the surviving spouse, or ineligibility for continuing coverage of a surviving child pursuant to Iowa Code section [509A.13B](#).

2 29 b. This section shall not require continuation of health
 2 30 insurance coverage if the surviving spouse or a surviving child
 2 31 becomes ineligible for health insurance coverage under the
 2 32 terms of the health insurance coverage obtained by the state
 2 33 for reasons other than the death of the eligible employee of
 2 34 the state of Iowa, including but not limited to ineligibility
 2 35 under this chapter, remarriage of the surviving spouse, or

3 1 ineligibility for continuing coverage for a surviving child
3 2 pursuant to section 509A.13B.

3 3 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
3 4 retroactively to January 1, 2024.

Provides that the Bill applies retroactively to January 1, 2024.