

**Health Care Reform  
House File 2539  
As Amended by H-8439**

Last Action:

**Senate Floor**

April 7, 2008

*Revised 4-11-2008*

**Executive Summary Only**

**An Act relating to health care reform including health care coverage intended for children and adults, health information technology, end-of-life care decision making, preexisting conditions and dependent children coverage, medical homes, prevention and chronic care management, a buy-in provision for certain individuals under the medical assistance program, disease prevention and wellness initiatives, health care transparency, and including an applicability provision.**

**Fiscal Services Division  
Legislative Services Agency**

**NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

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**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 2539 AS AMENDED BY H-8439 (REVISED)  
HEALTH CARE REFORM**

**SENATE AMENDMENT H-8439**

**FUNDING SUMMARY AND FISCAL  
IMPACT OF HF 2539 AS AMENDED  
BY H-8439**

**LEGISLATIVE INTENT**

- *This summary reflects HF 2539 as amended by Senate Amendment H-8439.*
- Amendment H-8439 provides General Fund appropriations of \$6.3 million for FY 2009, \$14.8 million for FY 2010, and \$24.8 million for FY 2011. In addition, the provision covering dependent children through the age of 25 is estimated to increase State Government benefit costs by \$1.0 million annually in FY 2009 and FY 2010. There is no appropriation for this provision.
- Additionally, H-8439 requires the Department of Human Services (DHS) to provide continuous eligibility for twelve months for children enrolled under the Medicaid Program. This is estimated to cost \$2.0 million in FY 2009. There is no appropriation provided for this provision.
- Amendment H-8439 adds an insurance coverage pilot for up to 500 direct care workers that is estimated to cost \$1.5 million in FY 2010 and \$1.6 million in FY 2011. There is no appropriation for this provision.
- According to Wellmark Blue Cross and Blue Shield of Iowa, the impact to the small group market statewide could increase premiums between 0.10% and 0.45% or between \$600,000 and \$2.4 million. The impact to the individual market statewide could increase premiums between 0.06% and 0.30% or between \$250,000 and \$1.5 million.
- States the General Assembly's intent that the State progress toward a goal that all Iowans have health care coverage and specifies the following priorities:
  - Covering all children eligible for the Medical Assistance (Medicaid) and the Healthy and Well Kids in Iowa (hawk-i) Programs by January 1, 2011 (FY 2011).
  - Creating a Healthy and Well Kids in Iowa (hawk-i) Expansion Program to cover children of families with income up to 300.0% of the federal poverty level beginning in FY 2010.
  - Expanding the State Children's Health Insurance Program (SCHIP) to cover children of families with income up to 300.0% of the federal poverty level (FPL) with cost sharing for families with incomes above 200.0% of the FPL. This provision is subject to receipt of additional federal funds.
  - Establishing a statewide health information technology system.
  - Providing unsubsidized and affordable health care coverage for families with incomes greater than the maximum amount for eligibility for the subsidized coverage.
  - Decreasing health care costs and health care coverage costs.

**EXECUTIVE SUMMARY  
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**HOUSE FILE 2539 AS AMENDED BY H-8439 (REVISED)  
HEALTH CARE REFORM**

**HAWK-I EXPANSION**

- Creates the hawk-i Expansion Program beginning in FY 2010 by covering children of families with income between 200.0% and 300.0% of the FPL and provides for monthly premiums based on family incomes. This provision will require 100.0% State funds.
- Requires the Department of Human Services (DHS) to expand the hawk-i Program to cover children of families with income up to 300.0% of the FPL with cost sharing for families with income above 200.0% of the FPL when federal funding becomes available.

**MEDICAID AND HAWK-I**

- Requires all applicable State agencies including the Department of Revenue, the Department of Economic Development, and the Department of Education to work in cooperation with the DHS in providing marketing and outreach.
- Requires the Department of Human Services to collaborate with other Departments on the following strategies:
  - Streamlined enrollment in both the hawk-i and Medicaid Program.
  - Conditional eligibility for the hawk-i and Medicaid Program.
  - Retroactive eligibility for the hawk-i Program.
  - Expedited renewal for the hawk-i and Medicaid Program.
- Requires the DHS to submit a plan to the General Assembly and the Governor by December 1, 2008, with recommendations, federal limitations, and an implementation time frame.

**APPROPRIATION**

- Provides a General Fund appropriation to the Department of Human Services of \$4.8 million for FY 2009, \$14.8 million for FY 2010, and \$24.8 million for FY 2011 for the Medicaid Program, hawk-i Program, and hawk-i Expansion Program.

**IOWA COMPREHENSIVE HEALTH  
INSURANCE ASSOCIATION**

- Creates the Iowa Choice Health Care Coverage Advisory Council to assist the Iowa Comprehensive Health Insurance Association.
- Requires the Association to make benefit plans available to each eligible individual applying to the Association for health benefit coverage.
- Establishes the Iowa Choice Health Care Coverage Program in the Association for offering qualified health care coverage for all children less than 19 years of age with a family income that is 300.0% of the FPL and to adults and families with a family income less than 400.0% of the FPL.
- Requires the Association, in consultation with the Advisory Council, to define what constitutes qualified health care coverage and requires certain benefits to be included.
- Requires the Association to develop an Iowa Choice Health Care Policy available to children less than 19 years of age with maximum contribution requirements. The policies must have a maximum cost based on the number of children and the family income. The policy must be available for purchase by January 1, 2010.

**EXECUTIVE SUMMARY  
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**HOUSE FILE 2539 AS AMENDED BY H-8439 (REVISED)  
HEALTH CARE REFORM**

**IOWA COMPREHENSIVE HEALTH  
INSURANCE ASSOCIATION  
(CONTINUED)**

**REQUIRED REPORT**

**APPROPRIATION**

**BUREAU OF HEALTH INSURANCE  
OVERSIGHT**

**APPROPRIATION**

**IOWA ELECTRONIC HEALTH  
INFORMATION COMMISSION**

**APPROPRIATION**

**APPROPRIATION**

**LONG-TERM LIVING PLANNING  
TOOLS – PUBLIC CAMPAIGN**

**APPROPRIATION**

- Requires the Association to develop an Iowa Choice Health Care Policy available for purchase by adults not eligible for public programs with income of less than 400.0% of the FPL. The policy must be available for purchase by January 1, 2010.
- Creates the Iowa Choice Health Care Coverage Program Fund in the State Treasury.
- Requires the Association to submit an annual report to the Governor and the General Assembly regarding implementation of the plan.
- Provides a General Fund appropriation of \$50,000 for FY 2009 to the Insurance Division of the Department of Commerce for initial costs of the Iowa Choice Health Care Coverage Program.
- Creates a Bureau of Health Insurance Oversight in the Insurance Division of the Department of Commerce. Specifies duties relating to uniformity and transparency of health insurers operations.
- Provides a General Fund appropriation of \$80,000 to the Insurance Division of the Department of Commerce for FY 2009 for the Bureau of Health Insurance Oversight.
- Replaces the Electronic Health Information Council with the Iowa Electronic Health Information Commission in the Department of Public Health. Specifies membership and duties of the Commission.
- Requires the Commission to create an Advisory Council to assist the Commission with health information technology duties.
- Requires the Commission to adopt a statewide health information technology plan by January 1, 2009.
- Requires the plan to require health care professionals to utilize a single patient identifier or alternative mechanism by January 1, 2010.
- Requires the plan to require a standard continuity of care record by January 1, 2010.
- Requires the Iowa Communications Network to provide Network access to the Iowa Hospital Association. Requires the Association to be responsible for the related cost.
- Repeals the Electronic Health Records System Task Force.
- Provides a General Fund appropriation of \$119,000 to the Department of Public Health for FY 2009 for the Iowa Electronic Health Information Commission.
- Provides a General Fund appropriation of \$10,000 to the Department of Elder Affairs for FY 2009 to develop educational information for end-of-life care.
- Requires the Department of Elder Affairs to research existing long-term living planning tools to increase quality of life and develop a public education campaign strategy.
- Requires the Department to implement a long-term care options public education campaign.
- Provides a General Fund appropriation of \$75,000 to the Department of Elder Affairs for FY 2009 for the long-term care options public education campaign.

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**HOUSE FILE 2539 AS AMENDED BY H-8439 (REVISED)  
HEALTH CARE REFORM**

HOME AND COMMUNITY BASED  
SERVICES PUBLIC EDUCATION

PATIENT AUTONOMY PILOT  
PROJECT

APPROPRIATION

CONTINUATION OF DEPENDENT  
COVERAGE

APPROPRIATION

MEDICAID STATE PLAN  
AMENDMENTS

PREVENTION AND CHRONIC CARE  
MANAGEMENT

APPROPRIATION

APPROPRIATION

APPROPRIATION

APPROPRIATION

APPROPRIATION

HEALTH FACILITIES COUNCIL

FEDERAL 990 FORMS

- Requires the Department of Elder Affairs to identify available resources to continue the Aging and Disability Resource Center that was established by the Department through the Aging and Disability Resource Center Grant Program that ends September 30, 2008.
- Requires the Department of Public Health to establish a two-year community coalition for patient treatment wishes across the health care continuum pilot project in one county specified by population. Requires the Department to convene an Advisory Council and provides for limitations of the project.
- Provides a General Fund appropriation of \$40,000 to the Department of Public Health for FY 2009 for the Patient Autonomy in Health Care Decisions Pilot Project.
- Expands the HF 2539 requirement that various insurers permit existing health care coverage to continue for certain dependent child through 25 years of age by requiring the majority of the government entities to include the continuation provision for the health care coverage.
- Provides a General Fund appropriation of \$138,000 to the Department of Public Health for the administrative cost of the Medical Home System for FY 2009.
- Removes the requirement in HF 2539 that the Department of Human Services submit State Plan Amendments for the Medicaid and hawk-i Programs to implement the Medical Home System.
- Adds duties regarding the implementation of the Prevention and Chronic Care Management requirements to the State Board of Health.
- Provides a General Fund appropriation of \$151,000 to the Department of Public Health for FY 2009 for the administrative cost relating to the Prevention and Chronic Care Management provisions.
- Provides a General Fund appropriation of \$136,000 to the Department of Public Health for FY 2009 to improve health care quality, cost containment, and consumer information.
- Provides a General Fund appropriation of \$136,000 to the Department of Public Health for FY 2009 to improve health care access. Requires a strategic plan by January 1, 2010. Specifies elements of the plan.
- Provides a General Fund appropriation of \$450,000 to the Department of Public Health for the Iowa Healthy Communities Initiative Grants beginning January 1, 2009.
- Provides a General Fund appropriation of \$112,000 for FY 2009 to the Department of Public Health for the Governor's Council on Physical Fitness.
- Adds two members to the State Health Facilities Council for a total of seven members. Specifies certain qualifications for two of the seven members.
- Requires hospitals to submit a federal Internal Revenue Service Form 990 to the Department of Public Health and the Legislative Services Agency annually.

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HEALTH CARE REFORM**

**DIRECT CARE WORKER ADVISORY  
COUNCIL**

- Requires the Director of the Department of Public Health to appoint a Direct Care Worker Advisory Council and specifies the duties of the Council.
- Requires a report by November 30, 2008, from the Council to the Director.

**DIRECT CARE WORKER  
COMPENSATION ADVISORY  
COMMITTEE**

- Requires the Department of Human Services to convene a Direct Care Worker Compensation Advisory Committee and specifies the duties of the Council.
- Requires a report by December 12, 2008, to the Governor and the General Assembly.

**DIRECT CARE WORKER TURNOVER  
REPORT**

- Requires the Department of Human Services to obtain nursing facility Medicaid data to analyze nursing facility employee turnover.
- Requires a report by December 1, 2008.

**HEALTH CARE COVERAGE  
DEMONSTRATION PROJECT**

- Requires the Department of Human Services to implement a three-year project to provide premium assistance for up to 500 nonlicensed direct care workers beginning in FY 2010. This is estimated to cost \$1.5 million in FY 2010 and \$1.6 million in FY 2011. There is no appropriation provided for this provision.

## Summary Data

### General Fund

	Actual FY 2007 <u>(1)</u>	Estimated FY 2008 <u>(2)</u>	House Action FY 2009 <u>(3)</u>	Senate Action FY 2009 <u>(4)</u>	Senate Action vs. Est 2008 <u>(5)</u>
Administration and Regulation	\$ 0	\$ 0	\$ 0	\$ 130,000	\$ 130,000
Health and Human Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,166,000</u>	<u>6,166,000</u>
<b>Grand Total</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,296,000</u>	<u>\$ 6,296,000</u>

## Administration and Regulation General Fund

	Actual FY 2007 <u>(1)</u>	Estimated FY 2008 <u>(2)</u>	House Action FY 2009 <u>(3)</u>	Senate Action FY 2009 <u>(4)</u>	Senate Action vs. Est 2008 <u>(5)</u>
<b><u>Commerce, Department of</u></b>					
<b>Insurance Division</b>					
Iowa Choice Health Care Program	\$ 0	\$ 0	\$ 0	\$ 50,000	\$ 50,000
Bureau of Health Insurance Oversight	0	0	0	80,000	80,000
<b>Total Commerce, Department of</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 130,000</u>	<u>\$ 130,000</u>
<b>Total Administration and Regulation</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 130,000</u>	<u>\$ 130,000</u>



## Health and Human Services General Fund

	Actual FY 2007 <u>(1)</u>	Estimated FY 2008 <u>(2)</u>	House Action FY 2009 <u>(3)</u>	Senate Action FY 2009 <u>(4)</u>	Senate Action vs. Est 2008 <u>(5)</u>
<b><u>Human Services, Department of</u></b>					
<b>Human Services - Assistance</b>					
Covering All Kids	\$ 0	\$ 0	\$ 0	\$ 4,800,000	\$ 4,800,000
<b>Total Human Services, Department of</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,800,000</u>	<u>\$ 4,800,000</u>
<b><u>Elder Affairs, Department of</u></b>					
<b>Elder Affairs, Department of</b>					
End of Life Decision Making	\$ 0	\$ 0	\$ 0	\$ 10,000	\$ 10,000
Long Term Care Education	0	0	0	75,000	75,000
<b>Total Elder Affairs, Department of</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 85,000</u>	<u>\$ 85,000</u>
<b><u>Public Health, Department of</u></b>					
<b>Public Health, Department of</b>					
Iowa Health IT	\$ 0	\$ 0	\$ 0	\$ 118,800	\$ 118,800
Patient Autonomy Pilot	0	0	0	40,000	40,000
Medical Home	0	0	0	137,800	137,800
Health Care Quality	0	0	0	135,900	135,900
Health Care Access	0	0	0	135,900	135,900
Healthy Communities	0	0	0	450,000	450,000
Council On Phy. Fitness	0	0	0	112,100	112,100
Prev. and Chronic Care Management	0	0	0	150,500	150,500
<b>Total Public Health, Department of</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,281,000</u>	<u>\$ 1,281,000</u>
<b>Total Health and Human Services</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 6,166,000</u></u>	<u><u>\$ 6,166,000</u></u>