

**EIGHTY-NINTH GENERAL ASSEMBLY  
2021 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET  
February 11, 2021**

**Clip Sheet Summary**

Displays all amendments, fiscal notes, and conference committee reports for previous day.

<b>Bill</b>	<b>Amendment</b>	<b>Action</b>	<b>Sponsor</b>
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No amendments filed on February 10, 2021

**Fiscal Notes**

[SF 81](#) — [Medicaid, Direct Primary Care](#) (LSB1713XS)

[SF 266](#) — [Model Business Corporation Act](#) (LSB1234SV)



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**SF 81** – Medicaid, Direct Primary Care (LSB1713XS)

Staff Contact: Jess Benson (515.281.4611) [jess.benson@legis.iowa.gov](mailto:jess.benson@legis.iowa.gov)

Fiscal Note Version – New

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## **Description**

[Senate File 81](#) requires the Department of Human Services (DHS) to develop and oversee a pilot program beginning January 1, 2022, and ending December 31, 2023, to allow childless adults and pregnant women to receive primary care health services through a direct primary care arrangement (DPCA), with the Iowa Medicaid Enterprise (IME) acting as the third-party payor for services utilizing State-only funds.

## **Background**

A DPCA is a contract between a primary care provider and a patient, under which the provider agrees to deliver primary care services in exchange for a monthly fee. Under the traditional DPCA model, the provider does not accept insurance reimbursement, and patients' fees cover outpatient, nonspecialty services such as preventive services, basic lab services, and chronic disease management. The DPCA typically does not include coverage of prescription drugs, specialty care services, hospitalization, or most other benefits provided by a medical insurance policy.

## **Assumptions**

- There are approximately 199,000 Iowa Health and Wellness Plan members and 30,000 pregnant women enrolled in Iowa Medicaid who would be eligible for a pilot program.
- A DPCA would cost between \$50 and \$150 per member per month (PMPM) for each member who elects to participate in the pilot program.
- The new pilot program will be funded with 100.0% State funds.
- There may be a small decrease in the PMPM capitation payment paid to the managed care organizations (MCOs) for each individual enrolled in the pilot program. The amount of change would depend on benefit design for the new program, including which primary care services are included or excluded.

## **Fiscal Impact**

The fiscal impact for SF 81 cannot be determined until the scope of the pilot program is defined, although the cost is assumed to range between \$50 and \$150 PMPM depending on the benefits provided. A small portion of the increased cost may be offset by lower PMPM capitation payments to the MCOs due to reduced cost of primary care services.

**Sources**

Department of Human Services  
Commonwealth Fund

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/s/ Holly M. Lyons

February 10, 2021

Doc ID 1211926

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.  
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[SF 266](#) – Model Business Corporations Act (LSB1234SV)  
Staff Contact: Maria Wagenhofer (515.281.5270) [maria.wagenhofer@legis.iowa.gov](mailto:maria.wagenhofer@legis.iowa.gov)  
Fiscal Note Version – New

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## **Description**

[Senate File 266](#) amends and creates new provisions under Iowa Code chapter [490](#), the Iowa Business Corporation Act (IBCA), relating to domestic or foreign for-profit corporations authorized to do business in Iowa. In addition to making changes to existing law, the Bill reconfigures various Secretary of State (SOS) filing fees for business entities governed under the IBCA, and increases the electronic biennial report electronic filing fee from \$45 to \$60. The changes are effective January 1, 2022.

## **Background**

The IBCA governs the default requirements of for-profit corporations, including creation, organization, operations, and relationships of the corporation. The IBCA was created in 1989 based on legislation by the American Bar Association (ABA) referred to as the [Model Business Corporation Act](#) (MBCA) and has subsequently been amended to reflect changes in the MBCA. [Senate File 266](#) includes amendments to the IBCA that reflect the current version of the MBCA, which was adopted by the ABA in 2016. The MBCA has been adopted in whole or in part in 30 states, including Iowa, and is a national model for corporation law in the United States. The SOS administers the IBCA.

As established in Iowa Code chapter [9](#), the SOS's Office, Business Services Division, is responsible for reviewing, processing, approving, and filing, on a limited basis, statutory documents relating to domestic and foreign business entities operating within Iowa. Each domestic and foreign corporation registered to do business in the State must deliver to the SOS a biennial report containing information related to the two-year period preceding the calendar year in which the report is filed.

2017 Iowa Acts, [chapter 170](#) (FY 2018 Standing Appropriations Act) created a Technology Modernization Fund under the control of the SOS. From each fee collected by the SOS, the amount credited to the Fund equals the difference between the fee amount collected and the amount assessed for the same fee on June 30, 2017. No more than \$2.0 million is credited to the Fund in a fiscal year, and moneys in the Fund are appropriated to the SOS for purposes of modernizing technology used by the SOS's Office to fulfill its duties. The Fund will be repealed on July 1, 2022 (FY 2023). The Fund is codified in Iowa Code section [9.4A](#).

In 2017, the SOS set biennial report filing fees in rule [721 IAC 40.8\(3\)](#) for business entities governed under the IBCA. Fees for electronic filings were set at \$45 per biennial report, and fees for paper filings were set at \$60 per biennial report. Biennial report filing fees were previously set at \$30 for electronic filings and \$45 for paper filings.

## **Assumptions**

- Business entities governed under the IBCA file biennial reports with the SOS in even-numbered years. Limited liability corporations (LLCs) file biennial reports in odd-numbered years.

- Senate File 266 sets the biennial report filing fee at \$60 for business entities governed under the IBCA, regardless of filing mechanism, and the filing fee will remain at \$60 following the repeal of the Technology Modernization Fund on July 1, 2022.
- The SOS's Office will still continue to collect \$15 per biennial report as established in 2017 Iowa Acts, chapter 170, for deposit into the Technology Modernization Fund until July 1, 2022.
- The additional fee revenue collected by the SOS from the increased biennial report filing fee for electronic filings established in SF266 will be deposited into the General Fund beginning January 1, 2022.
- Following the repeal of the Technology Modernization Fund on July 1, 2022, all filing fee revenue from biennial reports will be deposited into the General Fund.
- In FY 2020, the SOS processed 62,987 total biennial reports, of which 60,307 were filed electronically. While some of those filings may have included late LLC biennial reports, the majority of the filings were submitted by business entities governed under the IBCA. For estimation purposes, it is assumed that there will be approximately 60,000 biennial reports filed electronically in FY 2022 and each even-numbered fiscal year thereafter.
- In FY 2020, biennial report filing fee revenue was \$2.9 million. The majority of that revenue was from business entities governed under the IBCA.

**Fiscal Impact**

Senate File 266 is projected to increase annual fee revenue in FY 2022 and FY 2024 and subsequent even-numbered fiscal years by an estimated \$900,000. This increased fee revenue would be deposited into the General Fund. Following the repeal of the Technology Modernization Fund on July 1, 2022, the total amount of fees collected would be deposited into the General Fund in FY 2024.

Senate File 266 also creates a new fee for reinstatements without amended articles. However, no historical data exists to make a fiscal impact estimate for this provision.

**Sources**

Secretary of State  
LSA analysis

/s/ Holly M. Lyons

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February 9, 2021

Doc ID 1211745

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.