SENATE FILE 565
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 1039)

(As Amended and Passed by the Senate April 22, 2025)

_____ = New Language by the Senate

A BILL FOR

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.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. **509A.13E Health insurance coverage — surviving spouse and children of employees of the state of Iowa.**

1. For the purposes of this section, *"eligible employee of the state of Iowa"* means 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 chapter 509A which covers the employee at the time of death of the employee and whose death has been determined by the department of administrative services 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 following applies:

a. The employee's death resulted from stress, strain, occupational illness, or a chronic, progressive, or congenital illness, including but not limited to a disease of the heart, lungs, or respiratory system, unless the traumatic personal injury was a substantial contributing factor to the employee's death.

b. The employee's death was caused by the employee's intentional misconduct, or by the employee's intent to cause the employee's own death.

c. The employee was voluntarily intoxicated at the time of the employee's death.

d. The employee was performing the employee's duties in a grossly negligent manner at the time of the employee's death.

2. *a.* The governing body of the state shall permit continuation of existing health insurance coverage or reenrollment in previously existing coverage for the surviving spouse and each surviving child of an eligible employee of the state of Iowa.

b. The governing body of the state shall permit continuation of existing health insurance coverage for the surviving spouse and each surviving child of an employee of the state of Iowa

who dies and who is reasonably expected to be determined to be an eligible employee of the state of Iowa, until such time as the determination of eligibility is made.

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

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

5. The governing body of the state shall implement continuation of health insurance coverage for the surviving spouse and each surviving child of an eligible employee of the state of Iowa in a manner that ensures that the health insurance coverage provided under this section is the payor of last resort, as permitted by federal law.

6. *a.* This section shall not require continuation of health insurance coverage if the surviving spouse or a surviving child who would otherwise be entitled to continuation of health insurance coverage under this section was, through the actions of the surviving spouse or the surviving child, a substantial contributing factor to the death of the eligible employee of the state of Iowa.

b. This section shall not require continuation of health

insurance coverage if the surviving spouse or a surviving child becomes ineligible for health insurance coverage under the terms of the health insurance coverage obtained by the state for reasons other than the death of the eligible employee of the state of Iowa, including but not limited to ineligibility under this chapter, remarriage of the surviving spouse, or ineligibility for continuing coverage for a surviving child pursuant to section 509A.13B.

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