

FEB 7 2005  
STATE GOVERNMENT

HOUSE FILE 221  
BY MASCHER

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act providing for a feasibility study on creating a statewide  
2 public employee health insurance system.

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

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HF 221

1 Section 1. IOWA PUBLIC EMPLOYEE HEALTH INSURANCE SYSTEM --  
2 FEASIBILITY STUDY.

3 1. The director of the department of administrative  
4 services, in collaboration with the commissioner of insurance,  
5 shall conduct a feasibility study on the creation of a  
6 statewide public employee health benefit system. The study  
7 shall examine whether a statewide public employee health  
8 benefit system will minimize health insurance risk by  
9 combining the numerous subgroups of public employees into a  
10 single risk pool to stabilize health insurance costs. The  
11 study shall include a cost-benefit analysis of the current  
12 system of providing health benefits versus a single risk pool  
13 envisioned with a statewide public employee health benefit  
14 system. The director of the department of administrative  
15 services and the commissioner of insurance shall involve state  
16 and political subdivision representatives and representatives  
17 of organizations representing state and political subdivision  
18 employees subdivisions to advise the director and commissioner  
19 in the development of the feasibility study.

20 2. The study shall examine the feasibility of all of the  
21 following:

22 a. Establishing a premium rating system based on the  
23 statewide health status, claim experience, and other  
24 demographic characteristics of public employees.

25 b. Establishing basic or standard health benefit plans  
26 with benefit levels, cost-sharing levels, exclusions, and  
27 limitations available to the state and all political  
28 subdivisions and their employees.

29 c. Establishing uniform coverage plans with benefit  
30 coverage that may be added to the basic or standard plans at  
31 the option of the state and political subdivisions.

32 d. Establishing restrictions on premium rates and rate  
33 increases.

34 e. Establishing a statewide public employee health  
35 reinsurance program.

1 3. The director of the department of administrative  
2 services and the commissioner of insurance shall submit a  
3 joint report concerning the results of the feasibility study,  
4 including their findings and recommendations, to the general  
5 assembly by January 15, 2006.

6 EXPLANATION

7 This bill requires the director of the department of  
8 administrative services and the commissioner of insurance to  
9 jointly conduct a feasibility study concerning the creation of  
10 a statewide public employee health benefit system. The bill  
11 provides that the study include a cost-benefit analysis of the  
12 current system of providing health benefits versus a single  
13 risk pool envisioned with a statewide public employee health  
14 benefit system. The director of the department of  
15 administrative services and the commissioner of insurance are  
16 also required to involve representatives of the state and its  
17 political subdivisions and organizations representing  
18 employees of the state and these political subdivisions to  
19 advise them regarding the feasibility study. The bill  
20 requires that the director of the department of administrative  
21 services and the commissioner of insurance submit a joint  
22 report on the results of the study to the general assembly by  
23 January 15, 2006.

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