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[SF 2159](#) – Health Insurance Coverage, Biomarker Testing (LSB5095SV)  
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Fiscal Note Version – New

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**Description**

[Senate File 2159](#) relates to insurance coverage for biomarker testing and does the following:

- Requires a policy, contract, or plan providing third-party payment or prepayment of medical expenses to provide coverage for biomarker testing for select purposes when the biomarker testing has demonstrated clinical utility.
- Provides requirements for demonstrating clinical utility in biomarker testing.
- Provides additional coverage requirements for biomarker testing covered by the Bill.
- Provides applicability standards to policies, contracts, or plans delivered, issued for delivery, continued, or renewed in the State on or after January 1, 2025.
- Requires the Commissioner of Insurance to adopt rules to administer the Bill.

**Background**

The Bill defines “biomarker testing” as an analysis of an individual’s tissue, blood, or other biospecimen for the presence of a biomarker. The Bill defines “biomarker” as a characteristic that is objectively measured and evaluated as an indicator of normal biological processes, pathogenic processes, or pharmacologic responses to a specific therapeutic intervention.

Federal fiscal year (FFY) 2025 Federal Medical Assistance Percentage (FMAP) rates are based on per capita personal incomes for calendar years 2020 through 2022. Iowa’s FFY 2025 FMAP rate decreased by 0.88% to 63.25%, meaning that beginning October 1, 2024, for every dollar spent on the Medicaid program, the federal government will pay \$0.6325 and Iowa will pay \$0.3675.

**Assumptions**

- For State FY 2025, the State share for provider reimbursement is approximately 36.53%, which is a blended FMAP rate consisting of 25.0% of the FFY 2024 FMAP rate and 75.0% of the FFY 2025 FMAP rate. In FY 2025, the enhanced rate to providers is expected to cost \$2.4 million total, with the State paying \$874,000 and the federal government paying \$1.5 million.
- For State FY 2026, the State share for provider reimbursement is approximately 36.75%, or the State share of FY 2025 Medicaid costs via the FMAP rate. Beginning in FY 2026 and continuing annually, the enhanced rate is expected to cost \$2.4 million total, with the State paying \$880,000 and the federal government paying \$1.5 million.
- An increase in the General Fund appropriation to the Department of Health and Human Services (HHS) for Medicaid will be necessary to pay for the costs in the Bill.
- According to the HHS, potential contracting updates that may be required could be absorbed by the HHS.
- According to the HHS, increased access to biomarker testing may generate savings in the long term as a result of earlier intervention. Data to estimate potential cost savings is not currently available; therefore, potential cost savings as a result of the Bill are not included.

**Fiscal Impact**

Senate File 2159 is estimated to increase costs to the State by approximately \$874,000 in FY 2025 and \$880,000 annually beginning in FY 2026.

**Figure 1 — Annual Fiscal Impact Summary of SF 2159**

<b>Cost</b>	<b>FY 2025</b>	<b>FY 2026</b>
State	\$ 874,000	\$ 880,000
State + Federal	2,394,000	2,394,000

**Sources**

Department of Health and Human Services  
Legislative Services Agency analysis

/s/ Jennifer Acton

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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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