

Schuerer, Rittner, Connolly

SSB 3079
State Government

SENATE/HOUSE FILE _____

Succeeded By
① HF 2167

BY (PROPOSED DEPARTMENT OF
PERSONNEL BILL)

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act establishing a health insurance administration fund
2 relating to the payment of the administrative costs of state
3 health insurance plans.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

1 Section 1. NEW SECTION. 19A.12F HEALTH INSURANCE
2 ADMINISTRATION FUND.

3 1. A special fund is created in the office of the
4 treasurer of state, separate and apart from all other public
5 moneys or funds of this state, to be known as the Iowa state
6 health insurance administration fund, hereafter referred to as
7 the fund. The fund shall consist of all moneys deposited in
8 the fund from proceeds of a monthly per contract
9 administrative charge assessed by the department of personnel
10 and collected by the department of revenue and finance.
11 Moneys deposited in the fund shall be expended by the
12 department of personnel for health insurance program
13 administration costs.

14 2. A monthly per contract administrative charge shall be
15 assessed by the department of personnel on all health
16 insurance plans administered by the department in which the
17 contract holder has a state employer to pay the charge. The
18 amount of the administrative charge shall be established by
19 the general assembly. The department of revenue and finance
20 shall collect the administrative charge from each department
21 utilizing the centralized payroll system and shall deposit the
22 proceeds in the fund. In addition, the state board of
23 regents, all library service areas, the state fair board, the
24 state department of transportation, and each judicial district
25 department of correctional services shall remit the
26 administrative charge on a monthly basis to the department of
27 revenue and finance and shall submit a report to the
28 department of revenue and finance containing the number and
29 type of health insurance contracts held by each of its
30 employees whose health insurance is administered by the
31 department of personnel.

32 3. The expenditure of moneys from the fund in any fiscal
33 year shall not exceed the amount of the monthly charge
34 established by the general assembly multiplied by the number
35 of health insurance contracts in effect at the beginning of

1 the same fiscal year in which the expenditures shall be made.
2 Any unencumbered or unobligated moneys in the fund at the end
3 of the fiscal year shall not revert but shall be transferred
4 to the health insurance premium reserve fund established
5 pursuant to section 509A.5.

6 Sec. 2. STATE EMPLOYEE HEALTH INSURANCE ADMINISTRATION
7 CHARGE. For the fiscal year beginning July 1, 2002, and
8 ending June 30, 2003, the monthly per contract administrative
9 charge which may be assessed by the department of personnel
10 pursuant to section 19A.12F shall be two dollars per contract
11 on all health insurance plans administered by the department.

12

EXPLANATION

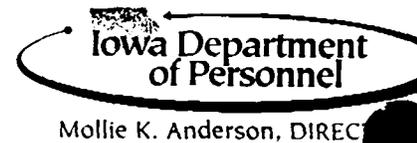
13 This bill establishes a health insurance administration
14 fund within the state treasurer's office which shall be used
15 by the department of personnel to pay health insurance program
16 administration costs on health insurance plans administered by
17 the department. The bill provides for the establishment of a
18 monthly administrative charge which shall be assessed on all
19 health insurance plans administered by the department of
20 personnel in which a state employer can pay the charge. The
21 department of revenue of finance shall collect the fee and
22 deposit the moneys in the fund. The bill provides that the
23 general assembly shall establish the maximum monthly charge
24 per employee. In addition, the bill provides that the
25 expenditure of moneys by the department of personnel from the
26 fund shall not exceed an amount equal to the monthly charge
27 multiplied by the number of individual health insurance
28 contracts in effect at the beginning of the fiscal year. The
29 bill further provides that any moneys remaining in the fund at
30 the end of a fiscal year shall not revert to the general fund
31 but shall be transferred to the health insurance premium
32 reserve fund established pursuant to Code section 509A.5.

33 The bill also establishes the administrative charge for the
34 fiscal year beginning July 1, 2002, at \$2 per contract.

35

Thomas J. Vilsack
GOVERNOR

Sally J. Pederson
LT. GOVERNOR



January 25, 2002

Honorable Senators and Representatives:

On behalf of the Iowa Department of Personnel, I respectfully submit proposed changes to the Iowa Code Chapter 19A, which governs the Iowa Department of Personnel's management of the State's human resources.

The proposed bill codifies a monthly health insurance administrative fee to be paid by the employer that was approved in HF 746, the salary appropriations bill for Fiscal Year (FY) '02. The authority to collect the fee will be in the department's authorizing chapter, consistent with the collection of other fees by the department.

The proposal ensures legislative control over the amount collected and spent by IDOP by establishing an expenditure cap that is equal to the monthly fee (which is set by the Legislature) times the number of insurance contracts.

By codifying in this manner the administrative fee that was approved in the 2001 session, the fees collected will directly relate to the workload of administering health insurance. At the same time, the Legislature will maintain fiscal control by setting the amount of the monthly fee, which determines the total amount collected and expended by the department.

The bill limits the fee to be collected for FY '03 to the FY '02 level of \$2.00 per month per contract. In subsequent years the administrative fee will be reviewed and established by the Legislature through the IDOP appropriations process.

If you have any questions about the proposed changes, please do not hesitate to call me at 281-3351. Julie Economaki is also available to assist you. She can be reached at 281-4742.

Sincerely,

A handwritten signature in cursive script that reads "Mollie Anderson".

Mollie Anderson, Director

H- 3/4/02 Commerce
H- 3/7/02 Do Pass

FILED FEB 13 2002

SENATE FILE 2167
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 3079)

Passed Senate, ^(p.455) Date 2/28/02 Passed House, ^(p.862) Date 3/19/02
Vote: Ayes 45 Nays 1 Vote: Ayes 91 Nays 0
Approved March 29, 2002

A BILL FOR

1 An Act establishing a health insurance administration fund
2 relating to the payment of the administrative costs of state
3 health insurance plans and providing for its prospective
4 repeal.

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

- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

OF 2101

1 Section 1. NEW SECTION. 19A.12F HEALTH INSURANCE
2 ADMINISTRATION FUND.

3 1. A special fund is created in the office of the
4 treasurer of state, separate and apart from all other public
5 moneys or funds of this state, to be known as the Iowa state
6 health insurance administration fund, hereafter referred to as
7 the fund. The fund shall consist of all moneys deposited in
8 the fund from proceeds of a monthly per contract
9 administrative charge assessed by the department of personnel
10 and collected by the department of revenue and finance.
11 Moneys deposited in the fund shall be expended by the
12 department of personnel for health insurance program
13 administration costs.

14 2. A monthly per contract administrative charge shall be
15 assessed by the department of personnel on all health
16 insurance plans administered by the department in which the
17 contract holder has a state employer to pay the charge. The
18 amount of the administrative charge shall be established by
19 the general assembly. The department of revenue and finance
20 shall collect the administrative charge from each department
21 utilizing the centralized payroll system and shall deposit the
22 proceeds in the fund. In addition, the state board of
23 regents, all library service areas, the state fair board, the
24 state department of transportation, and each judicial district
25 department of correctional services shall remit the
26 administrative charge on a monthly basis to the department of
27 revenue and finance and shall submit a report to the
28 department of revenue and finance containing the number and
29 type of health insurance contracts held by each of its
30 employees whose health insurance is administered by the
31 department of personnel.

32 3. The expenditure of moneys from the fund in any fiscal
33 year shall not exceed the amount of the monthly charge
34 established by the general assembly multiplied by the number
35 of health insurance contracts in effect at the beginning of

1 the same fiscal year in which the expenditures shall be made.
2 Any unencumbered or unobligated moneys in the fund at the end
3 of the fiscal year shall not revert but shall be transferred
4 to the health insurance premium reserve fund established
5 pursuant to section 509A.5.

6 4. This section is repealed July 1, 2007.

7 Sec. 2. STATE EMPLOYEE HEALTH INSURANCE ADMINISTRATION
8 CHARGE. For the fiscal year beginning July 1, 2002, and
9 ending June 30, 2003, the monthly per contract administrative
10 charge which may be assessed by the department of personnel
11 pursuant to section 19A.12F shall be two dollars per contract
12 on all health insurance plans administered by the department.

13 EXPLANATION

14 This bill establishes a health insurance administration
15 fund within the state treasurer's office which shall be used
16 by the department of personnel to pay health insurance program
17 administration costs on health insurance plans administered by
18 the department. The bill provides for the establishment of a
19 monthly administrative charge which shall be assessed on all
20 health insurance plans administered by the department of
21 personnel in which a state employer can pay the charge. The
22 department of revenue of finance shall collect the fee and
23 deposit the moneys in the fund. The bill provides that the
24 general assembly shall establish the maximum monthly charge
25 per employee. In addition, the bill provides that the
26 expenditure of moneys by the department of personnel from the
27 fund shall not exceed an amount equal to the monthly charge
28 multiplied by the number of individual health insurance
29 contracts in effect at the beginning of the fiscal year. The
30 bill further provides that any moneys remaining in the fund at
31 the end of a fiscal year shall not revert to the general fund
32 but shall be transferred to the health insurance premium
33 reserve fund established pursuant to Code section 509A.5. The
34 bill repeals the new Code section which establishes the fund
35 on July 1, 2007.

1 The bill also establishes the administrative charge for the
2 fiscal year beginning July 1, 2002, at \$2 per contract.

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35

SENATE FILE 2167

AN ACT

ESTABLISHING A HEALTH INSURANCE ADMINISTRATION FUND RELATING
TO THE PAYMENT OF THE ADMINISTRATIVE COSTS OF STATE HEALTH
INSURANCE PLANS AND PROVIDING FOR ITS PROSPECTIVE REPEAL.

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

Section 1. NEW SECTION. 19A.12F HEALTH INSURANCE
ADMINISTRATION FUND.

1. A special fund is created in the office of the
treasurer of state, separate and apart from all other public
moneys or funds of this state, to be known as the Iowa state
health insurance administration fund, hereafter referred to as
the fund. The fund shall consist of all moneys deposited in
the fund from proceeds of a monthly per contract
administrative charge assessed by the department of personnel

and collected by the department of revenue and finance.
Moneys deposited in the fund shall be expended by the
department of personnel for health insurance program
administration costs.

2. A monthly per contract administrative charge shall be
assessed by the department of personnel on all health
insurance plans administered by the department in which the
contract holder has a state employer to pay the charge. The
amount of the administrative charge shall be established by
the general assembly. The department of revenue and finance
shall collect the administrative charge from each department
utilizing the centralized payroll system and shall deposit the
proceeds in the fund. In addition, the state board of
regents, all library service areas, the state fair board, the
state department of transportation, and each judicial district
department of correctional services shall remit the
administrative charge on a monthly basis to the department of
revenue and finance and shall submit a report to the
department of revenue and finance containing the number and
type of health insurance contracts held by each of its
employees whose health insurance is administered by the
department of personnel.

3. The expenditure of moneys from the fund in any fiscal
year shall not exceed the amount of the monthly charge
established by the general assembly multiplied by the number
of health insurance contracts in effect at the beginning of
the same fiscal year in which the expenditures shall be made.
Any unencumbered or unobligated moneys in the fund at the end
of the fiscal year shall not revert but shall be transferred
to the health insurance premium reserve fund established
pursuant to section 509A.5.

4. This section is repealed July 1, 2007.

Sec. 2. STATE EMPLOYEE HEALTH INSURANCE ADMINISTRATION
CHARGE. For the fiscal year beginning July 1, 2002, and
ending June 30, 2003, the monthly per contract administrative

charge which may be assessed by the department of personnel pursuant to section 19A.12F shall be two dollars per contract on all health insurance plans administered by the department.

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2167, Seventy-ninth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved March 29, 2002

THOMAS J. VILSACK
Governor