

FILED MAR 7 2005

COMMERCE

SENATE FILE 299  
BY WARNSTADT

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

**A BILL FOR**

1 An Act establishing pilot projects requiring the division of  
2 insurance to allow flexible small employer group health  
3 insurance coverage and requiring the insurance division to  
4 review insurance rating issues affecting small employers.

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

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SF 299  
COMMERCE

1 Section 1. SMALL EMPLOYER GROUP HEALTH INSURANCE PILOT  
2 PROJECTS -- REPORTS. The division of insurance of the  
3 department of commerce shall implement one or more small  
4 employer group health insurance pilot projects for the purpose  
5 of providing employers with less than twenty-six employees  
6 greater flexibility in the types of group health insurance  
7 coverage available for their employees. Target groups for the  
8 pilot projects shall be small employers who currently do not  
9 offer health insurance to their employees. The division of  
10 insurance may authorize the availability of small employer  
11 group health insurance coverage with options including but not  
12 limited to rate incentives for lifestyle changes or disease  
13 management and exemption from coverage mandates, or other  
14 options to be determined by the division of insurance. In  
15 addition, the division shall review the unique health  
16 insurance rating issues that affect small employers to see if  
17 current rating requirements adequately address this group.  
18 The projects shall be implemented commencing during the fiscal  
19 year beginning July 1, 2005, and shall end by June 30, 2008.  
20 The division shall submit an annual evaluation of the results  
21 of the pilot projects and of its review of rating issues to  
22 the general assembly on or before December 15, 2005, and on or  
23 before December 15 of each year thereafter while the pilot  
24 projects are being implemented and shall submit a final report  
25 summarizing the results of the pilot projects to the general  
26 assembly on or before December 15, 2008.

27 EXPLANATION

28 This bill requires the division of insurance of the  
29 department of commerce to implement one or more small employer  
30 group health insurance pilot projects for the purpose of  
31 providing employers with less than 26 employees greater  
32 flexibility in the types of group health insurance coverage  
33 available for their employees. Target groups for the pilot  
34 projects are small employers who do not offer health insurance  
35 to their employees. The division may authorize group health

1 insurance coverage for small employers with various options  
2 not currently available. The division is also required to  
3 review the unique health insurance rating issues that affect  
4 small employers to see if current rating requirements  
5 adequately address this group. The division is required to  
6 implement the pilot projects in the fiscal year beginning July  
7 1, 2005, and the projects shall be completed by June 30, 2008.  
8 The division is required to submit annual reports to the  
9 general assembly evaluating the results of the pilot projects  
10 and of its review of rating issues, ending with a final report  
11 summarizing the results of the pilot projects on or before  
12 December 15, 2008.

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