

FILED MAR 14 2005

SENATE FILE 354
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SF 299)

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 354

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.

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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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SENATE FILE 354**S-3055**

1 Amend Senate File 354 as follows:

2 1. Page 1, line 3, by inserting after the word
3 "shall" the following: "study and".

4 2. Page 1, line 5, by striking the words
5 "employers with less than twenty-six employees" and
6 inserting the following: "small employers".

7 3. Page 1, line 7, by inserting after the word
8 "employees." the following: "For purposes of this
9 section, "small employer" means the same as defined in
10 section 513B.2."

11 4. Page 1, by striking lines 9 through 14, and
12 inserting the following: "offer health insurance to
13 their employees. For the purposes of implementing the
14 pilot projects, the division of insurance may waive
15 current statutory and regulatory requirements
16 applicable to small group health insurance coverage
17 pursuant to chapter 513B, and benefit mandates under
18 chapters 509, 514, 514B, and 514C. The division may
19 consider rate incentives for lifestyle changes and
20 disease management programs, or other related options
21 as determined by the division. In".

By JERRY BEHN

STEVEN H. WARNSTADT

S-3055 FILED MARCH 23, 2005

SENATE FILE 354
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SF 299)

(AS AMENDED AND PASSED BY THE SENATE MARCH 24, 2005)

_____ - New Language by the Senate

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:

S.F. 354

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1 Section 1. SMALL EMPLOYER GROUP HEALTH INSURANCE PILOT
2 PROJECTS -- REPORTS. The division of insurance of the
3 department of commerce shall study and implement one or more
4 small employer group health insurance pilot projects for the
5 purpose of providing small employers greater flexibility in
6 the types of group health insurance coverage available for
7 their employees. For purposes of this section, "small
8 employer" means the same as defined in section 513B.2. Target
9 groups for the pilot projects shall be small employers who
10 currently do not offer health insurance to their employees.
11 For the purposes of implementing the pilot projects, the
12 division of insurance may waive current statutory and
13 regulatory requirements applicable to small group health
14 insurance coverage pursuant to chapter 513B, and benefit
15 mandates under chapters 509, 514, 514B, and 514C. The
16 division may consider rate incentives for lifestyle changes
17 and disease management programs, or other related options as
18 determined by the division. In addition, the division shall
19 review the unique health insurance rating issues that affect
20 small employers to see if current rating requirements
21 adequately address this group. The projects shall be
22 implemented commencing during the fiscal year beginning July
23 1, 2005, and shall end by June 30, 2008. The division shall
24 submit an annual evaluation of the results of the pilot
25 projects and of its review of rating issues to the general
26 assembly on or before December 15, 2005, and on or before
27 December 15 of each year thereafter while the pilot projects
28 are being implemented and shall submit a final report
29 summarizing the results of the pilot projects to the general
30 assembly on or before December 15, 2008.

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