

## **Summary of SF 48 2009 Health Care Reform Bill Outline**

- I. Iowa Health Care Partnership
  - a. Allow governmental subdivisions (includes counties, cities, community colleges, quasi-public agencies) small businesses (1-50), and nonprofit corporations to buy-in to state employee health insurance
  - b. Administered by the Department of Administrative Services
  
- II. Iowa Choice Insurance Exchange
  - a. Create Iowa Choice Insurance Exchange as nonprofit corporation under the jurisdiction of the insurance commission similar to HIPPP Iowa.
  - b. Revised Iowa Choice health care coverage advisory council will become the board of the exchange, appointed by the Governor, confirmed by Senate
  
- III. Adult Children Health Coverage Revisions
  - a. Exempt value of coverage for nonqualified adult dependents from state income tax
  - b. Allow adult children not currently on their parents coverage who are under 25 to reenroll if otherwise eligible
  
- IV. Children's Health Care Network
  - a. Medicaid, hawk-i, hawk-i expansion, Iowa choice for kids
  - b. Parental Mandate
    - i. Children below 300 percent FPL must have insurance coverage – soft mandate—use income tax form
  - c. Legal immigrant children currently ineligible for hawk-i for five years
  - d. All income-eligible children
  
- V. Immunity for Free Specialty Care
  
- VI. Healthcare Workforce Shortage Initiatives and Fund
  - a. Medical Residency Training Grants Program
  - b. Health Care Professional Loan Repayment Program
  - c. Nurse Educator Forgivable Loan Program
  - d. Nursing Faculty Fellowship Program
  
- VII. Pharmacy initiatives
  - a. Medication Therapy Management (MTM) services
  - b. Drug Information and Academic Detailing
  - c. Marketing: Gift Ban and disclosure act and ban data-mining
  - d. Pharmacy Benefit Manager transparency
  
- VIII. Healthcare Transparency

## Summary

### **Division I. Iowa Health Care Coverage Partnership Program**

This division establishes the Iowa Health Care Coverage Partnership Program in the Department of Administrative Services (DAS). The program allows employees, public officials, and retired employees of a non-state public employer, and employees of a nonprofit employer, or small employer to enroll in a state health or medical group insurance plan offered by DAS to state employees and to be pooled with the state employees in that plan.

In order to be eligible to participate in the partnership program, an employer must apply for the coverage and all employees and public officials of such an employer must agree to enroll in a state health or medical insurance plan. Employees and public officials of such employers receive health coverage under the same conditions as state employees and shall not be denied coverage on the basis of risk, cost, preexisting conditions or other factors that are not applicable to state employees.

Premium payments for coverage received through the program must be the same as for state employees, including any premiums paid by state employees, except that premium rates for coverage for employees of small businesses may reflect characteristics applicable to small group insurance pursuant to Code section 513B.4. An employer must participate in the partnership program for at least three years.

DAS is required to collaborate with the Iowa Choice Insurance Exchange to develop and procure coverage to be offered through the partnership program that meets minimum standards of quality and affordability. DAS is responsible for administering the program.

This division is based on legislation from Connecticut that was passed by the General Assembly but vetoed by the Republican Governor.

### **Division II. Iowa Choice Insurance Exchange**

This division contains a new Code chapter (514M). The purpose is to ensure that all children and all other Iowans in the state have affordable, quality health care coverage and to decrease health care costs and health care coverage costs.

The Iowa Choice Insurance Exchange is created as a nonprofit corporation under the umbrella of the Insurance Division. All health and accident insurance carriers, all organized delivery systems licensed by the Department of Public Health to provide health insurance or health care services in Iowa, and all other insurers designated by the Exchange are members of the Exchange.

The Exchange is required to exercise its powers through a Board of Directors. The membership is specified in the bill. Ten voting members are to be appointed by the Governor and confirmed by the Senate. Eight other members are legislators and department directors who will serve as non-voting members.

The Exchange is charged with developing a comprehensive health care coverage plan to accomplish providing access to public or private health care coverage for all Iowans, especially children, which may be subsidized or unsubsidized, depending on family income.

The Exchange is also required to design and implement a health care coverage program called Iowa Choice, which offers private health care coverage that meets certain minimum standards of quality and affordability with options to purchase at least three levels of benefits. The Exchange will also design and administer a subsidy program for payment of premiums for health care coverage for low-income Iowans that complements Medicaid and includes cost-sharing using a sliding scale based on the FPL.

### **Division III. Health Care Coverage of Adult Children**

This division makes changes to a provision in last year's bill that allowed children to continue on their parents' health care plans until age 25 even if they aren't in school or longer if they are in school.

It provides that if the health benefits coverage or insurance of an Iowa taxpayer includes coverage of a nonqualified tax dependent as determined by the federal IRS, the amount of the value of that coverage is not subject to state income tax.

It also allows adult children who are unmarried, residents of Iowa and up to 25 or who are full-time students to be re-enrolled on their parents plans even if there has been a gap in that coverage. Currently, only continuation of coverage is allowed.

### **Division IV. Medical Assistance and hawk-i Provisions**

This division directs the Department of Human Services to provide state-only funded medical assistance or hawk-i coverage, as appropriate, to individuals under 19 who meet income eligibility requirements under the respective program. It also directs DHS to take action to ensure the receipt of federal financial participation under the Medicaid program or State Children's Health Insurance Program and any other federal funding sources that may be available in the future to provide coverage to these populations.

It also amends the income tax provision for reporting of a dependent child's health care coverage status to require, beginning with the tax returns for tax year 2009, that a person who files an individual or joint income tax return indicate whether each dependent child has health care coverage. If a taxpayer indicates that a dependent child does not have health care coverage and the income of the taxpayer's tax return does not exceed the highest level of income eligibility standard for Medicaid or hawk-i, the Department of Revenue is required to send a notice to the taxpayer that the child may be eligible for these programs and provide information on how to enroll. The taxpayer is then required to submit an application for the appropriate program within 90 days.

Coverage is provided under the Medicaid program of a pregnant woman with a family income of up to 300 percent of the FPL, beginning July 1, 2009.

The division includes provisions to improve access to and retention in the Medicaid and hawk-i programs. It provides for presumptive eligibility for children under the Medicaid and hawk-i programs beginning July 1, 2009. It also requires the Medicaid program to allow for an averaging of three years of income for self-employed families to establish eligibility, to extend the period for annual renewal by members, and to implement passive renewal.

#### **Division V. Volunteer Health Care Providers**

This division expands the volunteer health care provider program to include health care provider offices. It provides that a health care provider office providing free care under the program is considered a state agency for the sole purpose of the program and for tort claims and is to be afforded protection under Code chapter 669 for all claims arising from the provision of free care.

#### **Division VI. Health Care Workforce Support Initiative**

This division establishes a health care workforce support initiative and a health care workforce fund under the control of the College Student Aid Commission. Moneys deposited in or credited to the fund are appropriated to provide grants to support a medical residency training grants program, a health care professional loan repayment program, and a nurse educator forgivable loan program and nursing faculty fellowship program.

The division creates a Health Care Workforce Shortage Advisory Council and establishes the membership of the Council. The Council is directed to provide oversight of the programs and to provide recommendations to the College Student Aid Commission.

#### **Division VII. Pharmaceutical-Related Provisions**

This division includes provisions relating to medication therapy management, establishes a medication therapy management advisory committee. It also requires certain insurance policies to provide coverage benefits for medication therapy management.

The Department of Public Health is directed to establish and administer an evidence-based prescription drug education program designed to provide health care professional with information and education regarding the therapeutic and cost-effective utilization of prescription drugs.

The division prohibits gifts to health care practitioners from manufacturers and wholesalers of prescription drugs, biologics, and medical devices, who participate in state health programs. It also requires the disclosure of information about advertising and marketing spending and compilation of annual reports analyzing this data by the Department of Administrative Services.

The division also includes provisions relating to the safeguarding of the confidentiality of prescribing information (data mining).

The division adds to the current regulation of pharmacy benefits managers by including provisions relating to disclosure of revenues received from pharmaceutical manufacturers or labelers by pharmacy benefit managers.

**Division VIII. Health Care Transparency**

The Department of Public Health is directed to adopt rules to direct hospitals to submit data to the Iowa Healthcare Collaborative, which is to serve as the department's intermediary in collecting inpatient, outpatient, and ambulatory information from hospitals. Currently, the rules provide for collection of this information by the Iowa Hospital Association, which submits the data to IDPH for publication.

The Iowa Healthcare Collaborative is to develop a plan for the collection, analysis, and publishing of clinical data from physicians and health care providers other than hospitals. The plan is to address the feasibility of a physician all-payer database to allow for the collection of claims data from all public and private payors of physicians.

The Iowa Healthcare Collaborative is also directed to provide support to a number of councils tasked with healthcare reform efforts. The councils include: Electronic Health Information Advisory Council; Medical Home System Advisory Council. Prevention and Chronic Care Management Initiative Advisory Council; the Clinicians Advisory Panel; and the Medical Assistance Quality Improvement Council.