



IOWA HOUSE DEMOCRATS

BILL and Amendment SUMMARY

Farm Bureau Health Benefit Plan H-8289

Status of Bill: House Floor

Committee: Commerce (14-9); Senate (40-9)

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Lead Democrat: Rep. Forbes

Floor Manager: Rep. Landon

Background

Farm Bureau wishes to administer health insurance benefits to the organization's members while being exempt from Iowa insurance regulations and current federal mandates.

The Affordable Care Act (ACA) currently mandates insurance coverage for individuals with pre-existing conditions and provides Iowans with subsidized and unsubsidized individual health insurance options. This bill would allow Farm Bureau to create an additional individual health insurance plan, but not be required to guarantee health insurance coverage for all Iowans, including Iowans with pre-existing conditions.

Amendment Summary

Currently, a majority of Iowa's health benefit programs are subject to insurance regulation under Iowa's Title XIII provisions. The bill's language would create a new section under Iowa Code to exempt certain nonprofit agricultural organizations' health benefit plans from Iowa's current insurance regulation.

The bill states that an Iowan nonprofit agricultural organization may provide health benefits to the organization's members without being regulated by the Iowa Insurance Commission as long as the following requirements are met: (1) the organization must have continuously existed for at least twenty-five years; (2) provides membership opportunities in ninety-nine counties to all eligible Iowans; (3) collects annual membership dues; (4) holds regular meetings; (5) represents members on governing boards and committees; (6) provides education, mentoring, and financial assistance to Iowa rural businesses; (7) contracts with domestic third-party insurance providers to administer health benefit plans; and (8) files a certification with the insurance commissioner that shows the organization has met the above requirements prior to providing health benefits.

This bill would also require an organization to provide health benefits under a self-funded agreement with a registered third-party and would require the third-party to administer benefits with a certificate from the Iowa Insurance Commissioner. Additionally, the third-party administrator must have administered health care services to the organization for at least ten consecutive years prior to the organization offering health benefit. This can include direct administration or services administered through an affiliate of the organization.

Under this bill, agricultural organizations would be allowed to customize health insurance plans to mirror insurance coverage prior to the enactment of the ACA and would take effect beginning January 1, 2019.