

Iowa

Iowa Division of Insurance
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Summary of Important Regulations

MEWA Regulations	No
TPA Regulations	Yes
Stop-Loss Regulations	No
UR Regulations	Yes

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Health Insurance Reserves Model Regulation	None	None
Comprehensive Health Ins. Cost Containment Model Act	None	Iowa Code § 514E.1 to 514E.11
Standardized Health Claims Form Model Regulation	None	None
Small Employer Health Insurance Availability Model Law	Iowa Code §§ 513B.1 to 513B.13	None
Model Regulation To Eliminate Unfair Sex Discrimination	Iowa Admin. Code §§ 191-15.11	None
Health Information Privacy Model Law	None	None
Preferred Provider Arrangements Model Law	Iowa Admin. Code §§ 191-27.1 to 191-27.8	None
Utilization Review Model Law	None	None
Managed Care Plan Network Adequacy Model Law	None	None
Third Party Administrator Law	Iowa Code §§ 510.11	Iowa Admin. Code §§ 191-58.1 to 191-58.13
Stop-loss Insurance Model Law	None	A.G. Opinion Oct. 3, 1990

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Jurisdiction of Health Care Providers Model Law	Iowa Code §§ 513A.1 to 513A.6	None
Standard Group Health Model Law	Iowa Code §§ 503.1; 509.3 to 509.6	None
Group Health Insurance Mandatory Conversion Law	Iowa Code § 509.B4	None
Group Coverage Discontinuance/ Replacement Model Regulation	None	None
Premium Rates and Renewability of Coverage-Small Groups	Iowa Code §§ 513B.1 to 513B.13	None
Group Coordination of Benefits Model Law	Iowa Admin. Code §§ 191-38.1 to 191-38.11	None
Model Regulation for Certification of Health Plans	None	None
Off-Label Drug Use Model Law	None	None
Group Health Mandatory Drug/ Alcohol Dependency Law	None	None
Model Newborn Children's Law	Iowa Code § 514C.1	None

Health Examination Benefits Availability Law	None	Iowa Admin. Code §§ 191-80.1 to 191-80.5
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NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	Iowa Code §§ 514D.1 to 514D.8	None
Agents and Brokers Licensing Model Law	None	Iowa Code §§ 522.1 to 522.5; Iowa Admin. Code §§ 191-10.1 to 191-10.25
MEWA Licensing Model Law	None	None
Managing General Agents Law	Iowa Code §§ 510.1A to 510.9	Iowa Admin. Code § 191-5.43
Health Maintenance Organization Model Law	Iowa Code §§ 514B.1 to 514B.32	Iowa Code § 514C.13
Insurance Information and Privacy Protection Law	None	None
Unfair Trade Practices Law	Iowa Code §§ 507B.1 to 507B.14	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	Iowa Admin. Code §§ 191-15.80 to 191-15.82	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Total or Partial Blindness	Iowa Admin. Code § 191-15.83	None

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	Iowa Code § 507B.4 5/155.22a
Unfair Claims Settlement Practices Law	None	None
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	None	None
Private Employer Workers' Compensation Group Self- Insurance Model Law	None	Iowa Admin. Code §§ 191-56.1 to 191-56.22
Public Employee Workers' Compensation Group Self- Insurance Model Law	None	None
Twenty Four Hour Coverage Pilot Project Model Law	None	None

State-Mandates

Benefits That Must Be Covered

- Breast reconstruction
- Contraceptives
- Diabetic supplies, education
- Emergency services
- Mammography screening
- Minimum maternity stays
- Well-child care (group only)

Benefits That Must Be Offered

None

Persons Who Must Be Allowed Coverage

- Adopted children
- Continuation/dependents
- Continuation/employees
- Conversion to non-group
- Newborns

Providers Who Must Be Covered

- Chiropractors
- Dentists
- Nurses
- Nurse Practitioners
- Optometrists
- Pharmacists
- Physician Assistants
- Podiatrists

Coordination of Benefits

- | | |
|----------------------------|-----|
| • Birthday Rule? | Yes |
| • Divorced/Separated Rule? | Yes |
| • Joint Custody Rule? | No |
| • Active v. Inactive Rule? | Yes |
| • Longer v. Shorter Rule? | Yes |
| • Managed Care Rule? | No |

- COBRA Rule? No
- Preservation Rule? No

Patient's Bill of Rights Legislation

None

High Risk Health Pool

Yes- premium capped at 1.5x.

External Grievance System

Yes – for all plans

Basis of Filing Grievance

Medical necessity only.

Status of Decision of Grievance Panel

Binding on both parties.

Prompt Payment of Health Claim Requirement

Yes - 30 days

Commentary

- The cost of skilled nursing care in a hospital, if the level of care needed by the insured person has been reclassified from acute care to skilled nursing care and no designated skilled nursing care beds or swing beds are available in the hospital or in another hospital or health care facility within a 30 mile radius of the hospital, if the group policy covers the cost of skilled nursing care. The insurer must reimburse the insured based on the skilled nursing care rate.
- One baseline mammogram for a woman 35-49 years of age; a mammogram every two years for a woman 40-49 years of age, or more frequently if recommended by her physician; and a mammogram every year for a woman who is 50 years of age or older. These benefits may be subject to any policy or contract provisions which apply generally to other services covered by the policy or contract
- Diabetic outpatient self-management education programs on a mandatory option basis.
- Group accident and sickness and group health plans must cover well-baby care up to two years of age and must include a history and complete physical examination, a developmental assessment, immunizations, and laboratory services that include blood level screening for lead exposure.¹
- Iowa mandates that plans provide 48 hours for a normal delivery and 96 hours for a Caesarean birth, excluding the day of delivery. The statutes also requires that in the event of a discharge from the hospital prior to the minimum stay, a post-discharge follow-up visit, by providers competent in postpartum care, be provided to the mother and the newborn.
- An employer may not require a genetic test as a condition of employment.² However, an employee may give written consent to such a test for the investigation of a workers' compensation claim or for determining the employee's susceptibility to potentially toxic chemicals or substances in the workplace. The employer may not terminate or discipline the employee based on the results of such testing.

MEWA Regulation

Iowa does not have a specific MET/MEWA statutes. A MET/MEWA is undefined in the insurance statutes, but in practice, is defined as a plan consisting of more than one employer. Iowa follows the definition found in ERISA.³ A MEWA subject to state regulation includes a corporate conglomerate not under common control or a union-management plan containing employees outside the collective bargaining agreement. The state does not allow METs/MEWAs to be self-funded. A self-funded MEWA is considered to be retaining risk without a certificate of authority to do business in Iowa and is an unauthorized insurer. Uninsured or partially-insured MEWAs are considered unauthorized insurers.⁴ A MET/MEWA must be fully insured by a licensed insurance company or it is an unauthorized insurer.

TPA Regulations

This statute was enacted in 1989.⁵ Third party administrators must register with the state insurance department to obtain a certificate which is renewable every three years. The licensing requirements are based on the NAIC Model Administrator Statute and there are hardly any deviations from the model. However, the Iowa law has included a provision to allow the TPA requirements to be waived for certain TPAs or a class of TPAs, such as a person or firm primarily in a business other than that of an administrator.

Summary of Registration Requirements

The statute was effective July 1, 1989.

- TPAs must apply for a certification of registration as an administrator with the insurance division.
- Registration fee is \$100. Renewal fee is \$100. A late filing is subject to a late filing fee of \$500.
- Registration is renewable every three years.
- Surety bond is issued by an insurance company licensed to do business in Iowa in an amount equivalent to 10% of administrator's average daily client account balance during the preceding calendar year. The minimum bond is \$50,000 and the maximum amount is \$1 million. And administrator unable to obtain a bond may post another security including, but not limited to, cash or negotiable securities in an equal amount under terms agreeable to the Commissioner.

Iowa does not specifically waive its TPA statute for ERISA plan; nor does it provide reciprocity with the TPA's home state or *de minimis* relief where extraterritorial issues arise.

Stop-Loss Regulation

No regulation is reported.

Utilization Review Regulations

Agency Responsible⁶
Requirements

Dept. of Insurance
Registration by insurers, HMOs, PPOs, etc.

Exemptions	Reviews must be conducted by URAC standards.
Waivers	None
Comments	None
	Mental and substance abuse certification must certify as to confidentiality.

Miscellaneous

State Premium Taxes

Commercial insurers and Blue Cross are each taxed at 2%, HMOs also pay the 2% rate, but such rate may be waived for the older HMOs.

Small Group Reform⁷

An employer with 25 or fewer full-time employees may subscribe to a basic benefit policy for its employees, which is designed to make health insurance affordable for relatively small employers by omitting many of the benefits that would otherwise be required for a group policy. To qualify, an employer must not have offered any health care coverage for at least the preceding 12-month period (or since its start of business in the case of an employer that has existed for less than 12 months). Also, an employer with more than 25 employees may not segregate them into various segments (e.g. by division, responsibility, status, or location) in order to form groups small enough to qualify.

The state's Insurance Commissioner may authorize the issuance of (1) a basic family plan for employees' spouses or dependents where the employer currently provides individual health benefits exclusively for employees or (2) a basic benefit plan for part-time employees where the employer currently offers health benefits only for full-time, all-year employees.

- List the otherwise mandated benefits and providers not covered by the plan.
- Explains the plan's managed care and cost control features, including all appropriate mailing addresses and telephone numbers to be used by insureds to obtain information or authorization.
- States that the insurer must provide such statement no later than when the policy is delivered and that the insurer must keep a copy of the statement on file for the time that the policy remains in effect, or five years, whichever is longer.
- Warns that any false information given by an applicant can be a basis for terminating coverage. States that all the marketing communications used in connection with a basic benefit policy must be submitted to the state's Insurance Commissioner for approval prior to their use.

MSA Legislation

No action.

Certification of Government Self-Funded Plans

Since self-funded health care plans are exempt from ERISA, the state of Iowa deemed it proper to regulate such plans by a special statute.⁸

As clarification to the subject statute, Iowa promulgated § 510-35.20.

Continuation of Coverage and Conversion of Benefits

Iowa law differs in several respects from the COBRA requirements, including:

- Iowa law requires that individuals be covered for three months before becoming eligible to continue coverage. COBRA does not include such a waiting period.
- Iowa law excludes dental care, vision care, and prescription drug care. COBRA applies to all of these benefits. However, under COBRA, qualified beneficiaries can elect medical-only coverage (which includes prescription drugs) without dental or vision benefits.
- Iowa law includes much shorter notice and election time periods than COBRA. Employers may want to coordinate procedures under the two laws.

Managed Care

Iowa prohibits insurers from requiring use of mail-order pharmacies. Iowa also allows an employee to choose the doctor for a job-related injury instead of the employer.

Miscellaneous

Iowa Health Data Commission.⁹ Self-funded plans are required by Iowa statute to file health care data with the Iowa Health Data Commission. Penalties are imposed on third party payers who fail to file such data as is required.

Endnotes

¹ Iowa Code § 514H.7A.

² Iowa Code § 729.6.

³ ERISA § 3(4)

⁴ Iowa Code, Ch. 507.

⁵ Iowa Code §§ 510.11 to 510.22

⁶ Iowa Admin. Code R § 191-70.1

⁷ Iowa Code §§ 514H.1 to 514H.14

⁸ Iowa Code §§ 509A.1 to 509A.15

⁹ Iowa Code, Ch. 146
