

2/15 4/25/91 (p. 1500)

House File 517 introduced 4/10/91
FILED MAR 20 1991

SENATE FILE **443**
BY COMMITTEE ON BUSINESS AND
LABOR RELATIONS

(SUCCESSOR TO SSB 169)
(COMPANION TO HF 517)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to workers' compensation medical benefits and
2 weekly benefit claims, extraterritorial jurisdiction, burial
3 expenses, and minimum benefit payments.

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

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HF 443

1 Section 1. Section 85.27, Code 1991, is amended by adding
2 the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. An action shall not be commenced
4 or maintained in a court of this state by a person rendering
5 treatment to an employee against the employee for the
6 collection of charges in connection with the treatment while a
7 contested case proceeding for determination of liability is
8 pending before the industrial commissioner relating to an
9 injury alleged to have given rise to the treatment.

10 Sec. 2. Section 85.28, Code 1991, is amended to read as
11 follows:

12 85.28 BURIAL EXPENSE.

13 When death ensues from the injury, the employer shall pay
14 the reasonable expenses of burial of such employee, not to
15 exceed one five thousand dollars, which shall be in addition
16 to other compensation or any other benefit provided for in
17 this chapter.

18 Sec. 3. Section 85.30, Code 1991, is amended by adding the
19 following new unnumbered paragraph:

20 NEW UNNUMBERED PARAGRAPH. If the charges for medical
21 benefits provided in section 85.27 are not paid by the
22 employer or insurance carrier when due, interest shall be
23 added to the charges for medical benefits at the rate provided
24 in section 535.3 for court judgments and decrees. Interest on
25 medical benefit charges shall accrue from the date the charges
26 were due. The interest awarded shall be paid to the person
27 rendering treatment unless the charges for treatment have
28 previously been paid by the injured employee or by a third
29 party on the employee's behalf. If the charges for treatment
30 have previously been paid by the injured employee or a third
31 party on the employee's behalf, the interest shall be paid to
32 the injured employee or to the third party which made the
33 payment.

535.3
537.3

34 Sec. 4. Section 85.31, subsection 1, unnumbered paragraph
35 2, Code 1991, is amended to read as follows:

1 The weekly benefit amount shall not exceed a weekly benefit
2 amount, rounded to the nearest dollar, equal to ~~sixty-six-and~~
3 ~~two-thirds~~ two hundred percent of the statewide average weekly
4 wage paid employees as determined by the department of
5 employment services under section 96.19, subsection 42, and in
6 effect at the time of the injury. However, ~~as of July 1,~~
7 ~~1975; July 1, 1977; July 1, 1979; and July 1, 1981; the~~
8 ~~maximum weekly benefit amount rounded to the nearest dollar~~
9 ~~shall be increased so that it equals one hundred percent, one~~
10 ~~hundred-thirty-three-and-one-third percent, one hundred-sixty-~~
11 ~~six-and-two-thirds percent and two hundred percent,~~
12 ~~respectively, of the statewide average weekly wage as~~
13 ~~determined above.~~ The minimum weekly benefit amount shall be
14 equal to the weekly benefit amount of a person whose gross
15 weekly earnings are thirty-five percent of the statewide
16 average weekly wage, ~~or to the spendable weekly earnings of~~
17 ~~the employee, whichever are less.~~ Such compensation shall be
18 in addition to the benefits provided by sections 85.27 and
19 85.28.

20 Sec. 5. Section 85.34, subsection 2, unnumbered paragraph
21 1, Code 1991, is amended to read as follows:

22 Compensation for permanent partial disability shall begin
23 at the termination of the healing period provided in
24 subsection 1 ~~of this section.~~ The compensation shall be in
25 addition to the benefits provided by sections 85.27 and 85.28.
26 The compensation shall be based upon the extent of the
27 disability and upon the basis of eighty percent per week of
28 the employee's average weekly spendable earnings, but not more
29 than a weekly benefit amount, rounded to the nearest dollar,
30 equal to ~~sixty-one-and-one-third~~ two hundred percent of the
31 statewide average weekly wage paid employees as determined by
32 the department of employment services under section 96.19,
33 subsection 42, and in effect at the time of the injury.
34 However, ~~as of July 1, 1975; July 1, 1977; July 1, 1979; and~~
35 ~~July 1, 1981; the maximum weekly benefit amount rounded to the~~

1 nearest-dollar shall be increased so that it equals ninety-two
2 percent, one hundred twenty-two and two-thirds percent, one
3 hundred fifty-three and one-third percent, and one hundred
4 eighty-four percent, respectively, of the statewide average
5 weekly wage as determined above. The minimum weekly benefit
6 amount shall be equal to the weekly benefit amount of a person
7 whose gross weekly earnings are thirty-five percent of the
8 statewide average weekly wage, or to the spendable weekly
9 earnings of the employee, whichever are less. However, if the
10 employee is a minor or a full-time student under the age of
11 twenty-five in an accredited educational institution, the
12 minimum weekly benefit amount shall be equal to the weekly
13 benefit amount of a person whose gross weekly earnings are
14 thirty-five percent of the statewide average weekly wage. For
15 all cases of permanent partial disability compensation shall
16 be paid as follows:

17 Sec. 6. Section 85.34, subsection 3, unnumbered paragraph
18 1, Code 1991, is amended to read as follows:

3388 19 Compensation for an injury causing permanent total
3376 20 disability shall be upon the basis of eighty percent per week
21 of the employee's average weekly spendable earnings, but not
22 more than a weekly benefit amount, rounded to the nearest
23 dollar, equal to ~~sixty-six and two-thirds~~ two hundred percent
24 of the statewide average weekly wage paid employees as
25 determined by the department of employment services under
26 section 96.19, subsection 42, and in effect at the time of the
27 injury. However, as of July 1, 1975; July 1, 1977; July 1,
28 1979; and July 1, 1981, the maximum weekly benefit amount
29 rounded to the nearest dollar shall be increased so that it
30 equals one hundred percent, one hundred thirty-three and one-
31 third percent, one hundred sixty-six and two-thirds percent
32 and two hundred percent, respectively, of the statewide
33 average weekly wage as determined above. The minimum weekly
34 benefit amount is equal to the weekly benefit amount of a
35 person whose gross weekly earnings are thirty-five percent of

1 the statewide average weekly wage, ~~or to the spendable weekly~~
2 ~~earnings of the employee, whichever are less.~~ However, if the
3 ~~employee is a minor or a full-time student under the age of~~
4 ~~twenty-five in an accredited educational institution the~~
5 ~~minimum weekly benefit amount shall be equal to the weekly~~
6 ~~benefit amount of a person whose gross weekly earnings are~~
7 ~~thirty-five percent of the statewide average weekly wage.~~ The
8 ~~weekly compensation is payable during the period of the~~
9 ~~employee's disability.~~

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10 Sec. 7. Section 85.71, Code 1991, is amended to read as
11 follows:

12 85.71 EMPLOYMENT OUTSIDE OF STATE.

13 If an employee, while working outside the territorial
14 limits of this state, suffers an injury on account of which
15 the employee, or in the event of death, the employee's
16 dependents, would have been entitled to the benefits provided
17 by this chapter had such the injury occurred within this
18 state, such the employee, or in the event of death resulting
19 from such the injury, the employee's dependents, shall be are
20 entitled to the benefits provided by this chapter, provided
21 that at the time of such the injury any of the following
22 applies:

23 1. The employment is principally localized in this state,
24 that is, the employee's employer has a place of business in
25 this or some other state and the employee regularly works in
26 ~~this state, or if the employee is domiciled in this state, or.~~

27 2. The employee is working under a contract of hire made
28 in this state in employment not principally localized in any
29 ~~state, or.~~

30 3. The employee is working under a contract of hire made
31 in this state in employment principally localized in another
32 state, whose workers' compensation law is not applicable to
33 the employee's employer, ~~or.~~

34 4. The employee is working under a contract of hire made
35 in this state for employment outside the United States.

1 5. The employee is domiciled in this state and the
2 employee's employer engaged in business in this state on the
3 date of injury. For the purpose of this subsection, an
4 employer engages in business in this state if the employer is
5 incorporated under the laws of this state or is a foreign
6 corporation which transacts business in this state and is
7 subject to the requirements of section 490.1501.

8 Sec. 8. Section 86.13, unnumbered paragraph 4, Code 1991,
9 is amended to read as follows:

10 If a delay in commencement or termination of weekly
11 compensation or medical benefits occurs without reasonable or
12 probable cause or excuse, the industrial commissioner shall
13 award weekly compensation or medical benefits in addition to
14 those weekly compensation or medical benefits payable under
15 this chapter, or chapter 85, 85A, or 85B, up to fifty percent
16 of the amount of weekly compensation or medical benefits that
17 were unreasonably delayed or denied. In addition, interest at
18 the rate provided in section 535.3 for court judgments and
19 decrees shall be awarded based upon the amount of weekly
20 compensation or medical benefits that were unreasonably
21 delayed or denied. The additional weekly compensation or
22 medical benefits awarded pursuant to this paragraph shall be
23 paid to the claimant. Interest on additional weekly
24 compensation or medical benefits shall accrue from the date of
25 an arbitration decision or review reopening decision awarding
26 the additional weekly compensation or medical benefits and the
27 interest shall also be paid to the claimant.

28 EXPLANATION

29 Section 1 prohibits medical creditor claims from being
30 brought against an employee for the collection of charges
31 relating to the medical treatment while a contested case
32 proceeding for determination of liability is pending before
33 the industrial commissioner relating to a workers'
34 compensation injury alleged to have given rise to the
35 treatment.

1 Section 2 increases the allowance for burial expense for an
2 employee when death results from injury at work from \$1,000 to
3 \$5,000.

4 Sections 3 and 8 amend the Code to provide for payment of
5 interest on unpaid medical benefits and for assessment of a
6 penalty when denial of medical benefits is unreasonable.

7 Sections 4, 5, and 6 amend the Code to provide that the
8 minimum rate for weekly benefits for permanent partial
9 disability, permanent total disability and death shall be
10 equal to the weekly benefit amount of a person whose gross
11 weekly earnings are 35 percent of the statewide average weekly
12 wage.

13 Section 7 modifies the eligibility requirements which
14 qualify an employee for Iowa workers' compensation benefits
15 even though the employee is injured while working outside the
16 territorial limits of this state. The bill qualifies such an
17 employee for Iowa benefits if the employee is domiciled in
18 Iowa and the employer engaged in business in Iowa during the
19 period of time in which the employee was employed by the
20 employer. The employer's status as a domestic corporation or
21 as a foreign corporation transacting business in Iowa, subject
22 to the requirements of Code section 490.1501, determines
23 whether or not the employer engaged in business in Iowa.

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SENATE FILE 443

S-3138

1 Amend Senate File 443 as follows:

2 1. Page 1, line 22, by inserting after the word
3 "due," the following: "and the delay in payment is
4 without reasonable or probable cause or excuse,".

5 2. Page 2, line 30, by striking the words "two
6 hundred" and inserting the following: "one hundred
7 eighty-four".

8 3. Page 4, line 7, by striking the word "The".

9 4. Page 4, by striking lines 8 and 9 and
10 inserting the following: "The weekly compensation is
11 payable during the period of the employee's
12 disability."

13 5. By striking page 4, line 10, through page 5,
14 line 7.

15 6. Page 5, by striking lines 26 and 27 and
16 inserting the following: "the additional weekly
17 compensation or medical benefits. The interest on
18 additional weekly compensation shall also be paid to
19 the claimant. The interest on medical benefits shall
20 be paid to the person rendering treatment unless the
21 charges for treatment have previously been paid by the
22 injured employee or by a third party on the employee's
23 behalf. If the charges for treatment have previously
24 been paid by the injured employee or a third party on
25 the employee's behalf, the interest on medical
26 benefits shall be paid to the injured employee or to
27 the third party which made the payment. This section
28 shall not be construed to allow interest on any
29 penalty imposed."

30 7. Title page, line 2, by striking the words
31 "extraterritorial jurisdiction,".

32 8. By renumbering as necessary.

By COMMITTEE ON BUSINESS AND
LABOR RELATIONS
RICHARD V. RUNNING, Chair

S-3138 FILED MARCH 20, 1991

Place o/a 4/10/91 (J 1166)

STURGEON, CH.
TAYLOR
BUHR

SSB 169
BUSINESS & LABOR RELATIONS

SENATE FILE 443
BY (PROPOSED COMMITTEE ON BUSINESS
AND LABOR BILL BY CHAIRPERSON
RUNNING)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

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 7 ~~1975, July 1, 1977, July 1, 1979, and July 1, 1981, the~~
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 9 ~~shall-be-increased-so-that-it-equals-one-hundred-percent, one~~
 10 ~~hundred-thirty-three-and-one-third-percent, one-hundred-sixty-~~
 11 ~~six-and-two-thirds-percent-and-two-hundred-percent,~~
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 15 weekly earnings are thirty-five percent of the statewide
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 29 than a weekly benefit amount, rounded to the nearest dollar,
 30 equal to ~~sixty-one-and-one-third~~ two hundred percent of the
 31 statewide average weekly wage paid employees as determined by
 32 the department of employment services under section 96.19,
 33 subsection 42, and in effect at the time of the injury.

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1 nearest-dollar-shall-be-increased-so-that-it-equals-ninety-two
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4 eighty-four-percent, respectively, of the statewide average
5 weekly wage as determined above. The minimum weekly benefit
6 amount shall be equal to the weekly benefit amount of a person
7 whose gross weekly earnings are thirty-five percent of the
8 statewide average weekly wage, or to the spendable weekly
9 earnings of the employee, whichever are less. However, if the
10 employee is a minor or a full-time student under the age of
11 twenty-five in an accredited educational institution, the
12 minimum weekly benefit amount shall be equal to the weekly
13 benefit amount of a person whose gross weekly earnings are
14 thirty-five percent of the statewide average weekly wage. For
15 all cases of permanent partial disability compensation shall
16 be paid as follows:

17 Sec. 6. Section 85.34, subsection 3, unnumbered paragraph
18 1, Code 1991, is amended to read as follows:

19 Compensation for an injury causing permanent total
20 disability shall be upon the basis of eighty percent per week
21 of the employee's average weekly spendable earnings, but not
22 more than a weekly benefit amount, rounded to the nearest
23 dollar, equal to ~~sixty-six-and-two-thirds~~ two hundred percent
24 of the statewide average weekly wage paid employees as
25 determined by the department of employment services under
26 section 96.19, subsection 42, and in effect at the time of the
27 injury. However, ~~as of July 1, 1975; July 1, 1977; July 1,~~
28 ~~1979; and July 1, 1981,~~ the maximum weekly benefit amount
29 rounded to the nearest dollar shall be increased so that it
30 equals ~~one-hundred-percent, one-hundred-thirty-three-and-one-~~
31 ~~third-percent, one-hundred-sixty-six-and-two-thirds-percent~~
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33 ~~average weekly wage as determined above.~~ The minimum weekly
34 benefit amount is equal to the weekly benefit amount of a
35 person whose gross weekly earnings are thirty-five percent of

1 the statewide average weekly wage, or to the spendable weekly
2 earnings of the employee, whichever are less. However, if the
3 employee is a minor or a full-time student under the age of
4 twenty-five in an accredited educational institution the
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9 employee's disability.

10 Sec. 7. Section 85.71, Code 1991, is amended to read as
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13 If an employee, while working outside the territorial
14 limits of this state, suffers an injury on account of which
15 the employee, or in the event of death, the employee's
16 dependents, would have been entitled to the benefits provided
17 by this chapter had such the injury occurred within this
18 state, such the employee, or in the event of death resulting
19 from such the injury, the employee's dependents, shall be are
20 entitled to the benefits provided by this chapter, provided
21 that at the time of such the injury any of the following
22 applies:

23 1. The employment is principally localized in this state,
24 that is, the employee's employer has a place of business in
25 this or some other state and the employee regularly works in
26 this state, or if the employee is domiciled in this state, or.

27 2. The employee is working under a contract of hire made
28 in this state in employment not principally localized in any
29 state, or.

30 3. The employee is working under a contract of hire made
31 in this state in employment principally localized in another
32 state, whose workers' compensation law is not applicable to
33 the employee's employer, or.

34 4. The employee is working under a contract of hire made
35 in this state for employment outside the United States.

1 Section 2 increases the allowance for burial expense for an
2 employee when death results from injury at work from \$1,000 to
3 \$5,000.

4 Sections 3 and 8 amend the Code to provide for payment of
5 interest on unpaid medical benefits and for assessment of a
6 penalty when denial of medical benefits is unreasonable.

7 Sections 4, 5, and 6 amend the Code to provide that the
8 minimum rate for weekly benefits for permanent partial
9 disability, permanent total disability and death shall be
10 equal to the weekly benefit amount of a person whose gross
11 weekly earnings are 35 percent of the statewide average weekly
12 wage.

13 Section 7 modifies the eligibility requirements which
14 qualify an employee for Iowa workers' compensation benefits
15 even though the employee is injured while working outside the
16 territorial limits of this state. The bill qualifies such an
17 employee for Iowa benefits if the employee is domiciled in
18 Iowa and the employer engaged in business in Iowa during the
19 period of time in which the employee was employed by the
20 employer. The employer's status as a domestic corporation or
21 as a foreign corporation transacting business in Iowa, subject
22 to the requirements of Code section 490.1501, determines
23 whether or not the employer engaged in business in Iowa.

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