

WORKERS' COMPENSATION DIVISION[876]

Notice of Intended Action

Proposing rulemaking related to modifications of the uniform rules on agency procedure and providing an opportunity for public comment

The Workers' Compensation Division hereby proposes to rescind Chapter 9, "Public Records and Fair Information Practices," and to adopt a new Chapter 2506, "Contested Cases," Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 10A.310(1)"a," Iowa Code chapter 17A, and 2026 Iowa Acts, Senate File 2463.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapters 10A, 17A, 85, 85B, and 87.

Purpose and Summary

The Division proposes to rescind Chapter 9. Pursuant to recently enacted 2026 Iowa Acts, Senate File 2463, the Division adopts the Uniform Rules on Agency Procedure but specifically does not adopt certain specifically identified Uniform Rules on Agency Procedure related to contested cases (7—Chapter 2506). The Division proposes to adopt emergency rules pertaining to contested cases to maintain procedural rights and guarantees within the Iowa workers' compensation system that have developed over more than a century and offer greater protections than those outlined in the Uniform Rules on Agency Procedure.

With respect to the Division's rejection of certain Uniform Rules on Agency Procedure and the adoption of new Chapter 2506, related to contested case hearings, the purpose is to ensure greater procedural protections for parties than are afforded in the Uniform Rules on Agency Procedure. The Division further intends for the rules adopted in Chapter 2506 to provide clear deadlines for the administration of contested cases before the agency, comply with statutory deadlines for alternate medical care hearings, and reduce confusion for litigants with significant changes in deadlines and procedures in contested cases before the Division.

The Division's current structure and procedures operate more like district court proceedings than typical agency contested case proceedings. The vast majority of litigants appearing before the Division are represented by counsel. Counsel appearing before the Division are highly specialized and knowledgeable about the procedures involved in the workers' compensation process. Significant changes to the Division's contested case procedures will have significant impact upon those practitioners, injured workers, businesses, insurers, and the Second Injury Fund appearing before the Division. For litigants that elect to proceed pro se before the Division, the contested case rules adopted provide minimum procedural rights to ensure production and exchange of information prior to a formal hearing before the agency.

Contested cases coming before the Division vary in significant ways from contested cases before other state agencies. First, most of the Division's contested cases are brought by private citizens against their employer and/or its insurance carrier. Contested cases before the Division do not begin with governmental action. Instead, cases are initiated pursuant to Iowa Code section 85.26(3) by the filing of an original notice and petition. The Division's arbitration cases and review-reopening cases involve significant discovery and typically take approximately one year from the original notice and petition until a contested case hearing occurs.

Practical rules have been adopted over the decades to make the workers' compensation contested case process as efficient as possible. The Division seeks to repromulgate many of those rules for efficiency,

which are not contained in the Uniform Rules on Agency Procedure. For instance, the Division adopts emergency rules that mandate automatic service of medical records between parties. The emergency rules ensure admissibility of medical records and reports without laying foundation for such evidence or requiring depositions of treating medical providers to admit their opinions. These rules serve as efficiencies within our system and significantly reduce time and cost for the parties. Failure to adopt these rules on an emergency basis would have a detrimental impact on the efficiency of the workers' compensation system and on the ultimate expense to the litigants appearing before the Division.

The Division also handles different types of contested cases that do not easily fit within the Uniform Rules on Agency Procedure. Alternate medical care hearings are governed by a statutory deadline. More information can be found in Iowa Code section 85.27. The Uniform Rules on Agency Procedure would not permit the Division to comply with the statutory deadline. Similarly, the Division is tasked with hearing health service (medical fee) disputes as well as applications for vocational training pursuant to Iowa Code section 85.70(2). Neither fits easily within the Uniform Rules on Agency Procedure, and specialized rules are necessary.

The Division has modernized and implemented an electronic filing system. The Division opts out of some of the Uniform Rules on Agency Procedure because they are not consistent with the operational abilities of the Division's current electronic filing system. Failure to implement emergency rules would require significant upgrade to, or modification of, the Division's computer filing system. Use of the Uniform Rules on Agency Procedure would require unnecessary duplication of efforts for service of documents that are automatically served on all parties when electronically filed.

For instance, the provisions of 7—subrule 2506.12(5) would require all documents exchanged by the parties to be filed with the Division. The Division's server literally could not host the hundreds of thousands of medical records, tax returns, personnel files, and discovery responses exchanged by parties every year and would require a significant upgrade with a significant fiscal impact to the Division not contemplated within its budgetary constraints. Maintaining a vast quantity of unnecessary medical records, tax records, and personnel files would also pose an unnecessary risk of disclosure of personally identifiable information of users of the Iowa workers' compensation system.

The Division has determined that there is a need for continuity in the handling of its cases, including deadlines, procedures, and discovery rights. The Division has determined that the need to avoid a significant fiscal impact requires adopting emergency rules. The Division has determined that compliance with statutory deadlines also requires the adoption of emergency rules. Therefore, the Division opts out of certain Uniform Rules on Agency Procedure and adopts other rules on an emergency basis.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Division for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Division no later than 4:30 p.m. on July 28, 2026. Comments should be directed to:

William H. Grell
Interim Workers' Compensation Commissioner
Iowa Workers' Compensation Division

6200 Park Avenue, Suite 100
Des Moines, Iowa 50321
Phone: 515.829.5993
Email: william.grell@dia.iowa.gov

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rulemaking may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Emergency Rulemaking Adopted by Reference

This proposed rulemaking is also published herein as an Adopted and Filed Emergency rulemaking (see **ARC 0408D**, IAB 7/8/26). The purpose of this Notice of Intended Action is to solicit public comment on that emergency rulemaking, whose subject matter is hereby adopted by reference.