

WORKERS' COMPENSATION DIVISION[876]

Regulatory Analysis

Notice of Intended Action to be published: 876—Chapter 10
“Informal Dispute Resolution Procedures”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 10A.310(1)“a,” 17A and Executive Order 10

State or federal law(s) implemented by the rulemaking: Iowa Code chapters 10A, 17A and 85

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

November 3, 2026
1 p.m.

6200 Park Avenue
Des Moines, Iowa
Via videoconference call:
[dial-iowa-gov.zoom.us/j/81654334225?](https://dial-iowa-gov.zoom.us/j/81654334225?pwd=5JUj7K10vOhVPFGUp2QWlyI2imRXx9.1)
[pwd=5JUj7K10vOhVPFGUp2QWlyI2imRXx9.1](https://dial-iowa-gov.zoom.us/j/81654334225?pwd=5JUj7K10vOhVPFGUp2QWlyI2imRXx9.1)

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Workers' Compensation Division no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

William Grell
Department of Inspections, Appeals, and Licensing
6200 Park Avenue
Des Moines, Iowa 50321
Phone: 515.829.5993
Email: william.grell@dia.iowa.gov

Purpose and Summary

Proposed Chapter 10 provides procedures for the agency to assist in adjudicating health service disputes. Iowa Code section 85.27(3) allows for an employer, insurance carrier, or health service provider to refer charges believed to be excessive or unnecessary to the agency for informal dispute resolution procedures “established by rule by the commissioner.” This chapter establishes the procedures that govern the informal resolution of these health service disputes pursuant to the statutory mandate.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

• Classes of persons that will bear the costs of the proposed rulemaking:

There are no direct costs associated with the proposed repromulgation of this chapter. There are costs associated with the review since the chapter notes, “The costs of the person making the review shall be paid as mutually agreed by the provider and the responsible party.” If there is no agreement, then whoever bears the costs may change. Nevertheless, there is no direct, defined cost.

• Classes of persons that will benefit from the proposed rulemaking:

Health providers, employers, insurers, and their associated counsel all benefit from resolving health service disputes. Additionally, if these disputes are resolved, the injured worker also derives a tertiary benefit.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

- **Quantitative description of impact:**

Not applicable.

- **Qualitative description of impact:**

Not applicable.

3. Costs to the State:

- **Implementation and enforcement costs borne by the agency or any other agency:**

The costs to the Division to implement or enforce this chapter involve regular employee salaries and benefits.

- **Anticipated effect on State revenues:**

There are no proposed changes to the budget, nor is there an anticipated effect on State revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The costs associated with this rulemaking allow for the essential functioning of the Division and of the workers' compensation system in the State of Iowa. The costs also are necessary to implement Iowa law. Inaction would allow the chapter to expire.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

There do not appear to be any less costly or intrusive methods for achieving the purpose of the proposed repromulgation of the chapter.

6. Alternative methods considered by the agency:

- **Description of any alternative methods that were seriously considered by the agency:**

The agency has not identified any viable alternatives to these rules.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The agency has not identified any viable alternatives to these rules.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

There is no substantial impact on small business caused by this rulemaking.

Text of Proposed Rulemaking

ITEM 1. Rescind 876—Chapter 10 and adopt the following new chapter in lieu thereof:

CHAPTER 10
INFORMAL DISPUTE RESOLUTION PROCEDURES

876—10.1(17A,85,86) Health service dispute resolution.

10.1(1) The purpose of this rule and rule 876—2506.64(10A,17A,85) is to establish the procedures for resolving a dispute under Iowa Code section 85.27 between a provider and a responsible party over the treatment rendered by a provider to an injured worker. Utilization of these procedures by a responsible party is not an admission of liability for any other proceeding. This rule is effective October 7, 1992.

10.1(2) Definitions. The following definitions apply to this rule and rule 876—2506.64(10A,17A,85).

“Dispute” means a disagreement between a provider and responsible party over the necessity of service or reasonableness of charges or both; or a disagreement between a provider and a responsible party over the necessity for or the reasonableness of charges for crutches, artificial members and appliances; and includes only those situations where liability or extent of liability is not an issue.

“Person” means an individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity.

“Provider” means any person furnishing surgical, medical, dental, osteopathic, chiropractic, podiatric, physical rehabilitation, nursing, ambulance, or hospital services and supplies; crutches; artificial members; and appliances.

“Responsible party” means the person who is liable for payment of medical services provided pursuant to the Iowa workers’ compensation laws and includes an employer, an employer who has been relieved from insurance pursuant to Iowa Code section 87.11, and an insurance carrier that provides an employer workers’ compensation insurance.

“Workers’ compensation commissioner” means the workers’ compensation commissioner or the workers’ compensation commissioner’s designee.

10.1(3) Informal resolution of disputes.

a. The charges not in controversy shall be paid to the provider prior to utilization of the procedures outlined in this rule.

b. A responsible party who refuses to pay the amount in controversy of a dispute shall give the provider written notice of the dispute within 60 days of receiving a bill with proper supporting documentation. The written notice shall specify:

- (1) The name of the patient-employee;
- (2) The name of the employer on the date of injury;
- (3) The date of the treatment in dispute;
- (4) The amount charged for the treatment, the amount of the charge the responsible party agrees to pay, and the amount in dispute;
- (5) The reason for belief that the bill is excessive or unnecessary and documentation relied upon to formulate the belief;
- (6) The address to use in directing correspondence to the responsible party regarding the dispute;
- (7) The provider’s right to utilize the procedures specified in this rule and rule 876—2506.64 (10A,17A,85);
- (8) The provisions of paragraphs 10.1(3) “*c*” and “*d*” and 876—subrule 2506.64(2); and
- (9) That the provider or the responsible party is prohibited by Iowa Code section 85.27 from seeking payment from the injured worker when there is a dispute regarding reasonableness of a fee.

c. If the provider agrees to accept the amount of the charge the responsible party has paid, the provider shall notify the responsible party.

d. If the provider does not agree to accept the amount of the charge the responsible party agrees to pay, the provider shall notify the responsible party in writing. The provider and the responsible

party shall submit the dispute to a mutually agreed-upon person for review. The person reviewing the dispute under this rule will not be the workers' compensation commissioner. If the provider and the responsible party cannot agree upon the person to make the review, they shall, within 90 days of time the provider notified the responsible party of the disagreement, each recommend to the workers' compensation commissioner one person to do the review. The workers' compensation commissioner may choose the person or persons recommended to make the review. A person other than the persons recommended may be chosen at the discretion of the workers' compensation commissioner. The selected person or persons shall review information submitted by the provider and the responsible party and make a determination.

e. The person making the review shall make a determination of the amount that is reasonable and necessary. The determination shall be made as soon as practicable and shall be dated. It shall be in writing and specify the facts relied upon. The person making the review may choose any amount to set the reasonableness of a charge. If the person chosen to make the review does not make a determination within a reasonable time, that person may be discharged without being paid.

f. Costs. The costs of the person making the review shall be paid as mutually agreed by the provider and the responsible party. In the event of no agreement, the costs shall be paid by whomever chose an amount further from the determination of the person reviewing the matter. If the amount is equally close to both parties, the costs shall be shared equally. However, if the workers' compensation commissioner selects the person or persons to do the review, the costs shall be shared equally.

g. Nothing in this rule is intended to prevent providers and responsible parties from developing other procedures to informally resolve their disputes.

10.1(4) Contested case procedures can be found in 876—Chapter 2506.

10.1(5) The workers' compensation electronic system (WCES) shall not be used for health service dispute matters.

This rule is intended to implement Iowa Code sections 10A.310, 17A.10, 17A.12, and 85.27.