

# Senate File 421 - Enrolled

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SENATE FILE 421

AN ACT

RELATING TO WORKERS' COMPENSATION LAWS BY REGULATING INSURANCE  
POLICY EXCLUSIONS AND DEBT COLLECTION PRACTICES.

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

Section 1. Section 85.1, subsection 6, Code 2007, is amended to read as follows:

6. Employers may with respect to an employee or a classification of employees exempt from coverage provided by this chapter pursuant to subsection 1, 2, ~~or 3, 4, or 5,~~ other than the employee or classification of employees with respect to whom a rule of liability or a method of compensation is established by the Congress of the United States, assume a liability for compensation imposed upon employers by this chapter, for the benefit of employees within the coverage of this chapter, by the purchase of valid workers' compensation insurance ~~that does not specifically including~~ exclude the employee or classification of employees. The purchase of and acceptance by an employer of valid workers' compensation insurance applicable to the employee or classification of employees constitutes an assumption by the employer of liability without any further act on the part of the employer, but only with respect to the employee or classification of employees as are within the coverage of the workers' compensation insurance contract and only for the time period in which the insurance contract is in force. Upon an election of such coverage, the employee or classification of employees shall accept compensation in the manner provided by this chapter and the employer shall be relieved from any other liability for recovery of damage, or other compensation for injury.

Sec. 2. Section 85.27, subsections 3 and 6, Code 2007, are amended to read as follows:

3. Notwithstanding section 85.26, subsection 4, charges believed to be excessive or unnecessary may be referred by the employer, insurance carrier, or health service provider to the workers' compensation commissioner for determination, and the commissioner may utilize the procedures provided in sections 86.38 and 86.39, or set by rule, and conduct such inquiry as the commissioner deems necessary. Any health service provider charges not in dispute shall be paid directly to the health service provider prior to utilization of procedures provided in sections 86.38 and 86.39 or set by rule. A health service provider rendering treatment to an employee whose injury is compensable under this section agrees to be bound by such charges as allowed by the workers' compensation commissioner and shall not recover in law or equity any amount in excess of charges set by the commissioner. When a dispute under chapter 85, 85A, or 85B regarding reasonableness of a fee for medical services arises between a health service provider and an employer or insurance carrier, the health service provider, employer, or insurance carrier shall not seek payment from the injured employee. A health service provider shall not seek payment for fees in dispute from the insurance carrier or employer until the commissioner finds, pursuant to informal dispute resolution procedures established by rule by the commissioner, that the disputed amount is reasonable. This section does not affect the responsibility of an insurance carrier or an employer to pay amounts not in dispute or a health service provider's right to receive payment from an employee's nonoccupational plan as provided in section 85.38, subsection 2.

6. While a contested case proceeding for determination of liability for workers' compensation benefits is pending before the workers' compensation commissioner relating to an injury alleged to have given rise to treatment, no debt collection, as defined by section 537.7102, shall be undertaken against an employee or the employee's dependents for the collection of charges for that treatment rendered an employee by any health service provider. If debt collection is undertaken after a

3 4 creditor receives actual notice that a contested case  
3 5 proceeding for determination of liability for workers'  
3 6 compensation benefits is pending, such debt collection shall  
3 7 constitute a prohibited practice under section 537.7103, and  
3 8 the employee or the employee's dependents are entitled to the  
3 9 remedies provided in section 537.5201. However, the health  
3 10 service provider may send one itemized written bill to the  
3 11 employee setting forth the amount of the charges in connection  
3 12 with the treatment after notification of the contested case  
3 13 proceeding.

3 14 Sec. 3. Section 537.5301, subsection 4, Code 2007, is  
3 15 amended to read as follows:

3 16 4. A person who willfully and knowingly violates the  
3 17 provisions of section 537.7103 is guilty of a serious  
3 18 misdemeanor. However, this subsection is not applicable to a  
3 19 violation of section 537.7103, subsection 7.

3 20 Sec. 4. Section 537.7103, Code 2007, is amended by adding  
3 21 the following new subsection:

3 22 NEW SUBSECTION. 7. A debt collector shall not collect or  
3 23 attempt to collect charges from an employee or an employee's  
3 24 dependents for treatment rendered the employee by any health  
3 25 service provider, after receiving actual notice that a  
3 26 contested case proceeding for determination of liability of  
3 27 workers' compensation benefits is pending as provided in  
3 28 section 85.27, subsection 6.

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JOHN P. KIBBIE  
President of the Senate

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PATRICK J. MURPHY  
Speaker of the House

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I hereby certify that this bill originated in the Senate and  
is known as Senate File 421, Eighty-second General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

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Approved \_\_\_\_\_, 2007

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CHESTER J. CULVER

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Governor