

FEB 5 1992

Place On Calendar

HOUSE FILE 2165

BY COMMITTEE ON LABOR AND  
INDUSTRIAL RELATIONS

(SUCCESSOR TO HSB 528)

Passed House, Date 2/12/92 (p.191) Passed Senate, Date 4/3/92 (p.1200)

Vote: Ayes 94 Nays 0 Vote: Ayes 45 Nays 0

*Proposed House* 4/9/92 (p.1245) Approved April 22, 1992 (p.1746)  
*Original* 45, Nays 0

**A BILL FOR**

1 An Act relating to disputes regarding health service charges in  
2 workers' compensation cases.

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

**HOUSE FILE 2165**

**S-5253**

1 Amend House File 2165, as passed by the House, as  
2 follows:

3 1. Page 1, lines 5 and 6, by striking the  
4 following: "employee or the employee's dependent or  
5 legal representative if entitled to benefits,".

6 2. Page 1, by striking lines 23 and 24 and  
7 inserting the following: "the health service  
8 provider, employer, or insurance carrier shall not  
9 seek payment from the injured employee."

*Adapted* 4/3/92 p.1200 By JOHN A. PETERSON

S-5253 FILED MARCH 16, 1992

**SENATE AMENDMENT TO HOUSE FILE 2165**

**R-5757**

1 Amend House File 2165, as passed by the House, as  
2 follows:

3 1. Page 1, lines 5 and 6, by striking the  
4 following: "employee or the employee's dependent or  
5 legal representative if entitled to benefits,".

6 2. Page 1, by striking lines 23 and 24 and  
7 inserting the following: "the health service  
8 provider, employer, or insurance carrier shall not  
9 seek payment from the injured employee."

RECEIVED FROM THE SENATE

H-5757 FILED APRIL 7, 1992

*House Concurrent* 4/9/92 (p.1245)

HF 2165

1 Section 1. Section 85.27, unnumbered paragraph 3, Code  
2 1991, is amended to read as follows:

3 Charges Notwithstanding section 85.26, subsection 4,  
4 charges believed to be excessive or unnecessary may be  
5 referred by the employee or the employee's dependent or legal  
6 representative if entitled to benefits, employer, insurance  
7 carrier, or health service provider to the industrial  
8 commissioner for determination, and the commissioner may, in  
9 connection therewith, utilize the procedures provided in  
10 sections 86.38 and 86.39, or set by rule, and conduct such  
11 inquiry as the commissioner shall deem deems necessary. Any  
12 health service provider charges not in dispute shall be paid  
13 directly to the health service provider prior to utilization  
14 of procedures provided in sections 86.38 and 86.39 or set by  
15 rule. Any institution or person A health service provider  
16 rendering treatment to an employee whose injury is compensable  
17 under this section agrees to be bound by such charges as  
18 allowed by the industrial commissioner and shall not recover  
19 in law or equity any amount in excess of that charges set by  
20 the commissioner. When a dispute under chapter 85 regarding  
21 reasonableness of a fee for medical services arises between a  
22 health service provider and an employer or insurance carrier,  
23 the health service provider shall not seek payment of the  
24 disputed portion of the bill from the injured employee.

25 EXPLANATION

26 This bill relates to claims and charges for professional  
27 and hospital services in workers' compensation cases.

28 The bill allows, in addition to an employee or the  
29 employee's dependent or legal representative if entitled to  
30 benefits, the employer, insurance carrier, or health service  
31 provider to refer charges for health services believed to be  
32 excessive to the industrial commissioner for determination.  
33 This bill also prohibits a health care provider from billing  
34 the injured employee for the balance of health services  
35 charges. The bill also provides that charges not in dispute

1 shall be paid directly to the health service provider prior to  
2 utilization of resolution procedures under the chapter for the  
3 charges in dispute.

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*Hill, Chair*  
*Beatty*  
*Branstad*  
*Oliver*  
*Rafferty*

HSB 528

LABOR & INDUSTRIAL RELATIONS

*Now*

SENATE/HOUSE FILE 2165  
BY (PROPOSED DEPARTMENT OF  
EMPLOYMENT SERVICES/  
INDUSTRIAL SERVICES  
DIVISION BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to disputes regarding health service charges in  
2 workers' compensation cases and imposing a fee.

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

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**SUB COMMITTEE ASSIGNMENTS**

CHAIR: *Hill*  
COMMITTEE: *Labor*  
*1-22-92*

1 Section 1. Section 85.27, unnumbered paragraph 3, Code  
2 1991, is amended to read as follows:

3 Charges Notwithstanding section 85.26, subsection 4,  
4 charges believed to be excessive or unnecessary may be  
5 referred by the employee or the employee's dependent or legal  
6 representative if entitled to benefits, employer, insurance  
7 carrier, or health service provider to the industrial  
8 commissioner for determination, and the commissioner may, in  
9 connection therewith, utilize the procedures provided in  
10 sections 86.38 and 86.39, or set by rule, and conduct such  
11 inquiry as the commissioner shall deem deems necessary. Any  
12 institution or person A health service provider rendering  
13 treatment to an employee whose injury is compensable under  
14 this section agrees to be bound by such charges as allowed by  
15 the industrial commissioner and shall not recover in law or  
16 equity any amount in excess of that charges set by the  
17 commissioner. When a dispute regarding reasonableness of a  
18 fee for medical services arises between a health service  
19 provider and an employer or insurance carrier, the health  
20 service provider shall not seek payment of the disputed  
21 portion of the bill from the injured employee.

22 Sec. 2. NEW SECTION. 85.27A FILING FEE IMPOSED.

23 The industrial commissioner shall charge a fee for filing a  
24 claim for benefits under this chapter which shall be paid by  
25 the filing party. However, the fee may be taxed as a cost and  
26 paid by the losing party in a contested case except in  
27 situations of undue hardship or injustice in relation to the  
28 circumstances of the losing party.

29 EXPLANATION

30 This bill relates to claims and charges for professional  
31 and hospital services and filing fees in workers' compensation  
32 cases.

33 Section 1 allows, in addition to an employee or the  
34 employee's dependent or legal representative if entitled to  
35 benefits, the employer, insurance carrier, or health service

1 provider to refer charges for health services believed to be  
2 excessive to the industrial commissioner for determination.  
3 This section also prohibits a health care provider from  
4 billing the injured employee for the balance of health  
5 services charges.

6 Section 2 requires the industrial commissioner to charge a  
7 fee for filing a claim for workers' compensation benefits to  
8 be paid by the filing party. Section 2 allows the fee to be  
9 charged to the losing party in a contested case unless undue  
10 hardship or injustice would result.

11 BACKGROUND STATEMENT  
12 SUBMITTED BY THE AGENCY

13 Section 1: An estimated 150,000 disputes between health  
14 service providers and insurance carriers related to medical  
15 fees for injured workers occur each year and a mechanism is  
16 needed to resolve those disputes. A small percentage of these  
17 cases would be brought for peer review and an even smaller  
18 percentage to the industrial commissioner. This solution is  
19 supported by the medical and insurance industries. Language  
20 is included prohibiting health service providers from billing  
21 an injured worker if the insurance carrier does not cover the  
22 entire medical fee.

23 Section 2: The filing fee was established in 1988 in the  
24 appropriations bill for the department and generated \$178,000  
25 for the general fund of the state in fiscal year 1990-1991.

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employer, or insurance carrier shall not seek payment from the injured employee.

HOUSE FILE 2165

AN ACT

RELATING TO DISPUTES REGARDING HEALTH SERVICE CHARGES IN WORKERS' COMPENSATION CASES.

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

Section 1. Section 85.27, unnumbered paragraph 3, Code 1991, is amended to read as follows:

Charges 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 industrial commissioner for determination, and the commissioner may in connection therewith, utilize the procedures provided in sections 86.38 and 86.39, or set by rule, and conduct such inquiry as the commissioner shall deem 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. Any institution or person 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 industrial commissioner and shall not recover in law or equity any amount in excess of that charges set by the commissioner. When a dispute under chapter 85 regarding reasonableness of a fee for medical services arises between a health service provider and an employer or insurance carrier, the health service provider,

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ROBERT C. ARNOULD  
Speaker of the House

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MICHAEL E. GRONSTAL  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2165, Seventy-fourth General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House

Approved *Caplan* 1992

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TERRY E. BRANSTAD  
Governor