

3/4/97 Approved

FILED MAR 4 1997

REPRINTED

SENATE FILE 296
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 51)

Passed Senate, Date 3/25/97 (p. 787) Passed House, Date 4/9/97 (p. 1103)
Vote: Ayes 46 Nays 0 Vote: Ayes 99 Nays 0
Approved April 8, 1997

A BILL FOR

1 An Act relating to nonoccupational health care plan payments when
2 an employer disputes workers' compensation liability.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 296

DET/11/93A

1 Section 1. Section 85.38, subsection 2, Code 1997, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:

4 2. LIEN FOR BENEFITS PAID UNDER NONOCCUPATIONAL PLANS. If
5 an employer denies liability under this chapter, chapter 85A,
6 or chapter 85B, for payment for any medical services received
7 by an employee with a disability, and the employee is a
8 beneficiary under either an individual or group plan for
9 nonoccupational illness, injury, or disability, the
10 nonoccupational plan shall not deny payment for the medical
11 services received on the grounds that the illness, injury, or
12 disability is excluded from coverage under the plan because
13 the condition arose out of and in the course of employment. A
14 nonoccupational plan which pays for the medical services for
15 an employee's illness, injury, or disability under this
16 subsection shall have a lien, in an amount up to the payments
17 made by the plan for such medical services, against any
18 benefits which are payable under this chapter, chapter 85A, or
19 chapter 85B for such medical services. The lien shall be
20 effective when written notice of payment for any such medical
21 services is sent by the plan to the employer by regular mail.

22 EXPLANATION

23 This bill provides that a nonoccupational health plan shall
24 not deny benefits to an employee on the grounds that the
25 injury or illness arose out of the employee's employment if
26 the employer disputes its liability under the workers'
27 compensation law. The bill provides that the plan shall have
28 a lien against any workers' compensation benefits made to the
29 employee in an amount which would be payable under the
30 workers' compensation law.

31 Current law, which is repealed by this bill, provides that
32 a nonoccupational group plan that pays benefits which would
33 not have been payable if a right to benefits existed under
34 workers' compensation shall be credited with any workers'
35 compensation payments made to the employee.

SENATE FILE 296

S-3151

1 Amend Senate File 296 as follows:

2 1. Page 1, line 17, by inserting after the word
3 "any" the following: "medical".4 2. Page 1, line 18, by inserting after the word
5 "payable" the following: "or awarded".

By DICK L. DEARDEN

S-3151 FILED MARCH 18, 1997

o/o 3/25/97 (p. 787)

SENATE FILE 296

S-3167

1 Amend Senate File 296 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:4 "Section 1. PAYMENT OF MEDICAL SERVICES TASK
5 FORCE. The industrial commissioner of the department
6 of workforce development shall establish a task force
7 to study and make recommendations concerning the issue
8 of the liability for payment for medical services
9 received by an employee where an employer denies
10 liability under the workers' compensation laws of this
11 state for such payment and a nonoccupational health
12 care plan covering the employee also denies liability
13 for payment. The members of the task force shall
14 include, but are not limited to, the insurance
15 commissioner and representatives of labor, business,
16 the health insurance industry, medical care providers,
17 and interested members of the legal profession. The
18 industrial commissioner shall submit a report
19 concerning the task force, including any
20 recommendations made, to the general assembly on or
21 before February 15, 1998."22 2. Title page, by striking lines 1 and 2 and
23 inserting the following: "An Act establishing a task
24 force concerning the liability for payment of medical
25 services provided to an employee when workers'
26 compensation coverage is disputed."

By MARY NEUHAUSER

MARY E. KRAMER

S-3167 FILED MARCH 18, 1997

w/d 3/25/97 (p. 787)

SENATE FILE 296

S-3222

1 Amend Senate File 296 as follows:

2 1. Page 1, by striking lines 2 through 21 and
3 inserting the following: "amended by adding the
4 following new unnumbered paragraph:
5 NEW UNNUMBERED PARAGRAPH. If an employer denies
6 liability under this chapter, chapter 85A, or chapter
7 85B, for payment for any medical services received by
8 an employee with a disability, and the employee is a
9 beneficiary under either an individual or group plan
10 for nonoccupational illness, injury, or disability,
11 the nonoccupational plan shall not deny payment for
12 the medical services received on the basis that the
13 employer's liability for the medical services under
14 this chapter, chapter 85A, or chapter 85B is
15 unresolved."

By DONALD B. REDFERN

S-3222 FILED MARCH 25, 1997

ADOPTED (p. 787)

H-3/26/97 Commerce & Regulation
H-3/27/97 Referred to Labor & Ind. Rel.
H-4/3/97 Do Pass

SENATE FILE 296
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 51)

(AS AMENDED AND PASSED BY THE SENATE MARCH 25, 1997)

~~_____~~ - New Language by the Senate
Passed Senate, Date ^(p. 187) 3/25/97 Passed House, Date 4/9/97 (p. 1103)
Vote: Ayes 46 Nays 0 Vote: Ayes 99 Nays 0
Approved April 18, 1997

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S.F. 296

1 Section 1. Section 85.38, subsection 2, Code 1997, is
2 amended by adding the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. If an employer denies liability
4 under this chapter, chapter 85A, or chapter 85B, for payment
5 for any medical services received by an employee with a
6 disability, and the employee is a beneficiary under either an
7 individual or group plan for nonoccupational illness, injury,
8 or disability, the nonoccupational plan shall not deny payment
9 for the medical services received on the basis that the
10 employer's liability for the medical services under this
11 chapter, chapter 85A, or chapter 85B is unresolved.

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SENATE FILE 296

H-1632

1 Amend Senate File 296, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 1, by inserting after line 11 the
4 following:

5 "Sec. ____ . PAYMENT OF MEDICAL SERVICES TASK FORCE.

6 The industrial commissioner of the department of
7 workforce development shall establish a task force to
8 study and make recommendations concerning the issue of
9 the liability for payment for medical services
10 received by an employee where an employer denies
11 liability under the workers' compensation laws of this
12 state for such payment and a nonoccupational health
13 care plan covering the employee also denies liability
14 for payment. The members of the task force shall
15 include, but are not limited to, the insurance
16 commissioner and representatives of labor, business,
17 the health insurance industry, medical care providers,
18 and interested members of the legal profession. The
19 industrial commissioner shall submit a report
20 concerning the task force, including any
21 recommendations made, to the general assembly on or
22 before February 15, 1998."

23 2. Title page, by striking lines 1 and 2 and
24 inserting the following: "An Act concerning the
25 liability for payment of medical services provided to
26 an employee when workers' compensation coverage is
27 disputed by providing for payment by a nonoccupational
28 health care plan and by establishing a task force."

29 3. By renumbering as necessary.

By METCALF of Polk

H-1632 FILED APRIL 8, 1997

Ruled not germane 4/9/97 (p. 1103)

Redfern, chair
Palmer
Bartz

SSB 57
Commerce

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CHAIRPERSON JENSEN)

Succeeded By
(SF) 296

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

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2 an employer disputes workers' compensation liability.

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9 nonoccupational illness, injury, or disability, the
10 nonoccupational plan shall not deny payment for the medical
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14 nonoccupational plan which pays for the medical services for
15 an employee's illness, injury, or disability under this
16 subsection shall have a lien, in an amount up to the payments
17 made by the plan for such medical services, against any
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22 EXPLANATION

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27 compensation law. The bill provides that the plan shall have
28 a lien against any workers' compensation benefits made to the
29 employee in an amount which would be payable under the
30 workers' compensation law.

31 Current law, which is repealed by this bill, provides that
32 a nonoccupational group plan that pays benefits which would
33 not have been payable if a right to benefits existed under
34 workers' compensation shall be credited with any workers'
35 compensation payments made to the employee.

for the medical services received on the basis that the employer's liability for the medical services under this chapter, chapter 85A, or chapter 85B is unresolved.

SENATE FILE 296

AN ACT
RELATING TO NONOCCUPATIONAL HEALTH CARE PLAN PAYMENTS WHEN
AN EMPLOYER DISPUTES WORKERS' COMPENSATION LIABILITY.

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

Section 1. Section 85.38, subsection 2, Code 1997, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If an employer denies liability under this chapter, chapter 85A, or chapter 85B, for payment for any medical services received by an employee with a disability, and the employee is a beneficiary under either an individual or group plan for nonoccupational illness, injury, or disability, the nonoccupational plan shall not deny payment

MARY E. KRAMER
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 296, Seventy-seventh General Assembly.

MARY PAT GUNDERSON
Secretary of the Senate

Approved April 18, 1997

TERRY E. BRANSTAD
Governor