

Senate Study Bill 51

Bill Text

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1 1 Section 1. Section [85.38](#), subsection 2, Code 1997, is
1 2 amended by striking the subsection and inserting in lieu
1 3 thereof the following:
1 4 2. LIEN FOR BENEFITS PAID UNDER NONOCCUPATIONAL PLANS. If
1 5 an employer denies liability under this chapter, chapter 85A,
1 6 or chapter 85B, for payment for any medical services received
1 7 by an employee with a disability, and the employee is a
1 8 beneficiary under either an individual or group plan for
1 9 nonoccupational illness, injury, or disability, the
1 10 nonoccupational plan shall not deny payment for the medical
1 11 services received on the grounds that the illness, injury, or
1 12 disability is excluded from coverage under the plan because
1 13 the condition arose out of and in the course of employment. A
1 14 nonoccupational plan which pays for the medical services for
1 15 an employee's illness, injury, or disability under this
1 16 subsection shall have a lien, in an amount up to the payments
1 17 made by the plan for such medical services, against any
1 18 benefits which are payable under this chapter, chapter 85A, or
1 19 chapter 85B for such medical services. The lien shall be
1 20 effective when written notice of payment for any such medical
1 21 services is sent by the plan to the employer by regular mail.
1 22

EXPLANATION

1 23 This bill provides that a nonoccupational health plan shall
1 24 not deny benefits to an employee on the grounds that the
1 25 injury or illness arose out of the employee's employment if
1 26 the employer disputes its liability under the workers'
1 27 compensation law. The bill provides that the plan shall have
1 28 a lien against any workers' compensation benefits made to the
1 29 employee in an amount which would be payable under the
1 30 workers' compensation law.

1 31 Current law, which is repealed by this bill, provides that
1 32 a nonoccupational group plan that pays benefits which would
1 33 not have been payable if a right to benefits existed under
1 34 workers' compensation shall be credited with any workers'
1 35 compensation payments made to the employee.

2 1 LSB 1659SC 77

2 2 ec/jj/8