

FEB 14 2005

COMMERCE, REGULATION & LABOR

HOUSE FILE 300
BY FORD

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to an unfair or deceptive practice in the
2 insurance trade involving the discharge of individuals from
3 hospitals, and providing penalties.

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

HF 300

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

1 Section 1. Section 507B.4, Code 2005, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 9A. DISCHARGE FROM HOSPITAL --
4 MISREPRESENTATION. Communicating to a covered individual who
5 is hospitalized, either directly or through an intermediary,
6 that the covered individual should or must be discharged or
7 released from the hospital by a certain time or date, without
8 first providing the covered individual with written consent to
9 such discharge or release endorsed by the covered individual's
10 attending health care provider.

11 EXPLANATION

12 This bill adds a new subsection to Code section 507B.4,
13 relating to unfair methods of competition and unfair or
14 deceptive acts or practices in the insurance trade.

15 The bill prohibits as an unfair act or practice by an
16 insurance company the communication to a covered individual
17 that the individual must be discharged or released from the
18 hospital by a certain time or date before the individual
19 receives written consent to the discharge from the
20 individual's health care provider.

21 A person who violates a provision of Code section 507B.4 is
22 subject to entry of a cease and desist order and payment of
23 monetary penalties under Code section 507B.7 and to a monetary
24 penalty under Code section 507B.11 for violation of cease and
25 desist orders in the amount of up to \$10,000 for each
26 violation, as well as potential suspension or revocation of
27 applicable licenses.

28
29
30
31
32
33
34
35