

# Senate Study Bill 1046

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON COMMERCE  
BILL BY CO=CHAIRPERSONS  
BEHN and WARNSTADT)

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

## A BILL FOR

1 An Act relating to certain interest due on unpaid health care  
2 claims.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1821SC 81  
5 av/pj/5

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1 1 Section 1. Section 507B.4A, subsection 2, paragraph d,  
1 2 Code 2005, is amended to read as follows:  
1 3 d. Payment of a clean claim shall include interest at the  
1 4 rate of ten percent per annum when an insurer or other entity  
1 5 as defined in this subsection that administers or processes  
1 6 claims on behalf of the insurer or other entity fails to  
1 7 timely pay a claim. However, whenever interest is due under  
1 8 this paragraph to a health care provider in the amount of five  
1 9 dollars or less the interest shall not be paid to the health  
1 10 care provider and the insurer or other entity responsible for  
1 11 payment of the interest shall deposit such interest in a  
1 12 separate interest-bearing account maintained by the insurer or  
1 13 other entity. As soon as is practicable after December 31 of  
1 14 each year, each insurer or other entity shall donate the  
1 15 entire balance of such account to the Iowa comprehensive  
1 16 health insurance association created in section 514E.2  
1 17 pursuant to rules adopted by the commissioner.

1 18 EXPLANATION

1 19 This bill provides that interest payments due from an  
1 20 insurer or other entity for failure to timely pay an insurance  
1 21 claim shall not be paid to a health care provider if the  
1 22 amount of interest due is \$5 or less and shall instead be paid  
1 23 into a separate interest-bearing account maintained by the  
1 24 insurer or other entity and donated after December 31 each  
1 25 year to the Iowa comprehensive health insurance association  
1 26 created in Code section 514E.2, pursuant to rules adopted by  
1 27 the insurance commissioner.  
1 28 LSB 1821SC 81  
1 29 av:nh/pj/5