

Senate Study Bill 1308

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
LABOR AND BUSINESS
RELATIONS BILL BY
CHAIRPERSON DEARDEN)

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

A BILL FOR

1 An Act relating to workers' compensation laws by regulating
2 insurance policy exclusions and debt collection practices.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2817SC 82
5 av/gg/14

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1 1 Section 1. Section 85.1, subsection 6, Code 2007, is
1 2 amended to read as follows:
1 3 6. Employers may with respect to an employee or a
1 4 classification of employees exempt from coverage provided by
1 5 this chapter pursuant to subsection 1, 2, or 3, 4, or 5, other
1 6 than the employee or classification of employees with respect
1 7 to whom a rule of liability or a method of compensation is
1 8 established by the Congress of the United States, assume a
1 9 liability for compensation imposed upon employers by this
1 10 chapter, for the benefit of employees within the coverage of
1 11 this chapter, by the purchase of valid workers' compensation
1 12 insurance that does not specifically including exclude the
1 13 employee or classification of employees. The purchase of and
1 14 acceptance by an employer of valid workers' compensation
1 15 insurance applicable to the employee or classification of
1 16 employees constitutes an assumption by the employer of
1 17 liability without any further act on the part of the employer,
1 18 but only with respect to the employee or classification of
1 19 employees as are within the coverage of the workers'
1 20 compensation insurance contract and only for the time period
1 21 in which the insurance contract is in force. Upon an election
1 22 of such coverage, the employee or classification of employees
1 23 shall accept compensation in the manner provided by this
1 24 chapter and the employer shall be relieved from any other
1 25 liability for recovery of damage, or other compensation for
1 26 injury.

1 27 Sec. 2. Section 85.27, subsections 3 and 6, Code 2007, are
1 28 amended to read as follows:

1 29 3. Notwithstanding section 85.26, subsection 4, charges
1 30 believed to be excessive or unnecessary may be referred by the
1 31 employer, insurance carrier, or health service provider to the
1 32 workers' compensation commissioner for determination, and the
1 33 commissioner may utilize the procedures provided in sections
1 34 86.38 and 86.39, or set by rule, and conduct such inquiry as
1 35 the commissioner deems necessary. Any health service provider
2 1 charges not in dispute shall be paid directly to the health
2 2 service provider prior to utilization of procedures provided
2 3 in sections 86.38 and 86.39 or set by rule. A health service
2 4 provider rendering treatment to an employee whose injury is
2 5 compensable under this section agrees to be bound by such
2 6 charges as allowed by the workers' compensation commissioner
2 7 and shall not recover in law or equity any amount in excess of
2 8 charges set by the commissioner. When a dispute under chapter
2 9 85, 85A, or 85B regarding reasonableness of a fee for medical
2 10 services arises between a health service provider and an
2 11 employer or insurance carrier, the health service provider,
2 12 employer, or insurance carrier shall not seek payment from the
2 13 injured employee. A health service provider shall not seek
2 14 payment for fees in dispute from the insurance carrier or
2 15 employer until the commissioner finds, pursuant to informal
2 16 dispute resolution procedures established by rule by the
2 17 commissioner, that the disputed amount is reasonable.

2 18 6. While a contested case proceeding for determination of
2 19 liability for workers' compensation benefits is pending before
2 20 the workers' compensation commissioner relating to an injury
2 21 alleged to have given rise to treatment, no debt collection,
2 22 as defined by section 537.7102, shall be undertaken against an
2 23 employee or the employee's dependents for the collection of
2 24 charges for that treatment rendered an employee by any health
2 25 service provider. If debt collection is undertaken after a
2 26 creditor receives actual notice that a contested case
2 27 proceeding for determination of liability for workers'
2 28 compensation benefits is pending, such debt collection shall
2 29 constitute a prohibited practice under section 537.7103, and
2 30 the employee or the employee's dependents are entitled to the
2 31 remedies provided in section 537.5201. However, the health
2 32 service provider may send one itemized written bill to the
2 33 employee setting forth the amount of the charges in connection
2 34 with the treatment after notification of the contested case
2 35 proceeding.

3 1 Sec. 3. Section 537.7103, Code 2007, is amended by adding
3 2 the following new subsection:

3 3 **NEW SUBSECTION.** 7. A debt collector shall not collect or
3 4 attempt to collect charges from an employee or an employee's
3 5 dependents for treatment rendered the employee by any health
3 6 service provider, after receiving actual notice that a
3 7 contested case proceeding for determination of liability of
3 8 workers' compensation benefits is pending as provided in
3 9 section 85.27, subsection 6.

3 10 EXPLANATION

3 11 This bill relates to workers' compensation laws by
3 12 regulating insurance policy exclusions and debt collection
3 13 practices.

3 14 Code section 85.1, subsection 6, is amended to provide that
3 15 an employer assumes liability for workers' compensation
3 16 coverage of certain domestic, casual, and agricultural
3 17 employees that are exempt from workers' compensation
3 18 requirements, by purchasing coverage that does not
3 19 specifically exclude them. The bill also provides that an
3 20 employer cannot assume liability for workers' compensation
3 21 coverage of police officers and fire fighters who are entitled
3 22 to benefits under Code chapters 410 and 411, and certain
3 23 officers of a corporation other than a family farm corporation
3 24 who voluntarily reject workers' compensation coverage.
3 25 Currently, any employee exempt from workers' compensation
3 26 requirements under this section is covered under a workers'
3 27 compensation insurance policy only if the policy specifically
3 28 includes the employee.

3 29 Code section 85.27, subsection 3, is amended to prohibit a
3 30 health service provider from seeking payment for fees in
3 31 dispute from an insurance carrier or employer until the
3 32 commissioner finds the disputed amount to be reasonable
3 33 pursuant to informal dispute resolution procedures established
3 34 by the commissioner by rule.

3 35 Code section 85.27, subsection 6, and Code section 537.7103
4 1 are amended to provide that debt collection for charges
4 2 rendered to an employee by a health services provider that is
4 3 undertaken after a creditor receives actual notice that a
4 4 contested case proceeding for determination of liability for
4 5 workers' compensation benefits is pending, constitutes a
4 6 prohibited practice under the Iowa consumer credit code and
4 7 entitles the employee or the employee's dependents to the
4 8 remedies provided by the Iowa consumer credit code.

4 9 LSB 2817SC 82

4 10 av:rj/gg/14