

**House File 2367 - Introduced**

HOUSE FILE 2367

BY RINKER

**A BILL FOR**

1 An Act relating to a health insurer's duty of good faith in  
2 negotiations with hospitals.

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

1 Section 1. Section 507B.4, subsection 1, Code 2024, is  
2 amended to read as follows:

3 1. For purposes of subsection 3, ~~paragraph~~ paragraphs "p"  
4 and "v", "insurer" means an entity providing a plan of health  
5 insurance, health care benefits, or health care services, or  
6 an entity subject to the jurisdiction of the commissioner  
7 performing utilization review, including an insurance company  
8 offering sickness and accident plans, a health maintenance  
9 organization, a nonprofit health service corporation, a plan  
10 established pursuant to chapter 509A for public employees, or  
11 any other entity providing a plan of health insurance, health  
12 care benefits, or health care services. However, "insurer" does  
13 not include an entity that sells disability income insurance.

14 Sec. 2. Section 507B.4, subsection 3, Code 2024, is amended  
15 by adding the following new paragraph:

16 NEW PARAGRAPH. *v. Failure to negotiate in good*  
17 *faith.* Failure of an insurer to negotiate in good faith all  
18 charges with a hospital licensed pursuant to chapter 135B.  
19 "Good faith" means honesty in fact and the observance of  
20 reasonable commercial standards of fair dealing in the trade.

21 EXPLANATION

22 The inclusion of this explanation does not constitute agreement with  
23 the explanation's substance by the members of the general assembly.

24 This bill relates to an insurer's duty of good faith in  
25 negotiations. Under the bill, it shall be an unfair method  
26 of competition and unfair or deceptive act or practice in the  
27 business of insurance for an insurer to fail to negotiate in  
28 good faith all charges with a hospital licensed pursuant to  
29 Code chapter 135B. "Good faith" is defined by the bill as  
30 honesty in fact and the observance of reasonable commercial  
31 standards of fair dealing in the trade. "Insurer" is also  
32 defined in the bill.