

JAN 31 2001

COMMERCE AND REGULATION

HOUSE FILE 149

BY CONNORS, WITT, FORD, DOTZLER,
MURPHY, HATCH, LARKIN, COHOON,
MASCHER, LENSING, and SHOULTZ

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the unauthorized discharge of a patient as a
2 prohibited insurance trade practice, and providing for a
3 penalty.

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

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1 Section 1. Section 507B.4, Code 2001, is amended by adding
2 the following new subsection:

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

11 EXPLANATION

12 This bill adds a new subsection to Code section 507B.4,
13 unfair methods of competition and unfair or deceptive acts or
14 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 prior to the individual
19 receiving written consent to discharge from the individual's
20 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.

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