

Hoffman, Ch.  
Horbach  
Smith

HSB 5

LABOR & INDUSTRIAL RELATIONS

HOUSE FILE SEN 56

BY (PROPOSED COMMITTEE ON  
LABOR AND INDUSTRIAL  
RELATIONS BILL BY CHAIRPERSON  
TYRRELL)

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

A BILL FOR

1 An Act relating to administrative and corrective changes to the  
2 workers' compensation law.

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

4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

1 Section 1. Section 85.1A, Code 2001, is amended to read as  
2 follows:

3 85.1A PROPRIETORS, LIMITED LIABILITY COMPANY MEMBERS,  
4 LIMITED LIABILITY PARTNERS, AND PARTNERS.

5 A proprietor, limited liability company member, limited  
6 liability partner, or partner who is actively engaged in the  
7 proprietor's, limited liability company member's, limited  
8 liability partner's, or partner's business on a substantially  
9 full-time basis, may elect to be covered by the workers'  
10 compensation law of this state by purchasing valid workers'  
11 compensation insurance specifically including the proprietor,  
12 limited liability company member, limited liability partner,  
13 or partner. The election constitutes an assumption by the  
14 employer of workers' compensation liability for the  
15 proprietor, limited liability company member, limited  
16 liability partner, or partner for the time period in which the  
17 insurance contract is in force. The proprietor, limited  
18 liability company member, limited liability partner, or  
19 partner shall accept compensation in the manner provided by  
20 the workers' compensation law and the employer is relieved  
21 from any other liability for recovery of damages, or other  
22 compensation for injury.

23 Sec. 2. Section 85.27, unnumbered paragraph 3, Code 2001,  
24 is amended to read as follows:

25 Notwithstanding section 85.26, subsection 4, charges  
26 believed to be excessive or unnecessary may be referred by the  
27 employer, insurance carrier, or health service provider to the  
28 workers' compensation commissioner for determination, and the  
29 commissioner may utilize the procedures provided in sections  
30 86.38 and 86.39, or set by rule, and conduct such inquiry as  
31 the commissioner deems necessary. Any health service provider  
32 charges not in dispute shall be paid directly to the health  
33 service provider prior to utilization of procedures provided  
34 in sections 86.38 and 86.39 or set by rule. A health service  
35 provider rendering treatment to an employee whose injury is

1 compensable under this section agrees to be bound by such  
2 charges as allowed by the workers' compensation commissioner  
3 and shall not recover in law or equity any amount in excess of  
4 charges set by the commissioner. When a dispute under chapter  
5 85, 85A, or 85B regarding reasonableness of a fee for medical  
6 services arises between a health service provider and an  
7 employer or insurance carrier, the health service provider,  
8 employer, or insurance carrier shall not seek payment from the  
9 injured employee.

10 Sec. 3. Section 85.35, unnumbered paragraph 1, Code 2001,  
11 is amended to read as follows:

12 The parties to a contested case, or persons who are  
13 involved in a dispute which could culminate in a contested  
14 case may enter into a settlement of any claim arising under  
15 this chapter or chapter 85A, 85B, or 86, providing for final  
16 disposition of the claim, provided that no final disposition  
17 affecting rights to future benefits may be had when the only  
18 dispute is the degree of disability resulting from an injury  
19 for which an award for payments or agreement for settlement  
20 under section 86.13 has been made. The settlement shall be in  
21 writing and submitted to the workers' compensation  
22 commissioner for approval.

23 The parties may agree that settlement proceeds, which are  
24 paid in a lump sum, are intended to compensate the injured  
25 worker at a given monthly or weekly rate over the life  
26 expectancy of the injured worker. If such an agreement is  
27 reached, neither the weekly compensation rate which either has  
28 been paid, or should have been paid, throughout the case, nor  
29 the maximum statutory weekly rate applicable to the injury  
30 shall apply. Instead, the rate set forth in the settlement  
31 agreement shall be the rate for the case.

32 PARAGRAPH DIVIDED. The settlement shall not be approved  
33 unless evidence of a bona fide dispute exists concerning any  
34 of the following:

35 Sec. 4. Section 85.36, subsection 10, Code 2001, is

1 amended to read as follows:

2 10. If a wage, or method of calculating a wage, is used  
3 for the basis of the payment of a workers' compensation  
4 insurance premium for a proprietor, partner, limited liability  
5 company member, limited liability partner, or officer of a  
6 corporation, the wage or the method of calculating the wage is  
7 determinative for purposes of computing the proprietor's,  
8 partner's, limited liability company member's, limited  
9 liability partner's, or officer's weekly workers' compensation  
10 benefit rate.

11 Sec. 5. Section 85.61, subsection 11, unnumbered paragraph  
12 1, Code 2001, is amended to read as follows:

13 "Worker" or "employee" means a person who has entered into  
14 the employment of, or works under contract of service, express  
15 or implied, or apprenticeship, for an employer; an executive  
16 officer elected or appointed and empowered under and in  
17 accordance with the charter and bylaws of a corporation,  
18 including a person holding an official position, or standing  
19 in a representative capacity of the employer; an official  
20 elected or appointed by the state, or a county, school  
21 district, area education agency, municipal corporation, or  
22 city under any form of government; a member of the Iowa state  
23 patrol; a conservation officer; and a proprietor, limited  
24 liability company member, limited liability partner, or  
25 partner who elects to be covered pursuant to section 85.1A,  
26 except as specified in this chapter.

27 Sec. 6. Section 85.61, subsection 13, paragraph e, Code  
28 2001, is amended to read as follows:

29 e. Proprietors, limited liability company members, limited  
30 liability partners, and partners who have not elected to be  
31 covered by the workers' compensation law of this state  
32 pursuant to section 85.1A.

33 Sec. 7. Section 86.26, Code 2001, is amended to read as  
34 follows:

35 86.26 JUDICIAL REVIEW.

1 Judicial review of decisions or orders of the workers'  
2 compensation commissioner may be sought in accordance with  
3 chapter 17A. Notwithstanding chapter 17A, the Iowa  
4 administrative procedure Act, petitions for judicial review  
5 may be filed in the district court of the county in which the  
6 hearing under section 86.17 was held, and the workers'  
7 compensation commissioner shall transmit to the reviewing  
8 court the original or a certified copy of the entire record of  
9 the contested case which is the subject of the petition within  
10 thirty days after receiving written notice from the party  
11 filing the petition that a petition for judicial review has  
12 been filed, and an application for stay of agency action  
13 during the pendency of judicial review shall not be filed in  
14 the division of workers' compensation of the department of  
15 workforce development but shall be filed with the district  
16 court. Such a review proceeding shall be accorded priority  
17 over other matters pending before the district court.

18 Sec. 8. Section 627.13, Code 2001, is amended to read as  
19 follows:

20 627.13 WORKERS' COMPENSATION.

21 Any Notwithstanding the provisions of section 554.9408, any  
22 compensation due or that may become due an employee or  
23 dependent under chapter 85, 85A, or 85B is exempt from  
24 garnishment, attachment, execution, and assignment of income,  
25 except for the purposes of enforcing child, spousal, or  
26 medical support obligations. For the purposes of enforcing  
27 child, spousal, or medical support obligations, an assignment  
28 of income, garnishment or attachment of or the execution  
29 against compensation due an employee under chapter 85, 85A, or  
30 85B is not exempt but shall be limited as specified in 15  
31 U.S.C. § 1673(b).

32 EXPLANATION

33 This bill amends Code sections 85.1A, 85.36, and 85.61 to  
34 specify that limited liability partnerships will be treated  
35 the same as partnerships and limited liability companies for

1 purposes of the workers' compensation law.

2 The bill amends Code section 85.27 to reference Code  
3 chapters 85A and 85B so that disputed medical expenses are  
4 treated the same under Code chapter 85 and Code chapters 85A  
5 and 85B.

6 The bill amends Code section 85.35 to provide that parties  
7 may agree that settlement proceeds paid in a lump sum as a  
8 result of a contested case settlement are intended to be paid  
9 at a rate over the employee's lifetime rather than during the  
10 time otherwise provided for in Code section 85.34.

11 The bill amends Code section 86.26 to create an exception  
12 to Code section 17A.19(5) by providing that an application for  
13 a stay of agency review shall be filed in the district court,  
14 not in the division of workers' compensation.

15 The bill amends Code section 627.13 to provide that the  
16 section exempting workers' compensation benefits from  
17 collection proceedings prevails over new Code section  
18 554.9408, which is effective July 1, 2001.

19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

S-3/19/01 Business &  
S-3/22/01 Do Pass

FEB 22 2001

HOUSE FILE **356**  
BY COMMITTEE ON LABOR AND  
INDUSTRIAL RELATIONS

Place On Calendar

(SUCCESSOR TO HSB 5)

Passed House, Date <sup>(P.764)</sup> 3/19/01  
Vote: Ayes 98 Nays 0

Passed Senate, Date <sup>(P.1060)</sup> 4-10-01  
Vote: Ayes 49 Nays 0

Approved 4-26-01  
<sup>(P.1217)</sup> Passed 4-17-01  
Vote 99-0

<sup>(P.1201)</sup> Passed 4-19-01  
Vote 48-0

A BILL FOR

1 An Act relating to administrative and corrective changes to the  
2 workers' compensation law.

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

4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

~~REDACTED~~ HOUSE FILE 356 ~~REDACTED~~

S-3317

1 Amend House File 356, as passed by the House, as  
2 follows:  
3 1. Page 4, by inserting after line 31, the  
4 following:  
5 "Sec. \_\_\_\_ Section 668.13, subsection 3, Code 2001,  
6 is amended to read as follows:  
7 3. Interest shall be calculated as of the date of  
8 judgment at a rate equal to the ~~coupon issue yield~~  
9 ~~equivalent, as determined by the United States~~  
10 ~~secretary of the treasury, of the average accepted~~  
11 ~~auction price for the last auction of fifty two week~~  
12 ~~United States treasury bills treasury constant~~  
13 ~~maturity index published by the federal reserve in the~~  
14 H15 Report settled immediately prior to the date of  
15 the judgment plus two percent. The state court  
16 administrator shall distribute notice monthly of that  
17 rate and any changes to that rate to all district  
18 courts."

<sup>Adopted 4-10-01</sup>  
<sup>(P.1060)</sup>  
S-3317 FILED APRIL 9, 2001

By LARRY MCKIBBEN

HF 356

1 Section 1. Section 85.1A, Code 2001, is amended to read as  
2 follows:

3 85.1A PROPRIETORS, LIMITED LIABILITY COMPANY MEMBERS,  
4 LIMITED LIABILITY PARTNERS, AND PARTNERS.

5 A proprietor, limited liability company member, limited  
6 liability partner, or partner who is actively engaged in the  
7 proprietor's, limited liability company member's, limited  
8 liability partner's, or partner's business on a substantially  
9 full-time basis, may elect to be covered by the workers'  
10 compensation law of this state by purchasing valid workers'  
11 compensation insurance specifically including the proprietor,  
12 limited liability company member, limited liability partner,  
13 or partner. The election constitutes an assumption by the  
14 employer of workers' compensation liability for the  
15 proprietor, limited liability company member, limited  
16 liability partner, or partner for the time period in which the  
17 insurance contract is in force. The proprietor, limited  
18 liability company member, limited liability partner, or  
19 partner shall accept compensation in the manner provided by  
20 the workers' compensation law and the employer is relieved  
21 from any other liability for recovery of damages, or other  
22 compensation for injury.

23 Sec. 2. Section 85.27, unnumbered paragraph 3, Code 2001,  
24 is amended to read as follows:

25 Notwithstanding section 85.26, subsection 4, charges  
26 believed to be excessive or unnecessary may be referred by the  
27 employer, insurance carrier, or health service provider to the  
28 workers' compensation commissioner for determination, and the  
29 commissioner may utilize the procedures provided in sections  
30 86.38 and 86.39, or set by rule, and conduct such inquiry as  
31 the commissioner deems necessary. Any health service provider  
32 charges not in dispute shall be paid directly to the health  
33 service provider prior to utilization of procedures provided  
34 in sections 86.38 and 86.39 or set by rule. A health service  
35 provider rendering treatment to an employee whose injury is

1 compensable under this section agrees to be bound by such  
2 charges as allowed by the workers' compensation commissioner  
3 and shall not recover in law or equity any amount in excess of  
4 charges set by the commissioner. When a dispute under chapter  
5 85, 85A, or 85B regarding reasonableness of a fee for medical  
6 services arises between a health service provider and an  
7 employer or insurance carrier, the health service provider,  
8 employer, or insurance carrier shall not seek payment from the  
9 injured employee.

10 Sec. 3. Section 85.35, unnumbered paragraph 1, Code 2001,  
11 is amended to read as follows:

12 The parties to a contested case, or persons who are  
13 involved in a dispute which could culminate in a contested  
14 case may enter into a settlement of any claim arising under  
15 this chapter or chapter 85A, 85B, or 86, providing for final  
16 disposition of the claim, provided that no final disposition  
17 affecting rights to future benefits may be had when the only  
18 dispute is the degree of disability resulting from an injury  
19 for which an award for payments or agreement for settlement  
20 under section 86.13 has been made. The settlement shall be in  
21 writing and submitted to the workers' compensation  
22 commissioner for approval.

23 The parties may agree that settlement proceeds, which are  
24 paid in a lump sum, are intended to compensate the injured  
25 worker at a given monthly or weekly rate over the life  
26 expectancy of the injured worker. If such an agreement is  
27 reached, neither the weekly compensation rate which either has  
28 been paid, or should have been paid, throughout the case, nor  
29 the maximum statutory weekly rate applicable to the injury  
30 shall apply. Instead, the rate set forth in the settlement  
31 agreement shall be the rate for the case.

32 PARAGRAPH DIVIDED. The settlement shall not be approved  
33 unless evidence of a bona fide dispute exists concerning any  
34 of the following:

35 Sec. 4. Section 85.36, subsection 10, Code 2001, is

1 amended to read as follows:

2 10. If a wage, or method of calculating a wage, is used  
3 for the basis of the payment of a workers' compensation  
4 insurance premium for a proprietor, partner, limited liability  
5 company member, limited liability partner, or officer of a  
6 corporation, the wage or the method of calculating the wage is  
7 determinative for purposes of computing the proprietor's,  
8 partner's, limited liability company member's, limited  
9 liability partner's, or officer's weekly workers' compensation  
10 benefit rate.

11 Sec. 5. Section 85.61, subsection 11, unnumbered paragraph  
12 1, Code 2001, is amended to read as follows:

13 "Worker" or "employee" means a person who has entered into  
14 the employment of, or works under contract of service, express  
15 or implied, or apprenticeship, for an employer; an executive  
16 officer elected or appointed and empowered under and in  
17 accordance with the charter and bylaws of a corporation,  
18 including a person holding an official position, or standing  
19 in a representative capacity of the employer; an official  
20 elected or appointed by the state, or a county, school  
21 district, area education agency, municipal corporation, or  
22 city under any form of government; a member of the Iowa state  
23 patrol; a conservation officer; and a proprietor, limited  
24 liability company member, limited liability partner, or  
25 partner who elects to be covered pursuant to section 85.1A,  
26 except as specified in this chapter.

27 Sec. 6. Section 85.61, subsection 13, paragraph e, Code  
28 2001, is amended to read as follows:

29 e. Proprietors, limited liability company members, limited  
30 liability partners, and partners who have not elected to be  
31 covered by the workers' compensation law of this state  
32 pursuant to section 85.1A.

33 Sec. 7. Section 86.26, Code 2001, is amended to read as  
34 follows:

35 86.26 JUDICIAL REVIEW.

1 Judicial review of decisions or orders of the workers'  
2 compensation commissioner may be sought in accordance with  
3 chapter 17A. Notwithstanding chapter 17A, the Iowa  
4 administrative procedure Act, petitions for judicial review  
5 may be filed in the district court of the county in which the  
6 hearing under section 86.17 was held, and the workers'  
7 compensation commissioner shall transmit to the reviewing  
8 court the original or a certified copy of the entire record of  
9 the contested case which is the subject of the petition within  
10 thirty days after receiving written notice from the party  
11 filing the petition that a petition for judicial review has  
12 been filed, and an application for stay of agency action  
13 during the pendency of judicial review shall not be filed in  
14 the division of workers' compensation of the department of  
15 workforce development but shall be filed with the district  
16 court. Such a review proceeding shall be accorded priority  
17 over other matters pending before the district court.

18 Sec. 8. Section 627.13, Code 2001, is amended to read as  
19 follows:

20 627.13 WORKERS' COMPENSATION.

21 Any Notwithstanding the provisions of sections 554.9406 and  
22 554.9408, any compensation due or that may become due an  
23 employee or dependent under chapter 85, 85A, or 85B is exempt  
24 from garnishment, attachment, execution, and assignment of  
25 income, except for the purposes of enforcing child, spousal,  
26 or medical support obligations. For the purposes of enforcing  
27 child, spousal, or medical support obligations, an assignment  
28 of income, garnishment or attachment of or the execution  
29 against compensation due an employee under chapter 85, 85A, or  
30 85B is not exempt but shall be limited as specified in 15  
31 U.S.C. § 1673(b).

32 EXPLANATION

33 This bill amends Code sections 85.1A, 85.36, and 85.61 to  
34 specify that limited liability partnerships will be treated  
35 the same as partnerships and limited liability companies for

1 purposes of the workers' compensation law.

2 The bill amends Code section 85.27 to reference Code  
3 chapters 85A and 85B so that disputed medical expenses are  
4 treated the same under Code chapter 85 and Code chapters 85A  
5 and 85B.

6 The bill amends Code section 85.35 to provide that parties  
7 may agree that settlement proceeds paid in a lump sum as a  
8 result of a contested case settlement are intended to be paid  
9 at a rate over the employee's lifetime rather than during the  
10 time otherwise provided for in Code section 85.34.

11 The bill amends Code section 86.26 to create an exception  
12 to Code section 17A.19(5) by providing that an application for  
13 a stay of agency review shall be filed in the district court,  
14 not in the division of workers' compensation.

15 The bill amends Code section 627.13 to provide that the  
16 section exempting workers' compensation benefits from  
17 collection proceedings prevails over new Code sections  
18 554.9406 and 554.9408, which are effective July 1, 2001. The  
19 new Code sections 554.9406 and 554.9408 are found in 2000 Iowa  
20 Acts, chapter 1149, sections 68 and 70.

21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

SENATE AMENDMENT TO HOUSE FILE 356

H-1478

1 Amend House File 356, as passed by the House, as  
2 follows:  
3 1. Page 4, by inserting after line 31, the  
4 following:  
5 "Sec. \_\_\_\_ . Section 668.13, subsection 3, Code 2001,  
6 is amended to read as follows:  
7 3. Interest shall be calculated as of the date of  
8 judgment at a rate equal to the ~~coupon issue yield~~  
9 ~~equivalent, as determined by the United States~~  
10 ~~secretary of the treasury, of the average accepted~~  
11 ~~auction price for the last auction of fifty two week~~  
12 ~~United States treasury bills treasury constant~~  
13 ~~maturity index published by the federal reserve in the~~  
14 ~~H15 Report settled immediately prior to the date of~~  
15 ~~the judgment plus two percent. The state court~~  
16 ~~administrator shall distribute notice monthly of that~~  
17 ~~rate and any changes to that rate to all district~~  
18 ~~courts."~~

(P1216)

*House Concurred 4-17-01*

RECEIVED FROM THE SENATE

H-1478 FILED APRIL 10, 2001

HOUSE FILE 356

H-1552

1 Amend the Senate amendment, H-1478, to House File  
2 356, as passed by the House, as follows:  
3 1. Page 1, line 5, by striking the word "Sec."  
4 \_\_\_\_ ." and inserting the following: "Sec. 9."  
5 2. Page 1, by striking line 18 and inserting the  
6 following: "courts."  
7 Sec. 10. Section 9 of this Act, being deemed of  
8 immediate importance, takes effect upon enactment."  
9 \_\_\_\_ . Title page, line 2, by inserting after the  
10 word "law" the following: "and providing an effective  
11 date"."

By DOTZLER of Black Hawk  
HOFFMAN of Crawford

H-1552 FILED APRIL 16, 2001

*W/D*  
*4-17-01 (P1216)*

HOUSE AMENDMENT TO SENATE AMENDMENT TO  
HOUSE FILE 356

S-3375

1 Amend the Senate amendment, H-1478, to House File  
2 356, as passed by the House, as follows:

3 1. Page 1, line 5, by striking the word "Sec.  
4 \_\_\_\_." and inserting the following: "Sec. 9."

5 2. Page 1, by striking line 18 and inserting the  
6 following: ""courts.

7 Sec. 10. Section 9 of this Act, being deemed of  
8 immediate importance, takes effect upon enactment and  
9 applies retroactively to February 28, 2001."

10 \_\_\_\_ Title page, line 2, by inserting after the  
11 word "law" the following: "and providing an effective  
12 date and retroactive applicability"."

RECEIVED FROM THE HOUSE

S-3375 FILED APRIL 17, 2001

*Senate Concurred*  
4-19-01 (P. 1200)

HOUSE FILE 356

H-1558

1 Amend the Senate amendment, H-1478, to House File  
2 356, as passed by the House, as follows:

3 1. Page 1, line 5, by striking the word "Sec.  
4 \_\_\_\_." and inserting the following: "Sec. 9."

5 2. Page 1, by striking line 18 and inserting the  
6 following: ""courts.

7 Sec. 10. Section 9 of this Act, being deemed of  
8 immediate importance, takes effect upon enactment and  
9 applies retroactively to February 28, 2001."

10 \_\_\_\_ Title page, line 2, by inserting after the  
11 word "law" the following: "and providing an effective  
12 date and retroactive applicability"."

By T. TAYLOR of Linn  
HOFFMAN of Crawford

H-1558 FILED APRIL 17, 2001

*Adopted*  
4-17-01 (P. 1216)

HOUSE FILE 356

AN ACT  
RELATING TO ADMINISTRATIVE AND CORRECTIVE CHANGES TO THE  
WORKERS' COMPENSATION LAW AND PROVIDING AN EFFECTIVE DATE  
AND RETROACTIVE APPLICABILITY.

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

Section 1. Section 85.1A, Code 2001, is amended to read as follows:

85.1A PROPRIETORS, LIMITED LIABILITY COMPANY MEMBERS,  
LIMITED LIABILITY PARTNERS, AND PARTNERS.

A proprietor, limited liability company member, limited liability partner, or partner who is actively engaged in the proprietor's, limited liability company member's, limited liability partner's, or partner's business on a substantially full-time basis, may elect to be covered by the workers' compensation law of this state by purchasing valid workers' compensation insurance specifically including the proprietor, limited liability company member, limited liability partner, or partner. The election constitutes an assumption by the employer of workers' compensation liability for the proprietor, limited liability company member, limited liability partner, or partner for the time period in which the insurance contract is in force. The proprietor, limited liability company member, limited liability partner, or partner shall accept compensation in the manner provided by the workers' compensation law and the employer is relieved from any other liability for recovery of damages, or other compensation for injury.

Sec. 2. Section 85.27, unnumbered paragraph 3, Code 2001, is amended to read as follows:

Notwithstanding section 85.26, subsection 4, charges believed to be excessive or unnecessary may be referred by the employer, insurance carrier, or health service provider to the workers' compensation commissioner for determination, and the

commissioner may utilize the procedures provided in sections 86.38 and 86.39, or set by rule, and conduct such inquiry as the commissioner deems necessary. Any health service provider charges not in dispute shall be paid directly to the health service provider prior to utilization of procedures provided in sections 86.38 and 86.39 or set by rule. A health service provider rendering treatment to an employee whose injury is compensable under this section agrees to be bound by such charges as allowed by the workers' compensation commissioner and shall not recover in law or equity any amount in excess of charges set by the commissioner. When a dispute under chapter 85, 85A, or 85B regarding reasonableness of a fee for medical services arises between a health service provider and an employer or insurance carrier, the health service provider, employer, or insurance carrier shall not seek payment from the injured employee.

Sec. 3. Section 85.35, unnumbered paragraph 1, Code 2001, is amended to read as follows:

The parties to a contested case, or persons who are involved in a dispute which could culminate in a contested case may enter into a settlement of any claim arising under this chapter or chapter 85A, 85B, or 86, providing for final disposition of the claim, provided that no final disposition affecting rights to future benefits may be had when the only dispute is the degree of disability resulting from an injury for which an award for payments or agreement for settlement under section 86.13 has been made. The settlement shall be in writing and submitted to the workers' compensation commissioner for approval.

The parties may agree that settlement proceeds, which are paid in a lump sum, are intended to compensate the injured worker at a given monthly or weekly rate over the life expectancy of the injured worker. If such an agreement is reached, neither the weekly compensation rate which either has been paid, or should have been paid, throughout the case, nor the maximum statutory weekly rate applicable to the injury shall apply. Instead, the rate set forth in the settlement agreement shall be the rate for the case.

PARAGRAPH DIVIDED. The settlement shall not be approved unless evidence of a bona fide dispute exists concerning any of the following:

Sec. 4. Section 85.36, subsection 10, Code 2001, is amended to read as follows:

10. If a wage, or method of calculating a wage, is used for the basis of the payment of a workers' compensation insurance premium for a proprietor, partner, limited liability company member, limited liability partner, or officer of a corporation, the wage or the method of calculating the wage is determinative for purposes of computing the proprietor's, partner's, limited liability company member's, limited liability partner's, or officer's weekly workers' compensation benefit rate.

Sec. 5. Section 85.61, subsection 11, unnumbered paragraph 1, Code 2001, is amended to read as follows:

"Worker" or "employee" means a person who has entered into the employment of, or works under contract of service, express or implied, or apprenticeship, for an employer; an executive officer elected or appointed and empowered under and in accordance with the charter and bylaws of a corporation, including a person holding an official position, or standing in a representative capacity of the employer; an official elected or appointed by the state, or a county, school district, area education agency, municipal corporation, or city under any form of government; a member of the Iowa state patrol; a conservation officer; and a proprietor, limited liability company member, limited liability partner, or partner who elects to be covered pursuant to section 85.1A, except as specified in this chapter.

Sec. 6. Section 85.61, subsection 13, paragraph e, Code 2001, is amended to read as follows:

e. Proprietors, limited liability company members, limited liability partners, and partners who have not elected to be covered by the workers' compensation law of this state pursuant to section 85.1A.

Sec. 7. Section 86.26, Code 2001, is amended to read as follows:

86.26 JUDICIAL REVIEW.

Judicial review of decisions or orders of the workers' compensation commissioner may be sought in accordance with chapter 17A. Notwithstanding chapter 17A, the Iowa administrative procedure Act, petitions for judicial review may be filed in the district court of the county in which the hearing under section 86.17 was held, and the workers' compensation commissioner shall transmit to the reviewing court the original or a certified copy of the entire record of the contested case which is the subject of the petition within thirty days after receiving written notice from the party filing the petition that a petition for judicial review has been filed, and an application for stay of agency action during the pendency of judicial review shall not be filed in the division of workers' compensation of the department of workforce development but shall be filed with the district court. Such a review proceeding shall be accorded priority over other matters pending before the district court.

Sec. 8. Section 627.13, Code 2001, is amended to read as follows:

627.13 WORKERS' COMPENSATION.

Any Notwithstanding the provisions of sections 554.9406 and 554.9408, any compensation due or that may become due an employee or dependent under chapter 85, 85A, or 85B is exempt from garnishment, attachment, execution, and assignment of income, except for the purposes of enforcing child, spousal, or medical support obligations. For the purposes of enforcing child, spousal, or medical support obligations, an assignment of income, garnishment or attachment of or the execution against compensation due an employee under chapter 85, 85A, or 85B is not exempt but shall be limited as specified in 15 U.S.C. § 1673(b).

Sec. 9. Section 668.13, subsection 3, Code 2001, is amended to read as follows:

3. Interest shall be calculated as of the date of judgment at a rate equal to the coupon-issue-yield-equivalent, as determined by the United States secretary of the treasury, of the average-accepted-auction-price-for-the-last-auction-of fifty-two-week-United-States-treasury-bills treasury constant maturity index published by the federal reserve in the H15 Report settled immediately prior to the date of the judgment plus two percent. The state court administrator shall distribute notice monthly of that rate and any changes to that rate to all district courts.

Sec. 10. Section 9 of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to February 28, 2001.

---

BRENT SIEGRIST  
Speaker of the House

---

MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 356, Seventy-ninth General Assembly.

---

MARGARET THOMSON  
Chief Clerk of the House

Approved 4/26, 2001

---

THOMAS J. VILSACK  
Governor