

AMENDED IN SENATE JUNE 15, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2732**

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**Introduced by Committee on Insurance (Assembly Members Perea (Chair), Hagman (Vice Chair), Bradford, Ian Calderon, Cooley, Dababneh, Frazier, Gonzalez, Nestande, V. Manuel Pérez, and Wieckowski)**

February 25, 2014

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An act to amend Sections 4600, 4610.5, 4903, 4903.07, 4903.8, *and* 5410, ~~and 5502~~ of the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2732, as amended, Committee on Insurance. Workers' compensation.

(1) Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of his or her employment. Existing law generally provides for the reimbursement of medical providers for services rendered in connection with the treatment of a worker's injury, and requires an employer to establish a medical treatment utilization review process, in compliance with specified requirements. Existing law provides for an independent medical review process to resolve disputes over a utilization review decision for injuries occurring on or after January 1, 2013, and for any decision that is communicated to the requesting physician on or after July 1, 2013, regardless of the date of injury. Under existing law, as part of its notification to the employee regarding an

initial utilization review decision that denies, modifies, or delays a treatment recommendation, an employer is required to provide the employee with a one-page form prescribed by the administrative director, and an addressed envelope, which the employee may return to the administrative director or the administrative director's designee to initiate an independent medical review. Under existing law, an employer is required to include on this form any information required by the administrative director to facilitate the completion of the independent medical review. Existing law specifies the required contents of the form.

This bill would revise the requirements applicable to utilization review procedures, by changing the maximum length of the above-described form to 2 pages.

(2) Existing law authorizes the Workers' Compensation Appeals Board to determine and allow as liens against any sum to be paid as compensation, certain amounts, including, but not limited to, reasonable medical treatment expenses, except those disputes subject to independent medical review or independent bill review.

This bill would include in those amounts that the board is authorized to allow as liens certain medical-legal expenses to which the employee is entitled under a specified provision for the purpose of proving or disproving a disputed claim.

(3) Existing law requires that a lien claimant in a workers' compensation matter is entitled to an order or award for reimbursement of a lien filing fee or lien activation fee, together with interest at the rate allowed on civil judgments, if certain conditions are satisfied.

This bill would specify that these fees are to be paid by the employer of the injured worker.

(4) Existing law requires an order or award for payment of a lien for medical or hospital treatment in a workers' compensation matter to be made for payment only to the person who was entitled to payment for the expenses for medical or hospital treatment at the time the expenses were incurred, and not to an assignee unless the person has ceased doing business in the capacity held at the time the expenses were incurred and has assigned all right, title, and interest in the remaining accounts receivable to the assignee.

This bill would authorize an assignment of that payment if the assignment was completed prior to January 1, 2013, or if it was required by a contract that became enforceable and irrevocable prior to January

1, 2013. The bill would state that this provision is declarative of existing law.

(5) Existing law authorizes an injured worker to institute proceedings for the collection of compensation, including vocational rehabilitation services, within 5 years after the date of the injury upon the ground that the original injury has caused new and further disability or that providing vocational rehabilitation services has become feasible because the employee’s medical condition has improved or because of other factors not capable of determination at the time the employer’s liability for vocational rehabilitation services otherwise terminated.

This bill would delete the provisions relating to vocational rehabilitation, but retain the authority of an injured worker to institute proceedings for the collection of compensation within 5 years after the date of the injury upon the ground that the original injury has caused new and further disability.

(6) Existing law authorizes the Workers’ Compensation Appeals Board to determine and allow as liens against any sum to be paid as compensation, certain amounts, including, but not limited to, reasonable medical treatment expenses, except those disputes subject to independent medical review or independent bill review.

This bill would include in those amounts that the board is authorized to allow as liens certain medical-legal expenses to which the employee is entitled under a specified provision for the purpose of proving or disproving a disputed claim.

~~(7) Existing law gives the Workers’ Compensation Appeals Board jurisdiction to adjudicate claims relating to workers’ compensation, and authorizes the administrative director to establish a priority calendar for issues requiring an expedited hearing and decision. The issues for which an expedited hearing may be held include a medical treatment appointment or medical-legal examination.~~

~~This bill would delete medical treatment appointments and medical-legal examinations from the list of issues qualifying for an expedited hearing.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 4600 of the Labor Code is amended to  
2 read:

1 4600. (a) Medical, surgical, chiropractic, acupuncture, and  
2 hospital treatment, including nursing, medicines, medical and  
3 surgical supplies, crutches, and apparatuses, including orthotic and  
4 prosthetic devices and services, that is reasonably required to cure  
5 or relieve the injured worker from the effects of his or her injury  
6 shall be provided by the employer. In the case of his or her neglect  
7 or refusal reasonably to do so, the employer is liable for the  
8 reasonable expense incurred by or on behalf of the employee in  
9 providing treatment.

10 (b) As used in this division and notwithstanding any other law,  
11 medical treatment that is reasonably required to cure or relieve the  
12 injured worker from the effects of his or her injury means treatment  
13 that is based upon the guidelines adopted by the administrative  
14 director pursuant to Section 5307.27.

15 (c) Unless the employer or the employer's insurer has  
16 established or contracted with a medical provider network as  
17 provided for in Section 4616, after 30 days from the date the injury  
18 is reported, the employee may be treated by a physician of his or  
19 her own choice or at a facility of his or her own choice within a  
20 reasonable geographic area. A chiropractor shall not be a treating  
21 physician after the employee has received the maximum number  
22 of chiropractic visits allowed by subdivision (c) of Section 4604.5.

23 (d) (1) If an employee has notified his or her employer in  
24 writing prior to the date of injury that he or she has a personal  
25 physician, the employee shall have the right to be treated by that  
26 physician from the date of injury if the employee has health care  
27 coverage for nonoccupational injuries or illnesses on the date of  
28 injury in a plan, policy, or fund as described in subdivisions (b),  
29 (c), and (d) of Section 4616.7.

30 (2) For purposes of paragraph (1), a personal physician shall  
31 meet all of the following conditions:

32 (A) Be the employee's regular physician and surgeon, licensed  
33 pursuant to Chapter 5 (commencing with Section 2000) of Division  
34 2 of the Business and Professions Code.

35 (B) Be the employee's primary care physician and has  
36 previously directed the medical treatment of the employee, and  
37 who retains the employee's medical records, including his or her  
38 medical history. "Personal physician" includes a medical group,  
39 if the medical group is a single corporation or partnership  
40 composed of licensed doctors of medicine or osteopathy, which

1 operates an integrated multispecialty medical group providing  
2 comprehensive medical services predominantly for  
3 nonoccupational illnesses and injuries.

4 (C) The physician agrees to be predesignated.

5 (3) If the employee has health care coverage for nonoccupational  
6 injuries or illnesses on the date of injury in a health care service  
7 plan licensed pursuant to Chapter 2.2 (commencing with Section  
8 1340) of Division 2 of the Health and Safety Code, and the  
9 employer is notified pursuant to paragraph (1), all medical  
10 treatment, utilization review of medical treatment, access to  
11 medical treatment, and other medical treatment issues shall be  
12 governed by Chapter 2.2 (commencing with Section 1340) of  
13 Division 2 of the Health and Safety Code. Disputes regarding the  
14 provision of medical treatment shall be resolved pursuant to Article  
15 5.55 (commencing with Section 1374.30) of Chapter 2.2 of  
16 Division 2 of the Health and Safety Code.

17 (4) If the employee has health care coverage for nonoccupational  
18 injuries or illnesses on the date of injury in a group health insurance  
19 policy as described in Section 4616.7, all medical treatment,  
20 utilization review of medical treatment, access to medical  
21 treatment, and other medical treatment issues shall be governed  
22 by the applicable provisions of the Insurance Code.

23 (5) The insurer may require prior authorization of any  
24 nonemergency treatment or diagnostic service and may conduct  
25 reasonably necessary utilization review pursuant to Section 4610.

26 (6) An employee shall be entitled to all medically appropriate  
27 referrals by the personal physician to other physicians or medical  
28 providers within the nonoccupational health care plan. An  
29 employee shall be entitled to treatment by physicians or other  
30 medical providers outside of the nonoccupational health care plan  
31 pursuant to standards established in Article 5 (commencing with  
32 Section 1367) of Chapter 2.2 of Division 2 of the Health and Safety  
33 Code.

34 (e) (1) When at the request of the employer, the employer's  
35 insurer, the administrative director, the appeals board, or a workers'  
36 compensation administrative law judge, the employee submits to  
37 examination by a physician, he or she shall be entitled to receive,  
38 in addition to all other benefits herein provided, all reasonable  
39 expenses of transportation, meals, and lodging incident to reporting  
40 for the examination, together with one day of temporary disability

1 indemnity for each day of wages lost in submitting to the  
2 examination.

3 (2) Regardless of the date of injury, “reasonable expenses of  
4 transportation” includes mileage fees from the employee’s home  
5 to the place of the examination and back at the rate of twenty-one  
6 cents (\$0.21) a mile or the mileage rate adopted by the Director  
7 of Human Resources pursuant to Section 19820 of the Government  
8 Code, whichever is higher, plus any bridge tolls. The mileage and  
9 tolls shall be paid to the employee at the time he or she is given  
10 notification of the time and place of the examination.

11 (f) When at the request of the employer, the employer’s insurer,  
12 the administrative director, the appeals board, or a workers’  
13 compensation administrative law judge, an employee submits to  
14 examination by a physician and the employee does not proficiently  
15 speak or understand the English language, he or she shall be  
16 entitled to the services of a qualified interpreter in accordance with  
17 conditions and a fee schedule prescribed by the administrative  
18 director. These services shall be provided by the employer. For  
19 purposes of this section, “qualified interpreter” means a language  
20 interpreter certified, or deemed certified, pursuant to Article 8  
21 (commencing with Section 11435.05) of Chapter 4.5 of Part 1 of  
22 Division 3 of Title 2 of, or Section 68566 of, the Government  
23 Code.

24 (g) If the injured employee cannot effectively communicate  
25 with his or her treating physician because he or she cannot  
26 proficiently speak or understand the English language, the injured  
27 employee is entitled to the services of a qualified interpreter during  
28 medical treatment appointments. To be a qualified interpreter for  
29 purposes of medical treatment appointments, an interpreter is not  
30 required to meet the requirements of subdivision (f), but shall meet  
31 any requirements established by rule by the administrative director  
32 that are substantially similar to the requirements set forth in Section  
33 1367.04 of the Health and Safety Code. The administrative director  
34 shall adopt a fee schedule for qualified interpreter fees in  
35 accordance with this section. Upon request of the injured employee,  
36 the employer or insurance carrier shall pay for interpreter services.  
37 An employer shall not be required to pay for the services of an  
38 interpreter who is not certified or is provisionally certified by the  
39 person conducting the medical treatment or examination unless  
40 either the employer consents in advance to the selection of the

1 individual who provides the interpreting service or the injured  
2 worker requires interpreting service in a language other than the  
3 languages designated pursuant to Section 11435.40 of the  
4 Government Code.

5 (h) Home health care services shall be provided as medical  
6 treatment only if reasonably required to cure or relieve the injured  
7 employee from the effects of his or her injury and prescribed by  
8 a physician and surgeon licensed pursuant to Chapter 5  
9 (commencing with Section 2000) of Division 2 of the Business  
10 and Professions Code, and subject to Section 5307.1 or 5703.8.  
11 The employer shall not be liable for home health care services that  
12 are provided more than 14 days prior to the date of the employer's  
13 receipt of the physician's prescription.

14 SEC. 2. Section 4610.5 of the Labor Code is amended to read:

15 4610.5. (a) This section applies to the following disputes:

16 (1) Any dispute over a utilization review decision regarding  
17 treatment for an injury occurring on or after January 1, 2013.

18 (2) Any dispute over a utilization review decision if the decision  
19 is communicated to the requesting physician on or after July 1,  
20 2013, regardless of the date of injury.

21 (b) A dispute described in subdivision (a) shall be resolved only  
22 in accordance with this section.

23 (c) For purposes of this section and Section 4610.6, the  
24 following definitions apply:

25 (1) "Disputed medical treatment" means medical treatment that  
26 has been modified, delayed, or denied by a utilization review  
27 decision.

28 (2) "Medically necessary" and "medical necessity" mean  
29 medical treatment that is reasonably required to cure or relieve the  
30 injured employee of the effects of his or her injury and based on  
31 the following standards, which shall be applied in the order listed,  
32 allowing reliance on a lower ranked standard only if every higher  
33 ranked standard is inapplicable to the employee's medical  
34 condition:

35 (A) The guidelines adopted by the administrative director  
36 pursuant to Section 5307.27.

37 (B) Peer-reviewed scientific and medical evidence regarding  
38 the effectiveness of the disputed service.

39 (C) Nationally recognized professional standards.

40 (D) Expert opinion.

1 (E) Generally accepted standards of medical practice.

2 (F) Treatments that are likely to provide a benefit to a patient  
3 for conditions for which other treatments are not clinically  
4 efficacious.

5 (3) “Utilization review decision” means a decision pursuant to  
6 Section 4610 to modify, delay, or deny, based in whole or in part  
7 on medical necessity to cure or relieve, a treatment  
8 recommendation or recommendations by a physician prior to,  
9 retrospectively, or concurrent with, the provision of medical  
10 treatment services pursuant to Section 4600 or subdivision (c) of  
11 Section 5402.

12 (4) Unless otherwise indicated by context, “employer” means  
13 the employer, the insurer of an insured employer, a claims  
14 administrator, or a utilization review organization, or other entity  
15 acting on behalf of any of them.

16 (d) If a utilization review decision denies, modifies, or delays  
17 a treatment recommendation, the employee may request an  
18 independent medical review as provided by this section.

19 (e) A utilization review decision may be reviewed or appealed  
20 only by independent medical review pursuant to this section.  
21 Neither the employee nor the employer shall have any liability for  
22 medical treatment furnished without the authorization of the  
23 employer if the treatment is delayed, modified, or denied by a  
24 utilization review decision unless the utilization review decision  
25 is overturned by independent medical review in accordance with  
26 this section.

27 (f) As part of its notification to the employee regarding an initial  
28 utilization review decision that denies, modifies, or delays a  
29 treatment recommendation, the employer shall provide the  
30 employee with a form not to exceed two pages, prescribed by the  
31 administrative director, and an addressed envelope, which the  
32 employee may return to the administrative director or the  
33 administrative director’s designee to initiate an independent  
34 medical review. The employer shall include on the form any  
35 information required by the administrative director to facilitate the  
36 completion of the independent medical review. The form shall  
37 also include all of the following:

38 (1) Notice that the utilization review decision is final unless the  
39 employee requests independent medical review.

1 (2) A statement indicating the employee’s consent to obtain any  
2 necessary medical records from the employer or insurer and from  
3 any medical provider the employee may have consulted on the  
4 matter, to be signed by the employee.

5 (3) Notice of the employee’s right to provide information or  
6 documentation, either directly or through the employee’s physician,  
7 regarding the following:

8 (A) The treating physician’s recommendation indicating that  
9 the disputed medical treatment is medically necessary for the  
10 employee’s medical condition.

11 (B) Medical information or justification that a disputed medical  
12 treatment, on an urgent care or emergency basis, was medically  
13 necessary for the employee’s medical condition.

14 (C) Reasonable information supporting the employee’s position  
15 that the disputed medical treatment is or was medically necessary  
16 for the employee’s medical condition, including all information  
17 provided to the employee by the employer or by the treating  
18 physician, still in the employee’s possession, concerning the  
19 employer’s or the physician’s decision regarding the disputed  
20 medical treatment, as well as any additional material that the  
21 employee believes is relevant.

22 (g) The independent medical review process may be terminated  
23 at any time upon the employer’s written authorization of the  
24 disputed medical treatment.

25 (h) (1) The employee may submit a request for independent  
26 medical review to the division no later than 30 days after the  
27 service of the utilization review decision to the employee.

28 (2) If at the time of a utilization review decision the employer  
29 is also disputing liability for the treatment for any reason besides  
30 medical necessity, the time for the employee to submit a request  
31 for independent medical review to the administrative director or  
32 administrative director’s designee is extended to 30 days after  
33 service of a notice to the employee showing that the other dispute  
34 of liability has been resolved.

35 (3) If the employer fails to comply with subdivision (f) at the  
36 time of notification of its utilization review decision, the time  
37 limitations for the employee to submit a request for independent  
38 medical review shall not begin to run until the employer provides  
39 the required notice to the employee.

1 (4) A provider of emergency medical treatment when the  
2 employee faced an imminent and serious threat to his or her health,  
3 including, but not limited to, the potential loss of life, limb, or  
4 other major bodily function, may submit a request for independent  
5 medical review on its own behalf. A request submitted by a  
6 provider pursuant to this paragraph shall be submitted to the  
7 administrative director or administrative director's designee within  
8 the time limitations applicable for an employee to submit a request  
9 for independent medical review.

10 (i) An employer shall not engage in any conduct that has the  
11 effect of delaying the independent review process. Engaging in  
12 that conduct or failure of the employer to promptly comply with  
13 this section is a violation of this section and, in addition to any  
14 other fines, penalties, and other remedies available to the  
15 administrative director, the employer shall be subject to an  
16 administrative penalty in an amount determined pursuant to  
17 regulations to be adopted by the administrative director, not to  
18 exceed five thousand dollars (\$5,000) for each day that proper  
19 notification to the employee is delayed. The administrative  
20 penalties shall be paid to the Workers' Compensation  
21 Administration Revolving Fund.

22 (j) For purposes of this section, an employee may designate a  
23 parent, guardian, conservator, relative, or other designee of the  
24 employee as an agent to act on his or her behalf. A designation of  
25 an agent executed prior to the utilization review decision shall not  
26 be valid. The requesting physician may join with or otherwise  
27 assist the employee in seeking an independent medical review,  
28 and may advocate on behalf of the employee.

29 (k) The administrative director or his or her designee shall  
30 expeditiously review requests and immediately notify the employee  
31 and the employer in writing as to whether the request for an  
32 independent medical review has been approved, in whole or in  
33 part, and, if not approved, the reasons therefor. If there appears to  
34 be any medical necessity issue, the dispute shall be resolved  
35 pursuant to an independent medical review, except that, unless the  
36 employer agrees that the case is eligible for independent medical  
37 review, a request for independent medical review shall be deferred  
38 if at the time of a utilization review decision the employer is also  
39 disputing liability for the treatment for any reason besides medical  
40 necessity.

1 (l) Upon notice from the administrative director that an  
2 independent review organization has been assigned, the employer  
3 shall provide to the independent medical review organization all  
4 of the following documents within 10 days of notice of assignment:

5 (1) A copy of all of the employee's medical records in the  
6 possession of the employer or under the control of the employer  
7 relevant to each of the following:

8 (A) The employee's current medical condition.  
9 (B) The medical treatment being provided by the employer.  
10 (C) The disputed medical treatment requested by the employee.

11 (2) A copy of all information provided to the employee by the  
12 employer concerning employer and provider decisions regarding  
13 the disputed treatment.

14 (3) A copy of any materials the employee or the employee's  
15 provider submitted to the employer in support of the employee's  
16 request for the disputed treatment.

17 (4) A copy of any other relevant documents or information used  
18 by the employer or its utilization review organization in  
19 determining whether the disputed treatment should have been  
20 provided, and any statements by the employer or its utilization  
21 review organization explaining the reasons for the decision to  
22 deny, modify, or delay the recommended treatment on the basis  
23 of medical necessity. The employer shall concurrently provide a  
24 copy of the documents required by this paragraph to the employee  
25 and the requesting physician, except that documents previously  
26 provided to the employee or physician need not be provided again  
27 if a list of those documents is provided.

28 (m) Any newly developed or discovered relevant medical  
29 records in the possession of the employer after the initial documents  
30 are provided to the independent medical review organization shall  
31 be forwarded immediately to the independent medical review  
32 organization. The employer shall concurrently provide a copy of  
33 medical records required by this subdivision to the employee or  
34 the employee's treating physician, unless the offer of medical  
35 records is declined or otherwise prohibited by law. The  
36 confidentiality of medical records shall be maintained pursuant to  
37 applicable state and federal laws.

38 (n) If there is an imminent and serious threat to the health of  
39 the employee, as specified in subdivision (c) of Section 1374.33  
40 of the Health and Safety Code, all necessary information and

1 documents required by subdivision (*l*) shall be delivered to the  
2 independent medical review organization within 24 hours of  
3 approval of the request for review.

4 (o) The employer shall promptly issue a notification to the  
5 employee, after submitting all of the required material to the  
6 independent medical review organization, that lists documents  
7 submitted and includes copies of material not previously provided  
8 to the employee or the employee's designee.

9 SEC. 3. Section 4903 of the Labor Code is amended to read:

10 4903. The appeals board may determine, and allow as liens  
11 against any sum to be paid as compensation, any amount  
12 determined as hereinafter set forth in subdivisions (a) through (i).  
13 If more than one lien is allowed, the appeals board may determine  
14 the priorities, if any, between the liens allowed. The liens that may  
15 be allowed hereunder are as follows:

16 (a) A reasonable attorney's fee for legal services pertaining to  
17 any claim for compensation either before the appeals board or  
18 before any of the appellate courts, and the reasonable disbursements  
19 in connection therewith. No fee for legal services shall be awarded  
20 to any representative who is not an attorney, except with respect  
21 to those claims for compensation for which an application, pursuant  
22 to Section 5501, has been filed with the appeals board on or before  
23 December 31, 1991, or for which a disclosure form, pursuant to  
24 Section 4906, has been sent to the employer, or insurer or  
25 third-party administrator, if either is known, on or before December  
26 31, 1991.

27 (b) The reasonable expense incurred by or on behalf of the  
28 injured employee, as provided by Article 2 (commencing with  
29 Section 4600), and to the extent the employee is entitled to  
30 reimbursement under Section 4621, medical-legal expenses as  
31 provided by Article 2.5 (commencing with Section 4620) of  
32 Chapter 2 of Part 2, except those disputes subject to independent  
33 medical review or independent bill review.

34 (c) The reasonable value of the living expenses of an injured  
35 employee or of his or her dependents, subsequent to the injury.

36 (d) The reasonable burial expenses of the deceased employee,  
37 not to exceed the amount provided for by Section 4701.

38 (e) The reasonable living expenses of the spouse or minor  
39 children of the injured employee, or both, subsequent to the date  
40 of the injury, where the employee has deserted or is neglecting his

1 or her family. These expenses shall be allowed in the proportion  
2 that the appeals board deems proper, under application of the  
3 spouse, guardian of the minor children, or the assignee, pursuant  
4 to subdivision (a) of Section 11477 of the Welfare and Institutions  
5 Code, of the spouse, a former spouse, or minor children. A  
6 collection received as a result of a lien against a workers'  
7 compensation award imposed pursuant to this subdivision for  
8 payment of child support ordered by a court shall be credited as  
9 provided in Section 695.221 of the Code of Civil Procedure.

10 (f) The amount of unemployment compensation disability  
11 benefits that have been paid under or pursuant to the  
12 Unemployment Insurance Code in those cases where, pending a  
13 determination under this division there was uncertainty whether  
14 the benefits were payable under the Unemployment Insurance  
15 Code or payable hereunder; provided, however, that any lien under  
16 this subdivision shall be allowed and paid as provided in Section  
17 4904.

18 (g) The amount of unemployment compensation benefits and  
19 extended duration benefits paid to the injured employee for the  
20 same day or days for which he or she receives, or is entitled to  
21 receive, temporary total disability indemnity payments under this  
22 division; provided, however, that any lien under this subdivision  
23 shall be allowed and paid as provided in Section 4904.

24 (h) The amount of family temporary disability insurance benefits  
25 that have been paid to the injured employee pursuant to the  
26 Unemployment Insurance Code for the same day or days for which  
27 that employee receives, or is entitled to receive, temporary total  
28 disability indemnity payments under this division, provided,  
29 however, that any lien under this subdivision shall be allowed and  
30 paid as provided in Section 4904.

31 (i) The amount of indemnification granted by the California  
32 Victims of Crime Program pursuant to Article 1 (commencing  
33 with Section 13959) of Chapter 5 of Part 4 of Division 3 of Title  
34 2 of the Government Code.

35 SEC. 4. Section 4903.07 of the Labor Code is amended to read:

36 4903.07. (a) A lien claimant shall be entitled to an order or  
37 award for reimbursement from the employer of a lien filing fee or  
38 lien activation fee, together with interest at the rate allowed on  
39 civil judgments, only if all of the following conditions are satisfied:

1 (1) Not less than 30 days before filing the lien for which the  
 2 filing fee was paid or filing the declaration of readiness for which  
 3 the lien activation fee was paid, the lien claimant has made written  
 4 demand for settlement of the lien claim for a clearly stated sum  
 5 which shall be inclusive of all claims of debt, interest, penalty, or  
 6 other claims potentially recoverable on the lien.

7 (2) The defendant fails to accept the settlement demand in  
 8 writing within 20 days of receipt of the demand for settlement, or  
 9 within any additional time as may be provide by the written  
 10 demand.

11 (3) After submission of the lien dispute to the appeals board or  
 12 an arbitrator, a final award is made in favor of the lien claimant  
 13 of a specified sum that is equal to or greater than the amount of  
 14 the settlement demand. The amount of the interest and filing fee  
 15 or lien activation fee shall not be considered in determining whether  
 16 the award is equal to or greater than the demand.

17 (b) This section shall not preclude an order or award of  
 18 reimbursement of the filing fee or activation fee pursuant to the  
 19 express terms of an agreed disposition of a lien dispute.

20 SEC. 5. Section 4903.8 of the Labor Code is amended to read:

21 4903.8. (a) (1) Any order or award for payment of a lien filed  
 22 pursuant to subdivision (b) of Section 4903 shall be made for  
 23 payment only to the person who was entitled to payment for the  
 24 expenses as provided in subdivision (b) of Section 4903 at the time  
 25 the expenses were incurred, and not to an assignee unless the  
 26 person has ceased doing business in the capacity held at the time  
 27 the expenses were incurred and has assigned all right, title, and  
 28 interest in the remaining accounts receivable to the assignee.

29 (2) Paragraph (1) does not apply to an assignment that was  
 30 completed prior to January 1, 2013, or that was required by a  
 31 contract that became enforceable and irrevocable prior to January  
 32 1, 2013. This paragraph is declarative of existing law.

33 (b) If there has been an assignment of a lien, either as an  
 34 assignment of all right, title, and interest in the accounts receivable  
 35 or as an assignment for collection, a true and correct copy of the  
 36 assignment shall be filed and served.

37 (1) If the lien is filed on or after January 1, 2013, and the  
 38 assignment occurs before the filing of the lien, the copy of the  
 39 assignment shall be served at the time the lien is filed.

1 (2) If the lien is filed on or after January 1, 2013, and the  
2 assignment occurs after the filing of the lien, the copy of the  
3 assignment shall be served within 20 days of the date of the  
4 assignment.

5 (3) If the lien is filed before January 1, 2013, the copy of the  
6 assignment shall be served by January 1, 2014, or with the filing  
7 of a declaration of readiness or at the time of a lien hearing,  
8 whichever is earliest.

9 (c) If there has been more than one assignment of the same  
10 receivable or bill, the appeals board may set the matter for hearing  
11 on whether the multiple assignments constitute bad-faith actions  
12 or tactics that are frivolous, harassing, or intended to cause  
13 unnecessary delay or expense. If so found by the appeals board,  
14 appropriate sanctions, including costs and attorney's fees, may be  
15 awarded against the assignor, assignee, and their respective  
16 attorneys.

17 (d) At the time of filing of a lien on or after January 1, 2013, or  
18 in the case of a lien filed before January 1, 2013, at the earliest of  
19 the filing of a declaration of readiness, a lien hearing, or January  
20 1, 2014, supporting documentation shall be filed including one or  
21 more declarations under penalty of perjury by a natural person or  
22 persons competent to testify to the facts stated, declaring both of  
23 the following:

24 (1) The services or products described in the bill for services  
25 or products were actually provided to the injured employee.

26 (2) The billing statement attached to the lien truly and accurately  
27 describes the services or products that were provided to the injured  
28 employee.

29 (e) A lien submitted for filing on or after January 1, 2013, for  
30 expenses provided in subdivision (b) of Section 4903, that does  
31 not comply with the requirements of this section shall be deemed  
32 to be invalid, whether or not accepted for filing by the appeals  
33 board, and shall not operate to preserve or extend any time limit  
34 for filing of the lien.

35 (f) This section shall take effect without regulatory action. The  
36 appeals board and the administrative director may promulgate  
37 regulations and forms for the implementation of this section.

38 SEC. 6. Section 5410 of the Labor Code is amended to read:

39 5410. Nothing in this chapter shall bar the right of any injured  
40 worker to institute proceedings for the collection of compensation

1 within five years after the date of the injury upon the ground that  
2 the original injury has caused new and further disability. The  
3 jurisdiction of the appeals board in these cases shall be a continuing  
4 jurisdiction within this period. This section does not extend the  
5 limitation provided in Section 5407.

6 ~~SEC. 7. Section 5502 of the Labor Code is amended to read:~~

7 ~~5502. (a) Except as provided in subdivisions (b) and (d), the~~  
8 ~~hearing shall be held not less than 10 days, and not more than 60~~  
9 ~~days, after the date a declaration of readiness to proceed, on a form~~  
10 ~~prescribed by the appeals board, is filed. If a claim form has been~~  
11 ~~filed for an injury occurring on or after January 1, 1990, and before~~  
12 ~~January 1, 1994, an application for adjudication shall accompany~~  
13 ~~the declaration of readiness to proceed.~~

14 ~~(b) The administrative director shall establish a priority calendar~~  
15 ~~for issues requiring an expedited hearing and decision. A hearing~~  
16 ~~shall be held and a determination as to the rights of the parties~~  
17 ~~shall be made and filed within 30 days after the declaration of~~  
18 ~~readiness to proceed is filed if the issues in dispute are any of the~~  
19 ~~following, provided that if an expedited hearing is requested, no~~  
20 ~~other issue may be heard until the medical provider network dispute~~  
21 ~~is resolved:~~

22 ~~(1) The employee's entitlement to medical treatment pursuant~~  
23 ~~to Section 4600, except for treatment issues determined pursuant~~  
24 ~~to Sections 4610 and 4610.5.~~

25 ~~(2) Whether the injured employee is required to obtain treatment~~  
26 ~~within a medical provider network.~~

27 ~~(3) The employee's entitlement to, or the amount of, temporary~~  
28 ~~disability indemnity payments.~~

29 ~~(4) The employee's entitlement to compensation from one or~~  
30 ~~more responsible employers when two or more employers dispute~~  
31 ~~liability as among themselves.~~

32 ~~(5) Any other issues requiring an expedited hearing and~~  
33 ~~determination as prescribed in rules and regulations of the~~  
34 ~~administrative director.~~

35 ~~(c) The administrative director shall establish a priority~~  
36 ~~conference calendar for cases in which the employee is represented~~  
37 ~~by an attorney and the issues in dispute are employment or injury~~  
38 ~~arising out of employment or in the course of employment. The~~  
39 ~~conference shall be conducted by a workers' compensation~~  
40 ~~administrative law judge within 30 days after the declaration of~~

1 ~~readiness to proceed. If the dispute cannot be resolved at the~~  
2 ~~conference, a trial shall be set as expeditiously as possible, unless~~  
3 ~~good cause is shown why discovery is not complete, in which case~~  
4 ~~status conferences shall be held at regular intervals. The case shall~~  
5 ~~be set for trial when discovery is complete, or when the workers'~~  
6 ~~compensation administrative law judge determines that the parties~~  
7 ~~have had sufficient time in which to complete reasonable discovery.~~  
8 ~~A determination as to the rights of the parties shall be made and~~  
9 ~~filed within 30 days after the trial.~~

10 ~~(d) (1) In all cases, a mandatory settlement conference, except~~  
11 ~~a lien conference or a mandatory settlement lien conference, shall~~  
12 ~~be conducted not less than 10 days, and not more than 30 days,~~  
13 ~~after the filing of a declaration of readiness to proceed. If the~~  
14 ~~dispute is not resolved, the regular hearing, except a lien trial, shall~~  
15 ~~be held within 75 days after the declaration of readiness to proceed~~  
16 ~~is filed.~~

17 ~~(2) The settlement conference shall be conducted by a workers'~~  
18 ~~compensation administrative law judge or by a referee who is~~  
19 ~~eligible to be a workers' compensation administrative law judge~~  
20 ~~or eligible to be an arbitrator under Section 5270.5. At the~~  
21 ~~mandatory settlement conference, the referee or workers'~~  
22 ~~compensation administrative law judge shall have the authority to~~  
23 ~~resolve the dispute, including the authority to approve a~~  
24 ~~compromise and release or issue a stipulated finding and award,~~  
25 ~~and if the dispute cannot be resolved, to frame the issues and~~  
26 ~~stipulations for trial. The appeals board shall adopt any regulations~~  
27 ~~needed to implement this subdivision. The presiding workers'~~  
28 ~~compensation administrative law judge shall supervise settlement~~  
29 ~~conference referees in the performance of their judicial functions~~  
30 ~~under this subdivision.~~

31 ~~(3) If the claim is not resolved at the mandatory settlement~~  
32 ~~conference, the parties shall file a pretrial conference statement~~  
33 ~~noting the specific issues in dispute, each party's proposed~~  
34 ~~permanent disability rating, and listing the exhibits, and disclosing~~  
35 ~~witnesses. Discovery shall close on the date of the mandatory~~  
36 ~~settlement conference. Evidence not disclosed or obtained~~  
37 ~~thereafter shall not be admissible unless the proponent of the~~  
38 ~~evidence can demonstrate that it was not available or could not~~  
39 ~~have been discovered by the exercise of due diligence prior to the~~  
40 ~~settlement conference.~~

1     ~~(e) In cases involving the Director of Industrial Relations in his~~  
2     ~~or her capacity as administrator of the Uninsured Employers Fund,~~  
3     ~~this section shall not apply unless proof of service, as specified in~~  
4     ~~paragraph (1) of subdivision (d) of Section 3716, has been filed~~  
5     ~~with the appeals board and provided to the Director of Industrial~~  
6     ~~Relations, valid jurisdiction has been established over the employer,~~  
7     ~~and the fund has been joined.~~  
8     ~~(f) Except as provided in subdivision (a) and in Section 4065,~~  
9     ~~the provisions of this section shall apply irrespective of the date~~  
10    ~~of injury.~~