

AMENDED IN ASSEMBLY MARCH 29, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2883**

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**Introduced by Committee on Insurance (Assembly Members Daly (Chair), Travis Allen, Bigelow, Calderon, Cooley, Cooper, Dababneh, Frazier, Beth Gaines, Gatto, Gonzalez, and Rodriguez)**

February 25, 2016

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An act to add Section 77.7 to, and to repeal Section 6354.7 of, the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2883, as amended, Committee on Insurance. Workers' compensation: utilization review.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, within the Department of Industrial Relations, to compensate an employee for injuries sustained in the course of his or her employment. Existing law requires every employer to establish a utilization review process, and defines "utilization review" as utilization review or utilization management functions that prospectively, retrospectively, or concurrently review and approve, modify, delay, or deny, based in whole or in part on medical necessity to cure and relieve an injured worker from the effects of his or her injury, treatment recommendations by physicians, prior to, retrospectively, or concurrent with providing medical treatment services.

Existing law also establishes the Commission on Health and Safety and Workers' Compensation in the department. Existing law directs the commission to conduct a continuing examination of the workers' compensation system and of the state's activities to prevent industrial

injuries and occupational diseases. Existing law also authorizes the commission to conduct or contract for studies it deems necessary to carry out its responsibilities.

This bill would require the commission to conduct, or contract for the conduct of, a feasibility study regarding the extent to which physicians’ requests for authorization of medical treatment for injured employees may be processed using an entirely paperless system. The bill would provide that the primary focus of the feasibility study shall be to determine whether the change to a paperless system would reduce the time required to provide medical treatment services to injured employees. The bill would require the commission to consult with stakeholders, as specified, and would grant the commission discretion to decide whether to conduct or contract for the conduct of the feasibility study. *The bill would also delete obsolete provisions.*

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 77.7 is added to the Labor Code, to read:
- 2 77.7. (a) The commission shall conduct, or contract for the
- 3 conduct of, a feasibility study regarding the extent to which
- 4 physicians’ requests for authorization of medical treatment for
- 5 injured employees may be processed using an entirely paperless
- 6 system. The primary focus of the feasibility study shall be to
- 7 determine whether the change to a paperless system would reduce
- 8 the time required to provide medical treatment services to injured
- 9 employees.
- 10 (b) The commission shall consult with stakeholders, including
- 11 employers, employees, and medical providers, in conducting or
- 12 contracting for the feasibility study pursuant to subdivision (a).
- 13 (c) The commission shall have discretion to decide whether to
- 14 conduct or contract for the conduct of the feasibility study pursuant
- 15 to this section.
- 16 SEC. 2. Section 6354.7 of the Labor Code, as added by Section
- 17 84 of Chapter 6 of the Statutes of 2002, is repealed.
- 18 ~~6354.7. (a) The Workers’ Occupational Safety and Health~~
- 19 ~~Education Fund is hereby created as a special account in the State~~
- 20 ~~Treasury. Proceeds of the fund may be expended, upon~~
- 21 ~~appropriation by the Legislature, by the Commission on Health~~

1 and Safety and Workers' Compensation for the purpose of  
2 establishing and maintaining a worker occupational safety and  
3 health training and education program and insurance loss control  
4 services coordinator. The director shall levy and collect fees to  
5 fund these purposes from insurers subject to Section 6354.5.  
6 However, the fee assessed against any insurer shall not exceed the  
7 greater of one hundred dollars (\$100) or 0.0286 percent of paid  
8 workers' compensation indemnity claims as reported for the  
9 previous calendar year to the designated rating organization for  
10 the analysis required under subdivision (b) of Section 11759.1 of  
11 the Insurance Code. All fees shall be deposited in the fund.

12 (b) The commission shall establish and maintain a worker safety  
13 and health training and education program. The purpose of the  
14 worker occupational safety and health training and education  
15 program shall be to promote awareness of the need for prevention  
16 education programs, to develop and provide injury and illness  
17 prevention education programs for employees and their  
18 representatives, and to deliver those awareness and training  
19 programs through a network of providers throughout the state. The  
20 commission may conduct the program directly or by means of  
21 contracts or interagency agreements.

22 (c) The commission shall establish an employer and worker  
23 advisory board for the program. The advisory board shall guide  
24 the development of curricula, teaching methods, and specific course  
25 material about occupational safety and health, and shall assist in  
26 providing links to the target audience and broadening the  
27 partnerships with worker-based organizations, labor studies  
28 programs, and others that are able to reach the target audience.

29 (d) The program shall include the development and provision  
30 of a needed core curriculum addressing competencies for effective  
31 participation in workplace injury and illness prevention programs  
32 and on joint labor-management health and safety committees. The  
33 core curriculum shall include an overview of the requirements  
34 related to injury and illness prevention programs and hazard  
35 communication.

36 (e) The program shall include the development and provision  
37 of additional training programs for any or all of the following  
38 categories:

39 (1) Industries on the high hazard list.

- 1     ~~(2) Hazards that result in significant worker injuries, illnesses,~~  
2     ~~or compensation costs.~~
- 3     ~~(3) Industries or trades where workers are experiencing~~  
4     ~~numerous or significant injuries or illnesses.~~
- 5     ~~(4) Occupational groups with special needs, such as those who~~  
6     ~~do not speak English as their first language, workers with limited~~  
7     ~~literacy, young workers, and other traditionally underserved~~  
8     ~~industries or groups of workers. Priority shall be given to training~~  
9     ~~workers who are able to train other workers and workers who have~~  
10    ~~significant health and safety responsibilities, such as those workers~~  
11    ~~serving on a health and safety committee or serving as designated~~  
12    ~~safety representatives.~~
- 13    ~~(f) The program shall operate one or more libraries and~~  
14    ~~distribution systems of occupational safety and health training~~  
15    ~~material, which shall include, but not be limited to, all material~~  
16    ~~developed by the program pursuant to this section.~~
- 17    ~~(g) The advisory board shall annually prepare a written report~~  
18    ~~evaluating the use and impact of programs developed.~~
- 19    ~~(h) The payment of administrative costs incurred by the~~  
20    ~~commission in conducting the program shall be made from the~~  
21    ~~Workers' Occupational Safety and Health Education Fund.~~