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

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 concurrently 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.


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

SECTION 1. Section 77.7 is added to the Labor Code, to read:

77.7. (a) The commission shall 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 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.

(b) The commission shall consult with stakeholders, including employers, employees, and medical providers, in conducting or contracting for the feasibility study pursuant to subdivision (a).

(c) The commission shall have discretion to decide whether to conduct or contract for the conduct of the feasibility study pursuant to this section.

SEC. 2. Section 6354.7 of the Labor Code, as added by Section 84 of Chapter 6 of the Statutes of 2002, is repealed.

6354.7. (a) The Workers’ Occupational Safety and Health Education Fund is hereby created as a special account in the State Treasury. Proceeds of the fund may be expended, upon appropriation by the Legislature, by the Commission on Health
and Safety and Workers’ Compensation for the purpose of establishing and maintaining a worker occupational safety and health training and education program and insurance loss control services coordinator. The director shall levy and collect fees to fund these purposes from insurers subject to Section 6354.5. However, the fee assessed against any insurer shall not exceed the greater of one hundred dollars ($100) or 0.0286 percent of paid workers’ compensation indemnity claims as reported for the previous calendar year to the designated rating organization for the analysis required under subdivision (b) of Section 11759.1 of the Insurance Code. All fees shall be deposited in the fund.

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

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

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

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

(1) Industries on the high hazard list.
(2) Hazards that result in significant worker injuries, illnesses, or compensation costs.

(3) Industries or trades where workers are experiencing numerous or significant injuries or illnesses.

(4) Occupational groups with special needs, such as those who do not speak English as their first language, workers with limited literacy, young workers, and other traditionally underserved industries or groups of workers. Priority shall be given to training workers who are able to train other workers and workers who have significant health and safety responsibilities, such as those workers serving on a health and safety committee or serving as designated safety representatives.

(f) The program shall operate one or more libraries and distribution systems of occupational safety and health training material, which shall include, but not be limited to, all material developed by the program pursuant to this section.

(g) The advisory board shall annually prepare a written report evaluating the use and impact of programs developed.

(h) The payment of administrative costs incurred by the commission in conducting the program shall be made from the Workers' Occupational Safety and Health Education Fund.