

Senate Bill No. 2101

CHAPTER 282

An act to amend Section 4600.7 of the Labor Code, relating to the Workers' Compensation Managed Care Fund.

[Approved by Governor August 10, 1998. Filed with Secretary of State August 10, 1998.]

LEGISLATIVE COUNSEL'S DIGEST

SB 2101, Peace. Workers' Compensation Managed Care Fund.

Existing law establishes the Workers' Compensation Managed Care Fund for the administration, by the Division of Workers' Compensation, of specified provisions of law providing for the certification of health care organizations to provide health care to injured workers. Existing law requires the Administrative Director of the Division of Workers' Compensation to establish a schedule of fees and revenues to be charged to certified health care organizations and applicants for certification to fully fund the administration of these specified provisions of law and to repay amounts received as a loan from the General Fund.

This bill would provide that, on and after July 1, 1998, no funds received as a loan from the General Fund shall be used to support the administration of these provisions. The bill would require the loan amount to be repaid to the General Fund by assessing a surcharge on the enrollment fee for each of the next 5 fiscal years, and if that is insufficient, by adjusting the surcharge to fully repay the loan over the following 3 fiscal years, as specified.

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

SECTION 1. Section 4600.7 of the Labor Code is amended to read:

4600.7. (a) The Workers' Compensation Managed Care Fund is hereby created in the State Treasury for the administration of Sections 4600.3 and 4600.5 by the Division of Workers' Compensation. The administrative director shall establish a schedule of fees and revenues to be charged to certified health care organizations and applicants for certification to fully fund the administration of these provisions and to repay amounts received as a loan from the General Fund. All fees and revenues shall be deposited in the Workers' Compensation Managed Care Fund and shall be used when appropriated by the Legislature solely for the purpose of carrying out the responsibilities of the Division of Workers' Compensation under Section 4600.3 or 4600.5.



(b) On and after July 1, 1998, no funds received as a loan from the General Fund shall be used to support the administration of Sections 4600.3 and 4600.5. The loan amount shall be repaid to the General Fund by assessing a surcharge on the enrollment fee for each of the next five fiscal years. In the event the surcharge does not produce sufficient revenue over this period, the surcharge shall be adjusted to fully repay the loan over the following three fiscal years, with the final assessment calculated by dividing the balance of the loan by the enrollees at the end of the final fiscal year.

