

Workers Comp Reform – What SB899 Means To California Employers

By James Harwood – CEO, Total HR

By now I'm sure most of you have heard of Senate Bill 899 which was signed by Governor Schwarzenegger in April 2004. While some changes went into effect immediately, some updates and requirements went into effect January 1, 2005. The new law provides hope for system reform and cost relief for California employers, however as business owners you all play a significant role in how successful these reforms are at achieving the bill's intent. This article highlights two of the more important components of SB 899, Medical Networks and Pre-designation.

Medical Networks – Effective January 1, 2005

Designed to keep treating physicians within the network, the bill provides the right for employers to establish a network of medical providers for the treatment of injured workers. Injured employees must seek treatment from a doctor within the network and only after seeking a second and third opinion from doctors within the network is an employee given the opportunity to seek an Independent Medical Review (IMR). Only if the IMR agrees with the employee about the disputed treatment, is the employee allowed to obtain treatment from a doctor of his or her choice. Employers insured by the State Compensation Insurance Fund are automatically enrolled in the State Fund's Preferred Provider Network (PPN). You and your employees should be aware of the doctors in your geographic area that are part of this PPN so if an injury does occur you know where to send the injured worker.

Pre-designation – Effective April 19, 2004

SB 899 resulted in a significant change to the option for employees to pre-designate a doctor of their choice. Under the State Fund, employees **ONLY** have the option to pre-designate if the following conditions are met:

- Your organization provides group health insurance coverage.
- The physician participates in the group plan, has treated the employee in the past, and has the employee's medical records.
- The physician agrees to be pre-designated.

If all of these do not exist, the employee has no option to pre-designate and **MUST** receive treatment from a doctor in the PPN.

If you have any questions on these changes, or if you are unsure of the doctors in your geographic who are part of State Fund's PPN contact Total HR at 818-248-0049. You should also be providing each current employee (as well as new hires) with a copy of State Fund's brochure "Your Guide to Workers Compensation". To order copies contact James Harwood.