



California Coalition on
Workers' Compensation



UPDATED

June 26, 2023

TO: Members, Assembly Insurance Committee

**SUBJECT: SB 636 (CORTESE) WORKERS' COMPENSATION: UTILIZATION REVIEW
OPPOSE – AS AMENDED JUNE 21, 2023**

The California Chamber of Commerce and the undersigned organizations are respectfully **OPPOSED** to **SB 636 (Cortese)**.

There is No Justification for Requiring Utilization Review Doctors to be Licensed in California

SB 636 would require any psychologist or physician who conducts utilization review in a workers' compensation claim involving a private employer to be licensed in the State of California. There is no evidence that this would improve care to injured workers. This requirement is entirely unrelated to the effective execution of the duties entrusted to a utilization review psychologist or physician. All decisions made by utilization review psychologists and physicians are required to be based on the medical treatment utilization schedule that has been adopted by the Administrative Director for the Division of Workers' Compensation. If treatment varies from that schedule, it must be based on evidence-based, peer reviewed, nationally recognized standards. Because the utilization review standards are nationally based, there is no scenario in which a California psychologist or physician would be more qualified to make a utilization review decision based solely on the fact that they are licensed in California.

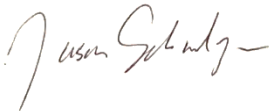
California psychologists and physicians do not have specific knowledge that would make this process any more fair or efficient. Conversely, a requirement that such professionals be licensed in California would only limit the number of doctors available to perform utilization review services, thereby creating a logjam of cases that need to be reviewed. Additionally, this limitation would likely drive up the cost of utilization review services because the demand for those services would increase relative to the number of providers who are legally able to perform them. Utilization review enables employers to hold psychologists and physicians to evidence based medical treatment standards and to ensure that employees received the best medical treatment possible while keeping costs under control.

Indeed, Governor Brown vetoed a similar bill in 2011:

I am returning Assembly Bill 584 without my signature. This bill would require that the physician conducting utilization review of requests for medical treatment in Workers Compensation claims be licensed in California. This requirement of using only California-licensed physicians to conduct utilization review in Workers Compensation cases would be an abrupt change and inconsistent with the manner in which utilization review is conducted by health care service plans under the Knox-Keene Act and by those regulated by the California Department of Insurance. I am not convinced that establishing a separate standard for Workers Compensation utilization review makes sense. Sincerely, Edmund G. Brown Jr.

For these and other reasons, we respectfully **OPPOSE SB 636**.

Sincerely,



Jason Schmelzer
Shaw Yoder Antwih Schmelzer & Lange
On behalf of California Chamber of Commerce

Acclamation Insurance Management Services (AIMS)
Allied Managed Care (AMC)
American Property Casualty Insurance Association
Arriba Data Systems
Associated General Contractors (AGC)
Association of California Health Care Districts (ACHD)
Association of Claims Professionals (ACP)
California Alliance of Self-Insured Groups (CA-SIG)
California Association of Joint Power Authorities
California Chamber of Commerce
California Coalition on Workers' Compensation
California League of Food Producers
Coalition of Small and Disabled Veteran Businesses
Encompass Health Solutions
Flasher Barricade Association (FBA)
Housing Contractors of California
National Association of Independent Review Organizations (NAIRO)
Nexus Enterprises
ProPeer Resources
Public Risk Innovations, Solutions, and Management (PRISM)
Rural County Representatives of California

cc: Legislative Affairs, Office of the Governor
Evan Fern, Office of Senator Cortese
Claire Wendt, Assembly Insurance Committee
Bill Lewis, Assembly Republican Caucus

JS:am