California
LEGISLATIVE INFORMATION

SB-863 Workers' compensation. +534405345,

SECTION 1. *The Legislature finds and declares all of the following:*

(a) That Section 4 of Article XIV of the California Constitution authorizes the creation of a workers' compensation system that includes adequate provision for the comfort, health and safety, and general welfare of workers and their dependents to relieve them of the consequences of any work-related injury or death, irrespective of the fault of any party and requires the administration of the workers' compensation system to accomplish substantial justice in all cases expeditiously, inexpensively, and without encumbrance of any character, all of which matters are expressly declared to be the social public policy of this state.

(b) That the current system of determining permanent disability has become excessively litigious, time consuming, procedurally burdensome and unpredictable, and that the provisions of this act will produce the necessary uniformity, consistency, and objectivity of outcomes, in accordance with the constitutional mandate to accomplish substantial justice in all cases expeditiously, inexpensively, and without encumbrance of any character, and that in enacting subdivision (c) of Section 4660.1 of the Labor Code, the Legislature intends to eliminate questionable claims of disability when alleged to be caused by a disabling physical injury arising out of and in the course of employment while guaranteeing medical treatment as required by Division 4 (commencing with Section 3200) of the Labor Code.

(c) That in enacting this act, it is not the intent of the Legislature to overrule the holding in Milpitas Unified School District v. Workers Comp. Appeals Bd. (Guzman) (2010) 187 Cal.App.4th 808.

(d) That the current system of resolving disputes over the medical necessity of requested treatment is costly, time consuming, and does not uniformly result in the provision of treatment that adheres to the highest standards of evidence-based medicine, adversely affecting the health and safety of workers injured in the course of employment.

(e) That having medical professionals ultimately determine the necessity of requested treatment furthers the social policy of this state in reference to using evidence-based medicine to provide injured workers with the highest quality of medical care and that the provision of the act establishing independent medical review are necessary to implement that policy.

(f) That the performance of independent medical review is a service of such a special and unique nature that it must be contracted pursuant to paragraph (3) of subdivision (b) of Section 19130 of the Government Code, and that independent medical review is a new state function pursuant to paragraph (2) of subdivision (b) of Section 19130 of the Government Code that will be more expeditious, more economical, and more scientifically sound than the existing function of medical necessity determinations performed by qualified medical evaluators appointed pursuant to Section 139.2 of the Labor Code. The existing process of appointing qualified medical evaluators to examine patients and resolve treatment disputes is costly and time-consuming, and it prolongs disputes and causes delays in medical treatment for injured workers. Additionally, the process of selection of qualified medical evaluators can bias the outcomes. Timely and medically sound determinations of disputes over appropriate medical treatment require the independent and unbiased medical expertise of specialists that are not available through the civil service system.

(g) That the establishment of independent medical review and provision for limited appeal of decisions resulting from independent medical review are a necessary exercise of the Legislature's plenary power to provide for the settlement of any disputes arising under the workers' compensation laws of this state and to control the manner of review of such decisions.

(h) That the performance of independent bill review is a service of such a special and unique nature that it must be contracted pursuant to paragraph (3) of subdivision (b) of Section 19130 of the Government Code, and that independent bill review is a new state function pursuant to paragraph (2) of subdivision (b) of Section 19130 of the Government Code. Existing law provides no method of medical billing dispute resolution short of litigation. Existing law does not provide for medical billing and payment experts to resolve billing disputes, and billing

issues are frequently submitted to workers' compensation judges without the benefit of independent and unbiased findings on these issues. Medical billing and payment systems are a field of technical and specialized expertise, requiring services that are not available through the civil service system. The need for independent and unbiased findings and determinations requires that this new function be contracted pursuant to subdivision (b) of Section 19130 of the Government Code.

SEC. 2. Vhfwlrq#44768163#ri#wkh#Jryhuqphqw#Frgh#lv#dphqghg#wr#uhdg=

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(c) (1) In addition to the certification procedure provided pursuant to subdivision (a), the Administrative Director of the Division of Workers' Compensation may establish, maintain, administer, and publish annually an updated list of certified administrative hearing interpreters who, based on testing by an independent organization designated by the administrative director, have been determined to meet the minimum standards in interpreting skills and linguistic abilities in languages designated pursuant to Section 11435.40, for purposes of administrative hearings conducted pursuant to proceedings of the Workers' Compensation Appeals Board. The independent testing organization shall have no financial interest in the training of interpreters or in the employment of interpreters for administrative hearings.

(2) (A) A fee, as determined by the administrative director, shall be collected from each interpreter seeking certification. The fee shall not exceed the reasonable regulatory costs of administering the testing and certification program and of publishing the list of certified administrative hearing interpreters on the Division of Workers' Compensation' Internet Web site.

(B) The Legislature finds and declares that the services described in this section are of such a special and unique nature that they may be contracted out pursuant to paragraph (3) of subdivision (b) of Section 19130. The Legislature further finds and declares that the services described in this section are a new state function pursuant to paragraph (2) of subdivision (b) of Section 19130.

SEC. 3. Vhfwlrq#44768168#ri#wkh#Jryhuqphqw#Frgh#lv#dphqghg#wr#uhdg=

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(c) (1) In addition to the certification procedure provided pursuant to subdivision (a), the Administrative Director of the Division of Workers' Compensation may establish, maintain, administer, and publish annually an updated list of certified medical examination interpreters who, based on testing by an independent organization designated by the administrative director, have been determined to meet the minimum standards in interpreting skills and linguistic abilities in languages designated pursuant to Section 11435.40, for purposes of medical examinations conducted pursuant to proceedings of the Workers' Compensation Appeals Board, and medical examinations conducted pursuant to Division 4 (commencing with Section 3200) of the Labor Code. The independent testing organization shall have no financial interest in the training of interpreters or in the employment of interpreters for administrative hearings.

(2) (A) A fee, as determined by the administrative director, shall be collected from each interpreter seeking certification. The fee shall not exceed the reasonable regulatory costs of administering the testing and certification program and of publishing the list of certified medical examination interpreters on the Division of Workers' Compensation's Internet Web site.

(B) The Legislature finds and declares that the services described in this section are of such a special and unique nature that they may be contracted out pursuant to paragraph (3) of subdivision (b) of Section 19130.

The Legislature further finds and declares that the services described in this section are a new state function pursuant to paragraph (2) of subdivision (b) of Section 19130.

SEC. 4.#Vhfwlrq#9518#ri#wkh#Oderu#Frgh#lv#dphqghg#wr#uhdg=

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eh#dOorfdwhg#ehwz hhq#hp sor|huv#lq#sursruwlrq#wr#sd|uroo#uhvshfwlyho|#sdlg#lq#wkh#p rvw#uhfhqw#|hdu#iru#z klfk#
sd|uroo#lqirup dwlrq#lv#dydlodeoh1#Wkh#gluhfwru#vkdoo#dgrsw#uhdvrqdeoh#uhjxodwlrqv#jryhuqlqj#wkh#p dqqhu#ri#
froohfwlrq#ri#wkh#vxufkdujhv1Lq#qr#hyhqw#vkdoo#wkh#wrwdo#dp rxqw#ri#wkh#vxufkdujh#sdlg#e|#hp sor|huv#h{fhhg#wkh#
dp rxqw#uhdvrqdeo|#qhfhvvdu|#wr#fduu|#rxw#wkh#sxusrvhv#ri#wklv#vhfwlrq1

+7,#Wkh#vxufkdujh#ohylhg#e|#wkh#gluhfwru#iru#wkh#Oderu#Hqirufhp hqw#dqg#Frp sOldqfh#Ixqg#vkdoo#qrw#h{fhhg#wkluw|
0vhyhq#p loolrq#grooduv#+'6:/333/333,#lq#wkh#533<µ43#ilvfdo#|hdu#dgmxvwhg#dv#dssursuldwh#wr#uhfrqfloh#dq|#
ryhu2xqghu#dvvhvvp hqw#iurp #suhylrxv#ilvfdo#|hduv#dqg#vkdoo#qrw#eh#dgmxvwhg#hdfk#|hdu#wkhuhdiwhu#e|#p ruh#
wkdq#wkh#vwdwh0olfdo#jryhuqp hqw#ghiodwru/#dqg#dv#dssursuldwh#wr#uhfrqfloh#dq|#ryhu2xqghu#dvvhvvp hqw#iurp #
suhylrxv#ilvfdo#|hduv#sxuvxdqw#wr#Vhfwlrqv#48939#dqg#4893<#ri#Wlwoh#;#ri#wkh#Fdoliruqld#Frgh#ri#Uhjxodwlrqv1

+8,#Wkh#uhjxodwlrqv#dgrswhg#sxuvxdqw#wr#sdudjudsk#+4,#wr#+7,/#lqfoxvlyh/#vkdoo#eh#h{hp sw#iurp #wkh#uxohp dnlqj#
surylvlrqv#ri#wkh#Dgp lqlvwudwlyh#Surfhgxuh#Dfw#+Fkdswhu#618#frp p hqflqj#z lwk#Vhfwlrq#44673,#ri#Sduw#4#ri#
Glylvlrq#6#ri#Wlwoh#5#ri#wkh#Jryhuqp hqw#Frgh,1

+j,#Rq#dqg#diwhu#Mxo|#4/#5346/#vxeglylvlrq#+h,#dqg#sdudjudskv#+5,#wr#+7,/#lqfoxvlyh/#ri#vxeglylvlrq#+i,#duh#
lqrshudwlyh/#xqohvv#d#odwhu#hqdfwhg#vwdwxwh/#wkdw#lv#hqdfwhg#ehiruh#Mxo|#4/#5346/#ghohwhv#ru#h{whqgv#wkdw#gdwh1

SEC. 5.#Vhfwlrq#46<12#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

139.2. +d,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#dssrlqw#txdolilhg#p hglfdo#hydoxdwruv#lq#hdfk#ri#wkh#uhvshfwlyh#vshfldowlhv#dv#uhtxluhg#iru#wkh#hydoxdwlrq#ri#p hglfdo0ohjdo#lvvxhv1Wkh#dssrlqwp hqw#vkdoo#eh#iru#wz r0|hdu#whup v1

+e,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#dssrlqw#ru#uhdssrlqw#dv#d#txdolilhg#p hglfdo#hydoxdwru#d#sk|vlfldq/#dv#ghilqhg#lq#Vhfwlrq#653<16/#z kr#lv#olfhqvhg#wr#sudfwlfh#lq#wklv#vwdwh#dqg#z kr#ghp rqvwudwhv#wkdw#kh#ru#vkh#p hhwv#wkh#uhtxluhp hqw#lq#sdudjudskv#+4,/#+5,/#+9,/#dqg#+:,/#dqg#li#wkh#sk|vlfldq#lv#d#p hglfdo#grfwru#ru#grfwru#ri#rvwhrsdwk|/#grfwru#ri#fklursudfwlf/#ru#d#sv|fkrorjlvw/#wkdw#kh#ru#vkh#dovr#p hhwv#wkh#dssolfdeoh#uhtxluhp hqw#lq#sdudjudsk#+6,/#+7,/#ru#+8,1

+4,#Sulru#wr#klv#ru#khu#dssrlqwp hqw#dv#d#txdolilhg#p hglfdo#hydoxdwru/#sdvvhv#dq#h{dp lqdwlrq#z ulwwhq#dqg#dgp lqlvwhuhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#iru#wkh#sxusrvh#ri#ghp rqvwudwlqj#frp shwhqfh#lq#hydoxdwlqj#p hglfdo0ohjdo#lvvxhv#lq#wkh#z runhuvÑ#frp shqvdwlrq#v|vwhp 1Sk|vlfldqv#vkdoo#qrw#eh#uhtxluhg#wr#sdvv#dq#dgglwlrqdo#h{dp lqdwlrq#dv#d#frqglwlrq#ri#uhdssrlqwp hqw1D#sk|vlfldq#vhhnlqj#dssrlqwp hqw#dv#d#txdolilhg#p hglfdo#hydoxdwru#rq#ru#diwhu#Mdqxdu|#4/5334/#vkdoo#dovr#frp sohwh#sulru#wr#dssrlqwp hqw#d#frxuvh#rq#glvdelolw|#hydoxdwlrq#uhsruw#z ulwlqj#dssuryhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru1Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#vshfli|#wkh#fxuulfxoxp #wr#eh#fryhuhg#e|#glvdelolw|#hydoxdwlrq#uhsruw#z ulwlqj#frxuvhv#z klfk#vkdoo#lqfoxgh/#exw#lv#qrw#olp lwhg#wr#45#ru#p ruh#krxuv#ri#lqvwuxfwlrq1

+5,#Ghyrwhv#dw#ohdvw#rqh0wklug#ri#wrwdo#sudfwlfh#wlp h#wr#surylglqj#gluhfw#p hglfdo#wuhdwp hqw#ru#kdv#vhuyhg#dv#dq#djuhhg#p hglfdo#hydoxdwru#rq#hljkw#ru#p ruh#rffdvlrqv#lq#wkh#45#p rqwkv#sulru#wr#dsso|lqj#wr#eh#dssrlqwhg#dv#d#txdolilhg#p hglfdo#hydoxdwru1

+6,#Lv#d#p hglfdo#grfwru#ru#grfwru#ri#rvwhrsdwk|#dqg#p hhwv#rqh#ri#wkh#iroorz lqj#uhtxluhp hqw=

+D,#Lv#erdug#fhuwlilhg#lq#d#vshfldow|#e|#d#erdug#uhfrjql}hg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#dqg#hlwkhu#wkh#P hglfdo#Erdug#ri#Fdoliruqld#ru#wkh#Rvwhrsdwklf#P hglfdo#Erdug#ri#Fdoliruqld1

+E,#Kdv#vxffhvvixoo|#frp sohwhg#d#uhvlghqf|#wudlqlqj#surjudp #dffuhglwhg#e|#wkh#Dp hulfdq#Frolhjh#ri#Judgxdwh#P hglfdo#Hgxfdwlrq#ru#wkh#rvwhrsdwklf#htxlydohqw1

+F,#Z dv#dq#dfwlyh#txdolilhg#p hglfdo#hydoxdwru#rq#Mxqh#63/53331

+G,#Kdv#txdolilfdwlrqv#wkdw#wkh#dgp lqlvwudwlyh#gluhfwru#dqg#hlwkhu#wkh# P hglfdo# Erdug# ri#Fdoliruqld# ru#wkh# Rvwhrsdwklf#P hglfdo#Erdug#ri#Fdoliruqld/#dv#dssursuldwh/#erwk#ghhp #wr#eh#htxlydohqw#wr#erdug#fhuwlilfdwlrq#lq#d#vshfldow|1

~~+7,#Lv#d#grfwru#ri#fklursudfwlf#dqg#p hhwv#hlwkhu#ri#wkh#iroorz lqj#uhtxluhp hqw=~~

~~+D,#Kdv#frp sohwhg#d#fklursudfwlf#srvwjudgxdwh#vshfldow|#surjudp #ri#d#p lqlp xp #ri#633#krxuv#dxjkw#e|#d#vfkrrd#ru#frochjh#uhfrjql}hg#e|#wkh#dgp lqlvwudwlyh#gluhfwru/#wkh#Erdug#ri#Fklursudfwlf#H{dp lqhuv#dqg#wkh#Frxqfld#rq#Fklursudfwlf#Hgxfdwlrq1~~

~~+E,~~ *(4)* ~~Kdv#~~ *Is a doctor of chiropractic and has* #ehhq#fhuwlilhg#lq#Fdoliruqld#z runhuvÑ#frp shqvdwlrq#hydoxdwlrq#e|#d#surylghu#uhfrjql}hg#e|#wkh#dgp lqlvwudwlyh#gluhfwru1Wkh#fhuwlilfdwlrq#surjudp #vkdoo#lqfoxgh#lqvwuxfwlrq#rq#glvdelolw|#hydoxdwlrq#uhsruw#z ulwlqj#wkdw#p hhwv#wkh#vwdqgdugv#vhw#iruwk#lq#sdudjudsk#+4,1

+8,#Lv#d#sv|fkrorjlvw#dqg#p hhwv#rqh#ri#wkh#iroorz lqj#uhtxluhp hqw=

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+E,#Krogv#d#grfwrudo#ghjuhh#lq#sv|fkrorj|/#ru#d#grfwrudo#ghjuhh#ghhp hg#htxlydohqw#iru#olfhqvxuh#e|#wkh#Erdug#ri#Sv|fkrorj|#sxuvxdqw#wr#Vhfwlrq#5<47#ri#wkh#Exvlqhvv#dqg#Surihvvlrqv#Frgh/#iurp #d#xqlyhuvlw|#ru#surihvvlrqdo#vfkrrd#uhfrjql}hg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#dqg#kdv#qrw#ohvv#wkdq#ilyh#|hduvÑ#srvwgrfwrudo#h{shulhqfh#lq#wkh#gldjqrvlv#dqg#wuhdwp hqw#ri#hp rwlrqdo#dqg#p hqwdo#glvrughuv1

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+9,#Grhv#qrw#kdyh#d#frqidfw#ri#lqwhuhvw#dv#ghwhup lqhg#xqghu#wkh#uhjxodwlrq#dgrswhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#sxuvxdqw#wr#vxeglylvlrq#+r,1

+:,#P hhwv#dq|#dgglwlrqdo#p hglfdo#ru#surihvvlrqdo#vwdqgdugv#dgrswhg#sxuvxdqw#wr#sdudjudsk#+9,#ri#vxeglylvlrq#+m,1

+f,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#dgrsw#vwdqgdugv#iru#dssrlqwp hqw#ri#sk|vlfldqv#z kr#duh#uhwluhg#ru#z kr#krog#whdfklqj#srvlwlrqv#z kr#duh#h{fhswlrqdoo|#z hoo#txdolilhg#wr#vhuyh#dv#d#txdolilhg#p hglfdo#hydoxdwru#hyhq#wkrxjk#

wkh|#gr#qrw#rwkhuzlvh#txdoli|#xqghu#sdudjudsk#+5,#ri#vxeglylvlrq#+e,1#Lq#qr#hyhqw#vkdoo#d#sk|vlfldq#zkrvh#ixoo0
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vxeglylvlrq#+e,#dqg#p hhw#doo#ri#wkh#iroorz lqj#fulwhuld=

+4,#Lv#lq#frp sdldqfh#z lwk#doo#dssdfdedeh#uhjxodwlrqv#dqg#hydoxdwlrq#jxlghdqhv#dgrswhg#e|#wkh#dgp lqlvwudwlyh#
gluhfwru1

+5,#Kdv#qrw#kdg#p ruh#wkdq#ilyh#ri#klv#ru#khu#hydoxdwlrqv#wkdw#z huh#frqvlghuhg#e|#d#z runhuvÑ#frp shqvdwlrq#
dgp lqlvwudwlyh#odz #mxgjh#dw#d#frqwhvwhg#khdulqj#uhmhfwhg#e|#wkh#z runhuvÑ#frp shqvdwlrq#dgp lqlvwudwlyh#odz #mxgjh#
ru#wkh#dsshdov#erdug#sxuvxdqw#wr#wklv#vhfwlrq#gxulqj#wkh#p rvw#uhfhqw#wz r0|hdu#shulrg#gxulqj#z klfk#wkh#sk|vlfldq#
vhuyhg#dv#d#txdolilhg#p hglfdo#hydoxdwru1#Li#wkh#z runhuvÑ#frp shqvdwlrq#dgp lqlvwudwlyh#odz #mxgjh#ru#wkh#dsshdov#
erdug#uhmhfw#wkh#txdolilhg#p hglfdo#hydoxdwruÑv#uhsruw#rq#wkh#edvlv#wkdw#lw#idlov#wr#p hhw#wkh#p lqlp xp #vwdqgdugv#
iru#wkrvh#uhsruwv#hvwdedvkhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#ru#wkh#dsshdov#erdug/#wkh#z runhuvÑ#frp shqvdwlrq#
dgp lqlvwudwlyh#odz #mxgjh#ru#wkh#dsshdov#erdug/#dv#wkh#fdvh#p d|#eh/#vkdoo#p dnh#d#vshflilf#ilqglqj#wr#wkdw#hiihfw/#
dqg#vkdoo#jlyh#qrwlfh#wr#wkh#p hglfdo#hydoxdwru#dqg#wr#wkh#dgp lqlvwudwlyh#gluhfwru1#Dq|#uhmhfwlrq#vkdoo#qrw#eh#
frxqwhg#dv#rqh#ri#wkh#ilyh#txdoli|lqj#uhmhfwlrqv#xqwld#wkh#vshflilf#ilqglqj#kdv#ehfrp h#ilqdo#dqg#wlp h#iru#dsshdo#
kdv#h{sluhg1

+6,#Kdv#frp sohwhg#z lwklq#wkh#suhylrxv#57#p rqwkv#dw#dndvw#45#krxuv#ri#frqwlqxlqj#hgxfdwlrq#lq#lp sdlrp hqw#
hydoxdwlrq# ru# z runhuvÑ# frp shqvdwlrq0uhodwhg# p hglfdo# glvsxwh# hydoxdwlrq# dssuryhg# e| # wkh# dgp lqlvwudwlyh#
gluhfwru1

+7,#Kdv#qrw#ehhq#whup lqdwhg/#vxvshqghg/#sodfhg#rq#suredwlrq/#ru#rwkhu# lvh#glvflsolqhg#e|#wkh#dgp lqlvwudwlyh#
gluhfwru#gxulqj#klv#ru#khu#p rvw#uhfhqw#whup #dv#d#txdolilhg#p hglfdo#hydoxdwru1

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uhdssrlqw#ru#ghq|#uhdssrlqwp hqw#dffruglqj#wr#uhjxodwlrqv#dgrswhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru1Lq#qr#hyhqw#
p d|#d#sk|vlfldq#z kr#grhv#qrw#fxuuhqwo|#p hhw#wkh#uhtxluhp hqw#iru#lqlwldo#dssrlqwp hqw#ru#z kr#kdv#ehhq#
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gxulqj#klv#ru#khu#whup #ri#dssrlqwp hqw#z lwkrxw#d#khdulqj#dv#surylghg#xqghu#vxeglylvlrq#+n,#ru#+o,#z khqhyhu#
hlwkhu#ri#wkh#iroorz lqj#frqglwlrqv#rffxuv=

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wr#suhfoxgh#sudfwlfh/#ru#kdv#ehhq#uhyrnhg#ru#whup lqdwhg#e|#wkh#dfhqvlqj#dxwkrulw|1

+5,#Wkh#hydoxdwru#kdv#idlohg#wr#wlp ho|#sd|#wkh#ihh#uhtxluhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#sxuvxdqw#wr#vxeglylvlrq#
+q,1

+i,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#ixqjlvk#d#sk|vlfldq/#xsrq#uhtxhvw/#z lwk#d#z ulwhq#vwdwhp hqw#ri#lw#uhdvrqv#
iru#whup lqdwlrq#ri/#ru#iru#ghq|lqj#dssrlqwp hqw#ru#uhdssrlqwp hqw#dv/#d#txdolilhg#p hglfdo#hydoxdwru1#Xsrq#uhfhlsw#
ri#d#vshflilf#uhvsrqvh#wr#wkh#vwdwhp hqw#ri#uhdvrqv/#wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#uhylhz #klv#ru#khu#ghflvlrq#
qrw#wr#dssrlqw#ru#uhdssrlqw#wkh#sk|vlfldq#ru#wr#whup lqdwh#wkh#sk|vlfldq#dqg#vkdoo#qrwli|#wkh#sk|vlfldq#ri#lw#ilqdo#
ghflvlrq#z lwklq#93#gd|v#diwhu#uhfhlsw#ri#wkh#sk|vlfldqÑv#uhvsrqvh1

+j,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#hvwdedvk#djuhhp hqw#z lwk#txdolilhg#p hglfdo#hydoxdwruv#wr#dvvxuh#wkh#
h{shglwlrxv#hydoxdwlrq#ri#fdvhv#dvvljqhg#wr#wkhp #iru#frp suhkhqvlyh#p hglfdo#hydoxdwlrqv1

+k,#+4,#Z khq#uhtxhvwhg#e|#dq#hp so|hh#ru#hp so|hu#sxuvxdqw#wr#Vhfwlrq#739514/#wkh#p hglfdo#gluhfwru#
dssrlqwlqj#sxuvxdqw#wr#Vhfwlrq#455#vkdoo#dvvljq#wkuhh0p hp ehu#sdqhov#ri#txdolilhg#p hglfdo#hydoxdwruv#z lwklq#ilyh#
z runlqj#gd|v#diwhu#uhfhlylqj#d#uhtxhvw#iru#d#sdqho1*Preference in assigning panels shall be given to cases in
which the employee is not represented.* #Li#d#sdqho#lv#qrw#dvvljqhg#z lwklq#~~40 20~~##z runlqj#gd|v/#wkh#hp so|hh#
vkdoo#kdyh#wkh#uljkw#wr#rewdlq#d#p hglfdo#hydoxdwlrq#iurp #dq|#txdolilhg#p hglfdo#hydoxdwru#ri#klv#ru#khu#~~fkrlfhi#~~
choice within a reasonable geographic area. #Wkh#p hglfdo#gluhfwru#vkdoo#xvh#d#udqgrp #vhohfwlrq#p hwkrg#iru#
dvvljqlqj#sdqhov#ri#txdolilhg#p hglfdo#hydoxdwruv1Wkh#p hglfdo#gluhfwru#vkdoo#vhohfw#hydoxdwruv#z kr#duh#vshfldolvwv#
ri#wkh#w|sh#uhtxhvwhg#e|#wkh#hp so|hh1Wkh#p hglfdo#gluhfwru#vkdoo#dgylvh#wkh#hp so|hh#wkdw#kh#ru#vkh#vkrxog#
frqvxo#z lwk#klv#ru#khu#wuhdwlqj#sk|vlfldq#sulru#wr#ghflglqj#z klfk#w|sh#ri#vshfldolvw#wr#uhtxhvw1

+5,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#surp xojdwh#d#irup #wkdw#vkdoo#qrwli|#wkh#hp so|hh#ri#wkh#sk|vlfldqv#vhohfwhg#
iru#klv#ru#khu#sdqho#diwhu#d#uhtxhvw#kdv#ehhq#p dgh#sxuvxdqw#wr#Vhfwlrq#739514#ru#7395151Wkh#irup #vkdoo#

lqfoxgh/#iru#hdfk#sk|vlfldq#rq#wkh#sdqho/#wkh#sk|vlfldqÑv#qdp h/#dgguhvv/#whdohskrqh#qxp ehu/#vshfldow|/#qxp ehu# ri#|hduv#lq#sudfwlfh/#dqg#d#eulhi#ghvfulswlrq#ri#klv#ru#khu#hgxfdwlrq#dqg#wudlqlqj/#dqg#vkdoo#dgylvh#wkh#hp sor|hh# wkdw#kh#ru#vkh#lv#hqwlwohg#wr#uhfhlyh#wudqvsruwdwlrq#h{shqvhv#dqg#whp srudu|#glvdelolw|#iru#hdfk#gd|# qhfhvvdu|#iru# wkh#h{dp lqdwlrq1#Wkh#irup #vkdoo#dovr#vwdwh#lq#d#fohdu#dqg#frqvslfxrxv#orfdwlrq#dqg#w|sh=#Ê\rx#kdyh#wkh#uljkw#wr# frqvxow#zlwk#dq#lqirup dwlrq#dqg#dvvlvwdqfh#riilfhu#wr#frvw#wr#|rx#sulru#wr#vhohfwlqj#wkh#grfwru#wr#suhsduh#|rxu# hydoxdwlrq/#ru#|rx#p d|#frqvxow#zlwk#dq#dwwruqh|1#Li#|rx#fdoo#hyhqwxdoo|#jrhv#wr#frxuw/#wkh#zrunhuvÑ# frp shqvdwlrq#mgm lqlvwudwlyh#odz #mxgjh#zloo#frqvlghu#wkh#hydoxdwlrq#suhsduhg#e|#wkh#grfwru#|rx#vhohfw#wr#ghflgh# |rxu#fodlp 1Š

+6,#Z khq#frp slohqj#wkh#olvw#ri#hydoxdwruv#iurp #zklfk#wr#vhohfw#udqgrp o|/#wkh#p hglfdo#gluhfwru#vkdoo#lqfoxgh#doo# txdolilhg#p hglfdo#hydoxdwruv#zkr#p hhw#doo#ri#wkh#iroorzlqj#fulwhuld=

+D,#Kh#ru#vkh#grhv#qrw#kdyh#d#frqiolfw#ri#lqwhuhvw#lq#wkh#fdvh/#dv#ghilqhg#e|#uhjxodwlrqv#dgrswhg#sxuvxdqw#wr# vxeglylvlrq#+r,1

+E,#Kh#ru#vkh#lv#fhuwlilhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#wr#hydoxdwh#lq#dq#dssursuldwh#vshfldow|#dqg#dw#orfdwlrqv# zlwklq#wkh#jhqhudo#jhrjudsklf#duhd#ri#wkh#hp sor|hhÑv#uhvlghqfh1 *An evaluator shall not conduct qualified medical evaluations at more than 10 locations.*

+F,#Kh#ru#vkh#kdv#qrw#ehhq#vxvshqghg#ru#whup lqdwhg#dv#d#txdolilhg#p hglfdo#hydoxdwru#iru#idloxuh#wr#sd|#wkh#ihh# uhtxluhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#sxuvxdqw#wr#vxeglylvlrq#+q,#ru#iru#dq|#rwkhu#uhdvrq1

+7,#Z khq#wkh#p hglfdo#gluhfwru#ghwhup lqhv#wkdw#dq#hp sor|hh#kdv#uhtxhvwhg#dq#hydoxdwlrq#e|#d#w|sh#ri#vshfldolvw# wkdw#lv#dssursuldwh#iru#wkh#hp sor|hhÑv#lqmxu|/#exw#wkhuh#duh#qrw#hqrxjk#txdolilhg#p hglfdo#hydoxdwruv#ri#wkdw#w|sh# zlwklq#wkh#jhqhudo#jhrjudsklf#duhd#ri#wkh#hp sor|hhÑv#uhvlghqfh#wr#hvwdeolvk#d#uhqgrp#0hp ehu#sdqho/#wkh#p hglfdo# gluhfwru#vkdoo#lqfoxgh#vxiiflhqw#txdolilhg#p hglfdo#hydoxdwruv#iurp #rwkhu#jhrjudsklf#duhdv#dqg#wkh#hp sor|hu#vkdoo# sd|#doo#qhfhvvdu|#wudyho#frvwv#lqfxuuhg#lq#wkh#hyhqw#wkh#hp sor|hh#vhohfwv#dq#hydoxdwru#iurp #dqrwkhu#jhrjudsklf# duhd1

+l,#Wkh# p hglfdo# gluhfwru# dssrlqwhg# sxuvxdqw# wr# Vhfwlrq# 455# vkdoo# frqwlqxrxvo|# uhylhz # wkh# txdolw|# ri# frp suhkhqvlyh#p hglfdo#hydoxdwlrqv#dqg#uhsruw#suhsduhg#e|#djuhhg#dqg#txdolilhg#p hglfdo#hydoxdwruv#dqg#wkh# wlp holqhvv#zlwk#zklfk#hydoxdwlrq#uhsruw#duh#suhsduhg#dqg#vxep lwwhg1Wkh#uhylhz #vkdoo#lqfoxgh/#exw#qrw#eh# olp lwhg#wr/#d#uhylhz #ri#d#udqgrp #vdp soh#ri#uhsruw#vxep lwwhg#wr#wkh#glylvlrq/#dqg#d#uhylhz #ri#doo#uhsruwv#doohjhg# wr#eh#lqdffxudwh#ru#lqfrp sohwh#e|#d#sduw|#wr#d#fdvh#iru#zklfk#wkh#hydoxdwlrq#zdv#suhsduhg1Wkh#p hglfdo#gluhfwru# vkdoo#vxep lw#wr#wkh#dgp lqlvwudwlyh#gluhfwru#dq#dqqxdo#uhsruw#vxp p dul}lqj#wkh#uhvxow#ri#wkh#frqwlqxrxv#uhylhz #ri# p hglfdo# hydoxdwlrqv# dqg# uhsruw# suhsduhg# e|# djuhhg# dqg# txdolilhg# p hglfdo# hydoxdwruv# dqg# p dnh# uhfrp p hqgdwlrqv#iru#wkh#p suryhp hqw#ri#wkh#v|vwhp #ri#p hglfdo#hydoxdwlrqv#dqg#ghwhup lqdwlrqv1

+m,#Diwhu# sxeolf# khdulqj# sxuvxdqw# wr# Vhfwlrq# 863:16/# wkh# dgp lqlvwudwlyh# gluhfwru# vkdoo# dgrsw# uhjxodwlrqv# frqfhuqlqj#wkh#iroorzlqj#lvvxhv=

+4,#+D,#Vwdqgdugv#jryhuqlqj#wkh#wlp h#iudp hv#zlwklq#zklfk#p hglfdo#hydoxdwlrqv#vkdoo#eh#suhsduhg#dqg#vxep lwwhg# e|#djuhhg#dqg#txdolilhg#p hglfdo#hydoxdwruv1#H{fhsw#dv#surylghg#lq#wklv#vxeglylvlrq/#wkh#wlp h#iudp h#iru#lqlwldo# p hglfdo#hydoxdwlrqv#wr#eh#suhsduhg#dqg#vxep lwwhg#vkdoo#eh#qr#p ruh#wkdq#63#gd|v#diwhu#wkh#hydoxdwru#kdv#vhhq# wkh#hp sor|hh#ru#rwkhuz lvh#frp p hqfhg#wkh#p hglfdo#hydoxdwlrq#surfhgxuh1#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo# ghyhors#uhjxodwlrqv#jryhuqlqj#wkh#surylvlrq#ri#h{whqvlrqv#ri#wkh#630gd|#shulrg#lq#erwk#ri#wkh#iroorzlqj#fdvhv=

+l,#Z khq#wkh#hydoxdwru#kdv#qrw#uhfhlyhg#whvw#uhvxow#ru#frqvxowlqj#sk|vlfldqÑv#hydoxdwlrqv#lq#wlp h#wr#p hhw#wkh#63 0gd|#ghdgolqh1

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+E,#Iru#sxusrvhv#ri#vxesdudjudsk#+D,/#Êjrrg#fdxvhŠ#p hdqv#dq|#ri#wkh#iroorzlqj=

+l,#P hglfdo#hp hujhqflhv#ri#wkh#hydoxdwru#ru#hydoxdwruÑv#idp lo|1

+ll,#Ghdwk#lq#wkh#hydoxdwruÑv#idp lo|1

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wr#vhh#wkh#hp sor|hh#z lwklq#d#vshflilhg#shulrg#ri#wlp h/#exw#vkdoo#dovr#shup lw#wkh#hp sor|hh#wr#z dlyh#wklv#uljkw#iru#
d#vshflilhg#shulrg#ri#wlp h#khuhdiwhu1

+5,#Surfhgxuhv#wr#eh#iroorzhg#e|#doo#sk|vlfldqv#lq#hydoxdwlqj#wkh#h{lvwhqfh#dqg#h{whqw#ri#shup dqhqw#lp sdlup hqw#
dqg#lp lwdwlrqv#uhvxowlqj#iurp #dq#lqmxu|#lq#d#p dqqhu#frqvlvwhqw#z lwk#Vhfwlrq#79931

+6,#Surfhgxuhv#jryhuqlqj#wkh#ghwhup lqdwlrq#ri#dq|#glvsxwhg#p hglfdo#wuhdwp hqw#lvvxhv#lq#d#p dqqhu#frqvlvwhqw#
z lwk#Vhfwlrq#863:15=1

+7,#Surfhgxuhv#wr#eh#xvhg#lq#ghwhup lqlqj#wkh#frp shqvdelolw|#ri#sv|fkldwulf#lqmxu|1#Wkh#surfhgxuhv#vkdoo#eh#lq#
dffrugdqfh#z lwk#Vhfwlrq#653;16#dqg#vkdoo#uhtxluh#wkdw#wkh#gldjqrvlv#ri#d#p hqwdo#glvrughu#eh#h{suhvvhg#xvlqj#
wkh#wrup lqrorj|#dqg#fulwhuld#ri#wkh#Dp hulfdq#Sv|fkldwulf#DvvrfldwlrqÑv#Gldjqrvwlf#dqg#Vwdwlvwlfdo#P dqxdo#ri#
P hqwdo#Glvrughuv/#Wklug#Hglwlrq0Uhylvhg/#ru#wkh#wuup lqrorj|#dqg#gldjqrvlv#fulwhuld#ri#rwkhu#sv|fkldwulf#
gldjqrvwlf#p dqxdov#jhqhudoo|#dssuryhg#dqg#dffhswhg#qdwlrqdoo|#e|#sudfwlwlrqhuv#lq#wkh#ilhog#ri#sv|fkldwulf#
p hglflqh1

+8,#Jxlgholqhv#iru#wkh#udqjh#ri#wlp h#qrup doo|#uhtxluhg#wr#shuirup #wkh#iroorz lqj=

+D,#D#p hglfdo0ohjdo#hydoxdwlrq#wkdw#kdv#qrw#ehhq#ghilqhg#dqg#ydoxhg#sxuvxdqw#wr#Vhfwlrq#863:191#Wkh#jxlgholqhv#
vkdoo#hvwdeolvk#p lqlp xp #wlp hv#iru#sdwlhqw#frqwdfw#lq#wkh#frqgxfw#ri#wkh#hydoxdwlrqv/#dqg#vkdoo#eh#frqvlvwhqw#z lwk#
uhjxodwlrqv#dgrswhg#sxuvxdqw#wr#Vhfwlrq#863:191

+E,#Dq|#wuhdwp hqw#surfhgxuh#wkdw#kdyh#qrw#ehhq#ghilqhg#dqg#ydoxhg#sxuvxdqw#wr#Vhfwlrq#863:141

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dgp lqlvwudwlyh#gluhfwru1

+9,#Dq|#dgglwlrqdo#p hglfdo#ru#surihvvlrqdo#vwdqgdugv#wkdw#d#p hglfdo#hydoxdwru#vkdoo#p hhw#dv#d#frqglwlrq#ri#
dssrlqwp hqw/#uhdssrlqwp hqw/#ru#p dlqwhqdqfh#lq#wkh#vwdwxv#ri#d#p hglfdo#hydoxdwru1

+n,#H{fhsw#dv#surylghg#lq#wklv#vxeglylvlrq/#wkh#dgp lqlvwudwlyh#gluhfwru#p d|/#lq#klv#ru#khu#glvfuhwlrq/#vxvshqg#ru#
whup lqdwh#wkh#sulylohjh#ri#d#sk|vlfldq#wr#vhuyh#dv#d#txdolilhg#p hglfdo#hydoxdwru#li#wkh#dgp lqlvwudwlyh#gluhfwru/#
diwhu#khdulqj/#sxuvxdqw#wr#vxeglylvlrq#+o,#ghwhup lqhv/#edvhg#rq#vxevwdqwldo#hylghqfh/#wkdw#d#txdolilhg#p hglfdo#
hydoxdwru=

+4,#Kdv#ylrodwhg#dq|#p dwhuldo#vwdwxwru|#ru#dgp lqlvwudwlyh#gxw|1

+5,#Kdv#idlohg#wr#iroorz #wkh#p hglfdo#surfhgxuhv#ru#txdolilfdwlrqv#hvwdeolvkhg#sxuvxdqw#wr#sdudjudsk#+5,/#+6,/#+7,/#
ru#+8,#ri#vxeglylvlrq#+m,1

+6,#Kdv#idlohg#wr#frp so|#z lwk#wkh#wlp hiudp h#vwdqgdugv#hvwdeolvkhg#sxuvxdqw#wr#vxeglylvlrq#+m,1

+7,#Kdv#idlohg#wr#p hhw#wkh#uhtxluhp hqwv#ri#vxeglylvlrq#+e,#ru#+f,1

+8,#Kdv# suhsduhg# p hglfdo0ohjdo# hydoxdwlrqv# wkdw# idlo# wr# p hhw# wkh# p lqlp xp # vwdqgdugv# iru# wkrvh# uhsruwv#
hvwdeolvkhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#ru#wkh#dsshdov#erdug1

+9,#Kdv# p dgh# p dwhuldo# p lvuhsuhvhqwdwlrqv# ru# idovh# vwdwhp hqwv# lq# dq# dssolfdwlrq# iru# dssrlqwp hqw# ru#
uhdssrlqwp hqw#dv#d#txdolilhg#p hglfdo#hydoxdwru1

Qr#khdulqj#vkdoo#eh#uhtxluhg#sulru#wr#wkh#vxvshqvlrq#ru#whup lqdwlrq#ri#d#sk|vlfldqÑv#sulylohjh#wr#vhuyh#dv#d#
txdolilhg#p hglfdo#hydoxdwru#z khq#wkh#sk|vlfldq#kdv#grqh#hlwkhu#ri#wkh#iroorz lqj=

+D,#Idlohg#wr#wlp ho|#sd|#wkh#ihh#uhtxluhg#sxuvxdqw#wr#vxeglylvlrq#+q,1

+E,#Kdg#klv#ru#khu#olfhqvh#wr#sudfwlfh#lq#Fdoliruqld#vxvshqghg#e|#wkh#uhohydqw#olfhqvlqj#dxwkrulw|/#vr#dv#wr#
suhfoxgh#sudfwlfh/#ru#kdg#wkh#olfhqvh#uhyrnhg#ru#whup lqdwhg#e|#wkh#olfhqvlqj#dxwkrulw|1

+o,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#flwh#wkh#txdolilhg#p hglfdo#hydoxdwru#iru#d#ylrodwlrq#olvwhg#lq#vxeglylvlrq#+n,#
dqg#vkdoo#vhw#d#khdulqj#rq#wkh#doohjhg#ylrodwlrq#z lwklq#63#gd|v#ri#vhuylfh#ri#wkh#flwdwlrq#rq#wkh#txdolilhg#p hglfdo#
hydoxdwru1Lq#dgglwlrq#wr#wkh#dxwkrulw|#wr#whup lqdwh#ru#vxvshqg#wkh#txdolilhg#p hglfdo#hydoxdwru#xsrq#ilqglqj#d#
ylrodwlrq#olvwhg#lq#vxeglylvlrq#+n,/#wkh#dgp lqlvwudwlyh#gluhfwru#p d|/#lq#klv#ru#khu#glvfuhwlrq/#sodfh#d#txdolilhg#
p hglfdo#hydoxdwru#rq#suredwlrq#vxemhfw#wr#dssursuldwh#frqglwlrqv/#lqfoxglqj#rughulqj#frqwlqxlqj#hgxfdwlrq#ru#
wudlqlqj1Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#uhsruw#wr#wkh#dssursuldwh#olfhqvlqj#erdug#wkh#qdp h#ri#dq|#txdolilhg#
p hglfdo#hydoxdwru#z kr#lv#glvflsolqhg#sxuvxdqw#wr#wklv#vxeglylvlrq1

+p ,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#whup lqdwh#iurp #wkh#dsv#ri#p hglfdo#hydoxdwruv#dq|#sk|vlfldq#zkhuh#dfhqvxuh#
kdv#ehhq#whup lqdwhg#e|#wkh#uhohydqw#dfhqvlqj#erdug/#ru#zkr#kdv#ehhq#frqylfwhg#ri#d#p lvghp hdqru#ru#ihorq|#
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hydoxdwru#xqghu#wklv#vxeglylvlrq/#d#uhsruw#suhsduhg#e|#wkh#sk|vlfldq#wkdw#lv#qrw#frp sohwh/#vljqhg/#dqg#ixuqlvkhg#
wr#rqh#ru#p ruh#ri#wkh#sduwlhv#sulru#wr#wkh#gdwh#ri#frqylfwlrq#ru#dfwlrq#ri#wkh#dfhqvlqj#erdug/#zklfkhyhu#lv#hduolhu/#
vkdoo#qrw#eh#dgp lvvleoh#lq#dq|#surfhhglqj#ehiruh#wkh#dsshdov#erdug#qru#vkdoo#wkhuh#eh#dq|#oldeolw|#iru#sd|p hqw#
iru#wkh#uhsruw#dqg#dq|#h{shqvh#lqfxuuhg#e|#wkh#sk|vlfldq#lq#frqqhfwlrq#z lwk#wkh#uhsruw1

+q ,#Hdfk# txdoilhg# p hglfdo# hydoxdwru# vkdoo# sd|# d# ihh/# dv# ghwhup lqhg# e|# wkh# dgp lqlvwudwlyh# gluhfwru/# iru#
dssrlqwp hqw#ru#uhdssrlqwp hqw1Wkhvh#ihhv#vkdoo#eh#edvhg#rq#d#volglqj#vfdoh#dv#hvwdeolvkhg#e|#wkh#dgp lqlvwudwlyh#
gluhfwru1Doo#uhyhqxhv#iurp #ihhv#sdlg#xqghu#wklv#vxeglylvlrq#vkdoo#eh#ghsrvlwhg#lqwr#wkh#Z runhuv'Ñ#Frp shqvdwlrq#
Dgp lqlvwudwlrq#Uhyroylqj#Ixqg#dqg#duh#dydlodeoh#iru#h{shqglwxuh#xsrq#dssursuldwlrq#e|#wkh#Ohjlvodwxuh/#dqg#
vkdoo#qrw#eh#xvhg#e|#dq|#rwkhu#ghsduwp hqw#ru#djhqf|#ru#iru#dq|#sxursrvh#rwkhu#wkdq#dgp lqlvwudwlrq#ri#wkh#
surjudp v#wkh#Glylvlrq#ri#Z runhuv'Ñ#Frp shqvdwlrq#uhodwhg#wr#wkh#surylvlrq#ri#p hglfdo#wuhdwp hqw#wr#lqmxuhg#
hp so|hhv1

+r ,#Dq#hydoxdwru#p d|#qrw#uhtxhvw#ru#dffhsw#dq|#frp shqvdwlrq#ru#rwkhu#wklqj#ri#ydoxh#iurp #dq|#vrxufh#wkdw#grhv#
ru#frxog#fuhdwh#d#frqiolfw#z lwk#klv#ru#khu#gxwlhv#dv#dq#hydoxdwru#xqghu#wklv#frgh1Wkh#dgp lqlvwudwlyh#gluhfwru/#
diwhu# frqvxowdwlrq# z lwk# wkh# Frp p lvvlrq# rq# Khdowk# dqg# Vdihw| # dqg# Z runhuv'Ñ# Frp shqvdwlrq/# vkdoo# dgrsw#
uhjxodwlrqv#wr#p sohp hqw#wklv#vxeglylvlrq1

SEC. 6. *Section 139.32 is added to the Labor Code, to read:*

139.32. *(a) For the purpose of this section, the following definitions apply:*

(1) "Financial interest in another entity" means, subject to subdivision (h), either of the following:

(A) Any type of ownership, interest, debt, loan, lease, compensation, remuneration, discount, rebate, refund, dividend, distribution, subsidy, or other form of direct or indirect payment, whether in money or otherwise, between the interested party and the other entity to which the employee is referred for services.

(B) An agreement, debt instrument, or lease or rental agreement between the interested party and the other entity that provides compensation based upon, in whole or in part, the volume or value of the services provided as a result of referrals.

(2) "Interested party" means any of the following:

(A) An injured employee.

(B) The employer of an injured employee, and, if the employer is insured, its insurer.

(C) A claims administrator, which includes, but is not limited to, a self-administered workers' compensation insurer, a self-administered self-insured employer, a self-administered joint powers authority, a self-administered legally uninsured employer, a third-party claims administrator for an insurer, a self-insured employer, a joint powers authority, or a legally uninsured employer or a subsidiary of a claims administrator.

(D) An attorney-at-law or law firm that is representing or advising an employee regarding a claim for compensation under Division 4 (commencing with Section 3200).

(E) A representative or agent of an interested party, including either of the following:

(i) An employee of an interested party.

(ii) Any individual acting on behalf of an interested party, including the immediate family of the interested party or of an employee of the interested party. For purposes of this clause, immediate family includes spouses, children, parents, and spouses of children.

(F) A provider of any medical services or products.

(3) "Services" means, but is not limited to, any of the following:

(A) A determination regarding an employee's eligibility for compensation under Division 4 (commencing with Section 3200), that includes both of the following:

(i) A determination of a permanent disability rating under Section 4660.

(ii) An evaluation of an employee's future earnings capacity resulting from an occupational injury or illness.

(B) Services to review the itemization of medical services set forth on a medical bill submitted under Section 4603.2.

(C) Copy and document reproduction services.

(D) Interpreter services.

(E) Medical services, including the provision of any medical products such as surgical hardware or durable medical equipment.

(F) Transportation services.

(G) Services in connection with utilization review pursuant to Section 4610.

(b) All interested parties shall disclose any financial interest in any entity providing services.

(c) Except as otherwise permitted by law, it is unlawful for an interested party other than a claims administrator or a network service provider to refer a person for services provided by another entity, or to use services provided by another entity, if the other entity will be paid for those services pursuant to Division 4 (commencing with Section 3200) and the interested party has a financial interest in the other entity.

(d) (1) It is unlawful for an interested party to enter into an arrangement or scheme, such as a cross-referral arrangement, that the interested party knows, or should know, has a purpose of ensuring referrals by the interested party to a particular entity that, if the interested party directly made referrals to that other entity, would be in violation of this section.

(2) It is unlawful for an interested party to offer, deliver, receive, or accept any rebate, refund, commission, preference, patronage, dividend, discount, or other consideration, whether in the form of money or otherwise, as compensation or inducement to refer a person for services.

(e) A claim for payment shall not be presented by an entity to any interested party, individual, third-party payer, or other entity for any services furnished pursuant to a referral prohibited under this section.

(f) An insurer, self-insurer, or other payer shall not knowingly pay a charge or lien for any services resulting from a referral for services or use of services in violation of this section.

(g) (1) A violation of this section shall be misdemeanor. If an interested party is a corporation, any director or officer of the corporation who knowingly concurs in a violation of this section shall be guilty of a misdemeanor. The appropriate licensing authority for any person subject to this section shall review the facts and circumstances of any conviction pursuant to this section and take appropriate disciplinary action if the licensee has committed unprofessional conduct, provided that the appropriate licensing authority may act on its own discretion independent of the initiation or completion of a criminal prosecution. Violations of this section are also subject to civil penalties of up to fifteen thousand dollars ($15,000) for each offense, which may be enforced by the Insurance Commissioner, Attorney General, or a district attorney.

(2) For an interested party, a practice of violating this section shall constitute a general business practice that discharges or administers compensation obligations in a dishonest manner, which shall be subject to a civil penalty under subdivision (e) of Section 129.5.

(3) For an interested party who is an attorney, a violation of subdivision (b) or (c) shall be referred to the Board of Governors of the State Bar of California, which shall review the facts and circumstances of any violation pursuant to subdivision (b) or (c) and take appropriate disciplinary action if the licensee has committed unprofessional conduct.

(4) Any determination regarding an employee's eligibility for compensation shall be void if that service was provided in violation of this section.

(h) The following arrangements between an interested party and another entity do not constitute a "financial interest in another entity" for purposes of this section:

(1) A loan between an interested party and another entity, if the loan has commercially reasonable terms, bears interest at the prime rate or a higher rate that does not constitute usury, and is adequately secured, and the

loan terms are not affected by either the interested party's referral of any employee or the volume of services provided by the entity that receives the referral.

(2) A lease of space or equipment between an interested party and another entity, if the lease is written, has commercially reasonable terms, has a fixed periodic rent payment, has a term of one year or more, and the lease payments are not affected by either the interested party's referral of any person or the volume of services provided by the entity that receives the referral.

(3) An interested party's ownership of the corporate investment securities of another entity, including shares, bonds, or other debt instruments that were purchased on terms that are available to the general public through a licensed securities exchange or NASDAQ.

(i) The prohibitions described in this section do not apply to any of the following:

(1) Services performed by, or determinations of compensation issues made by, employees of an interested party in the course of that employment.

(2) A referral for legal services if that referral is not prohibited by the Rules of Professional Conduct of the State Bar.

(3) A physician's referral that is exempted by Section 139.31 from the prohibitions prescribed by Section 139.3.

SEC. 6.5. *Section 139.48 is added to the Labor Code, to read:*

139.48. *There shall be in the department a return-to-work program administered by the director, funded by one hundred twenty million dollars ($120,000,000) annually derived from non-General Funds of the Workers' Compensation Administration Revolving Fund, for the purpose of making supplemental payments to workers whose permanent disability benefits are disproportionately low in comparison to their earnings loss. Eligibility for payments and the amount of payments shall be determined by regulations adopted by the director, based on findings from studies conducted by the director in consultation with the Commission on Health and Safety and Workers' Compensation. Determinations of the director shall be subject to review at the trial level of the appeals board upon the same grounds as prescribed for petitions for reconsideration.*

SEC. 7. *Section 139.5 is added to the Labor Code, to read:*

139.5. *(a) (1) The administrative director shall contract with one or more independent medical review organizations and one or more independent bill review organizations to conduct reviews pursuant to Article 2 (commencing with Section 4600) of Chapter 2 of Part 2 of Division 4. The independent review organizations shall be independent of any workers' compensation insurer or workers' compensation claims administrator doing business in this state. The administrative director may establish additional requirements, including conflict-of-interest standards, consistent with the purposes of Article 2 (commencing with Section 4600) of Chapter 2 of Part 2 of Division 4, that an organization shall be required to meet in order to qualify as an independent review organization and to assist the division in carrying out its responsibilities.*

(2) To enable the independent review program to go into effect for injuries occurring on or after January 1, 2013, and until the administrative director establishes contracts as otherwise specified by this section, independent review organizations under contract with the Department of Managed Health Care pursuant to Section 1374.32 of the Health and Safety Code may be designated by the administrative director to conduct reviews pursuant to Article 2 (commencing with Section 4600) of Chapter 2 of Part 2 of Division 4. The administrative director may use an interagency agreement to implement the independent review process beginning January 1, 2013. The administrative director may initially contract directly with the same organizations that are under contract with the Department of Managed Health Care on substantially the same terms without competitive bidding until January 1, 2015.

(b) (1) The independent medical review organizations and the medical professionals retained to conduct reviews shall be deemed to be consultants for purposes of this section.

(2) There shall be no monetary liability on the part of, and no cause of action shall arise against, any consultant on account of any communication by that consultant to the administrative director or any other officer, employee, agent, contractor, or consultant of the Division of Workers' Compensation, or on account of any communication by that consultant to any person when that communication is required by the terms of a contract with the administrative director pursuant to this section and the consultant does all of the following:

(A) Acts without malice.

(B) Makes a reasonable effort to determine the facts of the matter communicated.

(C) Acts with a reasonable belief that the communication is warranted by the facts actually known to the consultant after a reasonable effort to determine the facts.

(3) The immunities afforded by this section shall not affect the availability of any other privilege or immunity which may be afforded by law. Nothing in this section shall be construed to alter the laws regarding the confidentiality of medical records.

(c) (1) An organization contracted to perform independent medical review or independent bill review shall be required to employ a medical director who shall be responsible for advising the contractor on clinical issues. The medical director shall be a physician and surgeon licensed by the Medical Board of California or the California Osteopathic Medical Board.

(2) The independent review organization, any experts it designates to conduct a review, or any officer, director, or employee of the independent review organization shall not have any material professional, familial, or financial affiliation, as determined by the administrative director, with any of the following:

(A) The employer, insurer or claims administrator, or utilization review organization.

(B) Any officer, director, employee of the employer, or insurer or claims administrator.

(C) A physician, the physician's medical group, the physician's independent practice association, or other provider involved in the medical treatment in dispute.

(D) The facility or institution at which either the proposed health care service, or the alternative service, if any, recommended by the employer, would be provided.

(E) The development or manufacture of the principal drug, device, procedure, or other therapy proposed by the employee whose treatment is under review, or the alternative therapy, if any, recommended by the employer.

(F) The employee or the employee's immediate family, or the employee's attorney.

(d) The independent review organizations shall meet all of the following requirements:

(1) The organization shall not be an affiliate or a subsidiary of, nor in any way be owned or controlled by, a workers' compensation insurer, claims administrator, or a trade association of workers' compensation insurers or claims administrators. A board member, director, officer, or employee of the independent review organization shall not serve as a board member, director, or employee of a workers' compensation insurer or claims administrator. A board member, director, or officer of a workers' compensation insurer or claims administrator or a trade association of workers' compensation insurers or claims administrators shall not serve as a board member, director, officer, or employee of an independent review organization.

(2) The organization shall submit to the division the following information upon initial application to contract under this section and, except as otherwise provided, annually thereafter upon any change to any of the following information:

(A) The names of all stockholders and owners of more than 5 percent of any stock or options, if a publicly held organization.

(B) The names of all holders of bonds or notes in excess of one hundred thousand dollars ($100,000), if any.

(C) The names of all corporations and organizations that the independent review organization controls or is affiliated with, and the nature and extent of any ownership or control, including the affiliated organization's type of business.

(D) The names and biographical sketches of all directors, officers, and executives of the independent review organization, as well as a statement regarding any past or present relationships the directors, officers, and executives may have with any employer, workers' compensation insurer, claims administrator, medical provider network, managed care organization, provider group, or board or committee of an employer, workers' compensation insurer, claims administrator, medical provider network, managed care organization, or provider group.

(E) (i) The percentage of revenue the independent review organization receives from expert reviews, including, but not limited to, external medical reviews, quality assurance reviews, utilization reviews, and bill reviews.

(ii) The names of any workers' compensation insurer, claims administrator, or provider group for which the independent review organization provides review services, including, but not limited to, utilization review, bill review, quality assurance review, and external medical review. Any change in this information shall be reported to the department within five business days of the change.

(F) A description of the review process, including, but not limited to, the method of selecting expert reviewers and matching the expert reviewers to specific cases.

(G) A description of the system the independent medical review organization uses to identify and recruit medical professionals to review treatment and treatment recommendation decisions, the number of medical professionals credentialed, and the types of cases and areas of expertise that the medical professionals are credentialed to review.

(H) A description of how the independent review organization ensures compliance with the conflict-of-interest requirements of this section.

(3) The organization shall demonstrate that it has a quality assurance mechanism in place that does all of the following:

(A) Ensures that any medical professionals retained are appropriately credentialed and privileged.

(B) Ensures that the reviews provided by the medical professionals or bill reviewers are timely, clear, and credible, and that reviews are monitored for quality on an ongoing basis.

(C) Ensures that the method of selecting medical professionals for individual cases achieves a fair and impartial panel of medical professionals who are qualified to render recommendations regarding the clinical conditions and the medical necessity of treatments or therapies in question.

(D) Ensures the confidentiality of medical records and the review materials, consistent with the requirements of this section and applicable state and federal law.

(E) Ensures the independence of the medical professionals or bill reviewers retained to perform the reviews through conflict-of-interest policies and prohibitions, and ensures adequate screening for conflicts of interest, pursuant to paragraph (5).

(4) Medical professionals selected by independent medical review organizations to review medical treatment decisions shall be licensed physicians, as defined by Section 3209.3, in good standing, who meet the following minimum requirements:

(A) The physician shall be a clinician knowledgeable in the treatment of the employee's medical condition, knowledgeable about the proposed treatment, and familiar with guidelines and protocols in the area of treatment under review.

(B) Notwithstanding any other provision of law, the physician shall hold a nonrestricted license in any state of the United States, and for physicians and surgeons holding an M.D. or D.O. degree, a current certification by a recognized American medical specialty board in the area or areas appropriate to the condition or treatment under review. The independent medical review organization shall give preference to the use of a physician licensed in California as the reviewer.

(C) The physician shall have no history of disciplinary action or sanctions, including, but not limited to, loss of staff privileges or participation restrictions, taken or pending by any hospital, government, or regulatory body.

(D) Commencing January 1, 2014, the physician shall not hold an appointment as a qualified medical evaluator pursuant to Section 139.32.

(5) Neither the expert reviewer, nor the independent review organization, shall have any material professional, material familial, or material financial affiliation with any of the following:

(A) The employer, workers' compensation insurer or claims administrator, or a medical provider network of the insurer or claims administrator, except that an academic medical center under contract to the insurer or claims administrator to provide services to employees may qualify as an independent medical review organization provided it will not provide the service and provided the center is not the developer or manufacturer of the proposed treatment.

(B) Any officer, director, or management employee of the employer or workers' compensation insurer or claims administrator.

(C) The physician, the physician's medical group, or the independent practice association (IPA) proposing the treatment.

(D) The institution at which the treatment would be provided.

(E) The development or manufacture of the treatment proposed for the employee whose condition is under review.

(F) The employee or the employee's immediate family.

(6) For purposes of this subdivision, the following terms shall have the following meanings:

(A) "Material familial affiliation" means any relationship as a spouse, child, parent, sibling, spouse's parent, or child's spouse.

(B) "Material financial affiliation" means any financial interest of more than 5 percent of total annual revenue or total annual income of an independent review organization or individual to which this subdivision applies. "Material financial affiliation" does not include payment by the employer to the independent review organization for the services required by the administrative director's contract with the independent review organization, nor does "material financial affiliation" include an expert's participation as a contracting medical provider where the expert is affiliated with an academic medical center or a National Cancer Institute-designated clinical cancer research center.

(C) "Material professional affiliation" means any physician-patient relationship, any partnership or employment relationship, a shareholder or similar ownership interest in a professional corporation, or any independent contractor arrangement that constitutes a material financial affiliation with any expert or any officer or director of the independent review organization. "Material professional affiliation" does not include affiliations that are limited to staff privileges at a health facility.

(e) The division shall provide, upon the request of any interested person, a copy of all nonproprietary information, as determined by the administrative director, filed with it by an independent review organization under contract pursuant to this section. The division may charge a fee to the interested person for copying the requested information.

(f) The Legislature finds and declares that the services described in this section are of such a special and unique nature that they must be contracted out pursuant to paragraph (3) of subdivision (b) of Section 19130 of the Government Code. The Legislature further finds and declares that the services described in this section are a new state function pursuant to paragraph (2) of subdivision (b) of Section 19130 of the Government Code.

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+4,#Xsrq#lw#rujlqdo#dssolfdwlrq#dqg#dqqxdoo|#wkhuhdiwhu/#lw#kdv#surylghg#wr#wkh#dgp lqlvwudwlyh#gluhfwru#d#frs|#ri# lw#p rvw#uhfhqw#OP 05#ru#OP 06#ilolqj#zlwk#wkh#Xqlwhg#Vwdwhv#Ghsduwp hqw#ri#Oderu/#dorqj#zlwk#d#vwdwhp hqw/#vljqhg# xqghu#shqdow|#ri#shumxu|/#wkdw#wkh#grfxp hqw#lv#d#wuxh#dqg#fruuhfw#frs|1

+5,#Lw#kdv#surylghg#wr#wkh#dgp lqlvwudwlyh#gluhfwru#wkh#qdp h/#dgguhvv/#dqg#whohskrqh#qxp ehu#ri#wkh#frqwdfw# shuvrq#ru#shuvrqv#ri#wkh#frohfwlyh#edujdlqlqj#uhsuhvhqwdwlyh#ru#uhsuhvhqwdwlyhv1

+k,#Frp p hqflqj#Mxo|#4/#4<<8/#dqg#dqqxdoo|#wkhuhdiwhu/#wkh#Glylvlrq#ri#Z runhuvÑFrp shqvdwlrq#vkdo#uhsruw#wr# wkh#Gluhfwru#ri#ri##wkh#Ghsduwp hqw#ri##Lqgxvwuldo#Uhodwlrqv#wkh#qxp ehu#ri#frohfwlyh#edujdlqlqj#djuhhp hqw#uhfhlyhg# dqg#wkh#qxp ehu#ri#hp sor|hhv#fryhuhg#e|#wkhvh#djuhhp hqw1

m, *(i)*##Wkh#gdwd#rewdlqhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#sxuvxdqw#wr#wklv#vhfwlrq#vkdo#eh#frqilghqwldo#dqg#qrw# vxemhfw#wr#sxeolf#glvforvxuh#xqghu#dq|#odz #ri#wklv#vwdwh1#Krz hyhu/#wkh#Glylvlrq#ri#Z runhuvÑFrp shqvdwlrq#vkdo# fuhdwh#ghulydwlyh#z runv#sxuvxdqw#wr#~~vxeglylvlrqv *subdivision* +k,#dqg#+l,#~#edvhg#rq#wkh#frohfwlyh#edujdlqlqj# djuhhp hqw#dqg#gdwd1#Wkrvh#ghulydwlyh#z runv#vkdo#qrw#eh#frqilghqwldo#exw#vkdo#eh#sxeolf1Rq#d#p rqwko|#edvlv# wkh#dgp lqlvwudwlyh#gluhfwru#vkdo#p dnh#dydlodeoh#dq#xsgdwhg#olvw#ri#hp sor|huv#dqg#xqlrqv#hqwhulqj#qwr#frohfwlyh# edujdlqlqj#djuhhp hqw#frqwdlqlqj#surylvlrqv#dxwkrul}hg#e|#wklv#vhfwlrq1

SEC. 9.#Vhfwlrq#65341:#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3201.7. +d,#H{fhsw#dv#surylghg#lq#vxeglylvlrq#+e,/#wkh#Ghsduwp hqw#ri#Lqgxvwuldo#Uhodwlrqv#dqg#wkh#frxuw#ri#wklv# vwdwh#vkdo#uhfrjql}h#dv#ydolg#dqg#elqglqj#dq|#oderu0p dqdjhp hqw#djuhhp hqw#wkdw#p hhwv#doo#ri#wkh#iroorzlqj# uhtxluhp hqw=

+4,#Wkh#oderu0p dqdjhp hqw#djuhhp hqw#kdv#ehhq#qhjrwldwhg#vhsdudwh#dqg#dsduw#iurp #dq|#frohfwlyh#edujdlqlqj# djuhhp hqw#fryhulqj#diihfwhg#hp sor|hhv1

+5,#Wkh#oderu0p dqdjhp hqw#djuhhp hqw#lv#uhvwulfwhg#wr#wkh#hvwdeolvkp hqw#ri#wkh#whup v#dqg#frqglwlrqv#qhfhvvdu|# wr#p sohp hqw#wklv#vhfwlrq1

+6,#Wkh# oderu0p dqdjhp hqw# djuhhp hqw# kdv# ehhq# qhjrwldwhg# lq# dffrugdqfh# z lwk# wkh# dxwkrul}dwlrq# ri# wkh# dgp lqlvwudwlyh#gluhfwru#sxuvxdqw#wr#vxeglylvlrq#+g,/#ehwz hhq#dq#hp sor|hu#ru#jurxs#ri#hp sor|huv#dqg#d#xqlrq# wkdw#lv#wkh#uhfrjql}hg#ru#fhuwlilhg#h{foxvlyh#edujdlqlqj#uhsuhvhqwdwlyh#wkdw#hvwdeolvkhv#dq|#ri#wkh#iroorzlqj=

+D,#Dq#dowhuqdwlyh#glvsxwh#uhvroxwlrq#v|vwhp #jryhuqlqj#glvsxwhv#ehwz hhq#hp sor|hhv#dqg#hp sor|huv#ru#wkhlu# lqvxuhuv#wkdw#vxssohp hqw#ru#uhsodfhv#doo#ru#sduw#ri#wkrvh#glvsxwh#uhvroxwlrq#surfhvvhv#frqwdlqhg#lq#wklv#glylvlrq/# lqfoxglqj/#exw#qrw#olp lwhg#wr#p hgldwlrq#dqg#duelwudwlrq1Dq#|v|vwhp #ri#duelwudwlrq#vkdo#surylgh#wkdw#wkh#ghflvlrq# ri#wkh#duelwhu#ru#erdug#ri#duelwudwlrq#lv#vxemhfw#wr#uhylhz #e|#wkh#dsshdov#erdug#lq#wkh#vdp h#p dqqhu#dv#surylghg#

iru# uhfrqvlghudwlrq# ri# d# ilqdo# rughu/# ghflvlrq/# ru# dz dug# p dgh# dqg# ilohg# e|# d# z runhuv'Ñ# frp shqvdwlrq#
dgp lqlvwudwlyh#odz #mxgjh#sxuvxdqw#wr#wkh#surfhgxuhv#vhw#iruwk#lq#Duwlfoh#4+#frp p hqflqj#z lwk#Vhfwlrq#8<33,#ri#
Fkdswhu#:#ri#Sduw#7#ri#Glylvlrq#7/#dqg#wkh#frxu#ri#dssdov#sxuvxdqw#wr#wkh#surfhgxuhv#vhw#iruwk#lq#Duwlfoh#5#
+frp p hqflqj#z lwk#Vhfwlrq#8<83,#ri#Fkdswhu#:#ri#Sduw#7#ri#Glylvlrq#7/#jryhuqlqj#rughuv/#ghflvlrqv/#ru#dz dugv#ri#
wkh#dsshdov#erdug1Wkh#ilqglqjv#ri#idfw/#dz dug/#rughu/#ru#ghflvlrq#ri#wkh#duelwudwru#vkdoo#kdyh#wkh#vdp h#irufh#dqg#
hiihfw#dv#dq#dz dug/#rughu/#ru#ghflvlrq#ri#d#z runhuv'Ñ#frp shqvdwlrq#dgp lqlvwudwlyh#odz #mxgjh1Dq|#surylvlrq#iru#
duelwudwlrq#hvwdeolvkhg#sxuvxdqw#wr#wklv#vhfwlrq#vkdoo#qrw#eh#vxemhfw#wr#Vhfwlrqv#85:3/#85:318/#85:4/#85:5/#
85:6/#85:8/#dqg#85::1

+E,#Wkh#xvh#ri#dq#djuhhg#olvw#ri#surylghuv#ri#p hglfdo#wuhdwp hqw#wkdw#p d|#eh#wkh#h{foxvlyh#vrxufh#ri#doo#p hglfdo#
wuhdwp hqw#surylghg#xqghu#wklv#glylvlrq1

+F,#Wkh#xvh#ri#dq#djuhhg/#olp lwhg#olvw#ri#txdolilhg#p hglfdo#hydoxdwruv#dqg#djuhhg#p hglfdo#hydoxdwruv#wkdw#p d|#eh#
wkh#h{foxvlyh#vrxufh#ri#txdolilhg#p hglfdo#hydoxdwruv#dqg#djuhhg#p hglfdo#hydoxdwruv#xqghu#wklv#glylvlrq1

+G,#Mrlqw#oderu#p dqdjhp hqw#vdihw|#frp p lwwhhv1

+H,#D#oljkw0gxw|/#p rglilhg#mre/#ru#uhwxuq0wr0z run#surjudp 1

+I,#D#yrfdwlrqdo#uhkdelolwdwlrq#ru#uhwudlqlqj#surjudp #xwlol}lqj#dq#djuhhg#olvw#ri#surylghuv#ri#uhkdelolwdwlrq#vhuylfhv#
wkdw#p d|#eh#wkh#h{foxvlyh#vrxufh#ri#surylghuv#ri#uhkdelolwdwlrq#vhuylfhv#xqghu#wklv#glylvlrq1

+e,#+4,#Qrwklqj#lq#wklv#vhfwlrq#vkdoo#doorz #d#oderu0p dqdjhp hqw#djuhhp hqw#wkdw#glplqlvkhv#wkh#hqwlwohp hqw#ri#dq#
hp sor|hh# wr# frp shqvdwlrq# sd|p hqwv# iru# wrwdo# ru# sduwldo# glvdelolw|/# whp srudu|# glvdelolw|/# yrfdwlrqdo#
uhkdelolwdwlrq/#ru#p hglfdo#wuhdwp hqw#ixoo|#sdlg#e|#wkh#hp sor|hu#dv#rwkhuz lvh#surylghg#lq#wklv#glylvlrq>#qru#vkdoo#
dq|#djuhhp hqw#dxwkrul}hg#e|#wklv#vhfwlrq#ghq|#wr#dq|#hp sor|hh#wkh#uljkw#wr#uhsuhvhqwdwlrq#e|#frxqvho#dw#doo#
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sdudjudsk#vkdoo#eh#ghfoduhg#qxoo#dqg#yrlg1

+5,#Wkh#sduwlhv#p d|#qrw#qhjrwldwh#dq|#dvshfw#ri#wkh#gholyhu|#ri#p hglfdo#ehqhilw#dqg#wkh#gholyhu|#ri#glvdelolw|#
frp shqvdwlrq#wr#hp sor|hhv#ri#wkh#hp sor|hu#ru#jurxs#ri#hp sor|huv#wkdw#duh#holjleoh#iru#jurxs#khdowk#ehqhilwv#
dqg#qrqrffxsdwlrqdo#glvdelolw|#ehqhilwv#wkurxjk#wkhlu#hp sor|hu1

+f,#Vxeglylvlrq#+d,#vkdoo#dsso|#rqo|#wr#wkh#iroorz lqj=

+4,#Dq#hp sor|hu#ghyhorslqj#ru#surmhfwlqj#dq#dqqxdo#z runhuv'Ñ#frp shqvdwlrq#lqvxudqfh#suhp lxp /#lq#Fdoliruqld/#ri#
iliw|#wkrxvdqg#grooduv#+'83/333,/#ru#p ruh/#dqg#hp sor|lqj#dw#ohdvw#83#hp sor|hhv/#ru#dq|#hp sor|hu#wkdw#sdlg#dq#
dqqxdo#z runhuv'Ñ#frp shqvdwlrq#lqvxudqfh#suhp lxp /#lq#Fdoliruqld/#ri#iliw|#wkrxvdqg#grooduv#+'83/333,/#dqg#
hp sor|lqj#dw#ohdvw#83#hp sor|hhv#lq#dw#ohdvw#rqh#ri#wkh#suhylrxv#wkuhh#|hduv1

+5,#Jurxsv#ri#hp sor|huv#hqjdjhg#lq#d#z runhuv'Ñ#frp shqvdwlrq#vdihw|#jurxs#frp so|lqj#z lwk#Vhfwlrqv#4499919#
dqg#449891:#ri#wkh#Lqvxudqfh#Frgh/#dqg#hvwdeolvkhg#sxuvxdqw#wr#d#mrlqw#oderu#p dqdjhp hqw#vdihw|#frp p lwwhh#ru#
frp p lwwhhv/#wkdw#ghyhorsv#ru#surmhfw#dqqxdo#z runhuv'Ñ#frp shqvdwlrq#lqvxudqfh#suhp lxp v#ri#ilyh#kxqguhg#
wkrxvdqg#grooduv#+'833/333,/#ru#p ruh1

+6,#Hp sor|huv#ru#jurxsv#ri#hp sor|huv/#lqfoxglqj#flwlhv#dqg#frxqwlhv/#wkdw#duh#vhoi0lqvxuhg#lq#frp sOldqfh#z lwk#
Vhfwlrq#6:33#wkdw#z rxog#kdyh#surmhfwhg#dqqxdo#z runhuv'Ñ#frp shqvdwlrq#frvwv#wkdw#p hhw#wkh#uhtxluhp hqw#ri/#
dqg#wkdw#p hhw#wkh#rwkhu#uhtxluhp hqw#ri/#sdudjudsk#+4,#lq#wkh#fdvh#ri#hp sor|huv/#ru#sdudjudsk#+5,#lq#wkh#fdvh#
ri#jurxsv#ri#hp sor|huv1

(4) The State of California.

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jurxs#ri#hp sor|huv#wr#hqwhu#lqwr#d#oderu0p dqdjhp hqw#djuhhp hqw#sxuvxdqw#wr#wklv#vhfwlrq1Wkh#shwlwlrq#vkdoo#
vshfli|#wkh#edujdlqlqj#xqlw#ru#xqlwv#wr#eh#lqfoxghg/#wkh#qdp hv#ri#wkh#hp sor|huv#ru#jurxsv#ri#hp sor|huv/#dqg#
vkdoo#eh#dffrp sdqlhg#e|#surri#ri#wkh#oderu#xqlrqÑv#vwdwxv#dv#wkh#h{foxvlyh#edujdlqlqj#uhsuhvhqwdwlyh1#Wkh#
fxuuhqw#froohfwlyh#edujdlqlqj#djuhhp hqw#ru#djuhhp hqwv#vkdoo#eh#dwwdfkhg#wr#wkh#shwlwlrq1#Wkh#shwlwlrq#vkdoo#eh#lq#
wkh#irup #ghvljqdwhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru1Xsrq#uhfhlsw#ri#wkh#shwlwlrq/#wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#
surp swo|#yhuli|#wkh#shwlwlrqhuÑv#vwdwxv#dv#wkh#h{foxvlyh#edujdlqlqj#uhsuhvhqwdwlyh1#Li#wkh#shwlwlrq#vdwlvilhv#wkh#
uhtxluhp hqw#vhw#iruwk#lq#wklv#vxeglylvlrq/#wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#lvvxh#d#ohwwhu#dgylvlqj#hdfk#hp sor|hu#
dqg#oderu#uhsuhvhqwdwlyh#ri#wkhlu#holjleolw|#wr#hqwhu#lqwr#qhjrwldwlrqv/#iru#d#shulrg#qrw#wr#h{fhhg#rqh#|hdu/#iru#
wkh#sxusrvhv#ri#uhdfklqj#djuhhp hqw#rq#d#oderu0p dqdjhp hqw#djuhhp hqw#sxuvxdqw#wr#wklv#vhfwlrq1Wkh#sduwlhv#
p d|#mrlqwo|#uhtxhvw#dqg#vkdoo#eh#judqwhg/#e|#wkh#dgp lqlvwudwlyh#gluhfwru#dq#dgglwlrqdo#rqh0|hdu#shulrg#wr#
qhjrwldwh#dq#djuhhp hqw1

+h,#Qr#hp sor|hu#p d|#hvwdedvlk#ru#frqwlqxh#d#surjudp #hvwdedvkhg#xqghu#wklv#vhfwlrq#xqwld#lw#kdv#surylghg#wkh#
dgp lqlvwudwlyh#glhfwru#z lwk#dod#ri#wkh#iroorz lqj=

+4,#Xsrq#lw#ruljlqdd#dssolfdwlrq#dqg#z khqhyhu#lw#lv#uhqhjrwldwhg/#d#frs|#ri#wkh#oderu0p dqdjhp hqw#
djuhhp hqw#dqg#wkh#dssur{lp dwh#qxp ehu#ri#hp sor|hhv#z kr#z loo#eh#fryhuhg#wkhuhe|1

+5,#Xsrq#lw#ruljlqdd#dssolfdwlrq#dqg#dqqxdoo|#wkhuhdiwhu/#d#vwdwhp hqw#vljqhg#xqghu#shqdo|#ri#shumxu|/#wkdw#qr#
dfwlrq#kdv#ehhq#wdnhq#e|#dq|#dgp lqlvwudwlyh#djhqf|#ru#frxuw#ri#wkh#Xqlwhg#Vwdwhv#wr#lqydolgdwh#wkh#oderu0
p dqdjhp hqw#djuhhp hqw1

+6,#Wkh#qdp h/#dgguhvv/#dqg#whohskrqh#qxp ehu#ri#wkh#frqwdfw#shuvrq#ri#wkh#hp sor|hu1

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vhfwlrq1

+i,#Qr#frochfwlyh#edujdlqlqj#uhsuhvhqwdwlyh#p d|#hvwdedvlk#ru#frqwlqxh#wr#sduwlflsdwh#lq#d#surjudp #hvwdedvkhg#
xqghu#wklv#vhfwlrq#xqohvv#doo#ri#wkh#iroorz lqj#uhtxluhp hqw#duh#p hw=

+4,#Xsrq#lw#ruljlqdd#dssolfdwlrq#dqg#dqqxdoo|#wkhuhdiwhu/#lw#kdv#surylghg#wr#wkh#dgp lqlvwudwlyh#glhfwru#d#frs|#ri#
lw#p rvw#uhfhqw#OP 05#ru#OP 06#lolqj#z lwk#wkh#Xqlwhg#Vwdwhv#Ghsduw hqw#ri#Oderu/#z khuh#vxfk#lolqj#lv#uhtxluhg#e|#
odz /#dorqj#z lwk#d#vwdwhp hqw#vljqhg#xqghu#shqdo|#ri#shumxu|/#wkdw#wkh#grfxp hqw#lv#d#wuxh#dqg#fruuhfw#frs|1

+5,#Lw#kdv#surylghg#wr#wkh#dgp lqlvwudwlyh#glhfwru#wkh#qdp h/#dgguhvv/#dqg#whohskrqh#qxp ehu#ri#wkh#frqwdfw#
shuvrq#ru#shuvrqv#ri#wkh#frochfwlyh#edujdlqlqj#uhsuhvhqwdwlyh#ru#uhsuhvhqwdwlyhv1

+j,#Frp p hqflqj#Mxo|#4/#5338 /#dqg#dqqxdoo|#wkhuhdiwhu/#wkh#Glylvlrq#ri#Z runhuvÑFrp shqvdwlrq#vkdoo#uhsruw#wr#
wkh#Glhfwru#ri#Lqgxvwuldo#Uhodwlrqv#wkh#qdp ehu#ri#oderu0p dqdjhp hqw#djuhhp hqw#uhfhlyhg#dqg#wkh#qxp ehu#ri#
hp sor|hhv#fryhuhg#e|#wkhvh#djuhhphqw1

~~+k,#B|#Mxqh#63/#5339 /#dqg#dqqxdoo|#wkhuhdiwhu/#wkh#dgp lqlvwudwlyh#glhfwru#vkdoo#suhsduh#dqg#qrwli|#Ph#p ehuv#ri#
wkh#Ohjlvodwxuh#wkdw#d#uhsruw#dxwkrul}hg#e|#wklv#vhfwlrq#lv#dydlodeoh#xsrq#uhtxhvw#Wkh#uhsruw#edvhg#xsrq#
djjuhjdwh#gdwd#vkdoo#lqfoxgh#wkh#iroorz lqj=~~

~~+4,#Shuvrq#krxuv#dqg#sd|uro#fryhuhg#e|#djuhhphqw#lohg1~~

~~+5,#Wkh#qxp ehu#ri#fodlp v#lohg1~~

~~+6,#Wkh#dyhudjh#frvw#shu#fodlp #vkdoo#eh#uhsruwhg#e|#frvw#frp srqhqw#z khqhyhu#sudfwlfdedo1~~

~~+7,#Wkh#qxp ehu#ri#doljdwhg#fodlp v/#lqfoxglqj#wkh#qxp ehu#ri#fodlp v#vxep lwwhg#wr#p hgldwlrq/#wkh#dsshdo#erdug/#
ru#wkh#frxuw#ri#dsshdo1~~

~~+8,#Wkh#qxp ehu#ri#frqwhvvhg#fodlp v#khvroyhg#sulru#wr#duelwudwlrq1~~

~~+9,#Wkh#surmhfwhg#lqfxuuhg#frvw#dqg#dfxdo#frvw#ri#fodlp v1~~

~~+.,#Vdihw|#klvwru|1~~

~~+,,#Wkh#qxp ehu#ri#z runhuv#sduwlflsdwlqj#lq#yrfdwlrqdo#uhkdelolwdwlrq1~~

~~+<,#Wkh#qxp ehu#ri#z runhuv#sduwlflsdwlqj#lq#oljkw0gxw|#surjudp v1~~

~~+43,#Ryhudo#z runhu#vdwlvidfwlrq1~~

~~Wkh#glylvlrq#vkdoo#kdyh#wkh#dxwkrulw|#wr#uhtxluh#hp sor|huv#dqg#jurxsv#ri#hp sor|huv#sduwlflsdwlqj#lq#oderu0
p dqdjhp hqw#djuhhp hqw#sxuvxdqw#wr#wklv#vhfwlrq#wr#surylgh#wkh#gdwd#vhw#deryh1~~

~~+l,~~ *(h)* ##Wkh#gdwd#rewdlqhg#e|#wkh#dgp lqlvwudwlyh#glhfwru#sxuvxdqw#wr#wklv#vhfwlrq#vkdoo#eh#frqilghqwldd#dqg#qrw#
vxemhfw#wr#sxeolf#glvforvxuh#xqghu#dq|#odz #ri#wklv#vwdwh1#Krz hyhu/#wkh#Glylvlrq#ri#Z runhuvÑFrp shqvdwlrq#vkdoo#
fuhdwh#ghulydwlyh#z runv#sxuvxdqw#wr#~~vxeglylvlrqv#+i,#dqg#~~ *subdivision* #+j,#edvhg#rq#wkh#oderu0p dqdjhp hqw#
djuhhp hqw#dqg#gdwd1Wkrvh#ghulydwlyh#z runv#vkdoo#qrw#eh#frqilghqwldo/#exw#vkdoo#eh#sxeolf1Rq#d#p rqwko| #edvlv/#
wkh#dgp lqlvwudwlyh#glhfwru#vkdoo#p dnh#dydlodeoh#dq#xsgdwhg#olvw#ri#hp sor|huv#dqg#xqlrqv#hqwhulqj#lqwr#oderu0
p dqdjhp hqw#djuhhp hqw#dxwkrul}hg#e|#wklv#vhfwlrq1

SEC. 10.#Vhfwlrq#6:3314#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3700.1. Dv#xvhg#lq#wklv#duwlfoh=

+d,#ÈGluhfwruŠ#phdqv#wkh#Gluhfwru#ri#Lqgxvwuldo#Uhodwlrqv1

+e,#ÈSulydwh#vhoi0lqvxuhuŠ#phdqv#d#sulydwh#hpsor|hu#zklfk#kdv#vhfxuhg#wkh#sd|phqw#ri#frpshqvdwlrq#sxuvxdqw#wr#Vhfwlrq#6:341

+f,#ÈLqvroyhqw#vhoi0lqvxuhuŠ#phdqv#d#sulydwh#vhoi0lqvxuhu#zkr#kdv#idlohg#wr#sd|#frpshqvdwlrq#dqg#zkrvh#vhfxulw|#ghsrvlw#kdv#ehhq#fdoohg#e|#wkh#gluhfwru#sxuvxdqw#wr#Vhfwlrq#6:34181

+g,#ÈIxqgŠ#phdqv#wkh#Vhoi0Lqvxuhuv#Ñ#Vhfxulw|#Ixqg#hvwdeolvkhg#sxuvxdqw#wr#Vhfwlrq#6:751

~~+h,~~ *(c)* ÈWuxvwhhvŠ#phdqv#wkh#Erdug#ri#Wuxvwhhv#ri#wkh#Vhoi0Lqvxuhuv#Ñ#Vhfxulw|#Ixqg1

~~+i,~~ *(d)* ÈPhphehuŠ#phdqv#d#sulydwh#vhoi0lqvxuhu#zklfk#sduwlflsdwhv#lq#wkh#Vhoi0Lqvxuhuv#Ñ#Vhfxulw|#Ixqg1

~~+j,~~ *(e)* ÈLqfxuuhg#oldelolwlhv#iru#wkh#sd|phqw#ri#frpshqvdwlrqŠ#phdqv#wkh#vxp#ri#dq#hvwlpdwh#ri#ixwxuh#frpshqvdwlrq/#dv#frpshqvdwlrq#lv#ghilqhg#e|#Vhfwlrq#653:/#soxv#dq#hvwlpdwh#ri#wkh#dprxqw#qhfhvvdu|#wr#surylgh#iru#wkh#dgplqlvwudwlrq#ri#fodlpv/#lqfoxglqj#ohjdo#frvwv1

SEC. 11. Vhfwlrq#6:34#ri#wkh#Oderu#Frgh#lv#dphqghg#wr#uhdg=

3701. +d,#Hdfk#|hdu#hyhu|#sulydwh#vhoi0lqvxulqj#hpsor|hu#vkdoo#vhfxuh#lqfxuuhg#oldelolwlhv#iru#wkh#sd|phqw#ri#frpshqvdwlrq#dqg#wkh#shuirupdqfh#ri#wkh#reoljdwlrqv#ri#hpsor|huv#lpsrvhg#xqghu#wklv#fkdswhu#e|#uhqhzlqj#wkh#sulru#|hduÑ#vhfxulw|#ghsrvlw#ru#e|#pdnlqj#d#qhz#ghsrvlw#ri#vhfxulw|1#Li#d#qhz#ghsrvlw#lv#pdgh/#lw#vkdoo#eh#srvwhg#zlwklq#93#gd|v#ri#wkh#ilolqj#ri#wkh#vhoi0lqvxuhu#Ñ#dqqxdo#uhsruw#zlwk#wkh#gluhfwru/#exw#lq#qr#hyhqw#odwhu#wkdq#Pd|#41

(b) The solvency risk and security deposit amount for each private and group self-insurer shall be acceptable to the Self-Insurers' Security Fund.

~~+e,~~ *(c)* ~~Wkh#plqlpxp#~~ *Unless otherwise permitted by regulation, the* #ghsrvlw#vkdoo#eh#~~450#shufhqw#ri#wkh#sulydwh#vhoi0lqvxuhu#Ñ#hvwlpdwhg#ixwxuh#oldelolw|#iru#frpshqvdwlrq#wr#vhfxuh#sd|phqw#ri#frpshqvdwlrq#soxv#43#shufhqw#ri#wkh#sulydwh#vhoi0lqvxuhu#Ñ#hvwlpdwhg#ixwxuh#oldelolw|#iru#frpshqvdwlrq#wr#vhfxuh#sd|phqw#ri#doo#dgplqlvwudwlyh#dqg#ohjdo#frvwv#uhodwlqj#wr#ru#dulvlqj#irp#wkh#hpsor|huÑ#vhoi0lqvxulqj1#Lq#qr#hyhqw#vkdoo#wkh#vhfxulw|#ghsrvlw#iru#wkh#lqfxuuhg#oldelolwlhv#iru#frpshqvdwlrq#eh#ohvv#wkdq#wzr#kxqguhg#wzhqw|#wkrxvdqg#grooduv#~~+553/333,1~~ *an amount equal to the self-insurer's projected losses, net of specific excess insurance coverage, if any, and inclusive of incurred but not reported (IBNR) liabilities, allocated loss adjustment expense, and unallocated loss adjustment expense, calculated as of December 31 of each year. The calculation of projected losses and expenses shall be reflected in a written actuarial report that projects ultimate liabilities of the private self-insured employer at the expected actuarial confidence level, to ensure that all claims and associated costs are recognized. The written actuarial report shall be prepared by an actuary meeting the qualifications prescribed by the director in regulation.*

~~+f,~~ *(d)* ##Lq#ghwhuplqlqj#wkh#dprxqw#ri#wkh#ghsrvlw#uhtxluhg#wr#vhfxuh#lqfxuuhg#oldelolwlhv#iru#wkh#sd|phqw#ri#frpshqvdwlrq#dqg#wkh#shuirupdqfh#ri#reoljdwlrqv#ri#d#vhoi0lqvxuhg#hpsor|hu#lpsrvhg#xqghu#wklv#fkdswhu/#wkh#gluhfwru#vkdoo#riivhw#hvwlpdwhg#ixwxuh#oldelolwlhv#iru#wkh#vdph#fodlpv#fryhuhg#e|#d#vhoi0lqvxuhu#sodq#xqghu#wkh#*federal* #Orqjvkruh#dqg#Kdueru#Z runhuv#Ñ#Frp shqvdwlrq#Dfw#+66#X1V1F1#Vhf1#< 34 #hw#vht1,/#exw#lq#qr#hyhqw#vkdoo#wkh#riivhw#h{fhhg#wkh#hvwlpdwhg#ixwxuh#oldelolwlhv#iru#wkh#fodlp v#xqghu#wklv#fkdswhu1

~~+g,~~ *(e)* ##Wkh#gluhfwru#pd|#rqo|#dffhsw#dv#vhfxulw|/#dqg#wkh#hpsor|hu#vkdoo#ghsrvlw#dv#vhfxulw|/#fdvk/#vhfxulwlhv/#vxuhw|#erqgv/#ru#luuhyrfdeoh#ohwwhuv#ri#fuhglw#lq#dq|#frp elqdwlrq#wkh#gluhfwru/#lq#klv#ru#khu#glvfuhwlrq/#ghhp v#dghtxdwh#vhfxulw|1#Wkh#fxuuhqw#ghsrvlw#vkdoo#lqfoxgh#dq|#dprxqw#fryhuhg#e|#whup lqdwhg#vxuhw|#erqgv#ru#h{fhvv#lqvxudqfh#srolflhv/#dv#vkdoo#eh#vhw#iruwk#lq#uhjxodwlrqv#dgrswhg#e|#wkh#gluhfwru#sxuvxdqw#wr#Vhfwlrq#6:351431

~~+h,~~ *(f)* ##Vxuhw|#erqgv/#luuhyrfdeoh#ohwwhuv#ri#fuhglw/#dqg#grfxp hqwv#vkrz lqj#lvvxdqfh#ri#dq|#luuhyrfdeoh#ohwwhu#ri#fuhglw#vkdoo#eh#ghsrvlwhg#z lwk/#dqg#eh#lq#d#irup #dssuryhg#e|/#wkh#gluhfwru/#vkdoo#eh#h{rqhudwhg#rqo|#dffruglqj#wr#lw#whup v#dqg#lq#qr#hyhqw/#e|#wkh#srvwlqj#ri#dgglwlrqdo#vhfxulw|1

~~+i,~~ *(g)* ##Wkh#gluhfwru#pd|#dffhsw#dv#vhfxulw|#d#mrlqw#vhfxulw|#ghsrvlw#wkdw#vhfxuhv#dq#hpsor|huÑ#reoljdwlrq#xqghu#wklv#fkdswhu#dqg#wkdw#dovr#vhfxuhv#wkdw#hpsor|huÑ#reoljdwlrqv#xqghu#wkh#ihghudo#Orqjvkruh#dqg#Kdueru#Z runhuvÑ#Frp shqvdwlrq#Dfw1

~~+j,~~ *(h)* ##Wkh#oldelw|#ri#wkh#Vhoi0Lqvxuhuv#Ñ#Vhfxulw|#Ixqg/#z lwk#uhvshfw#wr#dq|#fodlp v#eurxjkw#xqghu#erwk#wklv#fkdswhu#dqg#xqghu#wkh#ihghudo#Orqjvkruh#dqg#Kdueru#Z runhuvÑ#Frp shqvdwlrq#Dfw/#wr#sd|#iru#vkruwidoov#lq#d#vhfxulw|#ghsrvlw#vkdoo#eh#dp lwhg#wr#wkh#dp rxqw#ri#fodlp #oldelolw|#rz lqj#wkh#hp sor|hh#xqghu#wklv#fkdswhu#riihvw#e|#wkh#dp rxqw#ri#dq|#fodlp #oldelolw|#rz lqj#xqghu#wkh#*federal* #Orqjvkruh#dqg#Kdueru#Z runhuvÑ#Frp shqvdwlrq#Dfw/#

exw#lq#qr#hyhqw#vkdoo#wkh#oldelolw|#ri#wkh#ixqg#h{fhhg#wkh#fodlp #oldelolw|#xqghu#wklv#fkdswhu1#Wkh#hp sor|hh#vkdoo#eh# hqwlwohg#wr#sxuvxh#uhfryhu|#xqghu#hlwkhu#ru#erwk#wkh#vwdwh#dqg#ihghudo#surjudp v1

~~k,~~ *(i)*##Vhfxulwlhv#vkdoo#eh#ghsrvlwhg#rq#ehkdoi#ri#wkh#gluhfwru#e|#wkh#vhoi0lqvxuhg#hp sor|hu#z lwk#wkh#Wuhdvxuhu1# Vhfxulwlhv#vkdoo#eh#dffhswhg#e|#wkh#Wuhdvxuhu#iru#ghsrvlw#dqg#vkdoo#eh#z lwkgudz q#rqo|#xsrq#z ulwwhq#rughu#ri#wkh# gluhfwru1

~~l,~~ *(j)*##Fdvk#vkdoo#eh#ghsrvlwhg#lq#d#ilqdqfldo#lqvwlwxwlrq#dssuryhg#e|#wkh#gluhfwru/#dqg#lq#wkh#dffrxqw#dvvljqhg#wr# wkh#gluhfwru1#Fdvk#vkdoo#eh#z lwkgudz q#rqo|#xsrq#z ulwwhq#rughu#ri#wkh#gluhfwru1

~~m,~~ *(k)*##Xsrq#wkh#vhqglqj #e|#wkh#gluhfwru#ri#d#uhtxhvw#wr#uhqhz /#uhtxhvw#wr#srvw/#ru#uhtxhvw#wr#lqfuhdvh#ru# ghfuhdvh#d#vhfxulw|#ghsrvlw/#d#shuihfwhg#vhfxulw|#lqwhuhvw#lv#fuhdwhg#lq#wkh#sulydwh#vhoi0lqvxuhgÑv#dvvhwv#lq#idyru# ri#wkh#gluhfwru*and the Self-Insurers' Security Fund* #wr#wkh#h{whqw#ri#dq|#wkhq#xqvhfxuhg#sruwlrq#ri#wkh#vhoi0 lqvxuhgÑv#lqfxuhg#oldelolwhv1#Wkdw#shuihfwhg#vhfxulw|#lqwhuhvw#lv#wudqvihuuhg#wr#dq|#fdvk#ru#vhfxulwlhv#wkhuhdiwhu# srvwhg#e|#wkh#sulydwh#vhoi0lqvxuhg#z lwk#wkh#gluhfwru#dqg#lv#uhohdvhg#rqo|#xsrq#hlwkhu#ri#wkh#iroorz lqj =

+4,#Wkh#dffhswdqfh#e|#wkh#gluhfwru#ri#d#vxuhw|#erqg#ru#luuhyrfdeoh#ohwwhu#ri#fuhglw#iru#wkh#ixoo#dp rxqw#ri#wkh# lqfxuhg#oldelolwhv#iru#wkh#sd|p hqw#ri#frp shqvdwlrq1

+5,#Wkh#uhwxuq#ri#fdvk#ru#vhfxulwlhv#e|#wkh#gluhfwru1

Wkh#sulydwh#vhoi0lqvxuhg#hp sor|hu#orvhv#doo#uljkw/#wlwoh/#dqg#lqwhuhvw#lq/#dqg#dq|#uljkw#wr#frqwuro/#doo#dvvhwv#ru# reoljdwlrqv#srvwhg#ru#ohiw#rq#ghsrvlw#dv#vhfxulw|1#Wkh#gluhfwru#p d|#oltxlgdwh#wkh#ghsrvlw#dv#surylghg#lq#Vhfwlrq# 6:7518#dqg#dsso|#lw#wr#wkh#vhoi0lqvxuhg#hp sor|huÑv#lqfxuhg#oldelolwlhv#hlwkhu#gluhfwo|#ru#wkurxjk#wkh#Vhoi0LqvxuhuvÑ# Vhfxulw|#Ixqg1

SEC. 12.#Vhfwlrq#6:7516#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3701.3. Wkh#gluhfwru#vkdoo#uhwxuq#wr#d#sulydwh#vhoi0lqvxuhg#hp sor|hu#doo#~~dp rxqw~~ *individual security* #ghwhup lqhg/# ~~lq#wkh#gluhfwruÑv#glvfuhwlrq/#~~ *with the consent of the Self-Insurers' Security Fund,* #wr#eh#lq#h{fhvv#ri#wkdw#qhhghg# wr#~~dvvxuh~~ *ensure* ##wkh#dgp lqlvwudwlrq#ri#wkh#hp sor|huÑv#vhoi0lqvxulqj #lqfoxglqj #dnjdlihhv#dqg#wkh#sd|p hqw#ri# dq|#ixwxuh#fodlp v1 *This section shall not apply to any security posted as part of the composite deposit, or to any security turned over to the Self-Insurers' Security Fund following an order of default under Section 3701.5.*

SEC. 13.#Vhfwlrq#6:7518#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3701.5. +d,#Li# wkh# gluhfwru# ghwhup lqhv# wkdw# d# sulydwh# vhoi0lqvxuhg# hp sor|hu# kdv# idlohg# wr# sd|# z runhuvÑ# frp shqvdwlrq#dv#uhtxluhg#e|#wklv#glylvlrq/#wkh#vhfxulw|#ghsrvlw#vkdoo#eh#xwlol}hg#wr#dgp lqlvwhu#dqg#sd|#wkh# hp sor|huÑv#frp shqvdwlrq#reoljdwlrqv1

+e,#Li#wkh#gluhfwru#ghwhup lqhv#wkh#vhfxulw|#ghsrvlw#kdv#qrw#ehhq#lp p hgldwho|#p dgh#dydlodeoh#iru#wkh#sd|p hqw#ri# frp shqvdwlrq/#wkh#gluhfwru#vkdoo#ghwhup lqh#wkh#p hwkrg#ri#sd|p hqw#dqg#fodlp v#dgp lqlvwudwlrq#dv#dssursuldwh/# z klfk#p d|#lqfoxgh#exw#lv#qrw#olp lwhg#wr/#sd|p hqw#e|#d#vxuhw|#wkdw#lvvxhg#wkh#erqg/#ru#sd|p hqw#e|#dq#lvvxhu#ri# dq|#luuhyrfdeoh#ohwwhu#ri#fuhglw/#dqg#dgp lqlvwudwlrq#e|#d#vxuhw|#ru#e|#dq#dgmxvwlqj #djhqf|/#ru#wkurxjk#wkh#Vhoi0 LqvxuhuvÑ#Vhfxulw|#Ixqg/#ru#dq|#frp elqdwlrq#wkhuhri1 *If the director arranges for administration and payment by any person other than the Self-Insurers' Security Fund after a default is declared, the fund shall have no responsibility for claims administration or payment of the claims.*

+f,#Li#wkh#gluhfwru#ghwhup lqhv#wkh#sd|p hqw#ri#ehqhilw#dqg#fodlp v#dgp lqlvwudwlrq#vkdoo#eh#p dgh#wkurxjk#wkh#Vhoi0 LqvxuhuvÑ#Vhfxulw|#Ixqg/#wkh#ixqg#vkdoo#frp p hqfh#sd|p hqw#ri#wkh#sulydwh#vhoi0lqvxuhg#hp sor|huÑv#reoljdwlrqv#iru# z klfk#lw#lv#oldeoh#xqghu#Vhfwlrq#6:76#z lwklq#63#gd|v#ri#qrwlilfdwlrq1#Sd|p hqw#vkdoo#eh#p dgh#wr#fodlp dqw#z krvh# hqwlwohp hqw#wr#ehqhilw#fdq#eh#dvfhuwdlqhg#e|#wkh#ixqg#z lwk#ru#z lwkrxw#surfhhglqjv#ehiruh#wkh#dsshdov#erdug1# Xsrq#wkh#dvvxp swlrq#ri#reoljdwlrqv#e|#wkh#ixqg#sxuvxdqw#wr#wkh#gluhfwruÑv#ghwhup lqdwlrq/#wkh#ixqg#vkdoo#kdyh#d# uljkw#wr#lp p hgldwh#srvvhvvlrq#ri#dq|#srvwhg#vhfxulw|#dqg#wkh#fxvwrgldq/#vxuhw|/#ru#lvvxhu#ri#dq|#luuhyrfdeoh# ohwwhu#ri#fuhglw#vkdoo#wxuq#ryhu#wkh#vhfxulw|#wr#wkh#ixqg#wrjhwkhu#z lwk#wkh#lqwhuhvw#wkdw#kdv#dffuxhg#vlqfh#wkh#gdwh# ri#wkh#vhoi0lqvxuhg#hp sor|huÑv#ghidxow#ru#lqvroyhqf|1

~~+g,#Wkh#gluhfwru#vkdoo#surp swo|#dgxglw#dq#hp sor|hu#xsrq#p dnlqj #d#ghwhup lqdwlrq#xqghu#vxegylvlrq#+d,#ru#+e,1# Wkh#hp sor|hu/#dq|#h{fhvv#lqvxuhu#dqg#dq|#dgmxvwlqj #djhqf|#vkdoo#surylgh#dq|#uhohydqw#lqirup dwlrq#lq#wkhlu# srvvhvvlrq1#Li#wkh#dxglw#uhvxow#lq#d#suholp lqdu|#hvwlp dwh#wkdw#oldelolwlhv#h{fhhg#wkh#dp rxqw#ri#wkh#vhfxulw|## ghsrvlw/#wkh#gluhfwru#vkdoo#gluhfw#wkh#fxvwrgldq#ri#wkh#vhfxulw|#ghsrvlw#wr#oltxlgdwh#lw#dqg#surylgh#doo#surfhhgv#ru# wkh#Vhoi0LqvxuhuvÑ#Vhfxulw|#Ixqg1#Li#wkh#suholp lqdu|#hvwlp dwh#lv#wkdw#oldelolwlhv#duh#ohvv#wkdq#wkh#vhfxulw|#ghsrvlw/# wkh#gluhfwru#vkdoo#hqvxuh#wkh#dgp lqlvwudwlrq#dqg#sd|p hqw#ri#frp shqvdwlrq#sxuvxdqw#wr#vxegylvlrq#+e,1~~

~~h.~~ *(d)* ##Wkh#sd|phqw#ri#ehqhilw#e|#wkh#Vhoi0Lqvxuhuv͂#Vhfxulw|#Ixqg#iurp #vhfxulw|#ghsrvlw#surfhhgv#vkdoo#
uhdndvh#dqg#glvfkdujh#dq|#fxvwrgldq#ri#wkh#vhfxulw|#ghsrvlw#vxuhw|/#dq|#lvvxhu#ri#d#ohwwhu#ri#fuhglw/#dqg#wkh#vhoi0
lqvxuhg#hp sor|hu/#iurp #oldelolw|#wr#ixoilo#reoljdwlrqv#wr#surylgh#wkrvh#vdp h#ehqhilwv#dv#frp shqvdwlrq/#exw#grhv#
qrw#uhnhdvh#dq|#shuvrq#iurp #dq|#oldelolw|#wr#wkh#ixqg#iru#ixo#uhp exuvhp hqw1Sd|p hqw#e|#d#vxuhw|#frqvwlwxwhv#d#
ixoo#uhnhdvh#ri#wkh#vxuhw|͂#oldelolw|#xqghu#wkh#erqg#wr#wkh#h{whqw#ri#wkdw#sd|p hqw/#dqg#hqwlwohv#wkh#vxuhw|#wr#ixoo#
uhlp exuvhp hqw#e|#wkh#sulqflsdo#ru#klv#ru#khu#hvwdwh1Ixoo#uhlp exuvhp hqw#lqfoxghv#qhfhvvdu|#dwwruqh|*ihhv#dqg#
rwkhu#frvwv#dqg#h{shqvhv#z lwkrxw#sulru#fodlp #ru#surfhhglqjv#rq#wkh#sduw#ri#wkh#lqmxuhg#hp sor|hh#ru#rwkhu#
ehqhilfldulhv1Dq|#ghflvlrq#ru#ghwhup lqdwlrq#p dgh/#ru#dq|#vhwwohp hqw#dssuryhg/#e|#wkh#gluhfwru#ru#e|#wkh#
dsshdov#erdug#xqghu#vxeglylvlrq#~~j.~~ *(f)* ##vkdoo#frqfoxvlyho|#eh#suhvxp hg#ydolg#dqg#elqglqj#dv#wr#dq|#dqg#doo#
nqrzq#fodlp v#dulvlqj#rxw#ri#wkh#xqghuo|lqj#glvsxwh/#xqohvv#dq#dsshdo#lv#p dgh#z lwklq#wkh#wlp h#olp lw#vshflilhg#lq#
Vhfwlrq#8<831

~~i.~~ *(e)* ##Wkh#gluhfwru#vkdoo#dgylvh#wkh#Vhoi0Lqvxuhuv͂#Vhfxulw|#Ixqg#surp swo|#diwhu#uhfhlsw#ri#lqirup dwlrq#lqglfdwlqj#
wkdw#d#sulydwh#vhoi0lqvxuhg#hp sor|hu#p d|#eh#xqdeoh#wr#p hhw#lwv#frp shqvdwlrq#reoljdwlrqv1Wkh#gluhfwru#vkdoo#dovr#
dgylvh#wkh#Vhoi0Lqvxuhuv͂#Vhfxulw|#Ixqg#ri#doo#ghwhup lqdwlrqv#dqg#gluhfwlyhv#p dgh#ru#lvvxhg#sxuvxdqw#wr#wklv#
vhfwlrq1 *All financial, actuarial, or claims information received by the director from any self-insurer may be shared by the director with the Self-Insurers' Security Fund.*

~~j.~~ *(f)* ##Glvsxwhv#frqfhuqlqj#wkh#srvwlqj/#uhqhzdo/#whup lqdwlrq/#h{rqhudwlrq/#ru#uhwxuq#ri#doo#ru#dq|#sruwlrq#ri#wkh#
vhfxulw|#ghsrvlw#ru#dq|#oldelolw|#dulvlqj#rxw#ri#wkh#srvwlqj#ru#idloxuh#wr#srvw#vhfxulw|/#ru#dghtxdf|#ri#wkh#vhfxulw|#
ru#uhdvrqdednqhvv#ri#dgp lqlvwudwlyh#frvw/#lqfoxglqj#dqjdufhhv/#dqg#dulvlqj#ehwz hhq#ru#dp rqj#d#vxuhw|/#wkh#
lvvxhu#ri#dq#djuhhp hqw#ri#dvvxp swlrq#dqg#jxdudqwhh#ru#z runhuv͂#frp shqvdwlrq#oldelolwlhv/#wkh#lvvxhu#ri#d#ohwwhu#
ri#fuhglw/#dq|##fxvwrgldq#ri#wkh#vhfxulw|#ghsrvlw/#d#vhoi0lqvxuhg#hp sor|hu/#ru#wkh#Vhoi0Lqvxuhuv͂#Vhfxulw|#Ixqg#
vkdoo#eh#uhvroyhg#e|#wkh#gluhfwru1Dq#dsshdo#iurp #wkh#gluhfwru͂#ghflvlrq#ru#ghwhup lqdwlrq#p d|#eh#wdnhq#wr#wkh#
dssursuldwh#vxshulru#frxuw#e|#shwlwlrq#iru#z ulw#ri#p dqgdwh1Sd|p hqw#ri#fodlp v#iurp #wkh#vhfxulw|#ghsrvlw#ru#e|#
wkh#Vhoi0Lqvxuhuv͂#Vhfxulw|#Ixqg#vkdoo#qrw#eh#vwd|hg#shqglqj#wkh#uhvroxwlrq#ri#wkh#glvsxwh#xqohvv#dqg#xqwo#wkh#
vxshulru#frxuw#lvvxhv#d#ghwhup lqdwlrq#vwd|lqj#d#sd|p hqw#ri#fodlp v#ghflvlrq#ru#ghwhup lqdwlrq#ri#wkh#gluhfwru1

SEC. 14. #Vhfwlrq#6:341:#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3701.7. Z khuh#dq|#hp sor|hu#uhtxhvwlqj#fryhudjh#xqghu#d#qhz #ru#h{lvwlqj#fhuwlilfdwh#ri#frqvhqw#wr#vhoi0lqvxuh#
kdv#kdg#d#shulrg#ri#xqodz ixo#xqlqvxudqfh/#hlwkhu#iru#dq#dssolfdqw#lq#lwv#hqwluhw|#ru#iru#d#vxevlgldu|#ru#p hp ehu#ri#
d#mrlqw#srz huv#dxwkrulw|#hqjdjho|#uhvsrqvleoh#iru#lwv#rz q#z runhuv͂#frp shqvdwlrq#reoljdwlrqv/#wkh#iroorz lqj#vshfldo#
frqglwlrqv#vkdoo#dsso|#ehiruh#wkh# *director may determine if the* #uhtxhvwlqj#hp sor|hu#fdq#rshudwh#xqghu#d#
fhuwlilfdwh#ri#frqvhqw#wr#vhoi0lqvxuh=

+d,#Wkh#gluhfwru#p d|#uhtxluh#d#ghsrvlw#ri#qrw#ohvv#wkdq#533#shufhqw#ri#wkh#rxwvwdqglqj#oldelolwlhv#uhp dlqlqj#
xqsdlg#dw#wkh#wlp h#ri#dssolfdwlrq/#z klfk#kdg#ehhq#lqfxuuhg#gxulqj#wkh#xqlqvxudqfh#shulrg1

+e,#Dw#wkh#glvfuhwlrq#ri#wkh#gluhfwru/#z khuh#d#sxeolf#ru#sulydwh#hp sor|hu#kdv#ehhq#suhylrxvo|#wrwdoo|#xqlqvxuhg#
iru#z runhuv͂#frp shqvdwlrq#sxuvxdqw#wr#Vhfwlrq#6:33/#wkh#gluhfwru#p d|#uhtxluh#dq#dgglwrqdo#ghsrvlw#qrw#wr#
h{fhhg#433#shufhqw#ri#wkh#wrwdo#rxwvwdqglqj#oldelolwlhv#iru#wkh#xqlqvxuhg#shulrg/#ru#wkh#vxp #ri#wz r#kxqguhg#iliw|#
wkrxvdqg#grooduv#+'583/333,/#z klfkhyhu#lv#juhdwhu1

+f,#Lq#dgglwlrq#wr#wkh#ghsrvlw#uhtxluhg#e|#vxeglylvlrqv#+d,#dqg#+e,/#d#shqdow|#vkdoo#eh#sdlg#wr#wkh#Xqlqvxuhg#
Hp sor|huv#Ixqg#ri#43#shufhqw#shu#|hdu#ri#wkh#uhp dlqlqj#xqsdlg#oldelolwlhv/#iru#hyhu|#|hdu#oldelolwlhv#uhp dlq#
rxwvwdqglqj1Lq#dgglwlrq/#dq#dgglwrqdo#dssolfdwlrq#ihh#qrw#wr#h{fhhg#rqh#wkrxvdqg#grooduv#+'4/333,,#soxv#
dvvhvvp hqwv/#sxuvxdqw#wr#Vhfwlrq#6:3518#dqg#vxeglylvlrq#+e,#ri#Vhfwlrq#6:78/#p d|#eh#lp srvhg#e|#wkh#gluhfwru#
dqg#wkh#Vhoi0Lqvxuhuv͂#Vhfxulw|#Ixqg#uhvshfwlyho|/#djdlqvw#sulydwh#vhoi0lqvxuhg#hp sor|huv1

(d) A certificate of consent to self-insure shall not be granted to an applicant that has had a period of unlawful uninsurance without the written approval of the Self-Insurers' Security Fund.

~~g.~~ *(e)* ##Dq#hp sor|hu#p d|#uhwurvshfwlyho|#lqvxuh#wkh#rxwvwdqglqj#oldelolwlhv#dulvlqj#rxw#ri#wkh#xqlqvxuhg#shulrg/#
hlwkhu#ehiruh#ru#diwhu#dq#dssolfdwlrq#iru#vhoi0lqvxudqfh#kdv#ehhq#dssuryhg1Xsrq#surri#ri#lqvxudqfh#dffhswdeoh#
wr#wkh#gluhfwru/#qr#ghsrvlw#vkdoo#eh#uhtxluhg#iru#wkh#shulrg#ri#xqlqvxudqfh1

Wkh#shqdowlhv#wr#eh#sdlg#wr#wkh#Xqlqvxuhg#Hp sor|huv#Ixqg#vkdoo#frqvlvw#ri#d#rqh0wlp h#sd|p hqw#ri#53#shufhqw#ri#
wkh#rxwvwdqglqj#oldelolwlhv#iru#wkh#shulrg#ri#xqlqvxudqfh#uhp dlqlqj#xqsdlg#dw#wkh#wlp h#ri#dssolfdwlrq/#lq#olhx#ri#
dq|#rwkhu#shqdow|#iru#ehlqj#xqodz ixoo|#xqlqvxuhg#sxuvxdqw#wr#wklv#frgh1

~~h.~~ *(f)* ##Lq#wkh#fdvh#ri#d#vxevlgldu|#z klfk#p hhwv#doo#ri#wkh#iroorz lqj#frqglwlrqv/#d#fhuwlilfdwh#vkdoo#lvvxh#z lwkrxw#
shqdow|=

+4,#Wkh#vxevlgldu|#kdv#qhyhu#kdg#d#fhuwlilfdwh#uhyrnhg#iru#uhdvrqv#vhw#iruwk#lq#Vhfwlrq#6:351

+5,#Hp sor|hh#lqmxulhv#zhuh#uhsruwhg#wr#wkh#Riilfh#ri#Vhoi0Lqvxudqfh#Sodqv#lq#dqqxdo#uhsruw1

+6,#Wkh#vhfxulw|#ghsrvlw#ri#wkh#fhuwlilfdwh#kroghu#zdv#fdofxodwhg#wr#lqfoxgh#wkh#hqwlw|Ñv#frp shqvdwlrq#ldelolwlhv1

+7,#Dssolfdwlrq#iru#d#vhsdudwh#fhuwlilfdwh#ru#frruhfwhfw#fhuwlilfdwh#lv#p dgh#z lwklq#<3#gd|v#dqg#frp sdnwhg#z lwklq# 4;3#gd|v#ri#qrwlfh#iurp #wkh#Riilfh#ri#Vhoi0Lqvxudqfh#Sodqv1Li#wkh#uhtxluhp hqw#ri#wklv#vxeglylvlrq#duh#qrw#p hw/# doo#shqdowlhv#sxuvxdqw#wr#vxeglylvlrq#+e,#ri#Vhfwlrq#6:351<#vkdoo#dssol|1

~i, *(g)* ##Wkh#gluhfwru#p d|#dssuryh#dq#dssolfdwlrq#rq#wkh#gdwh#wkh#dssolfdwlrq#lv#vxevwdqwldoo|#frp sdnwhg/#vxemhfw# wr#frp sdnwlrq#uhtxluhp hqw/#dqg#p d|#p dnh#wkh#fhuwlilfdwh#hiihfwlyh#rq#dq#hduolhu#gdwh/#fryhulqj#d#shulrg#ri# xqlqvxudqfh/#li#wkh#hp sor|hu#frp solhv#z lwk#wkh#uhtxluhp hqw#ri#wklv#vhfwlrq1

~j, *(h)* ##Dq|#ghflvlrq#e|#wkh#gluhfwru#p d|#eh#frqwhvwhg#e|#dq#hqwlw|#lq#wkh#p dqqhu#surylghg#lq#Vhfwlrq#6:34181

~k, *(i)* ##Qrwklqj#lq#wklv#vhfwlrq#vkdoo#deurjdwh#wkh#uljkw#ri#dq#hp sor|hh#wr#eulqj#dq#dfwlrq#djdlqvw#dq#xqlqvxuhg# hp sor|hu#sxuvxdqw#wr#Vhfwlrq#6:391

~l, *(j)* ##Qrwklqj#lq#wklv#vwdwxwh#vkdoo#deurjdwh#wkh#uljkw#ri#d#vhoi0lqvxuhg#hp sor|hu#wr#lqvxuh#djdlqvw#nqrz q#ru# xqnqrz q#fodlp v#dulvlqj#rxw#ri#wkh#vhoi0lqvxudqfh#shulrg1

SEC. 15.#Vhfwlrq#6:341;#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3701.8. +d,#Dv#dq#dowhuqdwlyh#wr#hdfk#sulydwh#vhoi0lqvxulqj#hp sor|hu#vhfxulqj#lw#rz q#lqfxuuhg#ldelolwlhv#dv# surylghg#lq#Vhfwlrq#6:34/#wkh#gluhfwru#p d|#surylgh#e|#uhjxodwlrq#iru#dq#dowhuqdwlyh#vhfxulw|#v|vwhp #z khuhe|#doo# sulydwh#vhoi0lqvxuhgv#ghvljqdwhg#iru#ixoo#sduwlflsdwlrq#e|#wkh#gluhfwru#vkdoo#frohfwlyho|#vhfxuh#wkhlu#djjuhjdwh# lqfxuuhg#ldelolwlhv#wkurxjk#wkh#Vhoi0Lqvxuhuv#Ñ#Vhfxulw|#Ixqg1Wkh#uhjxodwlrqv#vkdoo#surylgh#iru#wkh#gluhfwru#wr#vhw# d#wrwdo#vhfxulw|#uhtxluhp hqw#iru#wkhvh#sduwlflsdwlqj#vhoi0lqvxuhg#hp sor|huv#edvhg#rq#d#uhylhz #ri#wkhlu#dqqxdo# uhsruw#dqg#dq|#rwkhu#vhoi0lqvxuhu#lqirup dwlrq#dv#p d|#eh#vshflilhg#e|#wkh#gluhfwru1Wkh#Vhoi0Lqvxuhuv#Ñ#Vhfxulw|# Ixqg#vkdoo#sursrvh#wr#wkh#gluhfwru#d#frp elqdwlrq#ri#fdvk#dqg#vhfxulwlhv/#vxuhw|#erqgv/#luuhyrfdeoh#ohwwhuv#ri# fuhglw/#lqvxudqfh/#ru#rwkhu#ilqdqfldo#lqvwuxp hqw#ru#jxdudqwhhv#vdwlvidfwru|#wr#wkh#gluhfwru#vxiilflhqw#wr#p hhw#wkh# vhfxulw|#uhtxluhp hqw#vhw#e|#wkh#gluhfwru1Xsrq#dssurydo#e|#wkh#gluhfwru#dqg#srvwlqj#e|#wkh#Vhoi0Lqvxuhuv#Ñ# Vhfxulw|#Ixqg#rq#ru#ehiruh#wkh#gdwh#vhw#e|#wkh#gluhfwru/#wkdw#frp elqdwlrq#vkdoo#eh#wkh#frp srvlwh#ghsrvlw1Wkh# qrqfdvk#hohp hqw#ri#wkh#frp srvlwh#ghsrvlw#p d|#eh#qrq0hdu#ru#p xowlsoh0hdu#lqvwuxp hqw1Li#wkh#Vhoi0Lqvxuhuv#Ñ# Vhfxulw|#Ixqg#idlov#wr#srvw#wkh#uhtxluhg#frp srvlwh#ghsrvlw#e|#wkh#gdwh#vhw#e|#wkh#gluhfwru/#wkhq#z lwklq#63#gd|v# diwhu#wkdw#gdwh/#hdfk#sulydwh#vhoi0lqvxulqj#hp sor|hu#vkdoo#vhfxuh#lwv#lqfxuuhg#ldelolwlhv#lq#wkh#p dqqhu#uhtxluhg#e|# Vhfwlrq# 6:341# Vhoi0Lqvxuhg# hp sor|huv#qrw#ghvljqdwhg# iru# ixoo# sduwlflsdwlrq#e|# wkh# gluhfwru# vkdoo#p hhw# doo# uhtxluhp hqw#dv#p d|#eh#vhw#e|#wkh#gluhfwru#sxuvxdqw#wr#vxeglylvlrq#+j,1

+e,#Lq#rughu#wr#surylgh#iru#wkh#frp srvlwh#ghsrvlw#dssuryhg#e|#wkh#gluhfwru/#wkh#Vhoi0Lqvxuhuv#Ñ#Vhfxulw|#Ixqg# vkdoo#dvvhvv/#lq#d#p dqqhu#dssuryhg#e|#wkh#gluhfwru/#hdfk#ixoo|#sduwlflsdwlqj#sulydwh#vhoi0lqvxulqj#hp sor|hu#d# ghsrvlw#dvvhvvp hqw#sd|dedn#z lwklq#63#gd|v#ri#dvvhvvp hqw1Wkh#dp rxqw#ri#wkh#ghsrvlw#dvvhvvp hqw#fkdujhg#hdfk# ixoo|#sduwlflsdwlqj#vhoi0lqvxuhg#hp sor|hu#vkdoo#eh#vhw#e|#wkh#Vhoi0Lqvxuhuv#Ñ#Vhfxulw|#Ixqg/#edvhg#rq#lwv#uhdvrqdeoh# frqvlghudwlrq#ri#doo#wkh#iroorz lqj#idfwruv=

+4,#Wkh#wrwdo#dp rxqw#qhhghg#wr#surylgh#wkh#frp srvlwh#ghsrvlw1

+5,#Wkh#vhoi0lqvxulqj#hp sor|huÑ#sdlg#ru#lqfxuuhg#ldelolwlhv#dv#uhiohfwhg#lq#lwv#dqqxdo#uhsruw1

+6,#Wkh#ilqdqfldo#vwuhqjwk#dqg#fuhglz ruwklqhvv#ri#wkh#vhoi0lqvxuhg1

+7,#Dq|#rwkhu#uhdvrqdeoh#idfwruv#dv#p d|#eh#dxwkrul}hg#e|#uhjxodwlrq1

+8,#Lq#rughu#wr#p dnh#d#frp srvlwh#ghsrvlw#sursrvdo#wr#wkh#gluhfwru#dqg#vhw#wkh#ghsrvlw#dvvhvvp hqw#wr#eh#fkdujhg# hdfk#ixoo|#sduwlflsdwlqj#vhoi0lqvxuh/#wkh#Vhoi0Lqvxuhuv#Ñ#Vhfxulw|#Ixqg#vkdoo#kdyh#dffhvv#wr#wkh#dqqxdo#uhsruw#dqg# rwkhu#lqirup dwlrq#vxep lwwhg#e|#doo#vhoi0lqvxulqj#hp sor|huv#wr#wkh#gluhfwru/#xqghu#whup v#dqg#frqglwlrqv#dv#p d|# eh#vhw#e|#wkh#gluhfwru/#wr#suhvhuyh#wkh#frqilghqwldolw|#ri#wkh#vhoi0lqvxuhgÑ#ilqdqfldo#lqirup dwlrq1

+f,#Xsrq#sd|p hqw#ri#wkh#ghsrvlw#dvvhvvp hqw#dqg#h{ fhsw#dv#surylghg#khuhlq/#wkh#Vhoi0Lqvxulqj#hp sor|hu#orvhv#doo# uljkw/#wlwoh/#dqg#lqwhuhvw#lq#wkh#ghsrvlw#dvvhvvp hqw1Wr#wkh#h{ whqw#wkdw#lq#dq|#rqh#hdu#wkh#ghsrvlw#dvvhvvp hqw# sdlg#e|#vhoi0lqvxuhv#lv#qrw#h{ kdxvwhg#lq#wkh#sxufkdvh#ri#vhfxulwlhv/#vxuhw|#erqgv/#luuhyrfdeoh#ohwwhuv#ri#fuhglw/# lqvxudqfh/#ru#rwkhu#ilqdqfldo#lqvwuxp hqw#wr#srv#z lwk#wkh#gluhfwru#dv#sduw#ri#wkh#frp srvlwh#ghsrvlw/#wkh#vxusoxv# vkdoo#uhp dlq#srvwhg#z lwk#wkh#gluhfwru/#dqg#wkh#sulqflsdo#dqg#lqwhuhvw#hduqhg#rq#wkdw#vxusoxv#vkdoo#uhp dlq#dv#sduw# ri#wkh#frp srvlwh#ghsrvlw#lq#vxevhtxhqw#|hduv1Lq#wkh#hyhqw#wkdw#lq#dq|#rqh#|hdu#wkh#Vhoi0Lqvxuhuv#Ñ#Vhfxulw|#Ixqg#

idlov#wr#srvw#wkh#uhtxluhg#frp srvlwh#ghsrvlw#e|#wkh#gdwh#vhw#wkh#e|#wkh#gluhfwru/#dqg#wkh#gluhfwru#uhtxluhv#hdfk# sulydwh#vhoi0lqvxulqj#hp sor|hu#wr#vhfxuh#lw#lqfxuuhg#oldelolwlhv#lq#wkh#p dqqhu#uhtxluhg#e|#Vhfwlrq#6:34/#wkhq#dq|# ghsrvlw#dvvhvvp hqw#sdlg#lq#wkdw#|hdu#vkdoo#eh#uhixqghg#wr#wkh#vhoi0lqvxulqj#hp sor|hu#wkdw#sdlg#wkh#ghsrvlw# dvvhvvp hqw1

+g,#Li#dq|#sulydwh#vhoi0lqvxulqj#hp sor|hu#remhfwv#wr#wkh#fdofxodwlrq/#srvwlqj/#ru#dq|#rwkhu#dvshfw#ri#lw#ghsrvlw# dvvhvvp hqw/#xsrq#sd|p hqw#ri#wkh#dvvhvvp hqw#lq#wkh#wlp h#surylghg/#wkh#hp sor|hu#vkdoo#kdyh#wkh#uljkw#wr#dsshdo# wkh#dvvhvvp hqw#wr#wkh#gluhfwru/#zkr#vkdoo#kdyh#h{foxvlyh#mxulvglfwlrq#ryhu#wklv#glvsxwh1#Li#dq|#sulydwh#vhoi0 lqvxulqj#hp sor|hu#idlov#wr#sd|#wkh#ghsrvlw#dvvhvvp hqw#lq#wkh#wlp h#surylghg/#wkh#gluhfwru#vkdoo#rughu#wkh#vhoi0 lqvxulqj#hp sor|hu#wr#sd|#d#shqdow|#ri#qrw#ohvv#wkdq#43#shufhqw#ri#lw#ghsrvlw#dvvhvvp hqw/*plus interest on any unpaid amount at the prejudgment rate,* #dqg#wr#srvw#d#vhsdudwh#vhfxulw|#ghsrvlw#lq#wkh#p dqqhu#surylghg#e|# Vhfwlrq#6:341#Wkh#shqdow|#*and interest* #vkdoo#eh#~~dgghg#wr#wkh#frp srvlwh#ghsrvlw#khog#e|#wkh#gluhfwru#~~ *paid directly to the Self-Insurers' Security Fund.* #Wkh#gluhfwru#p d|#dovr#uhyrnh#wkh#fhuwlilfdwh#ri#frqvhqw#wr#vhoi0 lqvxuh#ri#dq|#vhoi0lqvxulqj#hp sor|hu#zkr#idlov#wr#sd|#wkh#ghsrvlw#dvvhvvp hqw#lq#wkh#wlp h#surylghg1

+h,#Xsrq#wkh#srvwlqj#e|#wkh#Vhoi0Lqvxuhuv'Ñ#Vhfxulw|#Ixqg#ri#wkh#frp srvlwh#ghsrvlw#zlwk#wkh#gluhfwru/#wkh#ghsrvlw# vkdoo#eh#khog#xqwlo#wkh#gluhfwru#ghwhup lqhv#wkdw#d#sulydwh#vhoi0lqvxuhg#hp sor|hu#kdv#idlohg#wr#sd|#zrunhuvÑ# frp shqvdwlrq#dv#uhtxluhg#e|#wklv#glylvlrq/#dqg#wkh#gluhfwru#rughuv#wkh#Vhoi0Lqvxuhuv'Ñ#Vhfxulw|#Ixqg#wr#frp p hqfh# sd|p hqw1#Xsrq#rughulqj#wkh#Vhoi0Lqvxuhuv'Ñ#Vhfxulw|#Ixqg#wr#frp p hqfh#sd|p hqw/#wkh#gluhfwru#vkdoo#p dnh# dydlodeoh#wr#wkh#ixqg#wkdw#sruwlrq#ri#wkh#frp srvlwh#ghsrvlw#qhfhvvdu|#wr#sd|#wkh#zrunhuvÑ#frp shqvdwlrq#ehqhilw# ri#wkh#ghidxowlqj#vhoi0lqvxulqj#hp sor|u1#Lq#wkh#hyhqw#dgglwlrqdo#ixqgv#duh#qhhghg#lq#vxevhtxhqw#|hduv#wr#sd|# wkh#zrunhuvÑ#frp shqvdwlrq#ehqhilw#ri#dq|#vhoi0lqvxulqj#hp sor|u#zkr#ghidxowhg#lq#hduolhu#|hduv/#wkh#gluhfwru# vkdoo#p dnh#dydlodeoh#wr#wkh#Vhoi0Lqvxuhuv'Ñ#Vhfxulw|#Ixqg#dq|#sruwlrq#ri#wkh#frp srvlwh#ghsrvlw#dv#p d|#eh# qhhghg#wr#sd|#wkrvh#ehqhilw1#Lq#p dnlqj#wkh#ghsrvlw#dydlodeoh#wr#wkh#Vhoi0Lqvxuhuv'Ñ#Vhfxulw|#Ixqg/#wkh#gluhfwru# vkdoo#dovr#doorz #dq|#dp rxqw#dv#p d|#eh#uhdvrqdeo|#qhfhvvdu|#wr#sd|##iru#wkh#dgp lqlvwudwlyh#dqg#rwkhu#dfwlylwlhv# ri#wkh#ixqg1

+i,#Wkh#fdvk#sruwlrq#ri#wkh#frp srvlwh#ghsrvlw#vkdoo#eh#vhjuhjdwhg#iurp #doo#rwkhu#ixqgv#khog#e|#wkh#gluhfwru/#dqg# vkdoo#eh#lqyhvwhg#e|#wkh#gluhfwru#iru#wkh#vrdn#ehqhilw#ri#wkh#Vhoi0Lqvxuhuv'Ñ#Vhfxulw|#Ixqg#dqg#wkh#lqmxuhg#zrunhuv# ri#sulydwh#vhoi0lqvxuhg#hp sor|huv/#dqg#p d|#qrw#eh#xvhg#iru#dq|#rwkhu#sxusrvh#e|#wkh#vwdwh1#Dowhuqdwlyho|/#wkh# gluhfwru/#lq#klv#glvfuhwlrq/#p d|#doorz #wkh#Vhoi0Lqvxuhuv'Ñ#Vhfxulw|#Ixqg#wr#krog/#lqyhvw/#dqg#gudz #xsrq#wkh#fdvk# sruwlrq#ri#wkh#frp srvlwh#ghsrvlw#dv#suhvfulehg#e|#uhjxodwlrq1

+j,#Qrwz lwkvwdqglqj#dq|#rwkhu#surylvlrq#ri#wklv#vhfwlrq/#wkh#gluhfwru#vkdoo/#e|#uhjxodwlrq/#vhw#p lqlp xp #fuhglw/# ilqdqfldo/#ru#rwkhu#frqglwlrqv#wkdw#d#sulydwh#vhoi0lqvxuhg#p xvw#p hhw#lq#rughu#wr#eh#d#ixoo|#sduwlflsdwlqj#vhoi0 lqvxuhu#lq#wkh#dowhuqdwlyh#vhfxulw|#v|vwhp 1#Lq#wkh#hyhqw#dq|#sulydwh#vhoi0lqvxulqj#hp sor|hu#lv#xqdeoh#wr#p hhw#wkh# frqglwlrqv#vhw#e|#wkh#gluhfwru/#ru#xsrq#dssolfdwlrq#ri#wkh#Vhoi0Lqvxuhuv'Ñ#Vhfxulw|#Ixqg#wr#h{foxgh#dq#hp sor|hu#iru# fuhglw#ru#ilqdqfldo#uhdvrqv/#wkh#gluhfwru#vkdoo#h{foxgh#wkh#vhoi0lqvxulqj#hp sor|hu#iurp #ixoo#sduwlflsdwlrq#lq#wkh# dowhuqdwlyh#vhfxulw|#v|vwhp 1#Lq#wkh#hyhqw#d#vhoi0lqvxulqj#hp sor|hu#lv#h{foxghg#iurp #ixoo#sduwlflsdwlrq/#wkh# qrqixoo|#sduwlflsdwlqj#sulydwh#vhoi0lqvxulqj#hp sor|hu#vkdoo#srvw#d#vhsdudwh#vhfxulw|#ghsrvlw#lq#wkh#p dqqhu# surylghg#e|#Vhfwlrq#6:34#dqg#sd|#d#ghsrvlw#dvvhvvp hqw#vhw#e|#wkh#gluhfwru1#Dowhuqdwlyho|/#wkh#gluhfwru#p d|# rughu#wkdw#wkh#qrqixoo|#sduwlflsdwlqj#sulydwh#vhoi0lqvxulqj#hp sor|hu#srvw#d#vhsdudwh#vhfxulw|#ghsrvlw#wr#vhfxuh#d# sruwlrq#ri#lw#lqfxuuhg#oldelolwlhv#dqg#sd|#d#ghsrvlw#dvvhvvp hqw#e|#wkh#gluhfwru1

+k,#Dq#hp sor|hu#zkr#vhoi0lqvxuhv#wkurxjk#jurxs#vhoi0lqvxudqfh#dqg#dq#hp sor|hu#zkrvh#fhuwlilfdwh#wr#vhoi0lqvxuh# kdv#ehhq#uhyrnhg#p d|#ixoo|#sduwlflsdwh#lq#wkh#dowhuqdwlyh#vhfxulw|#v|vwhp #li#erwk#wkh#gluhfwru#dqg#wkh#Vhoi0 Lqvxuhuv'Ñ#Vhfxulw|#Ixqg#dssuryh#wkh#sduwlflsdwlrq#ri#wkh#vhoi0lqvxuhu1#Li#qrw#dssuryhg#iru#ixoo#sduwlflsdwlrq/#ru#li# dq#hp sor|hu#lv#lvvxhg#d#fhuwlilfdwh#wr#vhoi0lqvxuh#diwhu#wkh#frp srvlwh#ghsrvlw#lv#srvwhg/#wkh#hp sor|hu#vkdoo# vdwlvi|#wkh#uhtxluhp hqw#ri#vxegylylvlrq#+j,#iru#qrqixoo|#sduwlflsdwlqj#sulydwh#vhoi0lqvxuhuv1

+l,#Dw#doo#wlp hv/#d#vhoi0lqvxuhg#hp sor|hu#vkdoo#kdyh#vhfxuhg#lw#lqfxuuhg#z runhuvÑ#frp shqvdwlrq#oldelolwlhv#hlwkhu#lq# wkh#p dqqhu#uhtxluhg#e|#Vhfwlrq#6:34#ru#wkurxjk#wkh#dowhuqdwlyh#vhfxulw|#v|vwhp /#dqg#wkhuh#vkdoo#qrw#eh#dq|# odsvh#lq#wkh#vhfxulw|1

SEC. 16. *Section 3701.9 is added to the Labor Code, to read:*

3701.9. *(a) A certificate of consent to self-insure shall not be issued after January 1, 2013, to any of the following:*

(1) A professional employer organization.

(2) A leasing employer, as defined in Section 606.5 of the Unemployment Insurance Code.

(3) A temporary services employer, as defined in Section 606.5 of the Unemployment Insurance Code.

(4) Any employer, regardless of name or form of organization, which the director determines to be in the business of providing employees to other employers.

(b) A certificate of consent to self-insure that has been issued to any employer described in subdivision (a) shall be revoked by the director not later than January 1, 2015.

SEC. 17. Vhfwlrq#6:35#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3702. +d,#D#fhuwlilfdwh#ri#frqvhqw#wr#vhoi0lqvxuh#p d|#eh#uhyrnhg#e|#wkh#gluhfwru#dw#dq|#wlp h#iru#jrrg#fdxvh#diwhu#d#khdulqj1#Jrrg#fdxvh#lqfoxghv,#dp rqj#rwkhu#wklqjv,#~kh# *a recommendation by the Self-Insurers' Security Fund to revoke the certificate of consent, the* #lp sdlup hqw#ri#wkh#vroyhqf|#ri#wkh#hp sor|hu#wr#wkh#h{whqw#wkdw#wkhuh#lv#d#p dunhg#uhgxfwlrq#ri#wkh#hp sor|huÑ#ilqdqfldo#vwuhqjwk,#idloxuh#wr#p dlqwdlq#d#vhfxulw|#ghsrvlw#dv#uhtxluhg#e|#Vhfwlrq#6:34,#idloxuh#wr#sd|#dvvhvvp hqw#ri#wkh#VhoiOlqvxuhuvÑ#Vhfxulw|#Ixqg,#iuhtxhqw#ru#lodjudqw#ylrodwlrqv#ri#vwdwh#vdihw|#dqg#khdowk#rughuv,#wkh#idloxuh#ru#lqdelolw|#ri#wkh#hp sor|hu#wr#ixoilo#klv#ru#khu#reojdwlrqv,#ru#dq|#ri#wkh#iroorzlqj#sudfwlfhv#e|#wkh#hp sor|hu#ru#klv#ru#khu#djhqw#lq#fkdujh#ri#wkh#dgp lqlvwudwlrq#ri#reojdwlrqv#xqghu#wklv#glylvlrq=

+4,#Kdelwxdoo|#dqg#dv#d#p dwwhu#ri#sudfwlfh#dqg#fxvwrp #lqgxflqj#fodlp dqwv#iru#frp shqvdwlrq#wr#dffhsw#ohvv#wkdq#wkh#frp shqvdwlrq#gxh#ru#p dnlqj#lw#qhfhvvdu|#iru#whp #wr#uhvruw#wr#surfhhglqjv#djdlqvw#wkh#hp sor|hu#wr#vhfxuh#frp shqvdwlrq#gxh1

+5,#Z khuh#oldelolw|#iru#whp srudu|#glvdelolw|#lqghp qlw|#lv#qrw#lq#glvsxwh,#lqwhqwlrqdoo|#idlolqj#wr#sd|#whp srudu|#glvdelolw|#lqghp qlw|#z lwkrxw#jrrg#fdxvh#lq#rughu#wr#lqioxhqfh#wkh#dp rxqw#ri#shup dqhqw#glvdelolw|#ehqhilwv#gxh1

+6,#Lqwhqwlrqdoo|#uhixvlqj#wr#frp so|#z lwk#nqrz q#dqg#ohjdo|#lqglvsxwdeoh#frp shqvdwlrq#reojdwlrqv1

+7,#Glvfkdujlqj#ru#dgp lqlvwhulqj#klv#ru#khu#frp shqvdwlrq#reojdwlrqv#lq#d#glvkrqhvw#p dqqhu1

+8,#Glvfkdujlqj#ru#dgp lqlvwhulqj#klv#ru#khu#frp shqvdwlrq#reojdwlrqv#lq#vxfk#d#p dqqhu#dv#wr#fdxvh#lqmxu|#wr#wkh#sxeolf#ru#wkrvh#ghdolqj#z lwk#wkh#hp sor|hu1

+e,#Z khuh#uhyrfdwlrq#lv#lq#sduw#edvhg#xsrq#wkh#gluhfwruÑ#ilqglqj#ri#d#p dunhg#uhgxfwlrq#ri#wkh#hp sor|huÑ#ilqdqfldo#vwuhqjwk#ru#wkh#idloxuh#ru#lqdelolw|#ri#wkh#hp sor|hu#wr#ixoilo#klv#ru#khu#reojdwlrqv,#ru#d#sudfwlfh#ri#glvfkdujlqj#reojdwlrqv#lq#d#glvkrqhvw#p dqqhu,#lw#lv#d#frqglwlrqdo#suhfhghqw#wr#wkh#hp sor|huÑ#fkdoohqjh#ru#dsshdo#ri#wkh#uhyrfdwlrq#wkdw#wkh#hp sor|hu#kdyh#lq#hiihfw#lqvxudqfh#djdlqvw#oldelolw|#wr#sd|#frp shqvdwlrq1

+f,#Wkh#gluhfwru#p d|#krog#d#khdulqj#wr#ghwhup lqh#z khwkhu#jrrg#fdxvh#h{lvwv#wr#uhyrnh#dq#hp sor|huÑ#fhuwlilfdwh#ri#frqvhqw#wr#vhoi0lqvxuh#li#wkh#hp sor|hu#lv#flwhg#iru#d#z loixo#ru#uhshdw#vhulrxv#ylrodwlrq#ri#wkh#vwdqgdug#dgrswhg#sxuvxdqw#wr#Vhfwlrq#97341:#dqg#wkh#flwdwlrq#kdv#ehfrp h#ilqdo1

SEC. 18. Vhfwlrq#6:3515#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3702.2. +d,#Doo#vhoi0lqvxuhg#hp sor|huv#vkdoo#iloh#d#vhoi0lqvxuhuÑ#dqqdo#uhsruw#lq#d#irup #suhvfulehg#e|#wkh#gluhfwru1 *Public self-insured employers shall provide detailed information as the director determines necessary to evaluate the costs of administration, workers' compensation benefit expenditures, and solvency and performance of the public self-insured employer workers' compensation programs, on a schedule established by the director. The director may grant deferrals to public self-insured employers that are not yet capable of accurately reporting the information required, giving priority to bringing larger programs into compliance with the more detailed reporting.*

+e,#Wr#hqdedo|#wkh#gluhfwru#wr#ghwhup lqh#wkh#dp rxqw#ri#wkh#vhfxulw|#ghsrvlw#uhtxluhg#e|#vxeglylvlrq#+f,#ri#Vhfwlrq#6:34,#wkh#dqqdo#uhsruw#ri#d#vhoi0lqvxuhg#hp sor|hu#z kr#kdv#vhoi0lqvxuhg#erwk#vwdwh#dqg#ihghudo#z runhuvÑ#frp shqvdwlrq#oldelolw|#vkdo#dovr#vhw#iruwk#+4,#wkh#dp rxqw#ri#doo#frp shqvdwlrq#oldelolw|#lqfxuuhg,#sdlg0wr0gdwh,#dqg#hvwlp dwhg#ixwxuh#oldelolw|#xqghu#erwk#wklv#fkdswhu#dqg#xqghu#wkh#ihghudo#Orqjvkruh#dqg#Kdueru#Z runhuvÑ#Frp shqvdwlrq#Dfw#+66#X1V1F1#Vhf1#<51#hw#vht1,#dqg#+5,#wkh#lghqwlw|#dqg#wkh#dp rxqw#ri#wkh#vhfxulw|#ghsrvlw#vhfxulqj#wkh#hp sor|huÑ#oldelolw|#xqghu#vwdwh#dqg#ihghudo#vhoi0lqvxudqfh#surjudp v1

+f,#Wkh#gluhfwru#vkdoo#dqqdoo|#suhsduh#dq#djjuhjdwhg#vxp p du|#ri#doo#vhoi0lqvxuhg#hp sor|hu#oldelolw|#wr#sd|#frp shqvdwlrq#uhsruwhg#rq#wkh#vhoi0lqvxuhuvÑ#hp sor|huv#dqqdo#uhsruw,#lqfoxglqj#d#vhsdudwh#vxp p du|#iru#sxeolf#dqg#sulydwh#hp sor|hu#vhoi0lqvxuhuv1#Wkh#vxp p dulhv#vkdoo#eh#lq#wkh#vdp h#irup dw#dv#wkh#lqglylgxdo#vhoi0lqvxuhg#hp sor|huv#duh#uhtxluhg#wr#uhsruw#wkdw#oldelolw|#rq#wkh#hp sor|hu#vhoi0lqvxuhuÑ#dqqdo#uhsruw#irup v#suhvfulehg#e|#wkh#gluhfwru1#Wkh#djjuhjdwhg#vxp p dulhv#vkdoo#eh#p dgh#dydlodeoh#wr#wkh#sxeolf#rq#wkh#vhoi0lqvxudqfh#vhfwlrq#ri#wkh#ghsduwp hqwÑ#Lqwhuqhw#Z he#vlwh1#Qrwklqj#lq#wklv#vxeglylvlrq#vkdo#dxwkrul}h#wkh#gluhfwru#wr#uhohdvh#ru#p dnh#

dydlodedn#lqirup dwlrq#wkdw#lv#djjuhjdwhg#e|#lqgxvwu|#ru#exvlqhvv#w|sh/#wkdw#lghqwlilhv#lqglylgxdo#vhoi0lqvxuhg#
ilohuv/#ru#wkdw#lqfoxghv#dq|#lqglylgxdo|#ghqwlildeoh#fodlp dqw#lqirup dwlrq1

+g,#Wkh#gluhfwru#p d|#uhohdvh#d#frs|/#ru#p dnh#dydlodeoh#dq#hohfwurqlf#yhuvlrq/#ri#wkh#gdwd#frqwdlqhg#dq|#sxedf#
vhfwru#hp sor|hu#vhoi0lqvxuhuṽ#dqqxdo#uhsruw#uhfhlyhg#iurp #dq#lqglylgxdo#sxedf#hqwlw|#vhoi0lqvxuhu#ru#iurp #d#
mrlqw#srz hu#dxwkrulw|#hp sor|hu#dqg#lw#p hp ehuvkls1#Krz hyhu/#wkh#uhohdvh#ri#dq|#dqqxdo#uhsruw#lqirup dwlrq#e|#
wkh#gluhfwru#vkdoo#qrw#lqfoxgh#dq|#sruwlrq#ri#dq|#dvvljq#ri#rshq#lqghp qlw|#fodlp v#wkdw#frqwdlq#dq|#lqglylgxdo|#
lghqwlildeoh#fodlp dqw#lqirup dwlrq/#ru#dq|#sruwlrq#ri#h{fhvv#lqvxudqfh#fryhudjh#lqirup dwlrq#wkdw#frqwdlqv#dq|#
lqglylgxdo|#lghqwlildeoh#fodlp dqw#lqirup dwlrq1

SEC. 19. *Section 3702.4 is added to the Labor Code, to read:*

3702.4. *(a) The Commission on Health and Safety and Workers' Compensation shall conduct an examination of the public self-insured program and publish, on its Internet Web site, a preliminary draft report and recommendations for improvement of the program no later than October 1, 2013, and a final report no later than December 31, 2013. The recommendations shall address costs of administration, workers' compensation benefit expenditures, and solvency and performance of public self-insured workers' compensation programs, as well as provisions in the event of insolvencies.*

(b) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 20.#Vhfwlrq#6:3518#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3702.5. *(a) (1) The cost of administration of the public self-insured program by the Director of Industrial Relations shall be borne by the Workers' Compensation Administration Revolving Fund.*

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~~eh#d#Jhqhud#Ixqg#h{p 1#Wkh#frvw#ri#dgp lqlvwudwlrq#ri#wkh#~~sulydwh#vhoi0lqvxuhg#surjudp #e|#wkh#Glhfwru#ri#
Lqgxvwuldo#Uhodwlrqv#vkdoo#eh#eruqh#e|#wkh#sulydwh#vhoi0lqvxuhu#wkurxjk#sd|p hqw#ri#fhuwlilfdwh#ihhv#z klfk#vkdoo#eh#
hvwdedvkhg#e|#wkh#gluhfwru#lq#eurdg#udqjhv#edvhg#rq#wkh#frp sdudwlyh#qxp ehuv#ri#hp sor|hhv#lqvxuhg#e|#wkh#
sulydwh#vhoi0lqvxuhuv#dqg#wkh#qxp ehu#ri#dgmxvwlqj#orfdwlrqv1Wkh#gluhfwru#p d|#dvvhvv#rwkhu#ihhv#dv#qhfhvvdu|#wr#
fryhu#wkh#frvwv#ri#vshfld#dxglw#ru#vhuylfhv#uhqghuhg#wr#sulydwh#vhoi0lqvxuhg#hp sor|hu1Wkh#gluhfwru#p d|#dvvhvv#
d#flyld#shqdow|#iru#odwh#ilolqj#dv#vhw#iruwk#lq#vxegylvlrq#+d,#ri#Vhfwlrq#6:351<1

+e,#Doo#uhyhqxhv#iurp #ihhv#dqg#shqdowlhv#sdlg#e|#sulydwh#vhoi0lqvxuhg#hp sor|huv#vkdoo#eh#ghsrvlwhg#lqwr#wkh#Vhoi0
Lqvxudqfh#Sodqv#Ixqg/#z klfk#lv#khuhe|#fuhdwhg#iru#wkh#dgp lqlvwudwlrq#ri#wkh#sulydwh#vhoi0lqvxudqfh#surjudp 1Dq|#
xqhqfxp ehuhg#edodqfh#lq#vxegylvlrq#+d,#ri#Lwhp #;68303340334#ri#wkh#Exgjhw#Dfw#ri#4<;6#vkdoo#eh#wudqvihuuhg#
wr#wkh#Vhoi0Lqvxudqfh#Sodqv#Ixqg1Wkh#gluhfwru#vkdoo#dqqxdoo|#ohp lqdwh#dq|#xqxvhg#vxusoxv#lq#wkh#Vhoi0Lqvxudqfh#
Sodqv#Ixqg#e|#uhgxflqj#fhuwlilfdwh#ihh#dvvhvvp hqw#e|#dq#dssursuldwh#dp rxqw#lq#wkh#vxevhtxhqw#|hdu1Prqh|v#
sdlg#lqwr#wkh#Vhoi0Lqvxudqfh#Sodqv#Ixqg#iru#dgp lqlvwudwlrq#ri#wkh#sulydwh#vhoi0lqvxuhg#surjudp #vkdoo#qrw#eh#xvhg#
e|#dq|#rwkhu#ghsdup hqw#ru#djhqf|#ru#iru#dq|#sxusrvh#rwkhu#wkdq#dgp lqlvwudwlrq#ri#wkh#sulydwh#vhoi0lqvxudqfh#
surjudp 1Ghwdlohg#dffrxqwdelolw|#vkdoo#eh#p dlqwdlqhg#e|#wkh#gluhfwru#iru#dq|#vhfxulw|#ghsrvlw#ru#rwkhu#ixqgv#khog#
lq#wuxvw#iru#wkh#Vhoi0Lqvxuhuṽ#Vhfxulw|#Ixqg#lq#wkh#Vhoi0Lqvxudqfh#Sodqv#Ixqg1

Prqh|v#khog#e|#wkh#gluhfwru#vkdoo#eh#lqyhvwhg#lq#wkh#Vxusoxv#Prqh|#Lqyhvwp hqw#Ixqg1Lqwuhvv#vkdoo#eh#sdlg#rq#
doo#p rqh|v#wudqvihuuhg#wr#wkh#Jhqhud#Ixqg#lq#dffrugdqfh#z lwk#Vhfwlrq#49643#ri#wkh#Jryhuqp hqw#Frgh1Wkh#
Wuhdvxuhũv#dqg#Frqwuroohũv#dgp lqlvwudwlyh#frvwv#p d|#eh#fkdujhg#wr#wkh#lqwhuhvv#hduqlqjv#xsrq#dssurydo#ri#wkh#
gluhfwru1

SEC. 21.#Vhfwlrq#6:351;#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3702.8. +d,#Hp sor|huv#z kr#kdyh#fhdvhg#wr#eh#vhoi0lqvxuhg#hp sor|huv#vkdoo#glvfkdujh#wkhlu#frqwlqxlqj#reolgdwlrqv#
wr#vhfxuh#wkh#sd|p hqw#ri#z runhuṽ#frp shqvdwlrq#wkdw#dffuxhg#gxulqj#wkh#shulrg#ri#vhoi0lqvxudqfh/#iru#sxusrvhv#
ri#Vhfwlrqv#6:33/#6:3318/#6:39/#dqg#6:48/#dqg#vkdoo#frp so|#z lwk#doo#ri#wkh#iroorz lqj#reolgdwlrqv#ri#fxuuhqw#
fhuwlilfdwh#kroghuv=

+4,#Iblqj#dqqxdo#uhsruw#dv#ghhp hg#qhfhvvdu|#e|#wkh#gluhfwru#wr#fduu|#rxw#wkh#uhtxluhp hqwv#ri#wklv#fkdswhu1

+5,#Lq#wkh#fdvh#ri#d#sulydwh#hp sor|hu/#ghsrvlwlqj#dqg#p dlqwdlqlqj#d#vhfxulw|#ghsrvlw#iru#dffuxhg#ddelolw|#iru#wkh#
sd|p hqw#ri#dq|#z runhuṽ#frp shqvdwlrq#wkdw#p d|#ehfrp h#gxh/#sxuvxdqw#wr#vxegylvlrq#+e,#ri#Vhfwlrq#6:33#dqg#
Vhfwlrq#6:34/#h{fhsw#dv#surylghg#lq#vxegylvlrq#+f,1

+6,#Sd|lqj#z lwklq#63#gd|v#do#dvvhvvp hqw#ri#z klfk#qrwlfh#lv#vhqw/#sxuvxdqw#wr#vxeglylvlrq#+e,#ri#Vhfwlrq#6:78/#
z lwklq#69#p rqwkv#iurp #wkh#olvw#gd|#ri#wkh#hp sor|huÑv#fhuwlilfdwh#ri#vhoi0lqvxudqfh#dv#lq#hiihfw1#Dvvhvvp hqw#vkdoo#
eh#edvhg#rq#wkh#ehqhilw#sdlg#e|#wkh#hp sor|hu#gxulqj#wkh#olvw#ixoo#fdohqgdu#|hdu#ri#vhoi0lqvxudqfh#rq#fodlp v#
lqfxuuhg#gxulqj#wkdw#|hdu1

+e,#Lq#dgglwlrq#wr#surfhhglqjv#wr#hvwdeolvk#oldelolwlhv#dqg#shqdowlhv#rwkhuz lvh#surylghg/#d#ilooxuh#wr#frp so|#p d|#
eh#wkh#vxemhfw#ri#d#surfhhglqj#ehiruh#wkh#gluhfwru1#Dq#dsshdo#iurp #wkh#gluhfwruÑv#ghwhup lqdwlrq#vkdoo#eh#wdnhq#wr#
wkh#dssursuldwh#vxshulru#frxuw#e|#shwlwlrq#iru#z ulw#ri#p dqgdwh1

+f,#Qrwz lwkvwdqglqj#vxeglylvlrq#+d,/#dq|#hp sor|hu#z kr#lv#fxuuhqwo|#vhoi0lqvxuhg#ru#z kr#kdv#fhdvhg#wr#eh#vhoi0
lqvxuhg#p d|#sxufkdvh#d#vshfldo#h{fhvv#z runhuvÑfrp shqvdwlrq#srolf|#wr#glvfkdujh#dq|#ru#doo#ri#wkh#hp sor|huÑv#
frqwlqxlqj#reoljdwlrqv#dv#d#vhoi0lqvxuhu#wr#sd|#frp shqvdwlrq#ru#wr#vhfxuh#wkh#sd|p hqw#ri#frp shqvdwlrq1

+4,#Wkh#vshfldo#h{fhvv#z runhuvÑfrp shqvdwlrq#lqvxudqfh#srolf|#vkdoo#eh#lvvxhg#e|#dq#lqvxuhu#dxwkrul}hg#wr#
wudqvdfw#z runhuvÑfrp shqvdwlrq#lqvxudqfh#lq#wklv#vwdwh1

+5,#Hdfk#fduulhuÑv#vshfldo#h{fhvv#z runhuvÑfrp shqvdwlrq#srolf|#vkdoo#eh#dssuryhg#dv#wr#irup #dqg#vxevwdqfh#e|#
wkh#Lqvxudqfh#Frp p lvvlrqhu/#dqg#udwhv#iru#vshfldo#h{fhvv#z runhuvÑfrp shqvdwlrq#lqvxudqfh#vkdoo#eh#vxemhfw#wr#
wkh#ilolqj#uhtxluhp hqw#vhw#iruwk#lq#Vhfwlrq#44:68#ri#wkh#Lqvxudqfh#Frgh1

+6,#Hdfk#vshfldo#h{fhvv#z runhuvÑfrp shqvdwlrq#lqvxudqfh#srolf|#vkdoo#eh#vxep lwwhg#e|#wkh#hp sor|hu#wr#wkh#
gluhfwru1#Wkh#gluhfwru#vkdoo#dgrsw#dqg#sxeolvk#p lqlp xp #lqvxuhu#ilqdqfldo#udwlqj#vwdqgdugv#iru#frp sdqlhv#lvvxlqj#
vshfldo#h{fhvv#z runhuvÑfrp shqvdwlrq#srolflhv1

+7,#Xsrq#dffhswdqfh#e|#wkh#gluhfwru/#d#vshfldo#h{fhvv#z runhuvÑfrp shqvdwlrq#srolf|#vkdoo#surylgh#fryhudjh#iru#
doo#ru#dq|#sruwlrq#ri#wkh#sxufkdvlqj#hp sor|huÑv#fodlp v#iru#frp shqvdwlrq#dulvlqj#rxw#ri#lqmxulhv#rffxulqj#gxulqj#
wkh#shulrg#wkh#hp sor|hu#z dv#vhoi0lqvxuhg#lq#dffrugdqfh#z lwk#Vhfwlrqv#6:88/#6:89/#dqg#6:8#ri#wkh#Oderu#Frgh#
dqg#Vhfwlrqv#44984#dqg#44987#ri#wkh#Lqvxudqfh#Frgh1#Wkh#gluhfwruÑv#dffhswdqfh#vkdoo#glvfkdujh#wkh#Vhoi0
LqvxuhuÑv#Vhfxulw|#Ixqg/#z lwkrxw#uhfrxuvh#ru#oldelolw|#wr#wkh#Vhoi0LqvxuhuÑv#Vhfxulw|#Ixqg/#ri#dq|#frqwlqxlqj#
oldelolw|#iru#wkh#fodlp v#fryhuhg#e|#wkh#vshfldo#h{fhvv#z runhuvÑfrp shqvdwlrq#lqvxudqfh#srolf|1

+8,#Iru#sxeolf#hp sor|huv/#qr#vhfxulw|#ghsrvlw#ru#ilqdqfldo#jxdudqwhh#erqg#ru#rwkhu#vhfxulw|#vkdoo#eh#uhtxluhg1#
Wkh# gluhfwru# vkdoo# vhw# p lqlp xp # ilqdqfldo# udwlqj# vwdqgdugv# iru# lqvxuhuv# lvvxlqj# vshfldo# h{fhvv# z runhuvÑ
frp shqvdwlrq#srolflhv#iru#sxeolf#hp sor|huv1

+g,#+4,#Lq#rughu#iru#wkh#vshfldo#h{fhvv#z runhuvÑfrp shqvdwlrq#lqvxudqfh#srolf|#wr#glvfkdujh#wkh#ixoo#reoljdwlrqv#
ri#d#sulydwh#hp sor|hu#wr#p dlqwdlq#d#vhfxulw|#ghsrvlw#z lwk#wkh#gluhfwru#iru#wkh#sd|p hqw#ri#vhoi0lqvxudqfh#fodlp v/#
dssolfdeoh#wr#wkh#shulrg#wr#eh#fryhuhg#e|#wkh#srolf|/#wkh#vshfldo#h{fhvv#srolf|#vkdoo#surylgh#fryhudjh#iru#doo#
fodlp v#iru#frp shqvdwlrq#dulvlqj#rxw#ri#wkdw#oldelolw|1#Wkh#hp sor|hu#vkdoo#p dlqwdlq#wkh#uhtxluhg#ghsrvlw#iru#wkh#
shulrg#fryhuhg#e|#wkh#srolf|#z lwk#wkh#gluhfwru#iru#d#shulrg#ri#wkuhh#|hduv#diwhu#wkh#lvvxdqfh#gdwh#ri#wkh#vshfldo#
h{fhvv#srolf|1

+5,#Li#wkh#vshfldo#z runhuvÑfrp shqvdwlrq#lqvxudqfh#srolf|#grhv#qrw#surylgh#fryhudjh#iru#doo#ri#wkh#frqwlqxlqj#
reoljdwlrqv#iru#z klfk#wkh#sulydwh#vhoi0lqvxuhg#hp sor|hu#lv#oldeoh/#wr#wkh#h{whqw#wkh#hp sor|huÑv#reoljdwlrqv#duh#qrw#
fryhuhg#e|#wkh#srolf|/#d#sulydwh#hp sor|hu#vkdoo#p dlqwdlq#wkh#uhtxluhg#ghsrvlw#z lwk#wkh#gluhfwru1#Lq#dgglwlrq/#wkh#
hp sor|hu#vkdoo#p dlqwdlq#z lwk#wkh#gluhfwru#wkh#uhtxluhg#ghsrvlw#iru#wkh#shulrg#fryhuhg#e|#wkh#srolf|#iru#d#shulrg#
ri#wkuhh#|hduv#diwhu#wkh#lvvxdqfh#gdwh#ri#wkh#vshfldo#h{fhvv#srolf|1

+h,#Wkh# gluhfwru# vkdoo# dgrsw# uhjxodwlrqv# sxuvxdqw# wr# Vhfwlrq# 6:35143# wkdw# duh# uhdvrqdeo|# qhfhvvdu|# wr#
lp sohp hqw#wklv#vhfwlrq#lq#rughu#wr#uhdvrqdeo|#surwhfw#lqmxuhg#z runhuv/#hp sor|huv/#wkh#Vhoi0LqvxuhuvÑVhfxulw|#
Ixqg/#dqg#wkh#Fdoliruqld#Lqvxudqfh#Jxdudqwhh#Dvvrfldwlrq1

+i,#Wkh#srvwlqj#ri#d#vshfldo#h{fhvv#z runhuvÑfrp shqvdwlrq#lqvxudqfh#srolf|#z lwk#wkh#gluhfwru#vkdoo#glvfkdujh#wkh#
reoljdwlrq#ri#wkh#Vhoi0LqvxuhuÑv#Vhfxulw|#Ixqg#sxuvxdqw#wr#Vhfwlrq#6:77#wr#sd|#fodlp v#lq#wkh#hyhqw#ri#dq#
lqvroyhqf|#ri#d#sulydwh#hp sor|hu#wr#wkh#h{whqw#ri#fryhudjh#ri#frp shqvdwlrq#oldelolwlhv#xqghu#wkh#vshfldo#h{fhvv#
z runhuvÑfrp shqvdwlrq#lqvxudqfh#srolf|1#Wkh#Fdoliruqld#Lqvxudqfh#Jxdudqwhh#Dvvrfldwlrq *and the Self-Insurers'
Security Fund* #vkdoo#eh#dgylvhg#e|#wkh#gluhfwru#z khqhyhu#d#vshfldo#h{fhvv#z runhuvÑfrp shqvdwlrq#lqvxudqfh#
srolf|#lv#srvwhg1

SEC. 22.#Vhfwlrq#6:35143#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3702.10. Wkh#gluhfwru/#lq#dffrugdqfh#z lwk#Fkdswhu#618#+frp p hqflqj#z lwk#Vhfwlrq#44673,#ri#Sduw#4#ri#Glylvlrq#6#
ri#Wlwoh#5#ri#wkh#Jryhuqp hqw#Frgh/#p d|#dgrsw#dp hqg/#dqg#uhshdo#uxohv#dqg#uhjxodwlrqv#uhdvrqdeo|#qhfhvvdu|#
wr#fduu|#rxw#wkh#sxusrvhv#ri#Vhfwlrq#45<#dqg#Duwlfoh#4#+frp p hqflqj#z lwk#Vhfwlrq#6:33,/#Duwlfoh#5#+frp p hqflqj#

z lwk#Vhfwlrq#6:43,/#dqg#Duwlfoh#518#+frp p hqflqj#z lwk#Vhfwlrq#6:73,1#Wklv#dxwkrul}dwlrq#lqfoxghv/#exw#lv#qrw#
dp lwhg#wr/#wkh#dgrswlrq#ri#uhjxodwlrqv#wr#gr#doo#ri#wkh#iroorz lqj=

+d,#Vshfli|lqj#z kdw#frqvwlwxwhv#delolw|#wr#vhoi0lqvxuh#dqg#wr#sd|#dq|#frp shqvdwlrq#z klfk#p d|#ehfrp h#gxh#xqghu#
Vhfwlrq#6:331

+e,#Vshfli|lqj#z kdw#frqvwlwxwhv#d#p dunhg#uhgxfwlrq#ri#dq#hp sor|huÑv#ilqdqfldo#vwuhqjwk1

+f,#Vshfli|lqj#z kdw#frqvwlwxwhv#d#idloxuh#ru#lqdelolw|#wr#ixoilo#wkh#hp sor|huÑv#reoljdwlrqv#xqghu#Vhfwlrq#6:351

+g,#Lqwhusuhwlqj#dqg#ghilqlqj#wkh#whup v#xvhg1

+h,#Hvwdeolvklqj# surfhgxuhv# dqg# vwdqgdugv# iru# khdulqj# dqg# ghwhup lqdwlrqv/# dqg# surylglqj# iru# wkrvh#
ghwhup lqdwlrqv#wr#eh#dsshdohg#wr#wkh#dsshdov#erdug1

+i,#Vshfli|lqj#wkh#vwdqgdugv/#irup /#dqg#frqwhqw#ri#djuhhp hqw/#irup v/#dqg#uhsruw#ehwz hhq#sduwlhv#z kr#kdyh#
reoljdwlrqv#sxuvxdqw#wr#wklv#fkdswhu1

+j,#Surylglqj#iru#wkh#frp elqdwlrqv#dqg#uhodwlyh#odelolwlhv#ri#vhfxulw|#ghsrvlw/#dvvxp swlrqv/#dqg#jxdudqwhhv#xvhg#
sxuvxdqw#wr#wklv#fkdswhu1

+k,#G lvforvlqj# rwkhuz lvh# frqilghqwldo# ilqdqfldo# lqirup dwlrq# frqfhuqlqj#vhoi0lqvxuhghv# wr# frxuw# ru# wkh# Vhoi0
LqvxuhuvÑ#Vhfxulw|#Ixqg#dqg#vshfli|lqj#dssursuldwh#vdihjxdugv#iru#wkdw#lqirup dwlrq1

+l,#Uhtxlulqj#dq#dp rxqw#wr#eh#dgghg#wr#hdfk#vhfxulw|#ghsrvlw#wr#vhfxuh#wkh#frvw#ri#dgp lqlvwudwlrq#ri#fodlp v#dqg#
wr#sd|#doo#kljdl#frvw1

+m,#~Dxwkrul}lqj#dqg#hqfrxudjlqj#jurxs#vhoi0lqvxudqfh1~ *Regulating the workers' compensation self-insurance obligations of self-insurance groups and professional employer organizations, leasing employers as defined in Section 606.5 of the Unemployment Insurance Code, or temporary services employers, as defined in Section 606.5 of the Unemployment Insurance Code, holding certificates of consent to self-insure.*

SEC. 23.#Vhfwlrq#6:75#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3742. +d,#Wkh# Vhoi0LqvxuhuvÑ#Vhfxulw|# Ixqg#vkdoo#eh#hvwdeolvkhg#dv#d#Qrqsurilw#P xwxdo#Ehqhilw#Frusrudwlrq#
sxuvxdqw#wr#Sduw#6#+frp p hqflqj#z lwk#Vhfwlrq#:443,#ri#G lylvlrq#5#ri#Wlwoh#4#ri#wkh#Frusrudwlrqv#Frgh#dqg#wklv#
duwlfoh1Li#dq|#surylvlrq#ri#wkh#Qrqsurilw#P xwxdo#Ehqhilw#Frusrudwlrq#Odz #frqiolfw#z lwk#dq|#surylvlrq#ri#wklv#
duwlfoh/#wkh#surylvlrqv#ri#wklv#duwlfoh#vkdoo#dsso|1Hdfk#sulydwh#vhoi0lqvxuhu#vkdoo#sduwlflsdwh#dv#d#p hp ehu#lq#wkh#
~ixqg#dv#d#frqglwlrq#ri#p dlqwdlqlqj#lwv#fhuwlilfdwh#ri#frqvhqw#wr#vhoi0lqvxuh~ *fund, unless its liabilities have been turned over to the fund pursuant to Section 3701.5, at which time its membership in the fund is relinquished.*

+e,#Wkh#ixqg#vkdoo#eh#jryhuqhg#e|#d#~vhyhq#p hp ehu#erdug#ri#wuxvwhhv/#~ *board of trustees with no more than eight members, as established by the bylaws of the Self-Insurers' Security Fund.* #Wkh#gluhfwru#vkdoo#krog#h{#riilflr#vwdwxv/#z lwk#ixoo#srz huv#htxdo#wr#wkrvh#ri#d#wuxvwhh/#h{fhsw#wkdw#wkh#gluhfwru#vkdoo#qrw#kdyh#d#yrwh1Wkh#gluhfwru/#ru#d#ghohjdwh#dxwkrul}hg#lq#z ulwlqj#wr#dfw#dv#wkh#gluhfwruÑ#uhsuhvhqwdwlyh#rq#wkh#erdug#ri#wuxvwhhv/#vkdoo#fduu|#rxw#h{foxvlyho|#wkh#uhvsrqvlelolwlhv#vhw#iruwk#lq#G lylvlrq#4#+frp p hqflqj#z lwk#Vhfwlrq#83,#wkurxjk#G lylvlrq#7#+frp p hqflqj#z lwk#Vhfwlrq#6533,#dqg#vkdoo#qrw#kdyh#wkh#reoljdwlrqv#ri#d#wuxvwhh#xqghu#wkh#Qrqsurilw#P xwxdo#Ehqhilw#Frusrudwlrq#Odz 1Wkh#ixqg#vkdoo#dgrsw#e|odz v#wr#vhjuhjdwh#wkh#gluhfwru#iurp #doo#p dwwhuv#wkdw#p d|#lqyroyh#ixqg#odwljdwlrq#djdlqvw#wkh#ghsduwp hqw#ru#ixqg#sduwlflsdwlrq#lq#ohjdo#surfhhglqjv#ehiruh#wkh#gluhfwru1#Dowkrxjk#qrw#yrwlqj/#wkh#gluhfwru#ru#d#ghohjdwh#dxwkrul}hg#lq#z ulwlqj#wr#uhsuhvhqw#wkh#gluhfwru/#vkdoo#eh#frxqwhg#wrz dug#d#txrudp #ri#wuxvwhhv1Wkh#uhp dlqlqj#~vl{#~ *trustees#vkdoo#eh#uhsuhvhqwdwlyh#ri#sulydwh#vhoi0lqvxuhuv1Wkh#vhoi0lqvxuhu#wuxvwhhv#vkdoo#eh#hohfwhg#e|#wkh#p hp ehuv#ri#wkh#ixqg/#hdfk#p hp ehu#kdylqj#rqh#yrwh1~ *trustees shall* #eh#hohfwhg#wr#irxu0|hdu#whup v/#dqg#vkdoo#vhuyh#xqwlo#wkhlu#vxffhvvruv#duh#hohfwhg#dqg#dvvxp h#riilfh1sxuvxdqw#wr#wkh#e|odz v#ri#wkh#ixqg1

+f,#Wkh#ixqg#vkdoo#hvwdeolvk#e|odz v#dv#duh#qhfhvvdu|#wr#hiihfwxdwh#wkh#sxusrvhv#ri#wklv#duwlfoh#dqg#wr#fduu|#rxw#wkh#uhvsrqvlelolwlhv#ri#wkh#ixqg/#lqfoxglqj/#exw#qrw#olp lwhg#wr/#dq|#reoljdwlrqv#lp srvhg#e|#wkh#gluhfwru#sxuvxdqw#wr#Vhfwlrq#6:341;1Wkh#ixqg#p d|#fduu|#rxw#lwv#uhvsrqvlelolwlhv#gluhfwo|#ru#e|#frqwudfw/#dqg#p d|#sxufkdvh#vhuylfhv#dqg#lqvxudqfh#dqg#eruurz #ixqgv#dv#lw#ghhp v#qhfhvvdu|#iru#wkh#surwhfwlrq#ri#wkh#p hp ehuv#dqg#wkhlu#hp sor|hhv1#Wkh#ixqg#p d|#uhfhlyh#frqilghqwldo#lqirup dwlrq#frqfhuqlqj#wkh#ilqdqfldo#frqglwlrq#ri#vhoi0lqvxuhg#hp sor|huv#z krvh#odelolwlhv#wr#sd|#frp shqvdwlrq#p d|#ghyroyh#xsrq#lw#dqg#vkdoo#dgrsw#e|odz v#wr#suhyhqw#glvvhp lqdwlrq#ri#wkdw#lqirup dwlrq1

+g,#Wkh#gluhfwru#p d|#dovr#uhtxluh#ixqg#p hp ehuv#wr#vxevfuleh#wr#iljdqfldo#lqvxup hqw#ru#jxdudqwhhv#wr#eh#
srvwhg#zlwk#wkh#gluhfwru#lq#rughu#wr#vdwlvi|#wkh#vhfxulw|#uhtxluhp hqw#vhw#e|#wkh#gluhfwru#sxuvxdqw#wr#Vhfwlrq#
6:341;1

SEC. 24.#Vhfwlrq#6:77#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3744. +d,#*(1)* Wkh#ixqg#vkdoo#kdyh#wkh#uljkw#dqg#rebojdwlrq#wr#rewdlq#uhp exuvhp hqw#iurp #dq#lqvroyhqw#vhoo0
lqvxuhu#xs#wr#wkh#dp rxqw#ri#wkh#vhoo0lqvxuhuÑv#zrunhuvÑfrp shqvdwlrq#redojdwlrqv#sdlg#dqg#dvvxp hg#e|#wkh#ixqg/#
lqfoxglqj#uhdvrqdeoh#dgp lqlvwudwlyh#dqg#ohjdo#frvw1#Wklv#uljkw#lqfoxghv/#exw#lv#qrw#olp lwhg#wr/#d#uljkw#wr#fodlp #iru#
z djhv#dqg#rwkhu#qhfhvvlwlhv#ri#olih#dgydqfhg#wr#fodlp dqw#dv#vxeurjhh#ri#wkh#fodlp dqw#lq#dq|#dfwlrq#wr#frochfw#
djdlqvw#wkh#vhoo0lqvxuhg#dv#ghewru1 *For purposes of this section, "insolvent self-insurer" includes the entity to which the certificate of consent to self-insure was issued, any guarantor of the entity's liabilities under the certificate, any member of a self-insurance group to which the certificate was issued, and any employer who obtained employees from a self-insured employer under subdivision (d) of Section 3602.*

(2) The Legislature finds and declares that the amendments made to this subdivision by the act adding this paragraph are declaratory of existing law.

+e,#Wkh#ixqg#vkdoo#kdyh#wkh#uljkw#dqg#rebojdwlrq#wr#rewdlq#iurp #wkh#vhfxulw|#ghsrvlw#ri#dq#lqvroyhqw#vhoo0lqvxuhu#
wkh#dp rxqw#ri#wkh#vhoo0lqvxuhuÑv#frp shqvdwlrq#redojdwlrqv/#lqfoxglqj#uhdvrqdeoh#dgp lqlvwudwlyh#dqg#ohjdo#frvwv/#
sdlg#ru#dvvxp hg#e|#wkh#ixqg1#Uhlp exuvhp hqw#ri#dgp lqlvwudwlyh#frvwv/#lqfoxglqj#ohjdo#frvwv#vkdoo#eh#vxemhfw#wr#
dssurydo#e|#d#mdmrulw|#yrwh#ri#wkh#ixqgÑv#wuxvwhhv1#Wkh#ixqg#vkdoo#eh#d#sduw|#lq#lqwhuhvw#lq#dq|#dfwlrq#wr#rewdlq#
wkh#vhfxulw|#ghsrvlw#iru#wkh#sd|p hqw#ri#frp shqvdwlrq#redojdwlrqv#ri#dq#lqvroyhqw#vhoo0lqvxuhu1

+f,#Wkh#ixqg#vkdoo#kdyh#wkh#uljkw#wr#euljq#dq#dfwlrq#djdlqvw#dq|#shuvrq#wr#uhfryhu#frp shqvdwlrq#sdlg#dqg#
oldelolw|#dvvxp hg#e|#wkh#ixqg/#lqfoxglqj/#exw#qrw#olp lwhg#wr/#dq|#h{fhvv#lqvxudqfh#fduulhu#ri#wkh#vhoo0lqvxuhg#
hp sor|hu/#dqg#dq|#shuvrq#zkrvh#qhjoljhqfh#ru#euhdfk#ri#dq|#redojdwlrq#frqwulexwhg#wr#dq|#xqghuhvwlp dwlrq#ri#
wkh#vhoo0lqvxuhg#hp sor|huÑv#wrwdo#dffuxhg#oldelolw|#dv#uhsruwhg#wr#wkh#gluhfwru1

+g,#Wkh#ixqg#p d|#eh#d#sduw|#lq#lqwhuhvw#lq#dq|#dfwlrq#eurxjkw#e|#dq|#rwkhu#shuvrq#vhhnlqj#gdp djhv#uhvxowlqj#
iurp #wkh#idloxuh#ri#dq#lqvroyhqw#vhoo0lqvxuhu#wr#sd|#zrunhuvÑfrp shqvdwlrq#uhtxluhg#sxuvxdqw#wr#wklv#glylvlrq1

(e) At the election of the Self-Insurers' Security Fund, venue shall be in the Superior Court for the State of California, County of Sacramento, for any action under this section. All actions in which the Self-Insurers' Security Fund and two or more members or former members of one self-insurance group are parties shall be consolidated if requested by the Self-Insurers' Security Fund.

SEC. 25.#Vhfwlrq#6:78#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3745. +d,#Wkh#ixqg#vkdoo#p dlqwdlq#fdvk/#uhdglo|#p dunhwdeoh#vhfxulwlhv/#ru#rwkhu#dvvhw/#ru#d#olqh#ri#fuhglw/#
dssuryhg#e|#wkh#gluhfwru/#vxiilflhqw#wr#p p hgldwho|#frqwlqxh#wkh#sd|p hqw#ri#wkh#frp shqvdwlrq#redojdwlrqv#ri#dq|#
lqvroyhqw#vhoo0lqvxuhu#shqglqj#dvvhvvp hqw#ri#wkh#p hp ehuv1#Wkh#gluhfwru#p d|#hvwdeolvk#wkh#p lqlp xp #dp rxqw#wr#
eh#p dlqwdlqhg#e|/#ru#p p hgldwho|#dydlodeoh#wr/#wkh#ixqg#iru#wklv#sxusrvh1

+e,#Wkh#ixqg#p d|#dvvhvv#hdfk#ri#lw#p hp ehuv#d#sur#udwd#vkduh#ri#wkh#ixqglqj#qhfhvvdu|#wr#fduu|#rxw#wkh#
sxusrvhv#ri#wklv#duwlfoh1 ~~Krz hyhu/#qr#p hp ehu#vkdoo#eh#dvvhvvhg#dw#rqh#wlp h#lq#h{fhvv#ri#418#shufhqw#ri#wkh# ehqhilw#sdlg#e|#wkh#p hp ehu#iru#fodlp v#lqfxuuhg#gxulqj#wkh#suhylrxv#fddhqgdu#|hdu#dv#d#vhoo0lqvxuhu/#dqg#wrwdo# dqqxdo#dvvhvvp hqw#lq#dq|#fddhqgdu#|hdu#vkdoo#qrw#h{fhhg#5#shufhqw#ri#wkh#ehqhilw#sdlg#iru#fodlp v#lqfxuuhg# gxulqj#wkh#suhylrxv#fddhqgdu#|hdu1Ixqgv#rewdlqhg#e|#dvvhvvp hqwv#sxuvxdqw#wr#wklv#vxeglylvlrq#p d|#rqo|#eh# xvhg#iru#wkh#sxusrvhv#ri#wklv#duwlfoh1~~

+f,#Wkh#wuxvwhhv#vkdoo#fhuwli|#wr#wkh#gluhfwru#wkh#frochfwlrq#dqg#uhfhlsw#ri#doo#p rqh|v#iurp #dvvhvvp hqw/#qrwlqj#
dq|# gholqtxhqflhv1# Wkh# wuxvwhhv# vkdoo# wdnh# dq|# dfwlrq# ghhp hg# dssursuldwh# wr# frochfw# dq|# gholqtxhqw#
dvvhvvp hqw1

SEC. 26.#Vhfwlrq#6:79#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

3746. Wkh#~~wuxvwhhv~~ *fund*##vkdoo#dqqxdo|#frqwudfw#iru#dq#lqghshqghqw#fhuwlilhg#dxglw#ri#wkh#ilqdqfldo#dfwlylwlhv#ri#
wkh#ixqg1#Dq#dqqxdo#uhsruw#rq#wkh#ilqdqfldo#vwdwxv#ri#wkh#ixqg#dv#ri#Mxqh#63#vkdoo#eh#vxep lwwhg#wr#wkh#gluhfwru#
dqg#wr#hdfk#~~p hp ehu~~ *member, or at the election of the fund, posted on the fund's Internet Web site.*

SEC. 27.#Vhfwlrq#7394#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4061. *This section shall not apply to the employee's dispute of a utilization review decision under Section 4610, nor to the employee's dispute of the medical provider network treating physician's diagnosis or treatment recommendations under Sections 4616.3 and 4616.4.*

+d,#Wrjhwkhu#zlwk#wkh#olvw#sd|phqw#ri#whp srudu|#glvdelolw|#lqghp qlw|/#wkh#hp sor|hu#vkdoo/#lq#d#irup #suhvfulehg#
e|#wkh#dgp lqlvwudwlyh#gluhfwru#sxuvxdqw#wr#Vhfwlrq#46;17/#surylgh#wkh#hp sor|hh#rqh#ri#wkh#iroorzlqj=

+4,#Qrwlfh#hlwkhu#wkdw#qr#shup dqhqw#glvdelolw|#lqghp qlw|#zloo#eh#sdlg#ehfdxvh#wkh#hp sor|hu#doohjhv#wkh#hp sor|hh#
kdv#qr#shup dqhqw#lp sdlup hqw#ru#olp lwdwlrqv#uhvxowlqj#iurp #wkh#lqmxu|#ru#qrwlfh#ri#wkh#dp rxqw#ri#shup dqhqw#
glvdelolw|#lqghp qlw|#ghwhup lqhg#e|#wkh#hp sor|hu#wr#eh#sd|dedn1Li#wkh#hp sor|hu#ghwhup lqhv#shup dqhqw#glvdelolw|#
lqghp qlw|#lv#sd|dedn/#wkh#hp sor|hu#vkdoo#dgylvh#wkh#hp sor|hh#ri#wkh#dp rxqw#ghwhup lqhg#sd|dedn#dqg#wkh#edvlv#
rq#zklfk#wkh#ghwhup lqdwlrq#zdv#~~p dgh#dqg#~~ *made,* #zkhwkhu#wkhuh#lv#qhhghg#iru#~~frqwlqxlqj#p hglfdo#fduh1~~ *future medical care, and whether an indemnity payment will be deferred pursuant to paragraph (2) of subdivision (b) of Section 4650.*

+5,#Qrwlfh#wkdw#shup dqhqw#glvdelolw|#lqghp qlw|#p d|#eh#ru#lv#sd|dedn/#exw#wkdw#wkh#dp rxqw#fdqqrw#eh#ghwhup lqhg#
ehfdxvh#wkh#hp sor|hhÑv#p hglfdo#frqglwlrq#lv#qrw#|hw#shup dqhqw#dqg#vwdwlrqdu|1#Wkh#qrwlfh#vkdoo#dgylvh#wkh#
hp sor|hh#wkdw#klv#ru#khu#p hglfdo#frqglwlrq#zloo#eh#p rqlwruhg#xqwld#lw#lv#shup dqhqw#dqg#vwdwlrqdu|/#dw#zklfk#wlp h#
wkh#qhfhvvdu|#hydoxdwlrq#zloo#eh#shuirup hg#wr#ghwhup lqh#wkh#h{lvwhqfh#dqg#h{whqw#ri#shup dqhqw#lp sdlup hqw#dqg#
olp lwdwlrqv#iru#wkh#sxusrvh#ri#udwlqj#shup dqhqw#glvdelolw|#dqg#wr#ghwhup lqh#*whether there will be* #wkh#qhhg#iru#
~~frqwlqxlqj~~ *future* p hglfdo#fduh/#ru#dw#zklfk#wlp h#wkh#hp sor|hu#zloo#dgylvh#wkh#hp sor|hh#ri#wkh#dp rxqw#ri#
shup dqhqw#glvdelolw|#lqghp qlw|#wkh#hp sor|hu#kdv#ghwhup lqhg#wr#eh#sd|dedn1

+e,#Li#hlwkhu#wkh#hp sor|hh#ru#hp sor|hu#remhfw#wr#d#p hglfdo#ghwhup lqdwlrq#p dgh#e|#wkh#wuhdwlqj#sk|vlfldq#
frqfhuqlqj#wkh#h{lvwhqfh#ru#h{whqw#ri#shup dqhqw#lp sdlup hqw#dqg#olp lwdwlrqv#ru#wkh#qhhg#iru#~~frqwlqxlqj~~ *future*
p hglfdo#fduh/#dqg#wkh#hp sor|hh#lv#uhsuhvhqwhg#e|#dq#dwwruqh|/#d#p hglfdo#hydoxdwlrq#wr#ghwhup lqh#shup dqhqw#
glvdelolw|#vkdoo#eh#rewdlqhg#dv#surylghg#lq#Vhfwlrq#7395151

+f,#Li#hlwkhu#wkh#hp sor|hh#ru#hp sor|hu#remhfw#wr#d#p hglfdo#ghwhup lqdwlrq#p dgh#e|#wkh#wuhdwlqj#sk|vlfldq#
frqfhuqlqj#wkh#h{lvwhqfh#ru#h{whqw#ri#shup dqhqw#lp sdlup hqw#dqg#olp lwdwlrqv#ru#wkh#qhhg#iru#~~frqwlqxlqj~~ *future*
p hglfdo#fduh/#dqg#li#wkh#hp sor|hh#lv#qrw#uhsuhvhqwhg#e|#dq#dwwruqh|/#wkh#hp sor|hu#vkdoo#p p hgldwho|#surylgh#
wkh#hp sor|hh#zlwk#d#irup #suhvfulehg#e|#wkh#p hglfdo#gluhfwru#zlwk#zklfk#wr#uhtxhvw#dvvljqp hqw#ri#d#sdqho#ri#
wkuhh#txdolilhg#p hglfdo#hydoxdwruv1Hlwkhu#sduw|#p d|#uhtxhvw#d#frp suhkhqvlyh#p hglfdo#hydoxdwlrq#wr#ghwhup lqh#
shup dqhqw#glvdelolw|#ru#wkh#qhhg#iru#~~frqwlqxlqj~~ *future* p hglfdo#fduh/#dqg#wkh#hydoxdwlrq#vkdoo#eh#rewdlqhg#rqo|#
e|#wkh#surfhgxuh#surylghg#lq#Vhfwlrq#7395141

(d) (1) Within 30 days of receipt of a report from a qualified medical evaluator who has evaluated an unrepresented employee, the unrepresented employee or the employer may each request one supplemental report seeking correction of factual errors in the report. Any of these requests shall be made in writing. A request made by the employer shall be provided to the employee, and a request made by the employee shall be provided to the employer, insurance carrier, or claims administrator at the time the request is sent to the evaluator. A request for correction that is made by the employer shall also inform the employee of the availability of information and assistance officers to assist him or her in responding to the request, if necessary.

(2) The permanent disability rating procedure set forth in subdivision (e) shall not be invoked by the unrepresented employee or the employer when a request for correction pursuant to paragraph (1) is pending.

~~g,~~ *(e)*##Wkh# txdolilhg# p hglfdo# hydoxdwru# zkr# kdv# hydoxdwhg# dq# xquhsuhvhqwhg# hp sor|hh# vkdoo# vhuyh# wkh#
frp suhkhqvlyh#p hglfdo#hydoxdwlrq#dqg#wkh#vxp p du|#irup #rq#wkh#hp sor|hh/#hp sor|hu/#dqg#wkh#dgp lqlvwudwlyh#
gluhfwru1Wkh#xquhsuhvhqwhg#hp sor|hh#ru#wkh#hp sor|hu#p d|#vxep lw#wkh#wuhdwlqj#sk|vlfldqÑv#hydoxdwlrq#iru#wkh#
fdofxodwlrq#ri#d#shup dqhqw#glvdelolw|#udwlqj1Z lwklq#53#gd|v#ri#uhfhlsw#ri#wkh#frp suhkhqvlyh#p hglfdo#hydoxdwlrq/#
wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#fdofxodwh#wkh#shup dqhqw#glvdelolw|#udwlqj#dffruglqj#wr#Vhfwlrq#7993#dqg#vhuyh#
wkh#udwlqj#rq#wkh#hp sor|hh#dqg#hp sor|hu1

~~h,~~ *(f)*##Dq|#frp suhkhqvlyh#p hglfdo#hydoxdwlrq#frqfhuqlqj#dq#xquhsuhvhqwhg#hp sor|hh#zklfk#lqglfdwhv#wkdw#sduw#
ru#doo#ri#dq#hp sor|hhÑv#shup dqhqw#lp sdlup hqw#ru#olp lwdwlrqv#p d|#eh#vxemhfw#wr#dssruwlrqp hqw#sxuvxdqw#wr#
Vhfwlrqv#7996#dqg#7997#vkdoo#iluvw#eh#vxep lwwhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#wr#d#z runhuvÑ#frp shqvdwlrq#
mxgjh#zkr#p d|#uhihu#wkh#uhsruw#edfn#wr#wkh#txdolilhg#p hglfdo#hydoxdwru#iru#fruuhfwlrq#ru#fodulilfdwlrq#li#wkh#mxgjh#
ghwhup lqhv#wkh#sursrvhg#dssruwlrqp hqw#lv#lqfrqvlvwhqw#z lwk#wkh#odz 1

~~i,~~ *(g)*##Z lwklq#63#gd|v#ri#uhfhlsw#ri#wkh#udwlqj/#li#wkh#hp sor|hh#lv#xquhsuhvhqwhg/#wkh#hp sor|hh#ru#hp sor|hu#
p d|#uhtxhvw# wkdw# wkh# dgp lqlvwudwlyh# gluhfwru# uhfrqvlghu# wkh# uhfrp p hqghg# udwlqj# ru# rewdlq# dgglwlrqdo#
lqirup dwlrq#iurp #wkh#wuhdwlqj#sk|vlfldq#ru#p hglfdo#hydoxdwru#wr#dgguhvv#lvvxhv#qrw#dgguhvvhg#ru#qrw#frp sohwho|#
dgguhvvhg#lq#wkh#ruljlqdo#frp suhkhqvlyh#p hglfdo#hydoxdwlrq#ru#qrw#suhsduhg#lq#dffrug#z lwk#wkh#surfhgxuhv#

surp xojdwhg#xqghu#sdudjudsk#+5,#ru#+6,#ri#vxeglylvlrq#+m,#ri#Vhfwlrq#46<151#Wklv#uhtxhvv#vkdoo#eh#lq#zulwlqj/#vkdoo#vshfli|#wkh#uhdvrqv#rq#wkh#udwlqj#vkrxog#eh#uhfrqvlghuhg/#dqg#vkdoo#eh#vhuyhg#rq#wkh#rwkhu#sduw|1#Li#wkh#dgp lqlvwudwlyh#gluhfwru#ilqgv#wkh#frp suhkhqvlyh#p hglfdo#hydoxdwlrq#lv#qrw#frp sohwh#ru#qrw#lq#frp sddqfh#zlwk#wkh#uhtxluhg#surfhgxuhv/#wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#uhuxug#wkh#uhsruw#wr#wkh#wuhdwlqj#sk|vlfldq#ru#txddilhg#p hglfdo#hydoxdwru#iru#dssursuldwh#dfwlrq#dv#wkh#dgp lqlvwudwlyh#gluhfwru#lqvwuxfwv1#Xsrq#uhfhlsw#ri#wkh#uhdwlqj#sk|vlfldqÑv#ru#txddilhg#p hglfdo#hydoxdwruÑv#lqdo#frp suhkhqvlyh#p hglfdo#hydoxdwlrq#dqg#vxp p du|#irup /#wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#uhfdofxodwh#wkh#shup dqhqw#glvdelolw|#udwlqj#dffruglqj#wr#Vhfwlrq#7993#dqg#vhuyh#wkh#udwlqj/#wkh#frp suhkhqvlyh#p hglfdo#hydoxdwlrq/#dqg#wkh#vxp p du|#irup #rq#wkh#hp sor|hh#dqg#hp sor|hu1

~j, *(h)*##+4,#Li#d#frp suhkhqvlyh#p hglfdo#hydoxdwlrq#iurp #wkh#wuhdwlqj#sk|vlfldq#ru#dq#djuhhg#p hglfdo#hydoxdwru#ru#d#txddilhg#p hglfdo#hydoxdwru#vhohfwhg#iurp #d#wkuhh0p hp ehu#sdqho#uhvroyhv#dq|#lvvxh#vr#dv#wr#uhtxluh#dq#hp sor|hu#wr#surylgh#frp shqvdwlrq/#wkh#hp sor|hu#vkdoo#frp p hqfh#wkh#sd|p hqw#ri#~frp shqvdwlrq# *compensation, except as provided pursuant to paragraph (2) of subdivision (b) of Section 4650,* #ru#surp sw|#frp p hqfh# surfhhglqjv#ehiruh#wkh#dsshdov#erdug#wr#uhvroyh#wkh#glvsxwh1

+5,#Li#wkh#hp sor|hh#dqg#hp sor|hu#djuhh#wr#d#vwlsxodwhg#ilqglqjv#dqg#dz dug#dv#surylghg#xqghu#Vhfwlrq#8:35#ru#wr#frp surp lvh#dqg#uhohdvh#wkh#fodlp #xqghu#Fkdswhu#5#+frp p hqflqj#z lwk#Vhfwlrq#8533,#ri#Sduw#6/#ru#li#wkh#hp sor|hh#z lvkhv#wr#frp p xwh#wkh#dz dug#xqghu#Fkdswhu#6#+frp p hqflqj#z lwk#Vhfwlrq#8433,#ri#Sduw#6/#wkh#dsshdov#erdug#vkdoo#iluvw#ghwhup lqh#z khwkhu#wkh#djuhhp hqw#ru#frp p xwdwlrq#lv#lq#wkh#ehvw#lqwhuhvw#ri#wkh#hp sor|hh#dqg#z khwkhu#wkh#surshu#surfhgxuhv#kdyh#ehhq#iroorz hg#lq#ghwhup lqlqj#wkh#shup dqhqw#glvdelolw|#udwlqj1#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#surp xojdwh#d#irup #wr#qrwli|#wkh#hp sor|hh#/dw#wkh#wlp h#ri#vhuylfh#ri#dq|#udwlqj# xqghu# wklv# vhfwlrq/# ri# wkh# rswlrqv# vshflilhg# lq# wklv# vxeglylvlrq/# wkh# srwhqwldo# dgydqwdjhv# dqg# glvdgydqwdjhv#ri#hdfk#rswlrq/#dqg#wkh#surfhgxuh#iru#glvsxwlqj#wkh#udwlqj1

~k, *(i)*##Qr#lvvxh#uhodwlqj#wr#wkh#h{lvwhqfh#ru#h{whqw#ri#shup dqhqw#lp sdlup hqw#dqg#olp lwdwlrqv#uhvxowlqj#iurp #wkh#lqmxu|#p d|#eh#wkh#vxemhfw#ri#d#ghfodudwlrq#ri#uhdglqhvv#wr#surfhhg#xqohvv#wkhuh#kdv#iluvw#ehhq#d#p hglfdo#hydoxdwlrq#e|#d#wuhdwlqj#sk|vlfldq#~ru# *and by either* #dq#djuhhg#ru#txddilhg#p hglfdo#hydoxdwru1#Z lwk#wkh#h{fhswlrq#ri#dq#hydoxdwlrq#ru#hydoxdwlrqv#suhsduhg#e|#wkh#wuhdwlqj#sk|vlfldq#ru#sk|vlfldqv/#qr#hydoxdwlrq#ri#shup dqhqw#lp sdlup hqw#dqg#olp lwdwlrqv#uhvxowlqj#iurp #wkh#lqmxu|#vkdoo#eh#rewdlqhg/#h{fhsw#lq#dffrugdqfh#z lwk#Vhfwlrq#739514#ru#739515=1#Hydoxdwlrqv#rewdlqhg#lq#ylrodwlrq#ri#wklv#surklelwlrq#vkdoo#qrw#eh#dgp lvvleoh#lq#dq|#surfhhglqj#ehiruh#wkh#dsshdov#erdug1

SEC. 28.#Vhfwlrq#7395#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4062. +d,#Li#hlwkhu#wkh#hp sor|hh#ru#hp sor|hu#remhfw#wr#d#p hglfdo#ghwhup lqdwlrq#p dgh#e|#wkh#wuhdwlqj#sk|vlfldq#frqfhuqlqj#dq|#p hglfdo#lvvxhv#qrw#fryhuhg#e|#Vhfwlrq#7393#ru#7394#dqg#qrw#vxemhfw#wr#Vhfwlrq#7943/#wkh#remhfwlqj#sduw|#vkdoo#qrwli|#wkh#rwkhu#sduw|#lq#z ulwlqj#ri#wkh#remhfwlrq#z lwklq#53#gd|v#ri#uhfhlsw#ri#wkh#uhsruw#li#wkh#hp sor|hh#lv#uhsuhvhqwhg#e|#dq#dwwruqh|#ru#z lwklq#63#gd|v#ri#uhfhlsw#ri#wkh#uhsruw#li#wkh#hp sor|hh#lv#qrw#uhsuhvhqwhg#e|#dq#dwwruqh|1#~Hp sor|hu#remhfwlrqv#wr#wkh#wuhdwlqj#sk|vlfldqÑv#uhfrp p hqgdwlrq#iru#vslqdo#vxujhu|#vkdoo#eh#vxemhfw#wr#vxeglylvlrq#+e,/#dqg#d#ilxuh#ghqldo#ri#wkh#sk|vlfldqÑv#uhfrp p hqgdwlrq/#lq#dffrugdqfh#z lwk#Vhfwlrq#79431#Li#wkh#hp sor|hh#remhfwv#wr#d#ghflvlrq#p dgh#sxuvxdqw#wr#Vhfwlrq#7943#wr#p rgli|/#ghod|/#ru#ghq|#d#wuhdwp hqw#uhfrp p hqgdwlrq/#wkh#hp sor|hh#vkdoo#qrwli|#wkh#hp sor|hu#ri#wkh#remhfwlrq#lq#z ulwlqj#z lwklq#53#gd|v#ri#uhfhlsw#ri#wkd#ghflvlrq1#Wkhvh#wlp h#olp lwv#p d|#eh#h{whqghg#iru#jrrg#fdxvh#ru#e|#p xwxdo#djuhhp hqw1#Li#wkh#hp sor|hh#lv#uhsuhvhqwhg#e|#dq#dwwruqh|/#d#p hglfdo#hydoxdwlrq#wr#ghwhup lqh#wkh#glvsxwhg#p hglfdo#lvvxh#vkdoo#eh#rewdlqhg#dv#surylghg#lq#Vhfwlrq#739515/#dqg#qr#rwkhu#p hglfdo#hydoxdwlrq#vkdoo#eh#rewdlqhg1#Li#wkh#hp sor|hh#lv#qrw#uhsuhvhqwhg#e|#dq#dwwruqh|/#wkh#hp sor|hu#vkdoo#lp p hgldwho|#surylgh#wkh#hp sor|hh#z lwk#d#irup #suhvfulehg#e|#wkh#p hglfdo#gluhfwru#z lwk#z klfk#wr#uhtxhvw#dvvljqp hqw#ri#d#sdqho#ri#wkuhh#txddilhg#p hglfdo#hydoxdwruv/#wkh#hydoxdwlrq#vkdoo#eh#rewdlqhg#dv#surylghg#lq#Vhfwlrq#739514/#dqg#qr#rwkhu#p hglfdo#hydoxdwlrq#vkdoo#eh#rewdlqhg1

+e,#~Wkh#hp sor|hu#p d|#remhfw#wr#d#uhsruw#ri#wkh#wuhdwlqj#sk|vlfldq#uhfrp p hqglqj#wkdw#vslqdo#vxujhu|#eh#shuirup hg#z lwklq#43#gd|v#ri#wkh#uhfhlsw#ri#wkh#uhsruw1#Li#wkh#hp sor|hh#lv#uhsuhvhqwhg#e|#dq#dwwruqh|/#wkh#sduwlhv#vkdoo#vhhn#djuhhp hqw#z lwk#wkh#rwkhu#sduw|#rq#d#Fddiruqld0olfhqvhg#erdug0fhuwlilhg#ru#erdug0holjleoh#ruwkrshglf#vxujhrq#ru#qhxurvxujhrq#wr#suhsduh#d#vhfrqg#rslqlrq#uhsruw#uhvroylqj#wkh#glvsxwhg#vxujlfdo#uhfrp p hqgdwlrq1#Li#qr#djuhhp hqw#lv#uhdfkhg#z lwklq#43#gd|v/#ru#li#wkh#hp sor|hh#lv#qrw#uhsuhvhqwhg#e|#dq#dwwruqh|/#dq#ruwkrshglf#vxujhrq#ru#qhxurvxujhrq#vkdoo#eh#udqgrp o|#vhohfwhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#wr#suhsduh#d#vhfrqg#rslqlrq#uhsruw#uhvroylqj#wkh#glvsxwhg#vxujlfdo#uhfrp p hqgdwlrq1#H{dp lqdwlrqv#vkdoo#eh#vfkhgxohg#rq#dq#h{shglwhg#edvlv1#Wkh#vhfrqg#rslqlrq#uhsruw#vkdoo#eh#vhuyhg#rq#wkh#sduwlhv#z lwklq#70#gd|v#ri#uhfhlsw#ri#wkh#wuhdwlqj#sk|vlfldqÑv#uhsruw1#Li#wkh#vhfrqg#rslqlrq#uhsruw#uhfrp p hqgv#vxujhu|/#wkh#hp sor|hu#vkdoo#dxwkrul}h#wkh#vxujhu|1#Li#wkh#vhfrqg#rslqlrq#uhsruw#grhv#qrw#uhfrp p hqg#vxujhu|/#wkh#hp sor|hu#vkdoo#iloh#d#ghfodudwlrq#ri#uhdglqhvv#wr#surfhhg1#Wkh#hp sor|hu#vkdoo#qrw#eh#ddeoh#iru#p hglfdo#wuhdwp hqw#frvwv#iru#wkh#glvsxwhg#vxujlfdo#surfhgxuh/#z khwkhu#wkurxjk#d#dhq#ilohg#z lwk#wkh#dsshdov#erdug#ru#dv#d#vhoi0surfxuhg#p hglfdo#h{shqvh/#ru#iru#shulrgv#ri#whp srudu|#glvdelolw|#uhvxowlqj#iurp #wkh#vxujhu|/#li#wkh#glvsxwhg#vxujlfdo#surfhgxuh#lv~

shuirup hg#sulru#wr#wkh#frp sohwlrq#ri#wkh#vhfrqg#rslqlrq#surfhvv#uhtxluhg#e|#wklv#vxeglylvlrq1 *objects to a decision made pursuant to Section 4610 to modify, delay, or deny a request for authorization of a medical treatment recommendation made by a treating physician, the objection shall be resolved only in accordance with the independent medical review process established in Section 4610.5.*

+f,#Wkh#vhfrqg#rslqlrq#sk|vlfldq#vkdo#qrw#kdyh#dq|#p dwhuldo#surihvvlrqdo/#idp ldlo/#ru#ilqdqfldo#diiloldwlrq/#dv# ghwhup lqhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru/#z lwk#dq|#ri#wkh#rroz lqj=

+4,#Wkh#hp so|hu#klv#ru#khu#z runhuvÑ#frp shqvdwlrq#lqvxuhu/#wklug0sduw|#fodlp v#dgp lqlvwudwru/#ru#rwkhu#hqwlw|# frqwudfwhg#wr#surylgh#wkd}dwlrq#uhylhz #vhuylfhv#sxuvxdqw#wr#Vhfwlrq#79431

+5,#Dq|#riilfhu/#gluhfwru/#ru#hp so|hh#ri#wkh#hp so|huÑ#khdo#fduh#surylghu/#z runhuvÑ#frp shqvdwlrq#lqvxuhu/#ru# wklug0sduw|#fodlp v#dgp lqlvwudwru1

+6,#D#sk|vlfldq/#wkh#sk|vlfldqÑ#p hglfd#jurxs/#ru#wkh#lqghshqghqw#sudfwlfh#dvvrfldwlrq#lqyrroyhg#lq#wkh#khdo# fduh#vhuylfh#lq#glvsxwh1

+7, (c) Wkh#idflolw|#ru#lqvwlwxwlrq#dw#z klfk#hlwkhu#wkh#sursrvhg#khdo#fduh#vhuylfh/#ru#wkh#dowhuqdwlyh#vhuylfh/#li# dq|,#uhfrp p hqghg#e|#wkh#hp so|huÑ#khdo#fduh#surylghu/#z runhuvÑ#frp shqvdwlrq#lqvxuhu/#ru#wklug0sduw|# fodlp v#dgp lqlvwudwru/#z rxog#eh#surylghg1 *If the employee objects to the diagnosis or recommendation for medical treatment by a physician within the employer's medical provider network established pursuant to Section 4616, the objection shall be resolved only in accordance with the independent medical review process established in Sections 4616.3 and 4616.4.*

+8,#Wkh#ghyhorsp hqw#ru#p dqxidfwxuh#ri#wkh#sulqflsdo#guxj/#ghylfh/#surfhgxuh/#ru#rwkhu#wkhuds|#sursrvhg#e|#wkh# hp so|hh#ru#klv#ru#khu#wuhdwlqj#sk|vlfldq#z krvh#wuhdwp hqw#lv#xqghu#uhylhz /#ru#wkh#dowhuqdwlyh#wkhuds|/#li#dq|/# uhfrp p hqghg#e|#wkh#hp so|hu#ru#rwkhu#hqwlw|1

+9,#Wkh#hp so|hh#ru#wkh#hp so|hhÑ#p p hgldwh#idp lo|1

SEC. 29.#Vhfwlrq#739515#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4062.2. +d,#W khqhyhu#d#frp suhkhqvlyh#p hglfd#hydoxdwlrq#lv#uhtxluhg#wr#uhvroyh#dq|#glvsxwh#dulvlqj#rxw#ri#dq# lqmxu|#ru#d#fodlp hg#lqmxu|#rffxuulqj#rq#ru#diwhu#Mdqxdu|#4/#5338/#dqg#wkh#hp so|hh#lv#uhsuhvhqwhg#e|#dq# dwwruqh|/#wkh#hydoxdwlrq#vkdoo#eh#rewdlqhg#rqo|#dv#surylghg#lq#wklv#vhfwlrq1

+e,#Li#hlwkhu#sduw|#uhtxhvwv#d# *No earlier than the first working day that is at least 10 days after the date of mailing of a request for a* #p hglfd#hydoxdwlrq#sxuvxdqw#wr#Vhfwlrq#7393/#7394/#ru#7395/#hlwkhu#sduw|#p d|# frp p hqfh#wkh#vhohfwlrq#surfhvv#iru#dq#djuhhg#p hglfd#hydoxdwru#e|#p dnlqj#d#z ulwwhq#uhtxhvw#qdp lqj#dw#ohdvw# rqh#sursrvhg#sk|vlfldq#wr#eh#wkh#hydoxdwru1#Wkh#sduwlhv#vkdoo#vhhn#djuhhp hqw#z lwk#wkh#rwkhu#sduw|#rq#wkh# sk|vlfldq/#z kr#qhhg#qrw#eh#d#txdolilhg#p hglfd#hydoxdwru/#wr#suhsduh#d#uhsruw#uhvroylqj#wkh#glvsxwh1#Li#qr# djuhhp hqw#lv#uhdfkhg#z lwklq#43#gd|v#ri#wkh#iluvw#z ulwwhq#sursrvdo#wkdw#qdp hv#d#sursrvhg#djuhhg#p hglfd# hydoxdwru/#ru#dq|#dgglwlrqdo#wlp h#qrw#wr#h{fhhg#53#gd|v#djuhhg#wr#e|#wkh#sduwlhv/# *4060 or the first working day that is at least 10 days after the date of mailing of an objection pursuant to Sections 4061 or 4062,* #hlwkhu# sduw|#p d|#uhtxhvw#wkh#dvvljqp hqw#ri#d#wkuhh0p hpehu#sdqho#ri#txdolilhg#p hglfd#hydoxdwruv#wr#frqgxfw#d# frp suhkhqvlyh#p hglfd#hydoxdwlrq1#Wkh#sduw|#vxep lwwlqj#wkh#uhtxhvw#vkdo#ghvljqdwh#wkh#vshfldow|#ri#wkh# p hglfd#hydoxdwru/#wkh#vshfldow|#ri#wkh#p hglfd#hydoxdwru#uhtxhvwhg#e|#wkh#rwkhu#sduw|/#li#lw#kdv#ehhq#p dgh# nqrz q#wr#wkh#sduw|/#vxep lwwlqj#wkh#uhtxhvw#dqg#wkh#vshfldow|#ri#wkh#wuhdwlqj#sk|vlfldq1#Wkh#sduw|#vxep lwwlqj#wkh# uhtxhvw#irup #vkdo#vhuyh#d#frs|#ri#wkh#uhtxhvw#irup #rq#wkh#rwkhu#sduw|1

+f,#W lwklq#43#gd|v#ri#dvvljqp hqw#ri#wkh#sdqho#e|#wkh#dgp lqlvwudwlyh#gluhfwru/#wkh#sduwlhv#vkdo#frqihu#dqg# dwwhp sw#wr#djuhh#xsrq#dq#djuhhg#p hglfd#hydoxdwru#vhohfwhg#irp #wkh#sdqho#Li#wkh#sduwlhv#kdyh#qrw#djuhhg#rq#d# p hglfd#hydoxdwru#irp #wkh#sdqho#e|#wkh#43wk#gd|#diwhu#dvvljqp hqw#ri#wkh#sdqho/# hdfk#sduw|#p d|# *the* #vwulnh# rqh#qdp h#irp #wkh#sdqho1#Wkh#uhp dlqlqj#txdolilhg#p hglfd#hydoxdwru#vkdo#vhuyh#dv#wkh#p hglfd#hydoxdwru1#Li#d# sduw|#idlov#wr#h{huflvh#wkh#uljkw#wr#vwulnh#d#qdp h#irp #wkh#sdqho#z lwklq#wkuhh#z runlqj# 10 #gd|v#ri#jdlqlqj#wkh# uljkw#wr#gr#vr/#wkh# *assignment of the panel by the administrative director, the* #rwkhu#sduw|#p d|#vhohfw#dq|# sk|vlfldq#z kr#uhp dlqv#rq#wkh#sdqho#wr#vhuyh#dv#wkh#p hglfd#hydoxdwru1#Wkh#dgp lqlvwudwlyh#gluhfwru#p d|# suhvfuleh#wkh#irup /#wkh#p dqqhu/#ru#erwk/#e|#z klfk#wkh#sduwlhv#vkdo#frqgxfw#wkh#vhohfwlrq#surfhvv1

+g,#Wkh#uhsuhvhqwhg#hp so|hh#vkdo#eh#uhvsrqvleoh#iru#duudqjlqj#wkh#dssrlqwp hqw#iru#wkh#h{dp lqdwlrq/#exw#xsrq# klv#ru#khu#idloxuh#wr#lqirup #wkh#hp so|hu#ri#wkh#dssrlqwp hqw#z lwklq#43#gd|v#diwhu#wkh#p hglfd#hydoxdwru#kdv# ehhq#vhohfwhg/#wkh#hp so|hu#p d|#duudqjh#wkh#dssrlqwp hqw#dqg#qrwli|#wkh#hp so|hh#ri#wkh#duudqjhp hqw1 *The employee shall not unreasonably refuse to participate in the evaluation.*

+h,#Li#dq#hp so|hh#kdv#uhfhlyhg#d#frp suhkhqvlyh#p hglfdo0ohjdo#hydoxdwlrq#xqghu#wklv#vhfwlrq/#dqg#kh#ru#vkh#
olwhu#fhdvhv#wr#eh#uhsuhvhqwhg/#kh#ru#vkh#vkdoo#qrw#eh#hqwlwohg#wr#dq#dgglwlrqdo#hydoxdwlrq1

(f) The parties may agree to an agreed medical evaluator at any time, except as to issues subject to the independent medical review process established pursuant to Section 4610.5. A panel shall not be requested pursuant to subdivision (b) on any issue that has been agreed to be submitted to or has been submitted to an agreed medical evaluator unless the agreement has been canceled by mutual written consent.

SEC. 30.#Vhfwlrq#739516#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4062.3. +d,#Dq|#sduw|#p d|#surylgh#wr#wkh#txdolilhg#p hglfdo#hydoxdwru#vhohfwhg#iurp #d#sdqho#dq|#ri#wkh#iroorzlqj#lqirup dwlrq=

+4,#Uhfrugv#suhsduhg#ru#p dlqwdlqhg#e|#wkh#hp so|hhÑv#wuhdwlqj#sk|vlfldq#ru#sk|vlfldqv1

+5,#P hglfdo#dqg#qrqp hglfdo#uhfrugv#uhohydqw#wr#ghwhmp lqdwlrq#ri#wkh#p hglfdo#lvvxh1

+e,#Lqirum dwlrq#wkdw#d#sduw|#sursrvhv#wr#surylgh#wr#wkh#txdolilhg#p hglfdo#hydoxdwru#vhohfwhg#iurp #d#sdqho#vkdoo#eh#vhuyhg#rq#wkh#rssrvlqj#sduw|#53#gd|v#ehiruh#wkh#lqirum dwlrq#lv#surylghg#wr#wkh#hydoxdwru1#Li#wkh#rssrvlqj#sduw|#remhfwv#wr#frqvlghudwlrq#ri#qrqp hglfdo#uhfrugv#z lwklq#43#gd|v#wkhuhdiwhu/#wkh#uhfrugv#vkdoo#qrw#eh#surylghg#wr#wkh#hydoxdwru1#Hlwkhu#sduw|#p d|#xvh#glvfryhu|#wr#hvwdeolvk#wkh#dffxudf|#ru#dxwkhqwlflw|#ri#qrqp hglfdo#uhfrugv#sulru#wr#wkh#hydoxdwlrq1

+f,#Li#dq#djuhhg#p hglfdo#hydoxdwru#lv#vhohfwhg/#dv#sduw#ri#wkhlu#djuhhp hqw#rq#dq#hydoxdwru/#wkh#sduwlhv#vkdoo#djuhh#rq#z kdw#lqirum dwlrq#lv#wr#eh#surylghg#wr#wkh#djuhhg#p hglfdo#hydoxdwru1

+g,#Lq#dq|#lirup do#p hglfdo#hydoxdwlrq/#wkh#djuhhg#ru#txdolilhg#p hglfdo#hydoxdwru#vkdoo#ghqwli|#wkh#iroorzlqj=

+4,#Doo#lqirum dwlrq#uhfhlyhg#iurp #wkh#sduwlhv1

+5,#Doo#lqirum dwlrq#uhylhz hg#lq#suhsdudwlrq#ri#wkh#uhsruw1

+6,#Doo#lqirum dwlrq#uholhg#xsrq#lq#wkh#irum xodwlrq#ri#klv#ru#khu#rslqlrq1

+h,#Doo#frp p xqlfdwlrqv#z lwk#~~dq#djuhhg#p hglfdo#hydoxdwru#ru~~#d#txdolilhg#p hglfdo#hydoxdwru#vhohfwhg#iurp #d#sdqho#ehiruh#d#p hglfdo#hydoxdwlrq#vkdoo#eh#lq#z ulwlqj#dqg#vkdoo#eh#vhuyhg#rq#wkh#rssrvlqj#sduw|#53#gd|v#lq#dgydqfh#ri#wkh#hydoxdwlrq1#Dq|#vxevhtxhqw#frp p xqlfdwlrq#z lwk#wkh#p hglfdo#hydoxdwru#vkdoo#eh#lq#z ulwlqj#dqg#vkdoo#eh#vhuyhg#rq#wkh#rssrvlqj#sduw|#z khq#vhqw#wr#wkh#p hglfdo#hydoxdwru1

(f) Communications with an agreed medical evaluator shall be in writing, and shall be served on the opposing party when sent to the agreed medical evaluator. Oral or written communications with physician staff or, as applicable, with the agreed medical evaluator, relative to nonsubstantial matters such as the scheduling of appointments, missed appointments, the furnishing of records and reports, and the availability of the report, do not constitute ex parte communication in violation of this section unless the appeals board has made a specific finding of an impermissible ex parte communication.

~~+i,~~ *(g)*##H{#sduwh#frp p xqlfdwlrq#z lwk#dq#djuhhg#p hglfdo#hydoxdwru#ru#d#txdolilhg#p hglfdo#hydoxdwru#vhohfwhg#iurp #d#sdqho#lv#surklelwhg1#Li#d#sduw|#frp p xqlfdwhv#z lwk#wkh#djuhhg#p hglfdo#hydoxdwru#ru#wkh#txdolilhg#p hglfdo#hydoxdwru#lq#ylrodwlrq#ri#vxeglylvlrq#+h,/#wkh#djjulhyhg#sduw|#p d|#hohfw#wr#whup lqdwh#wkh#p hglfdo#hydoxdwlrq#dqg#vhhn#d#qhz #hydoxdwlrq#iurp #dqrwkhu#txdolilhg#p hglfdo#hydoxdwru#wr#eh#vhohfwhg#dffruglqj#wr#Vhfwlrq#739514#ru#739515/#dv#dssolfdeoh/#ru#surfhhg#z lwk#wkh#lqlwldo#hydoxdwlrq1

~~+j,~~ *(h)*##Wkh#sduw|#p dnlqj#wkh#frp p xqlfdwlrq#surklelwhg#e|#wklv#vhfwlrq#vkdoo#eh#vxemhfw#wr#ehlqj#fkdujhg#z lwk#frqwhp sw#ehiruh#wkh#dsshdov#erdug#dqg#vkdoo#eh#oldeoh#iru#wkh#frvw#lqfxuuhg#e|#wkh#djjulhyhg#sduw|#dv#d#uhvxow#ri#wkh#surklelwhg#frp p xqlfdwlrq/#lqfoxglqj#wkh#frvw#ri#p hglfdo#hydoxdwlrq/#dgglwlrqdo#glvfryhu|#frvw/#dqg#dwwruqh|Ñv#ihhv#iru#uhodwhg#glvfryhu|1

~~+k,~~ *(i)*##Vxeglylvlrqv#+h,#dqg#~~+i,~~ *(g)*##vkdoo#qrw#dsso|#wr#rudo#ru#z ulwwhq#frp p xqlfdwlrqv#e|#wkh#hp so|hh#ru/#li#wkh#hp so|hh#lv#ghfhdvhg/#wkh#hp so|hhÑv#ghshqghqw/#lq#wkh#frxuvh#ri#wkh#h{dp lqdwlrq#ru#dw#wkh#uhtxhvw#ri#wkh#hydoxdwru#lq#frqqhfwlrq#z lwk#wkh#h{dp lqdwlrq1

~~+l,~~ *(j)*##Xsrq#frp sohwlqj#d#ghwhup lqdwlrq#ri#wkh#glvsxwhg#p hglfdo#lvvxh/#wkh#p hglfdo#hydoxdwru#vkdoo#vxp p dul}h#wkh#p hglfdo#ilqglqjv#rq#d#irup #suhvfulehg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#dqg#vkdoo#vhuyh#wkh#irum do#p hglfdo#hydoxdwlrq#dqg#wkh#vxp p dul|#irum #rq#wkh#hp so|hh#dqg#wkh#hp so|hu1#Wkh#p hglfdo#hydoxdwlrq#vkdoo#dgguhvv#doo#frqwhvwhg#p hglfdo#lvvxhv#dulvlqj#iurp #doo#lqmxulhv#uhsruwhg#rq#rqh#ru#p ruh#fodlp #irup v#sulru#wr#wkh#gdwh#ri#wkh#hp so|hhÑv#lqlwldo#dssrlqwp hqw#z lwk#wkh#p hglfdo#hydoxdwru1

~~(m)~~ *(k)* ##Li/#diwhu#d#p hglfdo#hydoxdwlrq#lv#suhsduhg/#wkh#hp sor|hu#ru#wkh#hp sor|hh#vxevhtxhqwo|#rechfw#wr#dq|#
qhz#p hglfdo#lvvxh/#wkh#sduwlhv/#wr#wkh#h{whqw#srvvleoh/#vkdoo#xwlol}h#wkh#vdp h#p hglfdo#hydoxdwru#zkr#suhsduhg#
wkh#suhylrxv#hydoxdwlrq#wr#uhvroyh#wkh#p hglfdo#glvsxwh1

~~(n)~~ *(l)* ##Qr#glvsxwhg#p hglfdo#lvvxh#vshflilhg#lq#vxeglylvlrq#+d,#p d|#eh#wkh#vxemhfw#ri#ghfodudwlrq#ri#uhdglqhvv#wr#
surfhhg#xqohvv#wkhuh#kdv#iluvw#ehhq#dq#hydoxdwlrq#e|#wkh#wuhdwlqj#sk|vlfldq#ru#dq#djuhhg#ru#txdolilhg#p hglfdo#
hydoxdwru1

SEC. 31. Vhfwlrq#7396#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4063. Li#d#irup do#p hglfdo#hydoxdwlrq#iurp #dq#djuhhg#p hglfdo#hydoxdwru#ru#d#txdolilhg#p hglfdo#hydoxdwru#vhohfwhg#
iurp #d#wkuhh#p hp ehu#sdqho#uhvroyhv#dq|#lvvxh#vr#dv#wr#uhtxluh#dq#hp sor|hu#wr#surylgh#frp shqvdwlrq/#wkh#
hp sor|hu#~~vkdoo~~ *shall, except as provided pursuant to paragraph (2) of subdivision (b) of Section 4650,*
#frp p hqfh#wkh#sd|p hqw#ri#frp shqvdwlrq#ru#iloh#~~dq#dssolfdwlrq#iru#dgmxglfdwlrq#ri#fodlp i~~ *a declaration of
readiness to proceed.*

SEC. 32. Vhfwlrq#7397#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4064. +d,#Wkh#hp sor|hu#vkdoo#eh#oldeoh#iru#wkh#frvw#ri#hdfk#uhdvrqdeoh#dqg#qhfhvvdu|#frp suhkhqvlyh#p hglfdo0
ohjdo#hydoxdwlrq#rewdlqhg#e|#wkh#hp sor|hh#sxuvxdqw#wr#Vhfwlrqv#7393/#7394/#dqg#73951#Hdfk#frp suhkhqvlyh#
p hglfdo0ohjdo#hydoxdwlrq#vkdoo#dgguhvv#doo#frqwhvwhg#p hglfdo#lvvxhv#dulvlqj#iurp #doo#lqmxulhv#uhsruwhg#rq#rqh#ru#
p ruh#fodlp #~~irup vi~~ *forms, except medical treatment recommendations, which are subject to utilization review as
provided by Section 4610, and objections to utilization review determinations, which are subject to independent
medical review as provided by Section 4610.5.*

+e,#Iru#lqmxulhv#rffxuulqj#rq#ru#diwhu#Mdqxdu|#4/#5336/#li#dq#xquhsuhvhqwhg#hp sor|hh#rewdlqv#dq#dwwruqh|#diwhu#
wkh#hydoxdwlrq#sxuvxdqw#wr#vxeglylvlrq#+d,#ri#Vhfwlrq#7394#ru#vxeglylvlrq#+e,#ri#Vhfwlrq#7395#kdv#ehhq#
frp sohwhg/#wkh#hp sor|hh#vkdoo#eh#hqwlwohg#wr#wkh#vdp h#uhsruw#dw#hp sor|hu#h{shqvh#dv#dq#hp sor|hh#zkr#kdv#
ehhq#uhsuhvhqwhg#iurp #wkh#wlp h#wkh#glvsxwh#durvh#dqg#wkrvh#uhsruw#vkdoo#eh#dgp lvvleoh#lq#dq|#surfhhglqj#
ehiruh#wkh#dsshdov#erdug1

+f,#Vxemhfw#wr#Vhfwlrq#7<39/#li#dq#hp sor|hu#ilohv#~~dq#dssolfdwlrq#iru#dgmxglfdwlrq#~~ *a declaration of readiness to
proceed* #dqg#wkh#hp sor|hh#lv#xquhsuhvhqwhg#dw#wkh#wlp h#wkh#~~dssolfdwlrq#~~ *declaration of readiness to proceed* #lv#
ilohg/#wkh#hp sor|hu#vkdoo#eh#oldeoh#iru#dq|#dwwruqh|Ñ#ihhv#lqfxuuhg#e|#wkh#hp sor|hh#lq#frqqhfwlrq#zlwk#wkh#
~~dssolfdwlrq#iru#dgmxglfdwlrq1~~ *declaration of readiness to proceed.*

+g,#Wkh#hp sor|hu#vkdoo#qrw#eh#oldeoh#iru#wkh#frvw#ri#dq|#frp suhkhqvlyh#p hglfdo#hydoxdwlrqv#rewdlqhg#e|#wkh#
hp sor|hh#rwkhu#wkdq#wkrvh#dxwkru|}hg#sxuvxdqw#wr#Vhfwlrqv#7393/#7394/#dqg#73951#Krzhyhu/#qr#sduw|#lv#
surklelwhg#iurp #rewdlqlqj#dq|#p hglfdo#hydoxdwlrq#ru#frqvxowdwlrq#dw#wkh#sduw|Ñ#rzq#h{shqvh1#Lq#qr#hyhqw#vkdoo#
dq#hp sor|hu#ru#hp sor|hh#eh#oldeoh#iru#dq#hydoxdwlrq#rewdlqhg#lq#ylrodwlrq#ri#vxeglylvlrq#+e,#ri#Vhfwlrq#73931#Doo#
frp suhkhqvlyh#p hglfdo#hydoxdwlrqv#rewdlqhg#e|#dq|#sduw|#vkdoo#eh#dgp lvvleoh#lq#dq|#surfhhglqj#ehiruh#wkh#
dsshdov#erdug#h{fhsw#dv#surylghg#lq#~~vxeglylvlrqv#+g,#dqg#p ,#ri#Vhfwlrq#7394#dqg#vxeglylvlrqv#+e,#dqg#+h,#ri#
Vhfwlrq#73951~~ *Section 4060, 4061, 4062, 4062.1, or 4062.2.*

SEC. 33. Vhfwlrq#7399#ri#wkh#Oderu#Frgh#lv#uhshdohg1

~~**4066.** Z khq#wkh#hp sor|hu#ilohv#dq#dssolfdwlrq#iru#dgmxglfdwlrq#ri#fodlp #frqwhvwlqj#wkh#irup do#p hglfdo#hydoxdwlrq#
suhsduhg#e|#dq#djuhhg#p hglfdo#hydoxdwru#xqghu#wklv#duwlfoh/#uhjdugohvv#ri#rxwfrp h/#wkh#z runhuÑ#frp shqvdwlrq#
mxgjh#ru#wkh#dsshdov#erdug#vkdoo#dvvhvv#wkh#hp sor|hhÑ#dwwruqh|Ñ#ihhv#djdlqvw#wkh#hp sor|hu/#vxemhfw#wr#Vhfwlrq#
7<391~~

SEC. 34. Vhfwlrq#7786#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4453. +d,#Lq#frp sxwlqj#dyhudjh#dqqxdo#hduqlqjv#iru#wkh#sxusrvhv#ri#whp srudu|#glvdelolw|#lqghp qlw|#dqg#
shup dqhqw#wrwdo#glvdelolw|#lqghp qlw|#rqo|/#wkh#dyhudjh#z hhno|#hduqlqjv#vkdoo#eh#wdnhq#dw=

+4,#Qrw#dhvv#wkdq#rqh#kxqguhg#wz hqw|0vl{#grooduv#+'459,#qru#p ruh#wkdq#wz r#kxqguhg#qlqhw|0irxu#grooduv#+'5<7,/#
iru#lqmxulhv#rffxuulqj#rq#ru#diwhu#Mdqxdu|#4/#4<;61

+5,#Qrw#dhvv#wkdq#rqh#kxqguhg#vl{w|0hljkw#grooduv#+'49;,#qru#p ruh#wkdq#wkuhh#kxqguhg#wkluw|0vl{#grooduv#+'669,/#
iru#lqmxulhv#rffxuulqj#rq#ru#diwhu#Mdqxdu|#4/#4<;71

+6,#Qrw#dhvv#wkdq#rqh#kxqguhg#vl{w|0hljkw#grooduv#+'49;,#iru#shup dqhqw#wrwdo#glvdelolw|/#dqg/#iru#whp srudu|#
glvdelolw|/#qrw#dhvv#wkdq#wkh#dhvvhu#ri#rqh#kxqguhg#vl{w|0hljkw#grooduv#+'49;,#ru#418#wlp hv#wkh#hp sor|hhÑ#

dyhudjh#z hhno|#hduqlqjv#iurp #doo#hp sor|huv/#exw#lq#qr#hyhqw#ohvv#wkdq#rqh#kxqguhg#iruw|0vhyhq#grooduv#+'47:,/#
qru#p ruh#wkdq#wkuhh#kxqguhg#qlqhw|0qlqh#grooduv#+'6<<,/#iru#lqmxulhv#rffxulqj#rq#ru#diwhu#Mdqxdu|#4/#4<<31

+7,#Qrw#dnvv#wkdq#wkh#rqh#kxqguhg#vl{w|0hljkw#grooduv#+'49;,#iru#shup dqhqw#wrwdo#glvdelolw|/#dqg#iru#whp srudu|#
glvdelolw|/#qrw#dnvv#wkdq#wkh#dnvvhu#ri#rqh#kxqguhg#hljkw|0qlqh#grooduv#+'4;,#ru#418#wlp hv#wkh#hp sor|hhÑv#
dyhudjh#z hhno|#hduqlqjv#iurp #doo#hp sor|huv/#qru#p ruh#wkdq#ilyh#kxqguhg#irxu#grooduv#+'837,/#iru#lqmxulhv#
rffxulqj#rq#ru#diwhu#Mdqxdu|#4/#4<<41

+8,#Qrw#dnvv#wkdq#wkh#rqh#kxqguhg#vl{w|0hljkw#grooduv#+'49;,#iru#shup dqhqw#wrwdo#glvdelolw|/#dqg#iru#whp srudu|#
glvdelolw|/#qrw#dnvv#wkdq#wkh#dnvvhu#ri#rqh#kxqguhg#hljkw|0qlqh#grooduv#+'4;,#ru#418#wlp hv#wkh#hp sor|hhÑv#
dyhudjh#z hhno|#hduqlqjv#iurp #doo#hp sor|huv/#qru#p ruh#wkdq#vl{#kxqguhg#qlqh#grooduv#+'93<,/#iru#lqmxulhv#
rffxulqj#rq#ru#diwhu#Mxo|#4/#4<<71

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glvdelolw|/#qrw#dnvv#wkdq#wkh#dnvvhu#ri#rqh#kxqguhg#hljkw|0qlqh#grooduv#+'4;,#ru#418#wlp hv#wkh#hp sor|hhÑv#
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rffxulqj#rq#ru#diwhu#Mxo|#4/#4<<81

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glvdelolw|/#qrw#dnvv#wkdq#wkh#dnvvhu#ri#rqh#kxqguhg#hljkw|0qlqh#grooduv#+'4;,#ru#418#wlp hv#wkh#hp sor|hhÑv#
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lqmxulhv#rffxulqj#rq#ru#diwhu#Mxo|#4/#4<<91

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grooduv#+'4/593,/#iru#lqmxulhv#rffxulqj#rq#ru#diwhu#Mdqxdu|#4/#53381#Iru#lqmxulhv#rffxulqj#rq#ru#diwhu#Mdqxdu|#4/#
5339/#dyhudjh#z hhno|#hduqlqjv#vkdoo#eh#wdnhq#dw#qrw#dnvv#wkdq#rqh#kxqguhg#hljkw|0qlqh#grooduv#+'4;,/#qru#
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surylghg#lq#Vhfwlrq#758</#wkh#dyhudjh#z hhno|#hduqlqjv#vkdoo#eh#wdnhq#dw=

+4,#Qrw#dnvv#wkdq#vhyhqw|0ilyh#grooduv#+':8,/#qru#p ruh#wkdq#rqh#kxqguhg#qlqhw|0ilyh#grooduv#+'4<8,/#iru#lqmxulhv#
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rffxulqj#rq#ru#diwhu#Mdqxdu|#4/#4<;71

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qrw#p ruh#wkdq#571:8#shufhqw=#+D,#qrw#dnvv#wkdq#rqh#kxqguhg#ilyh#grooduv#+'438,/#qru#p ruh#wkdq#wz r#kxqguhg#
wz hqw|0wz r#grooduv#+'555,/#iru#lqmxulhv#rffxulqj#rq#ru#diwhu#Mxo|#4/#4<<7>#+E,#qrw#dnvv#wkdq#rqh#kxqguhg#ilyh#
grooduv#+'438,/#qru#p ruh#wkdq#wz r#kxqguhg#wklw|0rqh#grooduv#+'564,/#iru#lqmxulhv#rffxulqj#rq#ru#diwhu#Mxo|#4/#
4<<8>#+F,#qrw#dnvv#wkdq#rqh#kxqguhg#ilyh#grooduv#+'438,/#qru#p ruh#wkdq#wz r#kxqguhg#iruw|#grooduv#+'573,/#iru#
lqmxulhv#rffxulqj#rq#ru#diwhu#Mxo|#4/#4<<91

+7,#Z khq#wkh#ilqdo#dgmxvwhg#shup dqhqw#glvdelolw|#udwlqj#ri#wkh#lqmxuhg#hp sor|hh#lv#58#shufhqw#ru#juhdwhu/#qrw#
dnvv#wkdq#rqh#kxqguhg#ilyh#grooduv#+'438,/#qru#p ruh#wkdq#wz r#kxqguhg#wz hqw|0wz r#grooduv#+'555,/#iru#lqmxulhv#
rffxulqj#rq#ru#diwhu#Mdqxdu|#4/#4<<41

+8,#Z khq#wkh#ilqdo#dgmxvwhg#shup dqhqw#glvdelolw|#udwlqj#ri#wkh#lqmxuhg#hp sor|hh#lv#58#shufhqw#ru#juhdwhu#exw#qrw#
p ruh#wkdq#9<1:8#shufhqw=#+D,#qrw#dnvv#wkdq#rqh#kxqguhg#ilyh#grooduv#+'438,/#qru#p ruh#wkdq#wz r#kxqguhg#wklw|0
vhyhq#grooduv#+'56:,/#iru#lqmxulhv#rffxulqj#rq#ru#diwhu#Mxo|#4/#4<<7>#+E,#qrw#dnvv#wkdq#rqh#kxqguhg#ilyh#grooduv#
+'438,/#qru#p ruh#wkdq#wz r#kxqguhg#iruw|0vl{#grooduv#+'579,/#iru#lqmxulhv#rffxulqj#rq#ru#diwhu#Mxo|#4/#4<<8>#dqg#

+F,#qrw#dnvv#wkdq#rqh#kxqguhg#ilyh#grooduv#+'438,#ru#p ruh#wkdq#wz r#kxqguhg#iliw|0ilyh#grooduv#+'588,#iru# lqmxulhv#rffxuulqj#rq#ru#diwhu#Mxo|#4/#4<<91

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+:,#Z khq#wkh#ilqdo#dgmxvwhg#shup dqhqw#glvdelolw|#udwlqj#ri#wkh#lqmxuhg#hp sor|hh#lv#:3#shufhqw#ru#juhdwhu/#exw# dnvv#wkdq#433#shufhqw=#+D,#qrw#dnvv#wkdq#rqh#kxqguhg#ilyh#grooduv#+'438,#ru#p ruh#wkdq#wz r#kxqguhg#iliw|0wz r# grooduv#+'585,#iru#lqmxulhv#rffxuulqj#rq#ru#diwhu#Mxo|#4/#4<<7>#+E,#qrw#dnvv#wkdq#rqh#kxqguhg#ilyh#grooduv#+'438,#ru# p ruh#wkdq#wz r#kxqguhg#qlqhw|0vhyhq#grooduv#+'5<:,#iru#lqmxulhv#rffxuulqj#rq#ru#diwhu#Mxo|#4/#4<<8>#+F,#qrw# dnvv#wkdq#rqh#kxqguhg#ilyh#grooduv#+'438,#ru#p ruh#wkdq#wkuhh#kxqguhg#iruw|0ilyh#grooduv#+'678,#iru#lqmxlhv# rffxuulqj#rq#ru#diwhu#Mxo|#4/#4<<9>#+G,#qrw#dnvv#wkdq#rqh#kxqguhg#iliw|#grooduv#+'483,#ru#p ruh#wkdq#wkuhh# kxqguhg#iruw|0ilyh#grooduv#+'678,#iru#lqmxulhv#rffxuulqj#rq#ru#diwhu#Mdqxdu|#4/#5336>#+H,#qrw#dnvv#wkdq#rqh# kxqguhg#iliw|0vhyhq#grooduv#dqg#iliw|#fhqwv#+'48:183,#ru#p ruh#wkdq#wkuhh#kxqguhg#vhyhqw|0vhyhq#grooduv#+'6:8,#iru# lqmxulhv#rffxuulqj#rq#ru#diwhu#Mdqxdu|#4/#5337>#+I,#qrw#dnvv#wkdq#rqh#kxqguhg#iliw|0vhyhq#grooduv#dqg#iliw|# fhqwv#+'48:183,#ru#p ruh#wkdq#irxu#kxqguhg#ilyh#grooduv#+'738,#iru#lqmxulhv#rffxuulqj#rq#ru#diwhu#Mdqxdu|#4/# 5338>#dqg#+J,#qrw#dnvv#wkdq#rqh#kxqguhg#qlqhw|0ilyh#grooduv#+'4<8,#ru#p ruh#wkdq#irxu#kxqguhg#ilyh#grooduv# +'738,#iru#lqmxulhv#rffxuulqj#rq#ru#diwhu#Mdqxdu|#4/#53391

(8) For injuries occurring on or after January 1, 2013:

(A) When the final adjusted permanent disability rating is less than 55 percent, not less than two hundred forty dollars ($240) nor more than three hundred forty-five dollars ($345).

(B) When the final adjusted permanent disability rating is 55 percent or greater but less than 70 percent, not less than two hundred forty dollars ($240) nor more than four hundred five dollars ($405).

(C) When the final adjusted permanent disability rating is 70 percent or greater but less than 100 percent, not less than two hundred forty dollars ($240) nor more than four hundred thirty-five dollars ($435).

(9) For injuries occurring on or after January 1, 2014, not less than two hundred forty dollars ($240) nor more than four hundred thirty-five dollars ($435).

+f,#Ehwz hhq#wkh#olp lw#vshflilhg#lq#vxeglylvlrqv#+d,#dqg#+e,/#wkh#dyhudjh#z hhno|#hduqlqjv/#h{fhsw#dv#surylghg#lq# Vhfwlrqv#7789#wr#778</#vkdoo#eh#duulyhg#dw#dv#iroorz v=

+4,#Z khuh#wkh#hp sor|p hqw#lv#iru#63#ru#p ruh#krxuv#d#z hhn#dqg#iru#ilyh#ru#p ruh#z runlqj#gd|v#d#z hhn/#wkh# dyhudjh#z hhno|#hduqlqjv#vkdoo#eh#wkh#qxp ehu#ri#z runlqj#gd|v#d#z hhn#wlp hv#wkh#gdlo|#hduqlqjv#dw#wkh#wlp h#ri# wkh#lqmxu|1

+5,#Z khuh#wkh#hp sor|hh#lv#z runlqj#iru#wz r#ru#p ruh#hp sor|huv#dw#ru#derxw#wkh#wlp h#ri#wkh#lqmxu|/#wkh#dyhudjh# z hhno|#hduqlqjv#vkdoo#eh#wdnhq#dv#wkh#djjuhjdwh#ri#wkhvh#hduqlqjv#iurp #doo#hp sor|p hqwv#frp sxwhg#lq#whup v#ri# rqh#z hhn>#exw#wkh#hduqlqjv#iurp #hp sor|p hqwv#rwkhu#wkdq#wkh#hp sor|p hqw#lq#z klfk#wkh#lqmxu|#rffxuuhg#vkdoo# qrw#eh#wdnhq#dw#d#kljkhu#udwh#wkdq#wkh#krxuo|#udwh#sdlg#dw#wkh#wlp h#ri#wkh#lqmxu|1

+6,#Li#wkh#hduqlqjv#duh#dw#dq#luuhjxodu#udwh/#vxfk#dv#slhfhz run/#ru#rq#d#frp p lvvlrq#edvlv/#ru#duh#vshflilhg#wr#eh# e|#wkh#z hhn/#p rqwk/#ru#rwkhu#shulrg/#wkhq#wkh#dyhudjh#z hhno|#hduqlqjv#p hqwlrqhg#lq#vxeglylvlrq#+d,#vkdoo#eh#wdnhq# dv#wkh#dfwxdo#z hhno|#hduqlqjv#dyhudjhg#iru#wklv#shulrg#ri#wlp h/#qrw#h{fhhglqj#rqh#|hdu/#dv#p d|#frqyhqlhqwo|#eh# wdnhq#wr#ghwhup lqh#dq#dyhudjh#z hhno|#udwh#ri#sd|1

+7,#Z khuh#wkh#hp sor|p hqw#lv#iru#dnvv#wkdq#63#krxuv#shu#z hhn/#ru#z khuh#iru#dq|#uhdvrq#wkh#iruhjrlqj#p hwkrgv# ri#duulylqj#dw#wkh#dyhudjh#z hhno|#hduqlqjv#fdqqrw#uhdvrqdeo|#dqg#idlu|#eh#dssolhg/#wkh#dyhudjh#z hhno|#hduqlqjv# vkdoo#eh#wdnhq#dw#433#shufhqw#ri#wkh#vxp #z klfk#uhdvrqdeo|#uhsuhvhqwv#wkh#dyhudjh#z hhno|#hduqlqj#fdsdflw|#ri# wkh#lqmxuhg#hp sor|hh#dw#wkh#wlp h#ri#klv#ru#khu#lqmxu|/#gxh#frqvlghudwlrq#ehlqj#jlyhq#wr#klv#ru#khu#dfwxdo#hduqlqjv# iurp #doo#vrxufhv#dqg#hp sor|p hqw1

+g,#Hyhu|#frp sxwdwlrq#p dgh#sxuvxdqw#wr#wklv#vhfwlrq#ehjlqqlqj#Mdqxdu|#4/#4<<3/#vkdoo#eh#p dgh#rqo|#z lwk# uhihuhqfh#wr#whp srudu|#glvdelolw|#ru#wkh#shup dqhqw#glvdelolw|#uhvxowlqj#iurp #dq#ruljlqdo#lqmxu|#vxvwdlqhg#diwhu# Mdqxdu|#4/#4<<31#Krz hyhu/#doo#uljkwv#h{lvwlqj#xqghu#wklv#vhfwlrq#rq#Mdqxdu|#4/#4<<3/#vkdoo#eh#frqwlqxhg#lq#irufh1

H{fhsw#dv#surylghg#lq#Vhfwlrq#799418/#glvdelolw|#lqghp qlw|#ehqhilwv#vkdoo#eh#fdofxodwhg#dffruglqj#wr#wkh#dp lw#lq#wklv#vhfwlrq#lq#hiihfw#rq#wkh#gdwh#ri#lqmxu|#dqg#vkdoo#uhp dlq#lq#hiihfw#iru#wkh#gxudwlrq#ri#dq|#glvdelolw|#uhvxowlqj#iurp #wkh#lqmxu|1

SEC. 35.#Vhfwlrq#7933#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4600. +d,#P hglfdo/#vxujlfdo/#fklursudfwlf/#dfxsxqfwxuh/#dqg#krvslwdo#wuhdwp hqw/#lqfoxglqj#qxuvlqj/#p hglflqhv/#p hglfdo#dqg#vxujlfdo#vxssolhv/#fuxwfkhv/#dqg#dssdudwxvhv/#lqfoxglqj#rukrwrwlf#dqg#survwkhwlf#ghylfhv#dqg#vhuylfhv/#wkdw#lv#uhdvrqded|#uhtxluhg#wr#fxuh#ru#uholhyh#wkh#lqmxuhg#z runhu#iurp #wkh#hiihfwv#ri#klv#ru#khu#lqmxu|#vkdoo#eh#surylghg#e|#wkh#hp sor|hu1Lq#wkh#fdvh#ri#klv#ru#khu#qhjohfw#ru#uhixvdo#uhdvrqded|#wr#gr#vr/#wkh#hp sor|hu#lv#oldeoh#iru#wkh#uhdvrqdeoh#h{shqvh#lqfxuuhg#e|#ru#rq#ehkdoi#ri#wkh#hp sor|hh#lq#surylglqj#wuhdwp hqw1

+e,#Dv#xvhg#lq#wklv#glylvlrq#dqg#qrwlwkvwdqglqj#dq|#rwkhu#surylvlrq#ri#odz /#p hglfdo#wuhdwp hqw#wkdw#lv#uhdvrqded|#uhtxluhg#wr#fxuh#ru#uholhyh#wkh#lqmxuhg#z runhu#iurp #wkh#hiihfwv#ri#klv#ru#khu#lqmxu|#p hdqv#wuhdwp hqw#wkdw#lv#edvhg#xsrq#wkh#jxlgholqhv#dgrswhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#sxuvxdqw#wr#Vhfwlrq#~~863.15.#ru#/sulru#wr#wkh#dgrswlrq#ri#wkrvh#jxlgholqhv/#wkh#xsgdwhg#Dp hulfdq#Frochjh#ri#Rffxsdwlrqdo#dqg#Hqylurqp hqwdo#P hglflqhÑv#Rffxsdwlrqdo#P hglflqh#Sudfwlfh#Jxlgholqhv1~~ *5307.27.*

+f,#Xqohvv#wkh#hp sor|hu#ru#wkh#hp sor|huÑv#lqvxuhu#kdv#hvwdeolvkhg *or contracted with* #d#p hglfdo#surylghu#qhwzrun#dv#surylghg#iru#lq#Vhfwlrq#7949/#diwhu#63#gd|v#iurp #wkh#gdwh#wkh#lqmxu|#lv#uhsruwhg/#wkh#hp sor|hh#p d|#eh#wuhdwhg#e|#d#sk|vlfldq#ri#klv#ru#khu#rz q#fkrlfh#ru#dw#d#idflolw|#ri#klv#ru#khu#rz q#fkrlfh#z lwklq#d#uhdvrqdeoh#jhrjudsklf#duhd1 *A chiropractor shall not be a treating physician after the employee has received the maximum number of chiropractic visits allowed by subdivision (d) of Section 4604.5.*

+g,#+4,Li#dq#hp sor|hh#kdv#qrwlilhg#klv#ru#khu#hp sor|hu#lq#z ulwlqj#sulru#wr#wkh#gdwh#ri#lqmxu|#wkdw#kh#ru#vkh#kdv#d#shuvrqdo#sk|vlfldq/#wkh#hp sor|hh#vkdoo#kdyh#wkh#uljkw#wr#eh#wuhdwhg#e|#wkdw#sk|vlfldq#iurp #wkh#gdwh#ri#lqmxu|#li#~~hlwkhu#ri#wkh#iroorz lqj#frqglwlrqv#h{lvw=~~ *the employee has health care coverage for nonoccupational injuries or illnesses on the date of injury in a plan, policy, or fund as described in subdivisions (b), (c), and (d) of Section 4616.7.*

~~+D,#Wkh#hp sor|hu#surylghv#qrqrffxsdwlrqdo#jurxs#khdowk#fryhudjh#lq#d#khdowk#fduh#vhuylfh#sodq/#olfhqvhg#sxuvxdqw#wr#Fkdswhu#515#frp p hqflqj#z lwk#Vhfwlrq#4673,#ri#Glylvlrq#5#ri#wkh#Khdowk#dqg#Vdihw|#Frgh1~~

~~+E,#Wkh#hp sor|hu#surylghv#qrqrffxsdwlrqdo#khdowk#fryhudjh#lq#d#jurxs#khdowk#sodq#ru#d#jurxs#khdowk#lqvxudqfh#srolf|#dv#ghvfulehg#lq#Vhfwlrq#79491.1~~

+5,#Iru#sxusrvhv#ri#sdudjudsk#+4,/#d#shuvrqdo#sk|vlfldq#vkdoo#p hhw#doo#ri#wkh#iroorz lqj#frqglwlrqv=

+D,#Eh#wkh#hp sor|hhÑv#uhjxodu#sk|vlfldq#dqg#vxujhrq/#olfhqvhg#sxuvxdqw#wr#Fkdswhu#8#frp p hqflqj#z lwk#Vhfwlrq#5333,#ri#Glylvlrq#5#ri#wkh#Exvlqhvv#dqg#Surihvvlrqv#Frgh1

+E,#Eh#wkh#hp sor|hhÑv#sulp du|#fduh#sk|vlfldq#dqg#kdv#suhylrxvo|#gluhfwhg#wkh#p hglfdo#wuhdwp hqw#ri#wkh#hp sor|hh/#dqg#z kr#uhwdlqv#wkh#hp sor|hhÑv#p hglfdo#uhfrugv/#lqfoxglqj#klv#ru#khu#p hglfdo#klvwru|1#ÈShuvrqdo#sk|vlfldqÉ#lqfoxghv#d#p hglfdo#jurxs/#li#wkh#p hglfdo#jurxs#lv#d#vlqjoh#frusrudwlrq#ru#sduwqhuvkls#frp srvhg#ri#olfhqvhg#grfwruv#ri#p hglflqh#ru#rvwhrsdwk|/#z klfk#rshudwhv#dq#lqwhjudwhg#p xowlvshfldow|#p hglfdo#jurxs#surylglqj#frp suhkhqvlyh#p hglfdo#vhuylfhv#suhgrp lqdqwo|#iru#qrqrffxsdwlrqdo#loohvvhv#dqg#lqmxulhv1

+F,#Wkh#sk|vlfldq#djuhhv#wr#eh#suhghvljqdwhg1

+6,#Li#wkh# ~~hp sor|hu# surylghv# qrqrffxsdwlrqdo# khdowk# fduh#~~ *employee has health care coverage for nonoccupational injuries or illnesses on the date of injury in a health care service plan licensed* #sxuvxdqw#wr#Fkdswhu#515#frp p hqflqj#z lwk#Vhfwlrq#4673,#ri#Glylvlrq#5#ri#wkh#Khdowk#dqg#Vdihw|#Frgh/#dqg#wkh#hp sor|hu#lv#qrwlilhg#sxuvxdqw#wr#sdudjudsk#+4,/#doo#p hglfdo#wuhdwp hqw/#xwlol}dwlrq#uhylhz #ri#p hglfdo#wuhdwp hqw/#dffhvv#wr#p hglfdo#wuhdwp hqw/#dqg#rwkhu#p hglfdo#wuhdwp hqw#lvvxhv#vkdoo#eh#jryhuqhg#e|#Fkdswhu#515#frp p hqflqj#z lwk#Vhfwlrq#4673,#ri#Glylvlrq#5#ri#wkh#Khdowk#dqg#Vdihw|#Frgh1#Glvsxwhv#uhjduglqj#wkh#surylvlrq#ri#p hglfdo#wuhdwp hqw#vkdoo#eh#uhvroyh#sxuvxdqw#wr#Duwlfoh#8155#frp p hqflqj#z lwk#Vhfwlrq#46:7163,#ri#Fkdswhu#515#ri#Glylvlrq#5#ri#wkh#Khdowk#dqg#Vdihw|#Frgh1

+7,#Li#wkh# ~~hp sor|hu# surylghv# qrqrffxsdwlrqdo# khdowk# fduh/#~~ *employee has health care coverage for nonoccupational injuries or illnesses on the date of injury in a group health insurance policy* #dv#ghvfulehg#lq#Vhfwlrq#79491:#doo#p hglfdo#wuhdwp hqw/#xwlol}dwlrq#uhylhz #ri#p hglfdo#wuhdwp hqw/#dffhvv#wr#p hglfdo#wuhdwp hqw/#dqg#rwkhu#p hglfdo#wuhdwp hqw#lvvxhv#vkdoo#eh#jryhuqhg#e|#wkh#dssolfdeoh#surylvlrqv#ri#wkh#Lqvxudqfh#Frgh1

+8,#Wkh#lqvxuhu#p d|#uhtxluh#sulru#dxwkrul}dwlrq#ri#dq|#qrqhp hujhqf|#wuhdwp hqw#ru#gldjqrvwlf#vhuylfh#dqg#p d|#frqgxfw#uhdvrqded|#qhfhvvdu|#xwlol}dwlrq#uhylhz #sxuvxdqw#wr#Vhfwlrq#79431

+9,#Dq#hp sor|hh#vkdoo#eh#hqwlwohg#wr#doo#p hglfdoo|#dssursuldwh#uhihuudov#e|#wkh#shuvrqdo#sk|vlfldq#wr#rwkhu#sk|vlfldqv#ru#p hglfdo#surylghuv#zlwklq#wkh#qrqrffxsdwlrqdo#khdowk#fduh#sodq1#Dq#hp sor|hh#vkdoo#eh#hqwlwohg#wr#wuhdwp hqw#e|#sk|vlfldqv#ru#rwkhu#p hglfdo#surylghuv#rxwvlgh#ri#wkh#qrqrffxsdwlrqdo#khdowk#fduh#sodq#sxuvxdqw#wr#vwdqgdugv#hvwdeolvkhg#lq#Duwlfoh#8#+frp p hqflqj#zlwk#Vhfwlrq#469:,#ri#Fkdswhu#515#ri#Glylvlrq#5#ri#wkh#Khdowk#dqg#Vdihw|#Frgh1

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+5,#Uhjdugohvv#ri#wkh#gdwh#ri#lqmxu|/#Èuhdvrqdeoh#h{shqvhv#ri#wudqvsruwdwlrqŠ#lqfoxghv#p lohdjh#ihhv#iurp #wkh#hp sor|hhÑ#krp h#wr#wkh#sodfh#ri#wkh#h{dp lqdwlrq#dqg#edfn#dw#wkh#udwh#ri#wz hqw|#0qlqh#fhqwv#+'3154,#d#p loh#ru#wkh#p lohdjh#udwh#dgrswhg#e|#wkh#Gluhfwru#ri#~~the Department of Personnel Administration~~ *Human Resources* sxuvxdqw#wr#Vhfwlrq#4<;53#ri#wkh#Jryhuqp hqw#Frgh/#zklfkhyhu#lv#kljkhu/#soxv#dq|#eulgjh#wroov1#Wkh#p lohdjh#dqg#wroov#vkdoo#eh#sdlg#wr#wkh#hp sor|hh#dw#wkh#wlp h#kh#ru#vkh#lv#jlyhq#qrwlilfdwlrq#ri#wkh#wlp h#dqg#sodfh#ri#wkh#h{dp lqdwlrq1

+i,#Z khq#dw#wkh#uhtxhvw#ri#wkh#hp sor|hu/#wkh#hp sor|hrÑ#lqvxuhu/#wkh#dgp lqlvwudwlyh#gluhfwru/#wkh#dsshdov#erdug/#ru#d#zrunhuvÑ#frp shqvdwlrq#dgp lqlvwudwlrq#odz #mxgjh/#dq#hp sor|hh#vxep lw#wr#h{dp lqdwlrq#e|#d#sk|vlfldq#dqg#wkh#hp sor|hh#grhv#qrw#surilflhqwo|#vshdn#ru#xqghuvwdqg#wkh#Hqjolvk#odqjxdjh/#kh#ru#vkh#vkdoo#eh#hqwlwohg#wr#wkh#vhuylfhv# ri#d#txdolilhg# lqwhusuhwhu#lq#dffrugdqfh#zlwk#frqglwlrqv#dqg#d#ihh#vfkhgxoh#suhvfulehg#e|#wkh#dgp lqlvwudwlyh#gluhfwru1#Wkhvh#vhuylfhv#vkdoo#eh#surylghg#e|#wkh#hp sor|hu1#Iru#sxusrvhv#ri#wklv#vhfwlrq/#Ètxdolilhg# lqwhusuhwhuŠ#p hdqv#d#odqjxdjh#lqwhusuhwhu#fhuwlilhg/#ru#ghhp hg#fhuwlilhg/#sxuvxdqw#wr#Duwlfoh#;#+frp p hqflqj#zlwk#Vhfwlrq#44768138,#ri#Fkdswhu#718#ri#Sduw#4#ri#Glylvlrq#6#ri#Wlwoh#5#ri#ru#Vhfwlrq#9;899#ri#wkh#Jryhuqp hqw#Frgh1

+j,#~~Wklv#vhfwlrq#vkdoo#ehfrp h#rshudwlyh#rq#Mdqxdu|#4/#53431~~ *If the injured employee cannot effectively communicate with his or her treating physician because he or she cannot proficiently speak or understand the English language, the injured employee is entitled to the services of a qualified interpreter during medical treatment appointments. To be a qualified interpreter for purposes of medical treatment appointments, an interpreter is not required to meet the requirements of subdivision (f), but shall meet any requirements established by rule by the administrative director that are substantially similar to the requirements set forth in Section 1367.04 of the Health and Safety Code. The administrative director shall adopt a fee schedule for qualified interpreter fees in accordance with this section. Upon request of the injured employee, the employer or insurance carrier shall pay for interpreter services. An employer shall not be required to pay for the services of an interpreter who is not certified or is provisionally certified by the person conducting the medical treatment or examination unless either the employer consents in advance to the selection of the individual who provides the interpreting service or the injured worker requires interpreting service in a language other than the languages designated pursuant to Section 11435.40 of the Government Code.*

(h) Home health care services shall be provided as medical treatment only if reasonably required to cure or relieve the injured employee from the effects of his or her injury and prescribed by a physician and surgeon licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code, and subject to Section 5307.1 or 5703.8. The employer shall not be liable for home health care services that are provided more than 14 days prior to the date of the employer's receipt of the physician's prescription.

SEC. 36.#Vhfwlrq#793615#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4603.2. +d,#*(1)* Xsrq#vhohfwlqj#d#sk|vlfldq#sxuvxdqw#wr#Vhfwlrq#7933/#wkh#hp sor|hh#ru#sk|vlfldq#vkdoo#~~iruwkz lwk#~~ #qrwli|#wkh#hp sor|hu#ri#wkh#qdp h#dqg#~~dgguhvv##ri#wkh#~~ *address, including the name of the medical group, if applicable, of the* #sk|vlfldq1#Wkh#sk|vlfldq#vkdoo#vxep lw#d#uhsruw#wr#wkh#hp sor|hu#z lwklq#ilyh#z runlqj#gd|v#iurp # wkh#gdwh#ri#wkh#lqlwldo#~~h{dp lqdwlrq#~~ *examination, as required by Section 6409,* #dqg#vkdoo#vxep lw#shulrglf#uhsruw#dw#lqwhuydov#wkdw#p d|#eh#suhvfulehg#e|#uxohv#dqg#uhjxodwlrqv#dgrswhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru1

(2) If the employer objects to the employee's selection of the physician on the grounds that the physician is not within the medical provider network used by the employer, and there is a final determination that the employee was entitled to select the physician pursuant to Section 4600, the employee shall be entitled to continue treatment with that physician at the employer's expense in accordance with this division, notwithstanding Section 4616.2. The employer shall be required to pay from the date of the initial examination if the physician's report was submitted within five working days of the initial examination. If the physician's report was submitted

more than five working days after the initial examination, the employer and the employee shall not be required to pay for any services prior to the date the physician's report was submitted.

(3) If the employer objects to the employee's selection of the physician on the grounds that the physician is not within the medical provider network used by the employer, and there is a final determination that the employee was not entitled to select a physician outside of the medical provider network, the employer shall have no liability for treatment provided by or at the direction of that physician or for any consequences of the treatment obtained outside the network.

(b) (1) Any provider of services provided pursuant to Section 4600, including, but not limited to, physicians, hospitals, pharmacies, interpreters, copy services, transportation services, and home health care services, shall submit its request for payment with an itemization of services provided and the charge for each service, a copy of all reports showing the services performed, the prescription or referral from the primary treating physician if the services were performed by a person other than the primary treating physician, and any evidence of authorization for the services that may have been received. Nothing in this section shall prohibit an employer, insurer, or third-party claims administrator from establishing, through written agreement, an alternative manual or electronic request for payment with providers for services provided pursuant to Section 4600.

~~(e)~~ *(2)* ~~(A)~~ E{cepw#dv#surylghg#lq#vxegylylvlrq#+g,#ri#Vhfwlrq#793617/#ru#xqghu#frqwudfw#dxwkrul}hg#xqghu# Vhfwlrq#863:144/#sd|p hqw#iru#p hglfdo#wuhdwp hqw#surylghg#ru# ~~dxwkrul}hg~~ *prescribed* ##e|#wkh#wuhdwlqj#sk|vlfldq# vhohfwhg#e|#wkh#hp sor|hh#ru#ghvljqdwhg#e|#wkh#hp sor|hu#vkdoo#eh#p dgh#dw#uhdvrqdeoh#p d{lp xp #dp rxqw#lq#wkh# riilfldo#p hglfdo#ihh#vfkhgxoh/sxuvxdqw#wr#Vhfwlrq#863:14/#lq#hiihfw#rq#wkh#gdwh#ri#vhuylfh1#Sd|p hqw#vkdoo#eh# p dgh#e|#wkh#hp sor|hu# ~~zlwklq#78#zrunlqj#~~ *with an explanation of review pursuant to Section 4603.3 within 45* #gd|v#diwhu#uhfhlsw#ri#hdfk#vhsdudwh/#lwhp l}dwlrq#ri#p hglfdo#vhuylfhv#surylghg/#wrjhwkhu#zlwk#dq|##uhtxluhg# uhsruw#dqg#dq|#zulwwhq#dxwkrul}dwlrq#iru#vhuylfhv#wkdw#p d|#kdyh#ehhq#uhfhlyhg#e|#wkh#sk|vlfldq1#Li#wkh# lwhp l}dwlrq#ru#d#sruwlrq#wkhuhri#lv#frqwhvwhg/#ghqlhg/#ru#frqvlghuhg#lqfrp sohwh/#wkh#sk|vlfldq#vkdoo#eh#qrwlilhg/#lq# ~~z ulwlqj/#~~ *the explanation of review,* #wkdw#wkh#lwhp l}dwlrq#lv#frqwhvwhg/#ghqlhg/#ru#frqvlghuhg#lqfrp sohwh/#zlwklq#63#~~z runlqj#~~gd|v#diwhu#uhfhlsw#ri#wkh#lwhp l}dwlrq#e|#wkh#hp sor|hu1#~~D#qrwlfh#wkdw#~~ *An explanation of review that states* #dq#lwhp l}dwlrq#lv#lqfrp sohwh#vkdoo# *also* #vwdwh#doo#dgglwlrqdo#lqirup dwlrq#uhtxluhg#wr#p dnh#d#ghflvlrq1# Dq|#surshuo|#grfxp hqwhg#olvw#ri#vhuylfhv#surylghg#*and* #qrw#sdlg#dw#wkh#udwhv#wkhq#lq#hiihfw#xqghu#Vhfwlrq#863:14# zlwklq#wkh#~~78#zrunlqj0gd|~~ *45-day*##shulrg#vkdoo#eh#*paid at the rates then in effect and* #lqfuhdvhg#e|#48#shufhqw/# wrjhwkhu#zlwk#lqwhuhvw#dw#wkh#vdp h#udwh#dv#mxgjp hqwv#lq#flylo#dfwlrqv#uhwurdfwlyh#wr#wkh#gdwh#ri#uhfhlsw#ri#wkh# lwhp l}dwlrq/#xqohvv#wkh#hp sor|hu#grhv#erwk#ri#wkh#iroorzlqj=

+D,#Sd|v#wkh#surylghu#dw#wkh#udwhv#lq#hiihfw#zlwklq#wkh#~~78#zrunlqj0gd|~~ *45-day* shulrg1

+E,#Dgylvhv/#lq#~~wkh#p dqqhu#suhvfulehg#e|#wkh#dgp lqlvwudwlyh#gluhfwru/#wkh#~~ *an explanation of review pursuant to Section 4603.3, the* #sk|vlfldq/#ru#dqrwkhu#surylghu#ri#wkh#lwhp v#ehlqj#frqwhvwhg/#wkh#uhdvrqv#iru#frqwhvwlqj# wkhvh#lwhp v/#dqg#wkh#uhp hglhv#dydlodeoh#wr#wkh#sk|vlfldq#ru#wkh#rwkhu#surylghu#li#kh#ru#vkh#glvdjuhhv1#Lq#wkh# fdvh#ri#dq#lwhp l}dwlrq#wkdw#lqfoxghv#vhuylfh#surylghg#e|#d#krvslwdo/#rxwsdwlhqw#vxujhu|##fhqwhu/#ru#lqghshqghqw# gldjqrvwlf#idflolw|/#dgylfh#wkdw#d#uhtxhvw#kdv#ehhq#p dgh#iru#dq#dxglw#ri#wkh#lwhp l}dwlrq#vkdoo#vdwlvi|#wkh# uhtxluhp hqw#ri#wklv#sdudjudsk1

Dq#hp sor|hū#adbelob|#wr#d#sk|vlfldq#ru#dqrwkhu#surylghu#xqghu#wklv#vhfwlrq#iru#ghod|hg#sd|p hqwv#vkdoo#qrw# diihfw#lwv#oldelolw|#wr#dq#hp sor|hh#xqghu#Vhfwlrq#8;47#ru#dq|#rwkhu#surylvlrq#ri#wklv#glylvlrq1

~~(3)~~ *(3)*##Qrwzlwkvwdqglqj#sdudjudsk#+4,/#li#wkh#hp sor|hu#lv#d#jryhuqp hqwdo#hqwlw|/#sd|p hqw#iru#p hglfdo# wuhdwp hqw#surylghg#ru#~~dxwkrul}hg~~ *prescribed*##e|#wkh#wuhdwlqj#sk|vlfldq#vhohfwhg#e|#wkh#hp sor|hh#ru#ghvljqdwhg# e|#wkh#hp sor|hu#vkdoo#eh#p dgh#zlwklq#93#~~z runlqj#~~gd|v#diwhu#uhfhlsw#ri#hdfk#vhsdudwh#lwhp l}dwlrq/#wrjhwkhu#zlwk# dq|#uhtxluhg#uhsruw#dqg#dq|#z ulwwhq#dxwkrul}dwlrq#iru#vhuylfhv#wkdw#p d|#kdyh#ehhq#uhfhlyhg#e|#wkh#sk|vlfldq1

(4) Duplicate submissions of medical services itemizations, for which an explanation of review was previously provided, shall require no further or additional notification or objection by the employer to the medical provider and shall not subject the employer to any additional penalties or interest pursuant to this section for failing to respond to the duplicate submission. This paragraph shall apply only to duplicate submissions and does not apply to any other penalties or interest that may be applicable to the original submission.

+f,#Dq|#lqwhuhvw#ru#lqfuhdvh#lq#frp shqvdwlrq#sdlg#e|#dq#lqvxuhu#sxuvxdqw#wr#wklv#vhfwlrq#vkdoo#eh#wuhdwhg#lq#wkh# vdp h#p dqqhu#dv#dq#lqfuhdvh#lq#frp shqvdwlrq#xqghu#vxegylylvlrq#+g,#ri#Vhfwlrq#7983#iru#wkh#sxusrvhv#ri#dq|# fodvvlilfdwlrq#ri#ulvnv#dqg#suhp lxp #udwhv/#dqg#dq|#v|vwhp #ri#p hulw#udwlqj#dssuryhg#ru#lvvxhg#sxuvxdqw#wr#Duwlfoh# 5#frp p hqflqj#z lwk#Vhfwlrq#44:63/#ri#Fkdswhu#6#ri#Sduw#6#ri#Glylvlrq#5#ri#wkh#Lqvxudqfh#Frgh1

+g,#+4,#Z khqhyhu#dq#hp sor|hu#ru#lqvxuhu#hp sor|v#dq#lqglylgxdo#ru#frqwudfw#z lwk#dq#hqwlw|#wr#frqgxfw#d#uhylhz # ri#dq#lwhp l}dwlrq#vxep lwwhg#e|#d#sk|vlfldq#ru#p hglfdo#surylghu/#wkh#hp sor|hu#ru#lqvxuhu#vkdoo#p dnh#dydlodeoh#wr#

wkdw#lqglylgxdo#ru#hqwlw|#doo#grfxp hqwdwlrq#vxep lwwhg#wrjhwkhu#z lwk#wkdw#lwhp l}dwlrq#e|#wkh#sk|vlfldq#ru#p hglfdo#
surylghu1#Z khq#dq#lqglylgxdo#ru#hqwlw|#frqgxfwlqj#d#lwhp l}dwlrq#uhylhz #ghwhup lqhv#wkdw#dgglwlrqdo#lqirup dwlrq#ru#
grfxp hqwdwlrq# lv# qhfhvvdu|# wr#uhylhz # wkh# lwhp l}dwlrq/# wkh# lqglylgxdo# ru#hqwlw|#vkdoo#frqwdfw#wkh#fodlp v#
dgp lqlvwudwru#ru#lqvxuhu#wr#rewdlq#wkh#qhfhvvdu|#lqirup dwlrq#ru#grfxp hqwdwlrq#wkdw#z dv#vxep lwwhg#e|#wkh#
sk|vlfldq#ru#p hglfdo#surylghu#sxuvxdqw#wr#vxeglylvlrq#e,1

+5,#Dq#lqglylgxdo#ru#hqwlw|#uhylhz lqj#dq#lwhp l}dwlrq#ri#vhuylfh#vxep lwwhg#e|#d#sk|vlfldq#ru#p hglfdo#surylghu#vkdoo#
qrw#dowhu#wkh# surfhgxuh# frghv#olvwhg#ru#uhfrp p hqg#uhgxfwlrq#ri#wkh#dp rxqw#ri#wkh#sd|p hqw#xqohvv#wkh#
grfxp hqwdwlrq#vxep lwwhg#e|#wkh#sk|vlfldq#ru#p hglfdo#surylghu#z lwk#wkh#lwhp l}dwlrq#ri#vhuylfh#kdv#ehhq#
uhylhz hg#e|#wkdw#lqglylgxdo#ru#hqwlw|1#Li#wkh#uhylhz hu#grhv#qrw#uhfrp p hqg#sd|p hqw#iru#vhuylfhv#dv#lwhp l}hg#e|#
wkh#sk|vlfldq#ru#p hglfdo#surylghu/#wkh#h{sodqdwlrq#ri#uhylhz #vkdoo#surylgh#wkh#sk|vlfldq#ru#p hglfdo#surylghu#z lwk#
d#vshflilf#h{sodqdwlrq#dv#wr#z k|#wkh#uhylhz hu#dowhuhg#wkh#surfhgxuh#frgh#ru#fkdqjhg#rwkhu#sduw#ri#wkh#
lwhp l}dwlrq#dqg#wkh#vshflilf#ghilflhqf|#lq#wkh#lwhp l}dwlrq#ru#grfxp hqwdwlrq#wkdw#fdxvhg#wkh#uhylhz hu#wr#frqfoxgh#
wkdw#wkh#dowhuhg#surfhgxuh#frgh#ru#dp rxqw#uhfrp p hqghg#iru#sd|p hqw#p ruh#dffxudwho|#uhsuhvhqwv#wkh#vhuylfh#
shuirup hg1

(e) (1) If the provider disputes the amount paid, the provider may request a second review within 90 days of service of the explanation of review or an order of the appeals board resolving the threshold issue as stated in the explanation of review pursuant to paragraph (5) of subdivision (a) of Section 4603.3. The request for a second review shall be submitted to the employer on a form prescribed by the administrative director and shall include all of the following:

(A) The date of the explanation of review and the claim number or other unique identifying number provided on the explanation of review.

(B) The item and amount in dispute.

(C) The additional payment requested and the reason therefor.

(D) The additional information provided in response to a request in the first explanation of review or any other additional information provided in support of the additional payment requested.

(2) If the only dispute is the amount of payment and the provider does not request a second review within 90 days, the bill shall be deemed satisfied and neither the employer nor the employee shall be liable for any further payment.

(3) Within 14 days of a request for second review, the employer shall respond with a final written determination on each of the items or amounts in dispute. Payment of any balance not in dispute shall be made within 21 days of receipt of the request for second review. This time limit may be extended by mutual written agreement.

(4) If the provider contests the amount paid, after receipt of the second review, the provider shall request an independent bill review as provided for in Section 4603.6.

~~(6)~~ *(f)* ~~Wkh#~~ *Except as provided in paragraph (4) of subdivision (e), the* #dsshdov#erdug#vkdoo#kdyh#mxulvglfwlrq# ryhu#glvsxwhv#dulvlqj#rxw#ri#wklv#vxeglylvlrq#sxuvxdqw#wr#Vhfwlrq#86371

SEC. 37. *Section 4603.3 is added to the Labor Code, to read:*

4603.3. *(a) Upon payment, adjustment, or denial of a complete or incomplete itemization of medical services, an employer shall provide an explanation of review in the manner prescribed by the administrative director that shall include all of the following:*

(1) A statement of the items or procedures billed and the amounts requested by the provider to be paid.

(2) The amount paid.

(3) The basis for any adjustment, change, or denial of the item or procedure billed.

(4) The additional information required to make a decision for an incomplete itemization.

(5) If a denial of payment is for some reason other than a fee dispute, the reason for the denial.

(6) Information on whom to contact on behalf of the employer if a dispute arises over the payment of the billing. The explanation of review shall inform the medical provider of the time limit to raise any objection regarding the items or procedures paid or disputed and how to obtain an independent review of the medical bill pursuant to Section 4603.6.

(b) The administrative director may adopt regulations requiring the use of electronic explanations of review.

SEC. 38. #Vhfwlrq#793617#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4603.4. +d,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#dgrsw#uxohv#dqg#uhjxodwlrqv#wr#gr#doo#ri#wkh#iroorz lqj=

+4,#Hqvxuh#wkdw#doo#khdowk#fduh#surylghuv#dqg#idflolwlhv#vxep lw#p hglfdo#eloov#iru#sd|p hqw#rq#vwdqgdugl}hg#irup v1

+5,#Uhtxluh#dffhswdqfh#e|#hp sor|huv#ri#hohfwurqlf#folp v#iru#sd|p hqw#ri#p hglfdo#vhuylfhv1

+6,#Hqvxuh# frqilghqwldolw|# ri#p hglfdo# lqirup dwlrq# vxep lwwhg# rq# hohfwurqlf# folp v# iru# sd|p hqw# ri#p hglfdo#vhuylfhv1

+e,#Wr#wkh#h{whqw#ihdvleoh/#vwdqgdugv#dgrswhg#sxuvxdqw#wr#vxeglylvlrq#+d,#vkdoo#eh#frqvlvwhqw#zlwk#h{lvwlqj#vwdqgdugv#xqghu#wkh#ihghudo#Khdowk#Lqvxudqfh#Sruwdelolw|#dqg#Dffrxqwdelolw|#Dfw#ri#4<<91

+f,#Wkh#uxohv#dqg#uhjxodwlrqv#uhtxlulqj#hp sor|huv#wr#dffhsw#hohfwurqlf#folp v#iru#sd|p hqw#ri#p hglfdo#vhuylfhv#vkdoo#eh#dgrswhg#rq#ru#ehiruh#Mdqxdu|#4/#5338/#dqg#vkdoo#uhtxluh#doo#hp sor|huv#wr#dffhsw#hohfwurqlf#folp v#iru#sd|p hqw#ri#p hglfdo#vhuylfhv#rq#ru#ehiruh#Mxo|#4/#53391

+g,#Sd|p hqw#iru#p hglfdo#wuhdwp hqw#surylghg#ru#~~dxwkrul}hg~~ *prescribed*##e|#wkh#wuhdwlqj#sk|vlfldq#vhohfwhg#e|#wkh#hp sor|hh#ru#ghvljqdwhg#e|#wkh#hp sor|hu#vkdoo#eh#p dgh#*with an explanation of review* #e|#wkh#hp sor|hu#zlwklq#48#zrunlqj#gd|v#diwhu#hohfwurqlf#uhfhlsw#ri#dq#lwhp l}hg#hohfwurqlf#eloolqj#iru#vhuylfhv#dw#ru#ehorz #wkh#p d{lp xp #ihhv#surylghg#lq#wkh#riilfldo#p hglfdo#ihh#vfkhgxoh#dgrswhg#sxuvxdqw#wr#Vhfwlrq#863=141#Li#wkh#eloolqj#lv#frqwhvwhg/#ghqlhg/#ru#lqfrp sohwh/#sd|p hqw#vkdoo#eh#p dgh#*with an explanation of review of any uncontested amounts within 15 working days after electronic receipt of the billing, and payment of the balance shall be made* #lq#dffrugdqfh#zlwk#Vhfwlrq#7936151

SEC. 39. *Section 4603.6 is added to the Labor Code, to read:*

4603.6. *(a) If the only dispute is the amount of payment and the provider has received a second review that did not resolve the dispute, the provider may request an independent bill review within 30 calendar days of service of the second review pursuant to Section 4603.2 or 4622. If the provider fails to request an independent bill review within 30 days, the bill shall be deemed satisfied, and neither the employer nor the employee shall be liable for any further payment. If the employer has contested liability for any issue other than the reasonable amount payable for services, that issue shall be resolved prior to filing a request for independent bill review, and the time limit for requesting independent bill review shall not begin to run until the resolution of that issue becomes final, except as provided for in Section 4622.*

(b) A request for independent review shall be made on a form prescribed by the administrative director, and shall include copies of the original billing itemization, any supporting documents that were furnished with the original billing, the explanation of review, the request for second review together with any supporting documentation submitted with that request, and the final explanation of the second review. The administrative director may require that requests for independent bill review be submitted electronically. A copy of the request, together with all required documents, shall be served on the employer. Only the request form and the proof of payment of the fee required by subdivision (c) shall be filed with the administrative director. Upon notice of assignment of the independent bill reviewer, the requesting party shall submit the documents listed in this subdivision to the independent bill reviewer within 10 days.

(c) The provider shall pay to the administrative director a fee determined by the administrative director to cover no more than the reasonable estimated cost of independent bill review and administration of the independent bill review program. The administrative director may prescribe different fees depending on the number of items in the bill or other criteria determined by regulation adopted by the administrative director. If any additional payment is found owing from the employer to the medical provider, the employer shall reimburse the provider for the fee in addition to the amount found owing.

(d) Upon receipt of a request for independent bill review and the required fee, the administrative director or the administrative director's designee shall assign the request to an independent bill reviewer within 30 days and notify the medical provider and employer of the independent reviewer assigned.

(e) The independent bill reviewer shall review the materials submitted by the parties and make a written determination of any additional amounts to be paid to the medical provider and state the reasons for the determination. If the independent bill reviewer deems necessary, the independent bill reviewer may request additional documents from the medical provider or employer. The employer shall have no obligation to serve

medical reports on the provider unless the reports are requested by the independent bill reviewer. If additional documents are requested, the parties shall respond with the documents requested within 30 days and shall provide the other party with copies of any documents submitted to the independent reviewer, and the independent reviewer shall make a written determination of any additional amounts to be paid to the medical provider and state the reasons for the determination within 60 days of the receipt of the administrative director's assignment. The written determination of the independent bill reviewer shall be sent to the administrative director and provided to both the medical provider and the employer.

(f) The determination of the independent bill reviewer shall be deemed a determination and order of the administrative director. The determination is final and binding on all parties unless an aggrieved party files with the appeals board a verified appeal from the medical bill review determination of the administrative director within 20 days of the service of the determination. The medical bill review determination of the administrative director shall be presumed to be correct and shall be set aside only upon clear and convincing evidence of one or more of the following grounds for appeal:

(1) The administrative director acted without or in excess of his or her powers.

(2) The determination of the administrative director was procured by fraud.

(3) The independent bill reviewer was subject to a material conflict of interest that is in violation of Section 139.5.

(4) The determination was the result of bias on the basis of race, national origin, ethnic group identification, religion, age, sex, sexual orientation, color, or disability.

(5) The determination was the result of a plainly erroneous express or implied finding of fact, provided that the mistake of fact is a matter of ordinary knowledge based on the information submitted for review and not a matter that is subject to expert opinion.

(g) If the determination of the administrative director is reversed, the dispute shall be remanded to the administrative director to submit the dispute to independent bill review by a different independent review organization. In the event that a different independent bill review organization is not available after remand, the administrative director shall submit the dispute to the original bill review organization for review by a different reviewer within the organization. In no event shall the appeals board or any higher court make a determination of ultimate fact contrary to the determination of the bill review organization.

(h) Once the independent bill reviewer has made a determination regarding additional amounts to be paid to the medical provider, the employer shall pay the additional amounts per the timely payment requirements set forth in Sections 4603.2 and 4603.4.

SEC. 40. Vhfwlrq#7937#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4604. Frqwuryhuvlhv#ehwz hhq#hp sor|hu#dqg#hp sor|hh#dulvlqj#xqghu#wklv#fkdswhu#vkdoo#eh#ghwhup lqhg#e|#wkh# dsshdov#erdug/#xsrq#wkh#uhtxhvw#ri#hlwkhu#~dw|~1 *party, except as otherwise provided by Section 4610.5.*

SEC. 41. Vhfwlrq#793718#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4604.5. +d,#~Xsrq#dgrswlrq#e|#wkh#dgp lqlvwudwlyh#gluhfwru#ri#d# *The recommended guidelines set forth in the* #p hglfdo#wuhdwp hqw#xwlo}dwlrq#vfkhgxoh#~sxuvxdqw#wr#Vhfwlrq#863=15;/#wkh#uhfrp p hqghg#jxlgholqhv#vhw#iruwk#lq# wkh#vfkhgxoh# *adopted by the administrative director pursuant to Section 5307.27* #vkdoo#eh#suhvxp swlyho| # fruuhfw#rq#wkh#lvvxh#ri#h{whqw#dqg#vfrsh#ri#p hglfdo#wuhdwp hqw1#Wkh#suhvxp swlrq#lv#uhexwwdeoh#dqg#p d|#eh# frqwuryhuwhg#e|#d#suhsrqghudqfh#ri#wkh#vflhqwlilf#p hglfdo#hylghqfh#hvwdeolvklqj#wkdw#d#yduldqfh#iurp #wkh# jxlgholqhv#uhdvrqdeo|#lv#uhtxluhg#wr#fxuh#ru#uholhyh#wkh#lqmxuhg#z runhu#iurp #wkh#hiihfw#ri#klv#ru#khu#lqmxu|1#Wkh# suhvxp swlrq#fuhdwhg#lv#rqh#diihfwlqj#wkh#exughq#ri#surri1

+e,#Wkh#uhfrp p hqghg#jxlgholqhv#vhw#iruwk#lq#wkh#vfkhgxoh#dgrswhg#sxuvxdqw#wr#vxeglylvlrq#+d,#vkdoo#uhiohfw# sudfwlfhv#wkdw#duh#hylghqfh#dqg#vflhqwlilfdoo| #edvhg/#qdwlrqdoo| #uhfrjql}hg/#dqg#shhu0uhylhz hg1#Wkh#jxlgholqhv# vkdoo#eh#ghvljqhg#wr#dvvlvw#surylghuv#e| #riihulqj#dq#dqdo|wlfdo#iudp hz run#iru#wkh#hydoxdwlrq#dqg#wuhdwp hqw#ri# lqmxuhg#z runhuv/#dqg#vkdoo#frqvwlwxwh#fduh#lq#dffrugdqfh#z lwk#Vhfwlrq#7933#iru#doo#lqmxuhg#z runhuv#gldjqrvhg# z lwk#lqgxvwuldo#frqglwlrqv1

+f,#Wkuhh#p rqwkv#diwhu#wkh#sxeolfdwlrq#gdwh#ri#wkh#xsgdwhg#Dp hulfdq#Froohjh#ri#Rffxsdwlrqdo#dqg#Hqylurqp hqwd# P hglflqh¶v#Rffxsdwlrqdo#P hglflqh#Sudfwlfh#Jxlgholqhv/#dqg#frqwlqxlqj#xqwlo#wkh#hiihfwlyh#gdwh#ri#d#p hglfd# wuhdwp hqw#xwlo}dwlrq#vfkhgxoh/#sxuvxdqw#wr#Vhfwlrq#863=15;/#wkh#uhfrp p hqghg#jxlgholqhv#vhw#iruwk#lq#wkh#

~~Dp hulfdq#Frohjh#ri#Rffxsdwlrqdo#dqg#Hqylurqp hqwd#PhglflqhÑ#Rffxsdwlrqdo#Phglflqh#Sudfwlfh#Jxlghdqhv#vkdo#~~
~~eh#suhvxp swlyho|#fruuhfw#rq#wkh#lvvxh#ri#h{whqw#dqg#vfrsh#ri#p hglfd#wuhdwp hqw/#uhjdugdhvv#ri#gdwh#ri#lqmxu|1#~~
~~Wkh#suhvxp swlrq#lv#uhexwwdeh#dqg#p d|#eh#frqwuryhuwhg#e|#d#suhsrqghudqfh#ri#wkh#hylghqfh#hvwdedvklqj#wkdw#d#~~
~~yduldqfh#iurp #wkh#jxlghdqhv#uhdvrqdeo|#lv#uhtxluhg#wr#fxuh#dqg#uhdhyh#wkh#hp sor|hh#iurp #wkh#hiihfw#ri#klv#ru#~~
~~khu#lqmxu|1#Lq#dffrugdqfh#z lwk#Vhfwlrq#79331#Wkh#suhvxp swlrq#fuhdwhg#lv#rqh#diihfwlqj#wkh#exughq#ri#surri1~~

~~+g,~~ *(c)* #+4,#Qrwz lwkvwdqglqj#wkh#p hglfd#wuhdwp hqw#xwld}dwlrq#~~vfkhgxoh#ru#wkh#jxlghdqhv#vhw#iruwk#lq#wkh#~~
~~Dp hulfdq#Frohjh#ri#Rffxsdwlrqdo#dqg#Hqylurqp hqwd#PhglflqhÑ#Rffxsdwlrqdo#Phglflqh#Sudfwlfh#Jxlghdqhv/#~~
schedule, #iru#lqmxulhv#rffxuulqj#rq#dqg#diwhu#Mdqxdu|#4/#5337/#dq#hp sor|hh#vkdo#eh#hqwlwohg#wr#qr#p ruh#wkdq#
57#fklursudfwlf/#57#rffxsdwlrqdo#wkhuds|/#dqg#57#sk|vlfd#wkhuds|#ylvlwv#shu#lqgxvwuldo#lqmxu|1

+5,#*(A)* Sdudjudsk#+4,#vkdo#qrw#dsso|#z khq#dq#hp sor|hu#dxwkrul}hv/#lq#z ulwlqj/#dgglwlrqd#ylvlwv#wr#d#khdowk#fduh#
sudfwlwlrqhu#iru#sk|vlfd#p hglflqh#vhuylfhv1 *Payment or authorization for treatment beyond the limits set forth in paragraph (1) shall not be deemed a waiver of the limits set forth by paragraph (1) with respect to future requests for authorization.*

(B) The Legislature finds and declares that the amendments made to subparagraph (A) by the act adding this subparagraph are declaratory of existing law.

+6,#Sdudjudsk#+4,#vkdo#qrw#dsso|#wr#ylvlwv#iru#srvwvxujlfd#sk|vlfd#p hglflqh#dqg#srvwvxujlfd#uhkdedwdwlrq#
vhuylfhv# surylghg# lq# frp sodqfh# z lwk# d# srvwvxujlfd# wuhdwp hqw# xwld}dwlrq# vfkhgxoh# hvwdedvkhg# e|# wkh#
dgp lqlvwudwlyh#gluhfwru#sxuvxdqw#wr#Vhfwlrq#863:15:1

~~+h,~~ *(d)* #Iru#do#lqmxulhv#qrw#fryhuhg#e|#wkh#~~Dp hulfdq#Frohjh#ri#Rffxsdwlrqdo#dqg#Hqylurqp hqwd#PhglflqhÑ#~~
~~Rffxsdwlrqdo#Phglflqh#Sudfwlfh#Jxlghdqhv#ru#wkh#~~iilfld#xwld}dwlrq#vfkhgxoh#~~diwhu#dgrswlrq#~~ *adopted* #sxuvxdqw#
wr#Vhfwlrq#863:15:/#dxwkrul}hg#wuhdwp hqw#vkdo#eh#lq#dffrugdqfh#z lwk#rwkhu#hylghqfh0edvhg#p hglfd#wuhdwp hqw#
jxlghdqhv#wkdw#duh#uhfrjql}hg#jhqhudo|#e|#wkh#qdwlrqd#p hglfd#frp p xqlw|#dqg#vflhqwlilfdo|#edvhg1

SEC. 42. #Vhfwlrq#7938#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4605. Qrwklqj#frqwdlqhg#lq#wklv#fkdswhu#vkdo#dp lw#wkh#uljkw#ri#wkh#hp sor|hh#wr#surylgh/#dw#klv#*or her* #rz q#
h{shqvh/#d#frqvxowlqj#sk|vlfld#ru#dq|#dwwhqglqj#sk|vlfldqv#z krp #kh#~~ghvluhv1~~ *or she desires. Any report prepared by consulting or attending physicians pursuant to this section shall not be the sole basis of an award of compensation. A qualified medical evaluator or authorized treating physician shall address any report procured pursuant to this section and shall indicate whether he or she agrees or disagrees with the findings or opinions stated in the report, and shall identify the bases for this opinion.*

SEC. 43. #Vhfwlrq#7943#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4610. +d,#Iru#sxusrvhv#ri#wklv#vhfwlrq/# Èxwld}dwlrq#uhylhz Ñ#p hdqv#xwld}dwlrq#uhylhz #ru#xwld}dwlrq#p dqdjhp hqw#
ixqfwlrqv#wkdw#survshfwlyho|/#uhwurvshfwlyho|/#ru#frqfxuuhqwo|#uhylhz #dqg#dssuryh/#p rgli|/#gho|/#ru#ghq|/#edvhg#
lq#z kroh#ru#lq#sduw#rq#p hglfd#qhfhvvlw|#wr#fxuh#dqg#uhdhyh/#wuhdwp hqw#uhfrp p hqgdwlrqv#e|#sk|vlfldqv/#dv#
ghilqhg#lq#Vhfwlrq#653<16/#sulru#wr/#uhwurvshfwlyho|/#ru#frqfxuuhqw#z lwk#wkh#surylvlrq#ri#p hglfd#wuhdwp hqw#
vhuylfhv#sxuvxdqw#wr#Vhfwlrq#79331

+e,#Hyhu|#hp sor|hu#vkdo#hvwdedvk#d#xwld}dwlrq#uhylhz #surfhvv#lq#frp sodqfh#z lwk#wklv#vhfwlrq/#hlwkhu#gluhfwo|#ru#
wkurxjk#lwv#lqvxuhu#ru#dq#hqwlw|#z lwk#z klfk#dq#hp sor|hu#ru#lqvxuhu#frqwudfw#iru#wkhvh#vhuylfhv1

+f,#Hdfk#xwld}dwlrq#uhylhz #surfhvv#vkdo#eh#jryhuqhg#e|#z ulwwhq#srolflhv#dqg#surfhgxuhv1#Wkhvh#srolflhv#dqg#
surfhgxuhv#vkdo#qvxuh#wkdw#ghflvlrqv#edvhg#rq#wkh#p hglfd#qhfhvvlw|#wr#fxuh#dqg#uhdhyh#ri#sursrvhg#p hglfd#
wuhdwp hqw#vhuylfhv#duh#frqvlvwhqw#z lwk#wkh#vfkhgxoh#iru#p hglfd#wuhdwp hqw#xwld}dwlrq#dgrswhg#sxuvxdqw#wr#
Vhfwlrq#863:15:1~~Sulru#wr#dgrswlrq#ri#wkh#vfkhgxoh/#wkhvh#srolflhv#dqg#surfhgxuhv#vkdo#eh#frqvlvwhqw#z lwk#wkh#~~
~~uhfrp p hqghg# vwdqgdugv# vhw#iruwk#lq#wkh#Dp hulfdq#Frohjh#ri#Rffxsdwlrqdo#dqg#Hqylurqp hqwd#Phglflqh#~~
~~Rffxsdwlrqdo#Phglfd#Sudfwlfh#Jxlghdqhv1~~ #Wkhvh#srolflhv#dqg#surfhgxuhv/#dqg#d#ghvfulswlrq#ri#wkh#xwld}dwlrq#
surfhvv/#vkdo#eh#ildg#z lwk#wkh#dgp lqlvwudwlyh#gluhfwru#dqg#vkdo#eh#glvforvhg#e|#wkh#hp sor|hu#wr#hp sor|hhv/#
sk|vlfldqv/#dqg#wkh#sxedf#xsrq#uhtxhvw1

+g,#Li#dq#hp sor|hu/#lqvxuhu/#ru#rwkhu#hqwlw|#vxemhfw#wr#wklv#vhfwlrq#uhtxhvw#p hglfd#lqirup dwlrq#iurp #d#sk|vlfld#
lq#rughu#wr#ghwhup lqh#z khwkhu#wr#dssuryh/#p rgli|/#gho|/#ru#ghq|#uhtxhvw#iru#dxwkrul}dwlrq/#wkh#hp sor|hu#vkdo#
uhtxhvw#rqo|#wkh#lqirup dwlrq#uhdvrqdeo|#qhfhvvdu|#wr#p dnh#wkh#ghwhup lqdwlrq1#Wkh#hp sor|hu/#lqvxuhu/#ru#rwkhu#
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gho|v/#ru#ghqlhv#uhtxhvw#e|#sk|vlfldqv#sulru#wr/#uhwurvshfwlyho|/#ru#frqfxuuhqw#z lwk#wkh#surylvlrq#ri#p hglfd#

wuhdwp hqw#vhuylfhv/#frp sdhv#z lwk#wkh#uhtxluhp hqw#ri#wklv#vhfwlrq1Qrwklqj#lq#wklv#vhfwlrq#vkdoo#eh#frqvwuxhg#dv# uhvwulfwlqj#wkh#h{lvwlqj#dxwkrulw|#ri#wkh#P hglfdo#Erdug#ri#Fdoliruqld1

+h,#Qr#shuvrq#rwkhu#wkdq#d#dfhqvhg#sk|vlfldq#zkr#lv#frp shwhqw#wr#hydoxdwh#wkh#vshflilf#fodlqlfdo#lvvxhv#lqyroyhg# lq#wkh#p hglfdo#wuhdwp hqw#vhuylfhv/#dqg#zkhuh#wkhvh#vhuylfhv#duh#z lwklq#wkh#vfrsh#ri#wkh#sk|vlfldqÑv#sudfwlfh/# uhtxhvwhg#e|#wkh#sk|vlfldq#p d|#p rgli|/#ghod|/#ru#ghq|#uhtxhvw#iru#dxwkrul}dwlrq#ri#p hglfdo#wuhdwp hqw#iru# uhdvrqv#ri#p hglfdo#qhfhvvlw|#wr#fxuh#dqg#uholhyh1

+i,#Wkh#fulwhuld#ru#jxlgholqhv#xvhg#lq#wkh#xwlol}dwlrq#uhylhz #surfhvv#wr#ghwhup lqh#zkhwkhu#wr#dssuryh/#p rgli|/# ghod|/#ru#ghq|#p hglfdo#wuhdwp hqw#vhuylfhv#vkdoo#eh#doo#ri#wkh#iroorz lqj=

+4,#Ghyhorshg#z lwk#lqyroyhp hqw#iurp #dfwlyho|#sudfwlflqj#sk|vlfldqv1

+5,#Frqvlvwhqw#z lwk#wkh#vfkhgxoh#iru#p hglfdo#wuhdwp hqw#xwlol}dwlrq#dgrswhg#sxuvxdqw#wr#Vhfwlrq#863:15.1 ~~Sulru#wr# dgrswlrq#ri#wkh#vfkhgxoh/#wkhvh#srolfhv#dqg#surfhgxuhv#vkdoo#eh#frqvlvwhqw#z lwk#wkh#uhfrp p hqghg#vwdqgdugv# vhw#iruwk#lq#wkh#Dp hulfdq#Frochjh#ri#Rffxsdwlrqdo#dqg#Hqylurqp hqwdo#P hglflqh#Rffxsdwlrqdo#P hglfdo#Sudfwlfh# Jxlgholqhv1~~

+6,#Hydoxdwhg#dw#ohdvw#dqqxdoo|/#dqg#xsgdwhg#li#qhfhvvdu|1

+7,#Glvforvhg#wr#wkh#sk|vlfldq#dqg#wkh#hp sor|hh/#li#xvhg#dv#wkh#edvlv#ri#d#ghflvlrq#wr#p rgli|/#ghod|/#ru#ghq|# vhuylfhv#lq#d#vshflilhg#fdvh#xqghu#uhylhz 1

+8,#Dydlodeoh#wr#wkh#sxeolf#xsrq#uhtxhvw1Dq#hp sor|hu#vkdoo#rqo|#eh#uhtxluhg#wr#glvforvh#wkh#fulwhuld#ru#jxlgholqhv# iru#wkh#vshflilf#surfhgxuhv#ru#frqglwlrqv#uhtxhvwhg1Dq#hp sor|hu#p d|#fkdujh#p hp ehuv#ri#wkh#sxeolf#uhdvrqdeoh# frs|lqj#dqg#srvwdjh#h{shqvhv#uhodwhg#wr#glvforvlqj#fulwhuld#ru#jxlgholqhv#sxuvxdqw#wr#wklv#sdudjudsk1Fulwhuld#ru# jxlgholqhv#p d|#dovr#eh#p dgh#dydlodeoh#wkurxjk#hohfwurqlf#p hdqv1Qr#fkdujh#vkdoo#eh#uhtxluhg#iru#dq#hp sor|hh# zkrvh#sk|vlfldqÑv#uhtxhvw#iru#p hglfdo#wuhdwp hqw#vhuylfhv#lv#xqghu#uhylhz 1

+j,#Lq#ghwhup lqlqj#zkhwkhu#wr#dssuryh/#p rgli|/#ghod|/#ru#ghq|#uhtxhvw#e|#sk|vlfldqv#sulru#wr/#uhwurvshfwlyho|/# ru#frqfxuuhqw#z lwk#wkh#surylvlrqv#ri#p hglfdo#wuhdwp hqw#vhuylfhv#wr#hp sor|hhv#doo#ri#wkh#iroorz lqj#uhtxluhp hqw# ~~p xvw~~ *shall* ##eh#p hw=

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+5,#Z khq#wkh#hp sor|hhÑv#frqglwlrq#lv#vxfk#wkdw#wkh#hp sor|hh#idfhv#dq#lp p lqhqw#dqg#vhulrxv#wkuhdw#wr#klv#ru#khu# khdowk/#lqfoxglqj/#exw#qrw#olp lwhg#wr/#wkh#srwhqwldo#orvv#ri#olih/#olp e/#ru#rwkhu#p dmru#erglo|#ixqfwlrq/#ru#wkh#qrup do# wlp hiudp h#iru#wkh#ghflvlrqp dnlqj#surfhvv/#dv#ghvfulehg#lq#sdudjudsk#+4,/#z rxog#eh#ghwulp hqwdo#wr#wkh# hp sor|hhÑv#dih#ru#khdowk#ru#frxog#mhrsdugl}h#wkh#hp sor|hhÑv#delolw|#wr#uhjdlq#p d{lp xp #ixqfwlrq/#ghflvlrqv#wr# dssuryh/#p rgli|/#ghod|/#ru#ghq|#uhtxhvw#e|#sk|vlfldqv#sulru#wr/#ru#frqfxuuhqw#z lwk/#wkh#surylvlrq#ri#p hglfdo# wuhdwp hqw#vhuylfhv#wr#hp sor|hhv#vkdoo#eh#p dgh#lq#d#wlp ho|#idvklrq#wkdw#lv#dssursuldwh#iru#wkh#qdwxuh#ri#wkh# hp sor|hhÑv#frqglwlrq/#exw#qrw#wr#h{fhhg#:5#krxuv#diwhu#wkh#uhfhlsw#ri#wkh#lqirup dwlrq#uhdvrqdeo|#qhfhvvdu|#wr# p dnh#wkh#ghwhup lqdwlrq1

+6,#D,#Ghflvlrqv#wr#dssuryh/#p rgli|/#ghod|/#ru#ghq|#uhtxhvw#e|#sk|vlfldqv#iru#dxwkrul}dwlrq#sulru#wr/#ru# frqfxuuhqw#z lwk/#wkh#surylvlrq#ri#p hglfdo#wuhdwp hqw#vhuylfhv#wr#hp sor|hhv#vkdoo#eh#frp p xqlfdwhg#wr#wkh# uhtxhvwlqj#sk|vlfldq#z lwklq#57#krxuv#ri#wkh#ghflvlrq1Ghflvlrqv#uhvxowlqj#lq#p rglilfdwlrq/#ghod|/#ru#ghqldo#ri#doo# ru#sduw#ri#wkh#uhtxhvwhg#khdowk#fduh#vhuylfh#vkdoo#eh#frp p xqlfdwhg#wr#sk|vlfldqv#lqlwldoo|#e|#whohskrqh#ru# idfvlp loh/#dqg#wr#wkh#sk|vlfldq#dqg#hp sor|hh#lq#zulwlqj#z lwklq#57#krxuv#iru#frqfxuuhqw#uhylhz /#ru#z lwklq#wz r# exvlqhvv#gd|v#ri#wkh#ghflvlrq#iru#survshfwlyh#uhylhz /#dv#suhvfulehg#e|#wkh#dgp lqlvwudwlyh#gluhfwru1Li#wkh#uhtxhvw# lv#qrw#dssuryhg#lq#ixoo/#glvsxwhv#vkdoo#eh#uhvroyhg#lq#dffrugdqfh#z lwk#Vhfwlrq#~~73951#Li#d#uhtxhvw#wr#shuirup #d# vsodg#vxujhu|#lv#ghqlhg/#glvsxwhv#vkdoo#eh#uhvroyhg#~~ *4610.5, if applicable, or otherwise* #lq#dffrugdqfh#z lwk# ~~vxeglylvlrq#+e,#ri#~~ #Vhfwlrq#73951

+E,#Lq#wkh#fdvh#ri#frqfxuuhqw#uhylhz /#p hglfdo#fduh#vkdoo#qrw#eh#glvfrqwlqxhg#xqwlo#wkh#hp sor|hhÑv#sk|vlfldq#dv# ehhq#qrwlilhg#ri#wkh#ghflvlrq#dqg#d#fduh#sodq#kdv#ehhq#djuhhg#xsrq#e|#wkh#sk|vlfldq#wkdw#lv#dssursuldwh#iru#wkh#

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+7,#Frp p xqlfdwlrqv#uhjduglqj#ghflvlrqv#wr#dssuryh#uhtxhvv#e|#sk|vlfldqv#vkdoo#vshfli|#wkh#vshflilf#p hglfdo# wuhdwp hqw#vhuylfh#dssuryhg1#Uhvsrqvhv#uhjduglqj#ghflvlrqv#wr#p rgli|/#ghod|/#ru#ghq|#p hglfdo#wuhdwp hqw# vhuylfhv#uhtxhvwhg#e|#sk|vlfldqv#vkdoo#lqfoxgh#d#fohdu#dqg#frqflvh#h{sodqdwlrq#ri#wkh#uhdvrqv#iru#wkh#hp sor|huÑv# ghflvlrq/#d#ghvfulswlrq#ri#wkh#fulwhuld#ru#jxlgholqhv#xvhg/#dqg#wkh#folqlfdo#uhdvrqv#iru#wkh#ghflvlrqv#uhjduglqj# p hglfdo#qhfhvvlw|1 *If a utilization review decision to deny or delay a medical service is due to incomplete or insufficient information, the decision shall specify the reason for the decision and specify the information that is needed.*

+8,#Li#wkh#hp sor|hu/#lqvxuhu/#ru#rwkhu#hqwlw|#fdqqrw#p dnh#d#ghflvlrq#z lwklq#wkh#wlp h#iudp hv#vshflilhg#lq# sdudjudsk#+4,#ru#+5,#ehfdxvh#wkh#hp sor|hu#ru#rwkhu#hqwlw|#lv#qrw#lq#uhfhlsw#ri#doo#ri#wkh#lqirup dwlrq#uhdvrqdeo|# qhfhvvdu|#dqg#uhtxhvwhg/#ehfdxvh#wkh#hp sor|hu#uhtxluhv#frqvxowdwlrq#e|#dq#h{shuw#uhylhz hu/#ru#ehfdxvh#wkh# hp sor|hu#kdv#dvnhg#wkdw#dq#dgglwlrqdo#h{dp lqdwlrq#ru#whvw#eh#shuirup hg#xsrq#wkh#hp sor|hh#wkdw#lv#uhdvrqdeoh# dqg#frqvlvwhqw#z lwk#jrrg#p hglfdo#sudfwlfh/#wkh#hp sor|hu#vkdoo#lp p hgldwho|#qrwli|#wkh#sk|vlfldq#dqg#wkh# hp sor|hh#lq#z ulwlqj/#wkdw#wkh#hp sor|hu#fdqqrw#p dnh#d#ghflvlrq#z lwklq#wkh#uhtxluhg#wlp h#iudp h/#dqg#vshfli|#wkh# lqirup dwlrq#uhtxhvwhg#exw#qrw#uhfhlyhg/#wkh#h{shuw#uhylhz hu#wr#eh#frqvxowhg/#ru#wkh#dgglwlrqdo#h{dp lqdwlrqv#ru# whvwv#uhtxluhg1#Wkh#hp sor|hu#vkdoo#dovr#qrwli|#wkh#sk|vlfldq#dqg#hp sor|hh#ri#wkh#dqwlflsdwhg#gdwh#rq#z klfk#d# ghflvlrq#p d|#eh#uhqghuhg1#Xsrq#uhfhlsw#ri#doo#lqirup dwlrq#uhdvrqdeo|#qhfhvvdu|#dqg#uhtxhvwhg#e|#wkh#hp sor|hu/# wkh#hp sor|hu#vkdoo#dssuryh/#p rgli|/#ru#ghq|#wkh#uhtxhvw#iru#dxwkrul}dwlrq#z lwklq#wkh#wlp h#iudp hv#vshflilhg#lq# sdudjudsk#+4,#ru#+5,1

(6) A utilization review decision to modify, delay, or deny a treatment recommendation shall remain effective for 12 months from the date of the decision without further action by the employer with regard to any further recommendation by the same physician for the same treatment unless the further recommendation is supported by a documented change in the facts material to the basis of the utilization review decision.

(7) Utilization review of a treatment recommendation shall not be required while the employer is disputing liability for injury or treatment of the condition for which treatment is recommended pursuant to Section 4062.

(8) If utilization review is deferred pursuant to paragraph (7), and it is finally determined that the employer is liable for treatment of the condition for which treatment is recommended, the time for the employer to conduct retrospective utilization review in accordance with paragraph (1) shall begin on the date the determination of the employer's liability becomes final, and the time for the employer to conduct prospective utilization review shall commence from the date of the employer's receipt of a treatment recommendation after the determination of the employer's liability.

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+l,#Li#wkh#dgp lqlvwudwlyh#gluhfwru#ghwhup lqhv#wkdw#wkh#hp sor|hu/#lqvxuhu/#ru#rwkhu#hqwlw|#vxemhfw#wr#wklv#vhfwlrq# kdv#idlohg#wr#p hhw#dq|#ri#wkh#wlp h#iudp hv#lq#wklv#vhfwlrq/#ru#kdv#idlohg#wr#p hhw#dq|#rwkhu#uhtxluhp hqw#ri#wklv# vhfwlrq/#wkh#dgp lqlvwudwlyh#gluhfwru#p d|#dvvhvv/#e|#rughu/#dgp lqlvwudwlyh#shqdowlhv#iru#hdfk#idloxuh1#D#surfhhglqj# iru#wkh#lvvxdqfh#ri#dq#rughu#dvvhvvlqj#dgp lqlvwudwlyh#shqdowlhv#vkdoo#eh#vxemhfw#wr#dssursuldwh#qrwlfh#wr/#dqg#dq# rssruwxqlw|#iru#d#khdulqj#z lwk#uhjdug#wr/#wkh#shuvrq#diihfwhg1#Wkh#dgp lqlvwudwlyh#shqdowlhv#vkdoo#qrw#eh#ghhp hg# wr#eh#dq#h{foxvlyh#uhp hg|#iru#wkh#dgp lqlvwudwlyh#gluhfwru1#Wkhvh#shqdowlhv#vkdoo#eh#ghsrvlwhg#lq#wkh#Z runhuvÑ# Frp shqvdwlrq#Dgp lqlvwudwlrq#Uhyroylqj#Ixqg1

SEC. 44.#Vhfwlrq#794314#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4610.1. Dq#hp sor|hh#vkdoo#qrw#eh#hqwlwohg#wr#dq#lqfuhdvh#lq#frp shqvdwlrq#xqghu#Vhfwlrq#8;47#iru#xquhdvrqdeoh# ghod|#lq#wkh#surylvlrq#ri#p hglfdo#wuhdwp hqw#iru#shulrgv#ri#wlp h#qhfhvvdu|#wr#frp sohwh#wkh#xwloq}dwlrq#uhylhz # surfhvv#lq#frp sodqfh#z lwk#Vhfwlrq#79431#D#ghwhup lqdwlrq#e|#wkh#dsshdov#erdug#*or a final determination of the administrative director pursuant to independent medical review* #wkdw#p hglfdo#wuhdwp hqw#lv#dssursuldwh#vkdoo#qrw# eh#frqfoxvlyh#hylghqfh#wkdw#p hglfdo#wuhdwp hqw#z dv#xquhdvrqdeo| #ghod|hg#ru#ghqlhg#iru#sxusrvhv#ri#shqdowlhv# xqghu#Vhfwlrq#8;471#Lq#qr#fdvh#vkdoo#wklv#vhfwlrq#suhfoxgh#dq#hp sor|hh#iurp #hqwlwohp hqw#wr#dq#lqfuhdvh#lq# frp shqvdwlrq#xqghu#Vhfwlrq#8;47#z khq#dq#hp sor|hu#kdv#xquhdvrqdeo| #ghod|hg#ru#ghqlhg#p hglfdo#wuhdwp hqw# gxh#wr#dq#xquhdvrqdeoh#ghod| #lq#frp sohwlrq#ri#wkh#xwloq}dwlrq#uhylhz #surfhvv#vhw#iruwk#lq#Vhfwlrq#79431

SEC. 45. *Section 4610.5 is added to the Labor Code, to read:*

4610.5. *(a) This section applies to the following disputes:*

(1) Any dispute over a utilization review decision regarding treatment for an injury occurring on or after January 1, 2013.

(2) Any dispute over a utilization review decision if the decision is communicated to the requesting physician on or after July 1, 2013, regardless of the date of injury.

(b) A dispute described in subdivision (a) shall be resolved only in accordance with this section.

(c) For purposes of this section and Section 4610.6, the following definitions apply:

(1) "Disputed medical treatment" means medical treatment that has been modified, delayed, or denied by a utilization review decision.

(2) "Medically necessary" and "medical necessity" mean medical treatment that is reasonably required to cure or relieve the injured employee of the effects of his or her injury and based on the following standards, which shall be applied in the order listed, allowing reliance on a lower ranked standard only if every higher ranked standard is inapplicable to the employee's medical condition:

(A) The guidelines adopted by the administrative director pursuant to Section 5307.27.

(B) Peer-reviewed scientific and medical evidence regarding the effectiveness of the disputed service.

(C) Nationally recognized professional standards.

(D) Expert opinion.

(E) Generally accepted standards of medical practice.

(F) Treatments that are likely to provide a benefit to a patient for conditions for which other treatments are not clinically efficacious.

(3) "Utilization review decision" means a decision pursuant to Section 4610 to modify, delay, or deny, based in whole or in part on medical necessity to cure or relieve, a treatment recommendation or recommendations by a physician prior to, retrospectively, or concurrent with the provision of medical treatment services pursuant to Section 4600 or subdivision (c) of Section 5402.

(4) Unless otherwise indicated by context, "employer" means the employer, the insurer of an insured employer, a claims administrator, or a utilization review organization, or other entity acting on behalf of any of them.

(d) If a utilization review decision denies, modifies, or delays a treatment recommendation, the employee may request an independent medical review as provided by this section.

(e) A utilization review decision may be reviewed or appealed only by independent medical review pursuant to this section. Neither the employee nor the employer shall have any liability for medical treatment furnished without the authorization of the employer if the treatment is delayed, modified, or denied by a utilization review decision unless the utilization review decision is overturned by independent medical review in accordance with this section.

(f) As part of its notification to the employee regarding an initial utilization review decision that denies, modifies, or delays a treatment recommendation, the employer shall provide the employee with

a one-page form prescribed by the administrative director, and an addressed envelope, which the employee may return to the administrative director or the administrative director's designee to initiate an independent

medical review. The employer shall include on the form any information required by the administrative director to facilitate the completion of the independent medical review. The form shall also include all of the following:

(1) Notice that the utilization review decision is final unless the employee requests independent medical review.

(2) A statement indicating the employee's consent to obtain any necessary medical records from the employer or insurer and from any medical provider the employee may have consulted on the matter, to be signed by the employee.

(3) Notice of the employee's right to provide information or documentation, either directly or through the employee's physician, regarding the following:

(A) The treating physician's recommendation indicating that the disputed medical treatment is medically necessary for the employee's medical condition.

(B) Medical information or justification that a disputed medical treatment, on an urgent care or emergency basis, was medically necessary for the employee's medical condition.

(C) Reasonable information supporting the employee's position that the disputed medical treatment is or was medically necessary for the employee's medical condition, including all information provided to the employee by the employer or by the treating physician, still in the employee's possession, concerning the employer's or the physician's decision regarding the disputed medical treatment, as well as any additional material that the employee believes is relevant.

(g) The independent medical review process may be terminated at any time upon the employer's written authorization of the disputed medical treatment.

(h) (1) The employee may submit a request for independent medical review to the division no later than 30 days after the service of the utilization review decision to the employee.

(2) If at the time of a utilization review decision the employer is also disputing liability for the treatment for any reason besides medical necessity, the time for the employee to submit a request for independent medical review to the administrative director or administrative director's designee is extended to 30 days after service of a notice to the employee showing that the other dispute of liability has been resolved.

(3) If the employer fails to comply with subdivision (e) at the time of notification of its utilization review decision, the time limitations for the employee to submit a request for independent medical review shall not begin to run until the employer provides the required notice to the employee.

(4) A provider of emergency medical treatment when the employee faced an imminent and serious threat to his or her health, including, but not limited to, the potential loss of life, limb, or other major bodily function, may submit a request for independent medical review on its own behalf. A request submitted by a provider pursuant to this paragraph shall be submitted to the administrative director or administrative director's designee within the time limitations applicable for an employee to submit a request for independent medical review.

(i) An employer shall not engage in any conduct that has the effect of delaying the independent review process. Engaging in that conduct or failure of the plan to promptly comply with this section is a violation of this section and, in addition to any other fines, penalties, and other remedies available to the administrative director, the employer shall be subject to an administrative penalty in an amount determined pursuant to regulations to be adopted by the administrative director, not to exceed five thousand dollars ($5,000) for each day that proper notification to the employee is delayed. The administrative penalties shall be paid to the Workers' Compensation Administration Revolving Fund.

(j) For purposes of this section, an employee may designate a parent, guardian, conservator, relative, or other designee of the employee as an agent to act on his or her behalf. A designation of an agent executed prior to the utilization review decision shall not be valid. The requesting physician may join with or otherwise assist the employee in seeking an independent medical review, and may advocate on behalf of the employee.

(k) The administrative director or his or her designee shall expeditiously review requests and immediately notify the employee and the employer in writing as to whether the request for an independent medical review has been approved, in whole or in part, and, if not approved, the reasons therefor. If there appears to be any medical necessity issue, the dispute shall be resolved pursuant to an independent medical review, except that, unless the employer agrees that the case is eligible for independent medical review, a request for independent medical review shall be deferred if at the time of a utilization review decision the employer is also disputing liability for the treatment for any reason besides medical necessity.

(l) Upon notice from the administrative director that an independent review organization has been assigned, the employer shall provide to the independent medical review organization all of the following documents within 10 days of notice of assignment:

(1) A copy of all of the employee's medical records in the possession of the employer or under the control of the employer relevant to each of the following:

(A) The employee's current medical condition.

(B) The medical treatment being provided by the employer.

(C) The disputed medical treatment requested by the employee.

(2) A copy of all information provided to the employee by the employer concerning employer and provider decisions regarding the disputed treatment.

(3) A copy of any materials the employee or the employee's provider submitted to the employer in support of the employee's request for the disputed treatment.

(4) A copy of any other relevant documents or information used by the employer or its utilization review organization in determining whether the disputed treatment should have been provided, and any statements by the employer or its utilization review organization explaining the reasons for the decision to deny, modify, or delay the recommended treatment on the basis of medical necessity. The employer shall concurrently provide a copy of the documents required by this paragraph to the employee and the requesting physician, except that documents previously provided to the employee or physician need not be provided again if a list of those documents is provided.

(m) Any newly developed or discovered relevant medical records in the possession of the employer after the initial documents are provided to the independent medical review organization shall be forwarded immediately to the independent medical review organization. The employer shall concurrently provide a copy of medical records required by this subdivision to the employee or the employee's treating physician, unless the offer of medical records is declined or otherwise prohibited by law. The confidentiality of medical records shall be maintained pursuant to applicable state and federal laws.

(n) If there is an imminent and serious threat to the health of the employee, as specified in subdivision (c) of Section 1374.33 of the Health and Safety Code, all necessary information and documents required by subdivision (l) shall be delivered to the independent medical review organization within 24 hours of approval of the request for review.

(o) The employer shall promptly issue a notification to the employee, after submitting all of the required material to the independent medical review organization, that lists documents submitted and includes copies of material not previously provided to the employee or the employee's designee.

SEC. 46. *Section 4610.6 is added to the Labor Code, to read:*

4610.6. *(a) Upon receipt of a case pursuant to Section 4610.5, an independent medical review organization shall conduct the review in accordance with this article and any regulations or orders of the administrative director. The organization's review shall be limited to an examination of the medical necessity of the disputed medical treatment.*

(b) Upon receipt of information and documents related to a case, the medical reviewer or reviewers selected to conduct the review by the independent medical review organization shall promptly review all pertinent medical records of the employee, provider reports, and any other information submitted to the organization or requested from any of the parties to the dispute by the reviewers. If the reviewers request information from any of the parties, a copy of the request and the response shall be provided to all of the parties. The reviewer or reviewers shall also review relevant information related to the criteria set forth in subdivision (c).

(c) Following its review, the reviewer or reviewers shall determine whether the disputed health care service was medically necessary based on the specific medical needs of the employee and the standards of medical necessity as defined in subdivision (c) of Section 4610.5.

(d) The organization shall complete its review and make its determination in writing, and in layperson's terms to the maximum extent practicable, within 30 days of the receipt of the request for review and supporting documentation, or within less time as prescribed by the administrative director. If the disputed medical treatment has not been provided and the employee's provider or the administrative director certifies in writing

that an imminent and serious threat to the health of the employee may exist, including, but not limited to, serious pain, the potential loss of life, limb, or major bodily function, or the immediate and serious deterioration of the health of the employee, the analyses and determinations of the reviewers shall be expedited and rendered within three days of the receipt of the information. Subject to the approval of the administrative director, the deadlines for analyses and determinations involving both regular and expedited reviews may be extended for up to three days in extraordinary circumstances or for good cause.

(e) The medical professionals' analyses and determinations shall state whether the disputed health care service is medically necessary. Each analysis shall cite the employee's medical condition, the relevant documents in the record, and the relevant findings associated with the provisions of subdivision (c) to support the determination. If more than one medical professional reviews the case, the recommendation of the majority shall prevail. If the medical professionals reviewing the case are evenly split as to whether the disputed health care service should be provided, the decision shall be in favor of providing the service.

(f) The independent medical review organization shall provide the administrative director, the employer, the employee, and the employee's provider with the analyses and determinations of the medical professionals reviewing the case, and a description of the qualifications of the medical professionals. The independent medical review organization shall keep the names of the reviewers confidential in all communications with entities or individuals outside the independent medical review organization. If more than one medical professional reviewed the case and the result was differing determinations, the independent medical review organization shall provide each of the separate reviewer's analyses and determinations.

(g) The determination of the independent medical review organization shall be deemed to be the determination of the administrative director and shall be binding on all parties.

(h) A determination of the administrative director pursuant to this section may be reviewed only by a verified appeal from the medical review determination of the administrative director, filed with the appeals board for hearing pursuant to Chapter 3 (commencing with Section 5500) of Part 4 and served on all interested parties within 30 days of the date of mailing of the determination to the aggrieved employee or the aggrieved employer. The determination of the administrative director shall be presumed to be correct and shall be set aside only upon proof by clear and convincing evidence of one or more of the following grounds for appeal:

(1) The administrative director acted without or in excess of the administrative director's powers.

(2) The determination of the administrative director was procured by fraud.

(3) The independent medical reviewer was subject to a material conflict of interest that is in violation of Section 139.5.

(4) The determination was the result of bias on the basis of race, national origin, ethnic group identification, religion, age, sex, sexual orientation, color, or disability.

(5) The determination was the result of a plainly erroneous express or implied finding of fact, provided that the mistake of fact is a matter of ordinary knowledge based on the information submitted for review pursuant to Section 4610.5 and not a matter that is subject to expert opinion.

(i) If the determination of the administrative director is reversed, the dispute shall be remanded to the administrative director to submit the dispute to independent medical review by a different independent review organization. In the event that a different independent medical review organization is not available after remand, the administrative director shall submit the dispute to the original medical review organization for review by a different reviewer in the organization. In no event shall a workers' compensation administrative law judge, the appeals board, or any higher court make a determination of medical necessity contrary to the determination of the independent medical review organization.

(j) Upon receiving the determination of the administrative director that a disputed health care service is medically necessary, the employer shall promptly implement the decision as provided by this section unless the employer has also disputed liability for any reason besides medical necessity. In the case of reimbursement for services already rendered, the employer shall reimburse the provider or employee, whichever applies, within 20 days, subject to resolution of any remaining issue of the amount of payment pursuant to Sections 4603.2 to 4603.6, inclusive. In the case of services not yet rendered, the employer shall authorize the services within five working days of receipt of the written determination from the independent medical review organization, or sooner if appropriate for the nature of the employee's medical condition, and shall inform the employee and provider of the authorization.

(k) Failure to pay for services already provided or to authorize services not yet rendered within the time prescribed by subdivision (l) is a violation of this section and, in addition to any other fines, penalties, and other remedies available to the administrative director, the employer shall be subject to an administrative penalty in an amount determined pursuant to regulations to be adopted by the administrative director, not to exceed five thousand dollars ($5,000) for each day the decision is not implemented. The administrative penalties shall be paid to the Workers' Compensation Administration Revolving Fund.

(l) The costs of independent medical review and the administration of the independent medical review system shall be borne by employers through a fee system established by the administrative director. After considering any relevant information on program costs, the administrative director shall establish a reasonable, per-case reimbursement schedule to pay the costs of independent medical review organization reviews and the cost of administering the independent medical review system, which may vary depending on the type of medical condition under review and on other relevant factors.

(m) The administrative director may publish the results of independent medical review determinations after removing individually identifiable information.

(n) If any provision of this section, or the application thereof to any person or circumstances, is held invalid, the remainder of the section, and the application of its provisions to other persons or circumstances, shall not be affected thereby.

SEC. 47. Vhfwlrq#7949#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4616. +d,#+4,#Rq#ru#diwhu#Mdqxdu|#4/#5338/#dq#~~lqvxuhu#ru#hp sor|hu~~ *insurer, employer, or entity that provides physician network services* #p d|#hvwdelvk#ru#p rgli|#d#p hglfdo#surylghu#qhwz run#iru#wkh#surylvlrq#ri#p hglfdo# wuhdwp hqw#wr#lqmxuhg#hp sor|hhv1#Wkh#qhwz run#vkdoo#lqfoxgh#sk|vlfldqv#sulp dul|#hqjdjhg#lq#wkh#wuhdwp hqw#ri# rffxsdwlrqdo#~~lqmxulhv#dqg#sk|vlfldqv#sulp dul|#hqjdjhg#lq#wkh#wuhdwp hqw#ri#qrqrffxsdwlrqdo#lqmxulhv1#Wkh#jrdo# vkdoo#eh#dw#dhdvw#58#shufhqw#ri#sk|vlfldqv#sulp dul|#hqjdjhg#lq#wkh#wuhdwp hqw#ri#qrqrffxsdwlrqdo#lqmxulhv1#Wkh#~~ *injuries. The* #dgp lqlvwudwlyh#gluhfwru#vkdoo#hqfrxudjh#wkh#lqwhjudwlrq#ri#rffxsdwlrqdo#dqg#qrqrffxsdwlrqdo# surylghuv1#Wkh#qxp ehu#ri#sk|vlfldqv#lq#wkh#p hglfdo#surylghu#qhwz run#vkdoo#eh#vxiilflhqw#wr#hqdeoh#wuhdwp hqw#iru# lqmxulhv#ru#frqglwlrqv#wr#eh#surylghg#lq#d#wlp ho|#p dqqhu1#Wkh#surylghu#qhwz run#vkdoo#lqfoxgh#dq#dghtxdwh# qxp ehu#dqg#w|sh#ri#sk|vlfldqv#dv#ghvfulehg#lq#Vhfwlrq#653<16/#ru#rwkhu#surylghuv/#dv#ghvfulehg#lq#Vhfwlrq# 653<18/#wr#wuhdw#frp p rq#lqmxulhv#h{shulhqfhg#e|#lqmxuhg#hp sor|hhv#edvhg#rq#wkh#w|sh#ri#rffxsdwlrq#ru#lqgxvwu|# lq#z klfk#wkh#hp sor|hh#lv#hqjdjhg/#dqg#wkh#jhrjudsklf#duhd#z khuh#wkh#hp sor|hhv#duh#hp sor|hg1

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(3) Commencing January 1, 2014, a treating physician shall be included in the network only if, at the time of entering into or renewing an agreement by which the physician would be in the network, the physician, or an authorized employee of the physician or the physician's office, provides a separate written acknowledgment in which the physician affirmatively elects to be a member of the network. Copies of the written acknowledgment shall be provided to the administrative director upon the administrative director's request. This paragraph shall not apply to a physician who is a shareholder, partner, or employee of a medical group that elects to be part of the network.

(4) Commencing January 1, 2014, every medical provider network shall post on its Internet Web site a roster of all treating physicians in the medical provider network and shall update the roster at least quarterly. Every network shall provide to the administrative director the Internet Web site address of the network and of its roster of treating physicians. The administrative director shall post, on the division's Internet Web site, the Internet Web site address of every approved medical provider network.

(5) Commencing January 1, 2014, every medical provider network shall provide one or more persons within the United States to serve as medical access assistants to help an injured employee find an available physician of the employee's choice, and subsequent physicians if necessary, under Section 4616.3. Medical access assistants shall have a toll-free telephone number that injured employees may use and shall be available at least from 7 a.m. to 8 p.m. Pacific Standard Time, Monday through Saturday, inclusive, to respond to injured employees, contact physicians' offices during regular business hours, and schedule appointments. The administrative director shall promulgate regulations on or before July 1, 2013, governing the provision of medical access assistants.

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(2) Every medical provider network shall establish and follow procedures to continuously review the quality of care, performance of medical personnel, utilization of services and facilities, and costs.

(3) Every medical provider network shall submit geocoding of its network for reapproval to establish that the number and geographic location of physicians in the network meets the required access standards.

(4) The administrative director shall at any time have the discretion to investigate complaints and to conduct random reviews of approved medical provider networks.

(5) Approval of a plan may be denied, revoked, or suspended if the medical provider network fails to meet the requirements of this article. Any person contending that a medical provider network is not validly constituted may petition the administrative director to suspend or revoke the approval of the medical provider network. The administrative director may adopt regulations establishing a schedule of administrative penalties not to exceed five thousand dollars ($5,000) per violation, or probation, or both, in lieu of revocation or suspension for less severe violations of the requirements of this article. Penalties, probation, suspension, or revocation shall be ordered by the administrative director only after notice and opportunity to be heard. Unless suspended or revoked by the administrative director, the administrative director's approval of a medical provider network shall be binding on all persons and all courts. A determination of the administrative director may be reviewed only by an appeal of the determination of the administrative director filed as an original proceeding before the reconsideration unit of the workers' compensation appeals board on the same grounds and within the same time limits after issuance of the determination as would be applicable to a petition for reconsideration of a decision of a workers' compensation administrative law judge.

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(g) Commencing January 1, 2013, every contracting agent that sells, leases, assigns, transfers, or conveys its medical provider networks and their contracted reimbursement rates to an insurer, employer, entity that provides physician network services, or another contracting agent shall, upon entering or renewing a provider contract, disclose to the provider whether the medical provider network may be sold, leased, transferred, or conveyed to other insurers, employers, entities that provide physician network services, or another contracting agent, and specify whether those insurers, employers, entities that provide physician network services, or contracting agents include workers' compensation insurers.

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+F,#D#whup lqdo#loohvv1#D#whup lqdo#loohvv#lv#dq#lqfxudeoh#ru#luuhyhuvleoh#frqglwlrq#wkdw#kdv#d#kljk#suredelolw|#ri# fdxvlqj#ghdwk#z lwklq#rqh#|hdu#ru#ohvv1#Frp sohwlrq#ri#wuhdwp hqw#vkdoo#eh#surylghg#iru#wkh#gxudwlrq#ri#d#whup lqdo# loohvv1

+G,#Shuirup dqfh#ri#d#vxujhu|#ru#rwkhu#surfhgxuh#wkdw#lv#dxwkrul}hg#e|#wkh# ~~lqvxuhu#ru#hp sor|hu~~ *insurer, employer, or entity that provides physician network services* #dv#sduw#ri#d#grfxp hqwhg#frxuvh#ri#wuhdwp hqw#dqg# kdv#ehhq#uhfrp p hqghg#dqg#grfxp hqwhg#e|#wkh#surylghu#wr#rffxu#z lwklq#4;3#gd|v#ri#wkh#frqwudfwÑv#whup lqdwlrq# gdwh1

+7,#D,#Wkh# ~~lqvxuhu#ru#hp sor|hu~~ *insurer, employer, or entity that provides physician network services* #p d|# uhtxluh#wkh#whup lqdwlqj#surylghu#z krvh#vhuylfhv#duh#frqwlqxhg#eh|rqg#wkh#frqwudfw#whup lqdwlrq#gdwh#sxuvxdqw#wr# wklv#vhfwlrq#wr#djuhh#lq#z ulwlqj#wr#eh#vxemhfw#wr#wkh#vdp h#frqwudfwxdo#whup v#dqg#frqglwlrqv#wkdw#z huh#lp srvhg# xsrq#wkh#surylghu#sulru#wr#whup lqdwlrq1#Li#wkh#whup lqdwhg#surylghu#grhv#qrw#djuhh#wr#frp so|#ru#grhv#qrw#frp so|# z lwk#wkhvh#frqwudfwxdo#whup v#dqg#frqglwlrqv/#wkh# ~~lqvxuhu#ru#hp sor|hu~~ *insurer, employer, or entity that provides physician network services* #lv#qrw#uhtxluhg#wr#frqwlqxh#wkh#surylghuÑv#vhuylfhv#eh|rqg#wkh#frqwudfw#whup lqdwlrq# gdwh1

+E,#Xqohvv#rwkhuz lvh#djuhhg#e|#wkh#whup lqdwlqj#surylghu#dqg#wkh# ~~lqvxuhu#ru#hp sor|hu/~~ *insurer, employer, or entity that provides physician network services,* #wkh#vhuylfhv#uhqghuhg#sxuvxdqw#wr#wklv#vhfwlrq#vkdoo#eh# frp shqvdwhg#dw#udwhv#dqg#p hwkrgv#ri#sd|p hqw#vlp lodu#wr#wkrvh#xvhg#e|#wkh# ~~lqvxuhu#ru#hp sor|hu~~ *insurer,* *employer, or entity that provides physician network services* #iru#fxuuhqwo|#frqwudfwlqj#surylghuv#surylglqj# vlp lodu#vhuylfhv#z kr#duh#sudfwlflqj#lq#wkh#vdp h#ru#d#vlp lodu#jhrjudsklf#duhd#dv#wkh#whup lqdwhg#surylghu1#Wkh# ~~lqvxuhu#ru#surylghu~~ *insurer, employer, or entity that provides physician network services* #lv#qrw#uhtxluhg#wr# frqwlqxh#wkh#vhuylfhv#ri#d#whup lqdwlqj#surylghu#li#wkh#surylghu#grhv#qrw#dffhsw#wkh#sd|p hqw#udwhv#surylghg#iru#lq# wklv#sdudjudsk1

+8,#Dq#lqvxuhu#ru#hp sor|hu#vkdoo#hqvxuh#wkdw#wkh#uhtxluhp hqwv#ri#wklv#vhfwlrq#duh#p hw1

+9,#Wklv#vhfwlrq#vkdoo#qrw#uhtxluh#dq# ~~lqvxuhu#ru#hp sor|hu~~ *insurer, employer, or entity that provides physician* *network services* #wr#surylgh#iru#frp sohwlrq#ri#wuhdwp hqw#e|#d#surylghu#z krvh#frqwudfw#z lwk#wkh# ~~lqvxuhu#ru#~~ ~~hp sor|hu~~ *insurer, employer, or entity that provides physician network services* #kdv#ehhq#whup lqdwhg#ru#qrw# uhqhz hg# iru#uhdvrqv# uhodwlqj#wr#d#p hglfdo#glvflsolqdu|#fdxvh#ru#uhdvrq/#dv#ghilqhg#lq#sdudjudsk#+9,#ri# vxeglylvlrq#+d,#ri#Vhfwlrq#;38#ri#wkh#Exvlqhvv#dqg#Surihvvlrq#Frgh/#ru#iudxg#ru#rwkhu#frlp lqdo#dfwlylw|1

+:,#Qrwklqj#lq#wklv#vhfwlrq#vkdoo#suhfoxgh#dq# ~~lqvxuhu#ru#hp sor|hu, or entity that provides~~ *insurer, employer, or entity that provides physician network services* #iurp #surylglqj#frqwlqxlw|#ri#fduh#eh|rqg#wkh#uhtxluhp hqwv#ri#wklv#vhfwlrq1

+h,#Wkh# ~~lqvxuhu#ru#hp sor|hu~~ *insurer, employer, or entity that provides physician network services* #p d|#uhtxluh# wkh#whup lqdwlqj#surylghu#z krvh#vhuylfhv#duh#frqwlqxhg#eh|rqg#wkh#frqwudfw#whup lqdwlrq#gdwh#sxuvxdqw#wr#wklv# vhfwlrq#wr#djuhh#lq#z ulwlqj#wr#eh#vxemhfw#wr#wkh#vdp h#frqwudfwxdo#whup v#dqg#frqglwlrqv#wkdw#z huh#lp srvhg#xsrq# wkh#surylghu#sulru#wr#whup lqdwlrq1#Li#wkh#whup lqdwhg#surylghu#grhv#qrw#djuhh#wr#frp so|#ru#grhv#qrw#frp so|#z lwk# wkhvh#frqwudfwxdo#whup v#dqg#frqglwlrqv/#wkh# ~~lqvxuhu#ru#hp sor|hu~~ *insurer, employer, or entity that provides* *physician network services* #lv#qrw#uhtxluhg#wr#frqwlqxh#wkh#surylghuÑv#vhuylfhv#eh|rqg#wkh#frqwudfw#whup lqdwlrq# gdwh1

SEC. 50.#Vhfwlrq#794916#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4616.3. +d,#~~Z khq~~ *If*##wkh#lqmxuhg#hp sor|hh#qrwlilhv#wkh#hp sor|hu#ri#wkh#lqmxu|#ru#ilohv#d#fodlp #iru#z runhuvÑ# frp shqvdwlrq#z lwk#wkh#hp sor|hu/#wkh#hp sor|hu#vkdoo#duudqjh#dq#lqlwldo#p hglfdo#hydoxdwlrq#dqg#ehjlq#wuhdwp hqw# dv#uhtxluhg#e|#Vhfwlrq#79331

+e,#Wkh#hp sor|hu#vkdoo#qrwli|#wkh#hp sor|hh#ri# ~~klv#ru#khu#uljkw#wr#eh#wuhdwhg#e|#d#sk|vlfldq#ri#klv#ru#khu#fkrlfh#~~ ~~dixhu#wkh#ilxvw#ylvlw#iurp #~~ *the existence of* #wkh#p hglfdo#surylghu#qhwz run#hvwdeolvkhg#sxuvxdqw#wr#wklv#duwlfoh,/#*the* *employee's right to change treating physicians within the network after the first visit,* #dqg#wkh#p hwkrg#e|#z klfk# wkh#olvw#ri#sduwlflsdwlqj#surylghuv#p d|#eh#dffhvvhg#e|#wkh#hp sor|hh1 *The employer's failure to provide notice as* *required by this subdivision or failure to post the notice as required by Section 3550 shall not be a basis for the* *employee to treat outside the network unless it is shown that the failure to provide notice resulted in a denial of* *medical care.*

+f,#Li#dq#lqmxuhg#hp sor|hh#glvsxwhv#hlwkhu#wkh#gldjqrvlv#ru#wkh#wuhdwp hqw#suhvfulehg#e|#wkh#wuhdwlqj#sk|vlfldq/# wkh#hp sor|hh#p d|#vhhn#wkh#rslqlrq#ri#dqrwkhu#sk|vlfldq#lq#wkh#p hglfdo#surylghu#qhwz run1#Li#wkh#lqmxuhg# hp sor|hh#glvsxwhv#wkh#gldjqrvlv#ru#wuhdwp hqw#suhvfulehg#e|#wkh#vhfrqg#sk|vlfldq/#wkh#hp sor|hh#p d|#vhhn#wkh# rslqlrq#ri#d#wklug#sk|vlfldq#lq#wkh#p hglfdo#surylghu#qhwz run1

+g,#+4,#Vhohfwlrq#e|#wkh#lqmxuhg#hp sor|hh#ri#d#wuhdwlqj#sk|vlfldq#dqg#dq|#vxevhtxhqw#sk|vlfldqv#vkdoo#eh#edvhg# rq#wkh#sk|vlfldqÑv#vshfldow|#ru#uhfrjql}hg#h{shuwlvh#lq#wuhdwlqj#wkh#sduwlfxodu#lqmxu|#ru#frqglwlrq#lq#txhvwlrq1

+5,#Wuhdwphqw#e|#d#vshfldolvw#zkr#lv#qrw#d#phpehu#ri#wkh#phglfdo#surylghu#qhwzrun#pd|#eh#shuplwwhg#rq#d#fdvh0e|0fdvh#edvlv#li#wkh#phglfdo#surylghu#qhwzrun#grhv#qrw#frqwdlq#d#sk|vlfldq#zkr#fdq#surylgh#wkh#dssuryhg#wuhdwphqw#dqg#wkh#wuhdwphqw#lv#dssuryhg#e|#wkh#hpsor|hu#ru#wkh#lqvxuhu1

SEC. 51.#Vhfwlrq#79491:#ri#wkh#Oderu#Frgh#lv#dphqghg#wr#uhdg=

4616.7. +d,#D#khdowk#fduh#rujdql}dwlrq#fhuwlilhg#sxuvxdqw#wr#Vhfwlrq#793318#vkdoo#eh#ghhphg#dssuryhg#sxuvxdqw#wr#wklv#duwlfoh#li#~lw#phhwv#wkh#shufhqwdjh#uhtxluhg#iru#sk|vlfldqv#sulpdulo|#hqjdjhg#lq#qrqrffxsdwlrqdo#phglflqh#vshflilhg#lq#vxeglylvlrq#+d,#ri#Vhfwlrq#7949#dqg#do#wkh#rwkhu# *the* #uhtxluhphqwv#ri#wklv#duwlfoh#duh#phw/#dv#ghwhuplqhg#e|#wkh#dgplqlvwudwlyh#gluhfwru1

+e,#D#khdowk#fduh#vhuylfh#sodq/#dfhqvhg#sxuvxdqw#wr#Fkdswhu#215#+frpphqflqj#zlwk#Vhfwlrq#4673,#ri#Glylvlrq#5#ri#wkh#Khdowk#dqg#Vdihw|#Frgh/#vkdoo#eh#ghhphg#dssuryhg#iru#sxusrvhv#ri#wklv#duwlfoh#li#lw#kdv#d#uhdvrdedo#qxpehu#ri#sk|vlfldqv#zlwk#frpshwhqf|#lq#rffxsdwlrqdo#phglflqh/#dv#ghwhuplqhg#e|#wkh#dgplqlvwudwlyh#gluhfwru1

+f,#D#jurxs#glvdelolw|#lqvxudqfh#srolf|/#dv#ghilqhg#lq#vxeglylvlrq#+e,#ri#Vhfwlrq#439#ri#wkh#Lqvxudqfh#Frgh,#wkdw#fryhuv#krvslwdo/#vxujlfdo/#dqg#phglfdo#fduh#h{shqvhv#vkdoo#eh#ghhphg#dssuryhg#iru#sxusrvhv#ri#wklv#duwlfoh#li#lw#kdv#d#uhdvrdedo#qxpehu#ri#sk|vlfldqv#zlwk#frpshwhqf|#lq#rffxsdwlrqdo#phglflqh/#dv#ghwhuplqhg#e|#wkh#dgplqlvwudwlyh#gluhfwru1#Iru#wkh#sxusrvhv#ri#wklv#vhfwlrq/#d#jurxs#glvdelolw|#lqvxudqfh#srolf|#vkdoo#qrw#lqfoxgh#Phglfduh#vxssohphqw/#ylvlrq0rqo|/#ghqwdo0rqo|/#dqg#Fkdp sxv0vxssohphqw#lqvxudqfh1#Iru#sxusrvhv#ri#wklv#vhfwlrq/#d#jurxs#glvdelolw|#lqvxudqfh#srolf|#vkdoo#qrw#lqfoxgh#krvslwdo#lqghpqlw|/#dfflghqw0rqo|/#dqg#vshflilhg#glvhdvh#lqvxudqfh#wkdw#sd|v#ehqhilwv#rq#d#il{hg#ehqhilw/#fdvk0sd|phqw0rqo|#edvlv1

+g,#Dq|#Wdiw0Kduwoh|#khdowk#dqg#zhoiduh#ixqg#vkdoo#eh#ghhphg#dssuryhg#iru#sxusrvhv#ri#wklv#duwlfoh#li#lw#kdv#d#uhdvrdedo# qxpehu# ri# sk|vlfldqv# zlwk# frpshwhqf|# lq# rffxsdwlrqdo# phglflqh/# dv# ghwhuplqhg# e|# wkh# dgplqlvwudwlyh#gluhfwru1

SEC. 52.#Vhfwlrq#7953#ri#wkh#Oderu#Frgh#lv#dphqghg#wr#uhdg=

4620. +d,#Iru#sxusrvhv#ri#wklv#duwlfoh/#d#phglfdo0hajah#h{shqvh#phdqv#dq|#frvw#dqg#h{shqvhv#lqfxuuhg#e|#ru#rq#ehkdoi#ri#dq|#sduw|/#wkh#dgplqlvwudwlyh#gluhfwru/# *or* #wkh#erdug/#~ru#d#uhihuhh#iru *which expenses may include*##{0ud|v/#oderudwru|#ihhv/#rwkhu#gldjqrvwlf#whvwv/#phglfdo#uhsruw/#phglfdo#uhfrugv/#phglfdo#whvwlprq|/#dqg/#dv#qhhghg/#lqwhusuhwhuÑv#~ihhv/# *fees by a certified interpreter pursuant to Article 8 (commencing with Section 11435.05) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of, or Section 68566 of, the Government Code,* #iru#wkh#sxusrvh#ri#surylqj#ru#glvsurylqj#d#frqwhvwhg#fodlp 1

+e,#D#frqwhvwhg#fodlp #h{lvw#zkhq#wkh#hpsor|hu#nqrzv#ru#uhdvrqdeo|#vkrxog#nqrz#wkdw#wkh#hpsor|hh#lv#fodlplqj#hqwlwohphqw#wr#dq|#ehqhilw#dulvlqj#rxw#ri#d#fodlp hg#lqgxvwuldo#lqmxu|#dqg#rqh#ri#wkh#iroorzlqj#frqglwlrqv#h{lvw=

+4,#Wkh#hpsor|hu#uhmhfwv#oldelolw|#iru#d#fodlp hg#ehqhilw1

+5,#Wkh#hpsor|hu#idlov#wr#dffhsw#oldelolw|#iru#ehqhilwv#diwhu#wkh#h{sludwlrq#ri#d#uhdvrdedoh#shulrg#ri#wlp h#zlwklq#zklfk#wr#ghflgh#li#lw#zloo#frqwhvw#wkh#fodlp 1

+6,#Wkh#hpsor|hu#idlov#wr#uhvsrqg#wr#d#ghp dqg#iru#sd|p hqw#ri#ehqhilwv#diwhu#wkh#h{sludwlrq#ri#dq|#wlp h#shulrg#il{hg#e|#vwdwxwh#iru#wkh#sd|p hqw#ri#lqghp qlw|1

+f,#Frvw#ri#p hglfdo#hydoxdwlrqv/#gldjqrvwlf#whvwv/#dqg#lqwhusuhwhuv#lqflghqwdo#wr#wkh#surgxfwlrq#ri#d#p hglfdo#uhsruw#gr#qrw#frqvwlwxwh#p hglfdo0hajah#h{shqvhv#xqohvv#wkh#p hglfdo#uhsruw#lv#fdsdeoh#ri#surylqj#ru#glvsurylqj#d#glvsxwhg#p hglfdo#idfw/#wkh#ghwhup lqdwlrq#ri#zklfk#lv#hvvhqwldo#wr#dq#dgmxglfdwlrq#ri#wkh#hp sor|hhÑv#fodlp #iru#ehqhilw1#Lq#ghwhup lqlqj#zkhwkhu#d#uhsruw#p hhw#wkh#uhtxluhp hqw#ri#wklv#vxeglylvlrq/#d#mxgjh#vkdoo#jlyh#ixoo#frqvlghudwlrq#wr#wkh#vxevwdqfh#dv#zhoo#dv#wkh#irup #ri#wkh#uhsruw/#dv#uhtxluhg#e|#dssolfdeoh#vwdwxwhv#dqg#uhjxodwlrqv1

(d) If the injured employee cannot effectively communicate with an examining physician because he or she cannot proficiently speak or understand the English language, the injured employee is entitled to the services of a qualified interpreter during the medical examination. Upon request of the injured employee, the employer or insurance carrier shall pay the costs of the interpreter services, as set forth in the fee schedule adopted by the administrative director pursuant to Section 5811. An employer shall not be required to pay for the services of an interpreter who is provisionally certified unless either the employer consents in advance to the selection of the individual who provides the interpreting service or the injured worker requires interpreting service in a language other than the languages designated pursuant to Section 11435.40 of the Government Code.

SEC. 53.#Vhfwlrq#7955#ri#wkh#Oderu#Frgh#lv#dphqghg#wr#uhdg=

4622. Dq#p hglfdo0dhjdo#h{shqvhv#iru#zklfk#wkh#hp sor|hu#lv#oldedh#vkdoo#xsrq#uhfhlsw#e|#wkh#hp sor|hu#ri#doo#
uhsruw#dqg#grfxp hqwv#uhtxluhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#lqflghqw#wr#wkh#vhuylfhv/#eh#sdlg#wr#zkrp #wkh#
ixqgv#dqg#h{shqvhv#duh#gxh/#dv#iroorz v=

+d,#*(1)* H{fhsw#dv#surylghg#lq#vxeglylvlrq#+e,/#zlwklq#93#gd|v#diwhu#uhfhlsw#e|#wkh#hp sor|hu#ri#hdfk#vhsdudwh/#
zulwwhq#eloolqj#dqg#uhsruw/#dqg#~z khuh~ *if*##sd|p hqw#lv#qrw#p dgh#zlwklq#wklv#shulrg/#wkdw#sruwlrq#ri#wkh#elolqj#vxp #
wkhq#xqfrqwhvwded|#xqsdlg#vkdoo#eh#lqfuhdvhg#e|#43#shufhqw#wrjhwkhu#zlwk#lqwhuhvw#wkhuhrq#dw#wkh#udwh#ri#:#
shufhqw#shu#dqqxp #uhwurdfwlyh#wr#wkh#gdwh#ri#uhfhlsw#ri#wkh#elo#dqg#uhsruw#e|#wkh#hp sor|hu/#~z khuh *If*##wkh#
hp sor|hu/#zlwklq#wkh#930gd|#shulrg/#frqwhvwv#wkh#uhdvrqedohqhvv#dqg#qhfhvvlw|#ri#lqfxulqj#wkh#ihhv/#vhuylfhv/#
dqg#~h{shqvhv,# *expenses using the explanation of review required by Section 4603.3,* #sd|p hqw#vkdoo#eh#p dgh#
zlwklq#53#gd|v#ri#wkh#~ilolqj *service*##ri#dq#rughu#ri#wkh#dsshdov#erdug#*or the administrative director pursuant to
Section 4603.6* #gluhfwlqj#sd|p hqw1

(2) The penalty provided for in paragraph (1) shall not apply if both of the following occur:

*(A) The employer pays the provider that portion of his or her charges that do not exceed the amount deemed
reasonable pursuant to subdivision (e) within 60 days of receipt of the report and itemized billing.*

(B) The employer prevails.

*(b) (1) If the provider contests the amount paid, the provider may request a second review within 90 days of
the service of the explanation of review. The request for a second review shall be submitted to the employer on
a form prescribed by the administrative director and shall include all of the following:*

*(A) The date of the explanation of review and the claim number or other unique identifying number provided on
the explanation of review.*

(B) The party or parties requesting the service.

(C) Any item and amount in dispute.

(D) The additional payment requested and the reason therefor.

*(E) Any additional information requested in the original explanation of review and any other information
provided in support of the additional payment requested.*

*(2) If the provider does not request a second review within 90 days, the bill will be deemed satisfied and
neither the employer nor the employee shall be liable for any further payment.*

*(3) Within 14 days of the request for second review, the employer shall respond with a final written
determination on each of the items or amounts in dispute, including whether additional payment will be made.*

*(4) If the provider contests the amount paid, after receipt of the second review, the provider shall request an
independent bill review as provided for in Section 4603.6.*

~Wkh *(c)* ~shqdo|#surylghg#iru#lq#wklv#vxeglylvlrq#vkdoo#qrw#dsso|#li#+4,#wkh#hp sor|hu#sd|v#wkh#surylghu#wkdw#
sruwlrq#ri#klv#ru#khu#fkdujhv#zklfk#gr#qrw#h{fhhg#wkh#dp rxqw#ghhp hg#uhdvrqdedh#sxuvxdqw#wr#vxeglylvlrq#+f,#ri#
Vhfwlrq#7957#zlwklq#93#gd|v#ri#uhfhlsw#ri#wkh#uhsruw#dqg#~lwhp l}hg#elolqj/#dqg/#+5,#~ *If the employer denies all or
a portion of the amount billed for any reason other than the amount to be paid pursuant to the fee schedules in
effect on the date of service, the provider may object to the denial within 90 days of the service of the
explanation of review. If the provider does not object to the denial within 90 days, neither the employer nor the
employee shall be liable for the amount that was denied. If the provider objects to the denial within 90 days of
the service of the explanation of review, the employer shall file a petition and a declaration of readiness to
proceed with* #wkh#dsshdo#erdug/~vxvwdlqv#wkh#hp sor|hu~v#srvlwlrq#lq#frqwhvwlqj#wkh#uhdvrqedohqhvv#ru#qhfhvvlw|# ~#
iru#lqfxulqj#wkh#h{shqvhv# *within 60 days of service of the objection.* #Li#wkh#hp sor|hu#suhydlov#ehiruh#wkh#
dsshdo#erdug/#wkh#~ihuhhh# *appeals board* #vkdoo#rughu#wkh#sk|vlfldq#wr#uhl exuvh#wkh#hp sor|hu#iru#wkh#dp rxqw#
ri#wkh#sdlg#fkdujhv#irxqg#wr#eh#xquhdvrqdedh1

~e, *(d)* ~z khuh *If*##uhtxhvwhg#e|#wkh#hp sor|hh#ru#wkh#ghshqghqw#ri#d#ghfhdvhg#hp sor|hh/#zlwklq#53#gd|v#iurp #
wkh#ilolqj#ri#dq#rughu#ri#wkh#dsshdo#erdug#gluhfwlqj#sd|p hqw/#dqg#zkhuh#sd|p hqw#lv#qrw#p dgh#zlwklq#wkdw#
shulrg/#wkdw#sruwlrq#ri#wkh#elolqj#vxp #wkhq#xqsdlg#vkdoo#eh#lqfuhdvhg#e|#43#shufhqw/#wrjhwkhu#zlwk#lqwhuhvv#
wkhuhrq#dw#wkh#udwh#ri#:#shufhqw#shu#dqqxp #uhwurdfwlyh#wr#wkh#gdwh#ri#wkh#ilolqj#ri#wkh#rughu#ri#wkh#erdug#
gluhfwlqj#sd|p hqw1

+f, *(e)* Wkh *(1)* ‑hp sor|hu#vkdoo#qrwli|#lq#zulwlqj.# *Using the explanation of review as described in Section 4603.3, the employer shall notify* #wkh#surylghu#ri#wkh#vhuylfhv/#wkh#hp sor|hh#ru#li#uhsuhvhqwhg/#klv#ru#khu# dwwruqh|/#li#wkh#hp sor|hu#frqwhvwv#wkh#uhdvrqdednqhvv#ru#qhfhvvlw|#ri#lqfxuulqj#wkhvh#h{shqvhv/#dqg#vkdoo# lqglfdwh#wkh#uhdvrqv#khuhiru1

(2) Wkh# dsshdov# erdug# vkdoo# surp xojdwh# doo# qhfhvvdu|# dqg# uhdvrqdedn# uxohv# dqg# uhjxodwlrqv# wr# lqvxuh# frp soldqfh#zlwk#wklv#vhfwlrq/#dqg#vkdoo#wdnh#vxfk#ixuwkhu#vwhsv#dv#p d|#eh#qhfhvvdu|#wr#jxdudqwhh#wkdw#wkh#uxohv# dqg#uhjxodwlrqv#duh#hqirufhg1

(3) Wkh#surylvlrqv#ri#Vhfwlrqv#8;33#dqg#8;47#vkdoo#qrw#dsso|#wr#wklv#vhfwlrq1

‑g, *(f)*##Qrwklqj#frqwdlqhg#lq#wklv#vhfwlrq#vkdoo#eh#frqvwuxhg#wr#fuhdwh#d#uhexwwdedn#suhvxp swlrq#ri#hqwlwdnp hqw#wr# sd|p hqw#ri#dq#h{shqvh#xsrq#uhfhlsw#e|#wkh#hp sor|hu#ri#wkh#uhtxluhg#uhsruw#dqg#grfxp hqw1Wklv#vhfwlrq#lv#qrw# dssolfdedn#xqdnvv#wkhuh#kdv#ehhq#frp soldqfh#zlwk#Vhfwlrqv#7953#dqg#79541

SEC. 54.#Vhfwlrq#7983#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4650. +d,#Li#dq#lqmxu|#fdxvhv#whp srudu|#glvdelolw|/#wkh#iluvw#sd|p hqw#ri#whp srudu|#glvdelolw|#lqghp qlw|#vkdoo#eh# p dgh#qrw#odwhu#wkdq#47#gd|v#diwhu#nqrzdngjh#ri#wkh#lqmxu|#dqg#glvdelolw|/#rq#zklfk#gdwh#doo#lqghp qlw|#wkhq#gxh# vkdoo#eh#sdlg/#xqdnvv#oldelolw|#iru#wkh#lqmxu|#lv#hduolhu#ghqlhg1

+e,#*(1)* Li#wkh#lqmxu|#fdxvhv#shup dqhqw#glvdelolw|/#wkh#iluvw#sd|p hqw#vkdoo#eh#p dgh#zlwklq#47#gd|v#diwhu#wkh#gdwh# ri#odvw#sd|p hqw#ri#whp srudu|#glvdelolw|#~ghp qlw|.# *indemnity, except as provided in paragraph (2).* #Z khq#wkh# odvw#sd|p hqw#ri#whp srudu|#glvdelolw|#lqghp qlw|#kdv#ehhq#p dgh#sxuvxdqw#wr#vxeglylvlrq#+f,#ri#Vhfwlrq#7989/#dqg# uhjdugdnvv#ri#z khwkhu#wkh#h{whqw#ri#shup dqhqw#glvdelolw|#fdq#eh#ghwhup lqhg#dw#wkdw#gdwh/#wkh#hp sor|hu#qhyhuwkhdnvv#vkdoo#frp p hqfh#wkh#wlp ho|#sd|p hqw#uhtxluhg#e|#wklv#vxeglylvlrq#dqg#vkdoo#frqwlqxh#wr#p dnh#wkhvh# sd|p hqwv#xqwlo#wkh#hp sor|hu/v#uhdvrqdedn#hvwlp dwh#ri#shup dqhqw#glvdelolw|#lqghp qlw|#gxh#kdv#ehhq#sdlg/#dqg#li# wkh#dp rxqw#ri#shup dqhqw#glvdelolw|#lqghp qlw|#gxh#kdv#ehhq#ghwhup lqhg/#xqwlo#wkdw#dp rxqw#kdv#ehhq#sdlg1

(2) Prior to an award of permanent disability indemnity, a permanent disability indemnity payment shall not be required if the employer has offered the employee a position that pays at least 85 percent of the wages and compensation paid to the employee at the time of injury or if the employee is employed in a position that pays at least 100 percent of the wages and compensation paid to the employee at the time of injury, provided that when an award of permanent disability indemnity is made, the amount then due shall be calculated from the last date for which temporary disability indemnity was paid, or the date the employee's disability became permanent and stationary, whichever is earlier.

+f,#Sd|p hqw#ri#whp srudu|#ru#shup dqhqw#glvdelolw|#lqghp qlw|#vxevhtxhqw#wr#wkh#iluvw#sd|p hqw#vkdoo#eh#p dgh#dv# gxh#hyhu|#wz r#z hhnv#rq#wkh#gd|#ghvljqdwhg#z lwk#wkh#iluvw#sd|p hqw1

+g,#Li#dq|#lqghp qlw|#sd|p hqw#lv#qrw#p dgh#wlp ho|#dv#uhtxluhg#e|#wklv#vhfwlrq/#wkh#dp rxqw#ri#wkh#odwh#sd|p hqw# vkdoo#eh#lqfuhdvhg#43#shufhqw#dqg#vkdoo#eh#sdlg/#z lwkrxw#dssolfdwlrq/#wr#wkh#hp sor|hh#xqdnvv#wkh#hp sor|hu# frqwlqxhv#wkh#hp sor|hhÑv#z djhv#xqghu#d#vdodu|#frqwlqxdwlrq#sodq/#dv#ghilqhg#lq#vxeglylvlrq#+j,1#Qr#lqfuhdvh# vkdoo#dsso|#wr#dq|#sd|p hqw#gxh#sulru#wr#ru#z lwklq#47#gd|v#diwhu#wkh#gdwh#wkh#fodlp #irup #z dv#vxep lwwhg#wr#wkh# hp sor|hu#xqghu#Vhfwlrq#87341#Qr#lqfuhdvh#vkdoo#dsso|#z khq/#z lwklq#wkh#47#gd|#shulrg#vshflilhg#xqghu# vxeglylvlrq#+d,/#wkh#hp sor|hu#lv#xqdedn#wr#ghwhup lqh#z khwkhu#whp srudu|#glvdelolw|#lqghp qlw|#sd|p hqw#duh# rz hg#dqg#dgylvhv#wkh#hp sor|hh/#lq#wkh#p dqqhu#suhvfulehg#lq#uxdnv#dqg#uhjxodwlrqv#dgrswhg#sxuvxdqw#wr#Vhfwlrq# 46;17/#z k|#sd|p hqw#fdqqrw#eh#p dgh#z lwklq#wkh#47#gd|#shulrg/#z kdw#dgglwlrqdo#lqirup dwlrq#lv#uhtxluhg#wr# p dnh#wkh#ghflvlrq/#z khwkhu#whp srudu|#glvdelolw|#lqghp qlw|#sd|p hqwv#duh#rz hg/#dqg#z khq#wkh#hp sor|hu#h{shfwv# wr#kdyh#wkh#lqirup dwlrq#uhtxluhg#wr#p dnh#wkh#ghflvlrq1

+h,#Li#wkh#hp sor|hu#lv#lqvxuhg#iru#lw#reoljdwlrq#wr#surylgh#frp shqvdwlrq/#wkh#hp sor|hu#vkdoo#eh#reoljdwhg#wr# uhlp exuvh#wkh#lqvxuhu#iru#wkh#dp rxqw#ri#lqfuhdvh#lq#lqghp qlw|#sd|p hqwv/#p dgh#sxuvxdqw#wr#vxeglylvlrq#+g,/#li#wkh# odwh#sd|p hqw#z klfk#jlyhv#ulvh#wr#wkh#lqfuhdvh#lq#lqghp qlw|#sd|p hqw/#lv#gxh#dnvv#wkdq#vhyhq#gd|v#diwhu#wkh# lqvxuhu#uhfhlyhv#wkh#frp sdnwh#fodlp #irup #iurp #wkh#hp sor|hu1#H{fhsw#dv#vshflilhg#lq#wklv#vxeglylvlrq/#dq|# hp sor|hu# vkdoo# qrw# eh# reoljdwhg# wr# uhlp exuvh# dq# lqvxuhu# qru# vkdoo# dq# lqvxuhu# eh# shup lwwhg# wr# vhhn# uhlp exuvhp hqw/#gluhfwo|#ru#lqgluhfwo|/#iru#wkh#dp rxqw#ri#lqfuhdvh#lq#lqghp qlw|#sd|p hqwv#vshflilhg#lq#wklv# vhfwlrq1

+i,#Li#dq#hp sor|hu#lv#reoljdwhg#xqghu#vxeglylvlrq#+h,#wr#uhlp exuvh#wkh#lqvxuhu#iru#wkh#dp rxqw#ri#lqfuhdvh#lq# lqghp qlw|#sd|p hqw/#wkh#lqvxuhu#vkdoo#qrwli|#wkh#hp sor|hu#lq#z ulwlqj/#z lwklq#63#gd|v#ri#wkh#sd|p hqw/#wkdw#wkh# hp sor|hu#lv#reoljdwhg#wr#uhlp exuvh#wkh#lqvxuhu#dqg#vkdoo#elo#dqg#froohfw#wkh#dp rxqw#ri#wkh#sd|p hqw#qr#odwhu# wkdq#dw#ilqdo#dxglw1#Krz hyhu/#wkh#lqvxuhu#vkdoo#qrw#eh#reoljdwhg#wr#froohfw/#dqg#wkh#hp sor|hu#vkdoo#qrw#eh# reoljdwhg#wr#uhlp exuvh/#dp rxqw#sdlg#sxuvxdqw#wr#vxeglylvlrq#+g,#xqdnvv#wkh#djjuhjdwh#wrwdo#sdlg#lq#d#srolf|#

|hdu#h{fhhgv#rqh#kxqguhg#grooduv#+'433,1#Wkh#hp sor|hu#vkdoo#kdyh#93#gd|v/#iroorz lqj#qrwlfh#ri#wkh#reoljdwlrq#wr#
uhlp exuvh/#wr#dsshdo#wkh#ghflvlrq#ri#wkh#lqvxuhu#wr#wkh#Ghsduwp hqw#ri#Lqvxudqfh1#Wkh#qrwlfh#ri#wkh#reoljdwlrq#wr#
uhlp exuvh#vkdoo#vshfli|#wkdw#wkh#hp sor|hu#kdv#wkh#uljkw#wr#dsshdo#wkh#ghflvlrq#ri#wkh#lqvxuhu#dv#surylghg#lq#wklv#
vxeglylvlrq1

+j,#Iru#sxusrvhv#ri#wklv#vhfwlrq/#Èvdodu|#frqwlqxdwlrq#sodqÉ#p hdqv#d#sodq#wkdw#p hhwv#erwk#ri#wkh#iroorz lqj#
uhtxluhp hqw=

+4,#Wkh#sodq#lv#sdlg#iru#e|#wkh#hp sor|hu#sxuvxdqw#wr#vwdwxwh/#froohfwlyh#edujdlqlqj#djuhhp hqw/#p hp rudqgxp #ri#
xqghuvwdqglqj/#ru#hvwdeolvkhg#hp sor|hu#srolf|1

+5,#Wkh#sodq#surylghv#wkh#hp sor|hh#rq#klv#ru#khu#uhjxodu#sd|gd|#z lwk#vdodu|#qrw#ohvv#wkdq#wkh#hp sor|hh#lv#
hqwlwohg#wr#uhfhlyh#sxuvxdqw#wr#vwdwxwh/#froohfwlyh#edujdlqlqj#djuhhp hqw/#p hp rudqgxp #ri#xqghuvwdqglqj/#ru#
hvwdeolvkhg#hp sor|hu#srolf|#dqg#qrw#ohvv#wkdq#wkh#hp sor|hh#z rxog#rwkhuz lvh#uhfhlyh#lq#lqghp qlw|#sd|p hqwv1

SEC. 55.#Vhfwlrq#798;#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4658. +d,#Iru#lqmxulhv#rffxuulqj#sulru#wr#Mdqxdu|#4/#4<<5/#li#wkh#lqmxu|#fdxvhv#shup dqhqw#glvdelolw|/#wkh#
shufhqwdjh#ri#glvdelolw|#wr#wrwdo#glvdelolw|#vkdoo#eh#ghwhup lqhg/#dqg#wkh#glvdelolw|#sd|p hqw#frp sxwhg#dqg#
doorz hg/#dffruglqj#wr#sdudjudsk#+4,1#Krz hyhu/#lq#qr#hyhqw#vkdoo#wkh#glvdelolw|#sd|p hqw#doorz hg#eh#ohvv#wkdq#wkh#
glvdelolw|#sd|p hqw#frp sxwhg#dffruglqj#wr#sdudjudsk#+5,1

+4,

Froxp q#4Ù Udqjh ri#shufhqwdjh# ri#shup dqhqw glvdelolw|#lqfxuuhg=	Froxp q#5Ù Qxp ehu#ri#z hhnv iru#z klfk#wz r0wklugv#ri dyhudjh#z hhno|#hduqlqjv doorz hg#iru#hdfk#4#shufhqw ri#shup dqhqw#glvdelolw|# z lwklq#shufhqwdjh#udqjh=
#Xqghu#43 1111111111111111111111111	6
#43µ4<1:8 1111111111111111111111111	7
#53µ5<1:8 1111111111111111111111111	8
#63µ7<1:8 1111111111111111111111111	9
#83µ9<1:8 1111111111111111111111111	:
#:3µ<<1:8 1111111111111111111111111	;

Wkh#qxp ehu#ri#z hhnv#iru#z klfk#sd|p hqwv#vkdoo#eh#doorz hg#vhw#iruwk#lq#froxp q#5#deryh#edvhg#xsrq#wkh#
shufhqwdjh#ri#shup dqhqw#glvdelolw|#vhw#iruwk#lq#froxp q#4#deryh#vkdoo#eh#fxp xodwlyh/#dqg#wkh#qxp ehu#ri#ehqhilw#
z hhnv#vkdoo#lqfuhdvh#z lwk#wkh#vhyhulw|#ri#wkh#glvdelolw|1#Wkh#iroorz lqj#vfkhgxoh#lv#looxvwudwlyh#ri#wkh#frp sxwdwlrq#
ri#wkh#qxp ehu#ri#ehqhilw#z hhnv=

Froxp q#4Ù Shufhqwdjh ri#shup dqhqw glvdelolw| lqfxuuhg=	Froxp q#5Ù Fxp xodwlyh qxp ehu#ri ehqhilw#z hhnv=
#8 1111111111111111111111111	#48133
43 1111111111111111111111111	#63158
48 1111111111111111111111111	#83158
53 1111111111111111111111111	#:3183
58 1111111111111111111111111	#k8183
63 1111111111111111111111111	4531:8
68 1111111111111111111111111	4831:8
73 1111111111111111111111111	4;31:8
78 1111111111111111111111111	5431:8
83 1111111111111111111111111	574133

```
88 111111111111111111111111   5:9133

93 111111111111111111111111   644133

98 111111111111111111111111   679133

:3 111111111111111111111111   6;4158

:8 111111111111111111111111   754158

;3 111111111111111111111111   794158

;8 111111111111111111111111   834158

<3 111111111111111111111111   874158

<8 111111111111111111111111   8;4158

#433 111111111111111111111111   iru#oih
```

+5,#Wz r0wklugv#ri#wkh#dyhudjh#z hhno|#hduqlqjv#iru#irxu#z hhnv#iru#hdfk#4#shufhqw#ri#glvdelolw|/#z khuh/#iru#wkh# sxusrvhv#ri#wklv#vxeglylvlrq/#wkh#dyhudjh#z hhno|#hduqlqjv#vkdoo#eh#wdnhq#dw#qrw#p ruh#wkdq#vhyhqw|0hljkw#gromduv# dqg#vhyhqw|0ilyh#fhqwv#+';1:8,1

+e,#Wklv#vxeglylvlrq#vkdoo#dsso|#wr#lqmxulhv#rffxuulqj#rq#ru#diwhu#Mdqxdu|#4/#4<<51#Li#wkh#lqmxu|#fdxvhv#shup dqhqw# glvdelolw|/#wkh#shufhqwdjh#ri#glvdelolw|#wr#wrwdo#glvdelolw|#vkdoo#eh#ghwhup lqhg/#dqg#wkh#glvdelolw|#sd|p hqw# frp sxwhg#dqg#dorz hg/#dffruglqj#wr#sdudjudsk#+4,1#Krz hyhu/#lq#qr#hyhqw#vkdoo#wkh#glvdelolw|#sd|p hqw#dorz hg# eh#ohvv#wkdq#wkh#glvdelolw|#sd|p hqw#frp sxwhg#dffruglqj#wr#sdudjudsk#+5,1

+4,

```
                              Frxp q#5Ù Qxp ehu#ri#z hhnv
                              iru#z klfk#wz r0wklugv#ri
Frxp q#4Ù Udqjh               dyhudjh#z hhno|#hduqlqjv
ri#shufhqwdjh#                dorz hg#iru#hdfk#4#shufhqw
ri#shup dqhqw                 ri#shup dqhqw#glvdelolw|#
glvdelolw|#lqfxuhg=           z lwklq#shufhqwdjh#udqjh=

#Xqghu#43 1111111111111111111111   6

#43µ4<1:8 1111111111111111111111   7

#53µ571:8 1111111111111111111111   8

#58µ5<1:8 1111111111111111111111   9

#63µ7<1:8 1111111111111111111111   :

#83µ9<1:8 1111111111111111111111   ;

#:3µ<<1:8 1111111111111111111111   <
```

Wkh#qxp ehuv#vhw#iruwk#lq#frxp q#5#deryh#duh#edvhg#xsrq#wkh#shufhqwdjh#ri#shup dqhqw#glvdelolw|#vhw#iruwk#lq# frxp q#4#deryh#dqg#vkdoo#eh#fxp xodwlyh/#dqg#vkdoo#lqfuhdvh#z lwk#wkh#vhyhulw|#ri#wkh#glvdelolw|#lq#wkh#p dqqhu# loxvwudwhg#lq#vxeglylvlrq#+d,1

+5,#Wz r0wklugv#ri#wkh#dyhudjh#z hhno|#hduqlqjv#iru#irxu#z hhnv#iru#hdfk#4#shufhqw#ri#glvdelolw|/#z khuh/#iru#wkh# sxusrvhv#ri#wklv#vxeglylvlrq/#wkh#dyhudjh#z hhno|#hduqlqjv#vkdoo#eh#wdnhq#dw#qrw#p ruh#wkdq#vhyhqw|0hljkw#gromduv# dqg#vhyhqw|0ilyh#fhqwv#+';1:8,1

+f,#Wklv#vxeglylvlrq#vkdoo#dsso|#wr#lqmxulhv#rffxuulqj#rq#ru#diwhu#Mdqxdu|#4/#53371#Li#wkh#lqmxu|#fdxvhv#shup dqhqw# glvdelolw|/#wkh#shufhqwdjh#ri#glvdelolw|#wr#wrwdo#glvdelolw|#vkdoo#eh#ghwhup lqhg/#dqg#wkh#glvdelolw|#sd|p hqw# frp sxwhg#dqg#dorz hg#dv#iroorz v=

```
                              Frxp q#5Ù Qxp ehu#ri#z hhnv
                              iru#z klfk#wz r0wklugv#ri
Frxp q#4Ù Udqjh               dyhudjh#z hhno|#hduqlqjv
ri#shufhqwdjh#                dorz hg#iru#hdfk#4#shufhqw
ri#shup dqhqw                 ri#shup dqhqw#glvdelolw|#
glvdelolw|#lqfxuhg=           z lwklq#shufhqwdjh#udqjh=

#Xqghu#43 1111111111111111111111   7
```

#43µ4<1:8 111111111111111111111111 8

#53µ571:8 111111111111111111111111 8

#58µ5<1:8 111111111111111111111111 9

#63µ7<1:8 111111111111111111111111 :

#83µ9<1:8 111111111111111111111111 ;

#:3µ<<1:8 111111111111111111111111 <

Wkh#qxp ehuv#vhw#iruwk#lq#froxp q#5#deryh#duh#edvhg#xsrq#wkh#shufhqwdjh#ri#shup dqhqw#glvdelolw|#vhw#iruwk#lq# froxp q#4#deryh#dqg#vkdoo#eh#fxp xodwlyh/#dqg#vkdoo#lqfuhdvh#z lwk#wkh#vhyhulw|#ri#wkh#glvdelolw|#lq#wkh#p dqqhu# looxvwudwhg#lq#vxeglylvlrq#+d,1

+g,#+4,#Wklv#vxeglylvlrq#vkdoo#dsso|#wr#lqmxulhv#rffxuulqj#rq#ru#diwhu#~~wkh#hiihfwlyh#gdwh#ri#wkh#uhylvhg#shup dqhqw# glvdelolw|#vfkhgxoh#dgrswhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#sxuvxdqw#wr#Vhfwlrq#79931#~~ *January 1, 2005, and as additionally provided in paragraph (4).* #Li#wkh#lqmxu|#fdxvhv#shup dqhqw#glvdelolw|/#wkh#shufhqwdjh#ri#glvdelolw|#wr# wrwdo#glvdelolw|#vkdoo#eh#ghwhup lqhg/#dqg#wkh#edvlf#glvdelolw|#sd|p hqw#frp sxwhg#dv#iroorz v=

	Froxp q#5Ù Qxp ehu#ri#z hhnv
	iru#z klfk#wz r0wklugv#ri
Froxp q#4Ù Udqjh	dyhudjh#z hhno|#hduqlqjv
ri#shufhqwdjh#	doorz hg#iru#hdfk#4#shufhqw
ri#shup dqhqw	ri#shup dqhqw#glvdelolw|#
glvdelolw|#lqfxuuhg=	z lwklq#shufhqwdjh#udqjh=

#3158µ<1:8 111111111111111111111111 #6

#43µ471:8 111111111111111111111111 #7

#48µ571:8 111111111111111111111111 #8

#58µ5<1:8 111111111111111111111111 #9

#63µ7<1:8 111111111111111111111111 #:

#83µ9<1:8 111111111111111111111111 #;

#:3µ<<1:8 111111111111111111111111 49

Wkh#qxp ehuv#vhw#iruwk#lq#froxp q#5#deryh#duh#edvhg#xsrq#wkh#shufhqwdjh#ri#shup dqhqw#glvdelolw|#vhw#iruwk#lq# froxp q#4#deryh#dqg#vkdoo#eh#fxp xodwlyh/#dqg#vkdoo#lqfuhdvh#z lwk#wkh#vhyhulw|#ri#wkh#glvdelolw|#lq#wkh#p dqqhu# looxvwudwhg#lq#vxeglylvlrq#+d,1

+5,#Li/#z lwklq#93#gd|v#ri#d#glvdelolw|#ehfrp lqj#shup dqhqw#dqg#vwdwlrqdu|/#dq#hp sor|hu#grhv#qrw#riihu#wkh#lqmxuhg# hp sor|hh#uhjxodu#z run/#p rglilhg#z run/#ru#dowhuqdwlyh#z run/#lq#wkh# irup #dqg#p dqqhu#suhvfulehg#e|#wkh# dgp lqlvwudwlyh#gluhfwru/#iru#d#shulrg#ri#dw#ohdvw#45#p rqwkv/#hdfk#glvdelolw|#sd|p hqw#uhp dlqlqj#wr#eh#sdlg#wr#wkh# lqmxuhg#hp sor|hh#iurp #wkh#gdwh#ri#wkh#hqg#ri#wkh#930gd|#shulrg#vkdoo#eh#sdlg#lq#dffrugdqfh#z lwk#sdudjudsk#+4,# dqg#lqfuhdvhg#e|#48#shufhqw1#Wklv#sdudjudsk#vkdoo#qrw#dsso|#wr#dq#hp sor|hu#wkdw#hp sor|v#ihz hu#wkdq#83# hp sor|hhv1

+6,#D,#Li/#z lwklq#93#gd|v#ri#d#glvdelolw|#ehfrp lqj#shup dqhqw#dqg#vwdwlrqdu|/#dq#hp sor|hu#riihuv#wkh#lqmxuhg# hp sor|hh#uhjxodu#z run/#p rglilhg#z run/#ru#dowhuqdwlyh#z run/#lq#wkh# irup #dqg#p dqqhu#suhvfulehg#e|#wkh# dgp lqlvwudwlyh#gluhfwru/#iru#d#shulrg#ri#dw#ohdvw#45#p rqwkv/#dqg#uhjdugdqvv#ri#z khwkhu#wkh#lqmxuhg#hp sor|hh# dffhsw#ru#uhmhfwv#wkh#riihu/#hdfk#glvdelolw|#sd|p hqw#uhp dlqlqj#wr#eh#sdlg#wr#wkh#lqmxuhg#hp sor|hh#iurp #wkh#gdwh# wkh#riihu#z dv#p dgh#vkdoo#eh#sdlg#lq#dffrugdqfh#z lwk#sdudjudsk#+4,#dqg#ghfuhdvhg#e|#48#shufhqw1

+E,#Li#wkh#uhjxodu#z run/#p rglilhg#z run/#ru#dowhuqdwlyh#z run#lv#whup lqdwhg#e|#wkh#hp sor|hu#ehiruh#wkh#hqg#ri#wkh# shulrg#iru#z klfk#glvdelolw|#sd|p hqwv#duh#gxh#wkh#lqmxuhg#hp sor|hh/#wkh#dp rxqw#ri#hdfk#ri#wkh#uhp dlqlqj# glvdelolw|#sd|p hqwv#vkdoo#eh#sdlg#lq#dffrugdqfh#z lwk#sdudjudsk#+4,#dqg#lqfuhdvhg#e|#48#shufhqw1#Dq#hp sor|hh# z kr#yroxqwdulo|#whup lqdwhv#hp sor|p hqw#vkdoo#qrw#eh#holjleoh#iru#sd|p hqw#xqghu#wklv#vxesdudjudsk1#Wklv# sdudjudsk#vkdoo#qrw#dsso|#wr#dq#hp sor|hu#wkdw#hp sor|v#ihz hu#wkdq#83#hp sor|hhv1

+7,#Iru#frp shqvdeoh#fodlp v#dulvlqj#ehiruh#Dsulo#63/#5337/#wkh#vfkhgxoh#surylghg#lq#wklv#vxeglylvlrq#vkdoo#qrw# dsso|#wr#wkh#ghwhup lqdwlrq#ri#shup dqhqw#glvdelolwlhv#z khq#wkhuh#kdv#ehhq#hlwkhu#d#frp suhkhqvlyh#p hglfdo0ohjdo# uhsruw#ru#d#uhsruw#e|#d#wuhdwlqj#sk|vlfldq/#lqglfdwlqj#wkh#h{lvwhqfh#ri#shup dqhqw#glvdelolw|/#ru#z khq#wkh#uhp dlqlqj# hp sor|hu#lv#uhtxluhg#wr#surylgh#wkh#qrwlfh#uhtxluhg#e|#Vhfwlrq#7394#wr#wkh#lqmxuhg#z runhu1

(e) This subdivision shall apply to injuries occurring on or after January 1, 2013. If the injury causes permanent disability, the percentage of disability to total disability shall be determined, and the disability payment computed and allowed as follows:

Column 1—Range of percentage of permanent disability incurred:	*Column 2—Number of weeks for which two-thirds of average weekly earnings allowed for each 1 percent of permanent disability within percentage range:*
0.25– 9.75	*3*
10–14.75	*4*
15–24.75	*5*
25–29.75	*6*
30–49.75	*7*
50–69.75	*8*
70–99.75	*16*

(1) The numbers set forth in column 2 above are based upon the percentage of permanent disability set forth in column 1 above and shall be cumulative, and shall increase with the severity of the disability in the manner illustrated in subdivision (a).

(2) If the permanent disability directly caused by the industrial injury is total, payment shall be made as provided in Section 4659.

SEC. 56. Vhfwlrq#798;18#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4658.5. *(a) This section shall apply to injuries occurring on or after January 1, 2004, and before January 1, 2013.*

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+5,#Xs#wr#vl{#wkrxvdqg#grooduv#+'9/333,#iru#shup dqhqw#sduwldo#glvdelolw|#dz dugv#ehwz hhq#48#dqg#58#shufhqw1

+6,#Xs#wr#hljkw#wkrxvdqg#grooduv#+';/333,#iru#shup dqhqw#sduwldo#glvdelolw|#dz dugv#ehwz hhq#59#dqg#7<#shufhqw1

+7,#Xs#wr#whq#wkrxvdqg#grooduv#+'43/333,#iru#shup dqhqw#sduwldo#glvdelolw|#dz dugv#ehwz hhq#83#dqg#<<#shufhqw1

~~e,~~ *(c)* ##Wkh#yrxfkhu#p d|#eh#xvhg#iru#sd|p hqw#ri#wxlwlrq/#ihhv/#errnv/#dqg#rwkhu#h{shqvhv#uhtxluhg#e|#wkh# vfkrro#iru#uhwudlqlqj#ru#vnloo#hqkdqfhp hqw1#Qr#p ruh#wkdq#43#shufhqw#ri#wkh#yrxfkhu#p rqh|#p d|#eh#xvhg#iru# yrfdwlrqdo#ru#uhwxuq0wr0z run#frxqvholqj1#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#dgrsw#uhjxodwlrqv#jryhuqlqj#wkh#irup # ri#sd|p hqw/#gluhfw#uhlp exuvhp hqw#wr#wkh#lqmxuhg#hp sor|hh#xsrq#suhvhqwdwlrq#wr#wkh#hp sor|hu#ri#dssursuldwh# grfxp hqwdwlrq#dqg#uhfhlsw/#dqg#rwkhu#p dwwhuv#qhfhvvdu|#wr#wkh#surshu#dgp lqlvwudwlrq#ri#wkh#vxssohp hqwdo#mre# glvsodfhp hqw#ehqhilw1

~~f,~~ *(d)* ~~Wklv#vhfwlrq#vkdoo#dsso|#wr#lqmxulhv#rffxulqj#~~ *A voucher issued* #rq#ru#diwhu#Mdqxdu|#4/#~~53371~~ *2013, shall expire two years after the date the voucher is furnished to the employee or five years after the date of injury, whichever is later. The employee shall not be entitled to payment or reimbursement of any expenses that have not been incurred and submitted with appropriate documentation to the employer prior to the expiration date.*

(e) An employer shall not be liable for compensation for injuries incurred by the employee while utilizing the voucher.

SEC. 57. Vhfwlrq#798;19#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4658.6. Wkh#hp sor|hu#vkdoo#qrw#eh#oldedoh#iru#wkh#vxssohp hqwdo#mre#glvsodfhp hqw#ehqhilw#*pursuant to Section 4658.5* #li#wkh#hp sor|hu#p hhwv#hlwkhu#ri#wkh#iroorzlqj#frqglwlrqv=

+d,#Zlwklq#63#gd|v#ri#wkh#whup lqdwlrq#ri#whp srudu|#glvdelolw|#lqghp qlw|#sd|p hqwv/#wkh#hp sor|hu#riihuv/#dqg#wkh# hp sor|hh#uhmhfwv/#ru#idlov#wr#dffhsw/#lq#wkh#irup #dqg#p dqqhu#suhvfulehg#e|#wkh#dgp lqlvwudwlyh#gluhfwru/#p rglilhg# zrun/#dffrp p rgdwlqj#wkh#hp sor|hhÑv#zrun#uhvwulfwlrqv/#odvwlqj#dw#ohdvw#45#p rqwkv1

+e,#Zlwklq#63#gd|v#ri#wkh#whup lqdwlrq#ri#whp srudu|#glvdelolw|#lqghp qlw|#sd|p hqwv/#wkh#hp sor|hu#riihuv/#dqg#wkh# hp sor|hh#uhmhfwv/#ru#idlov#wr#dffhsw/#lq#wkh#irup #dqg#p dqqhu#suhvfulehg#e|#wkh#dgp lqlvwudwlyh#gluhfwru/# dowhuqdwlyh#zrun#p hhwlqj#doo#ri#wkh#iroorzlqj#frqglwlrqv=

+4,#Wkh#hp sor|hh#kdv#wkh#delolw|#wr#shuirup #wkh#hvvhqwldo#ixqfwlrqv#ri#wkh#mre#surylghg1

+5,#Wkh#mre#surylghg#lv#lq#d#uhjxodu#srvlwlrq#odvwlqj#dw#ohdvw#45#p rqwkv1

+6,#Wkh#mre#surylghg#riihuv#zdjhv#dqg#frp shqvdwlrq#wkdw#duh#zlwklq#48#shufhqw#ri#wkrvh#sdlg#wr#wkh#hp sor|hh# dw#wkh#wlp h#ri#lqmxu|1

+7,#Wkh#mre#lv#orfdwhg#zlwklq#uhdvrqdeoh#frp p xwlqj#glvwdqfh#ri#wkh#hp sor|hhÑv#uhvlghqfh#dw#wkh#wlp h#ri#lqmxu|1

SEC. 58. *Section 4658.7 is added to the Labor Code, to read:*

4658.7. *(a) This section shall apply to injuries occurring on or after January 1, 2013.*

(b) If the injury causes permanent partial disability, the injured employee shall be entitled to a supplemental job displacement benefit as provided in this section unless the employer makes an offer of regular, modified, or alternative work, as defined in Section 4658.1, that meets both of the following criteria:

(1) The offer is made no later than 60 days after receipt by the claims administrator of the first report received from either the primary treating physician, an agreed medical evaluator, or a qualified medical evaluator, in the form created by the administrative director pursuant to subdivision (h), finding that the disability from all conditions for which compensation is claimed has become permanent and stationary and that the injury has caused permanent partial disability.

(A) If the employer or claims administrator has provided the physician with a job description of the employee's regular work, proposed modified work, or proposed alternative work, the physician shall evaluate and describe in the form whether the work capacities and activity restrictions are compatible with the physical requirements set forth in that job description.

(B) The claims administrator shall forward the form to the employer for the purpose of fully informing the employer of work capacities and activity restrictions resulting from the injury that are relevant to potential regular, modified, or alternative work.

(2) The offer is for regular work, modified work, or alternative work lasting at least 12 months.

(c) The supplemental job displacement benefit shall be offered to the employee within 20 days after the expiration of the time for making an offer of regular, modified, or alternative work pursuant to paragraph (1) of subdivision (b).

(d) The supplemental job displacement benefit shall be in the form of a voucher redeemable as provided in this section up to an aggregate of six thousand dollars ($6,000).

(e) The voucher may be applied to any of the following expenses at the choice of the injured employee:

(1) Payment for education-related retraining or skill enhancement, or both, at a California public school or with a provider that is certified and on the state's Eligible Training Provider List (EPTL), as authorized by the federal Workforce Investment Act (P.L. 105-220), including payment of tuition, fees, books, and other expenses required by the school for retraining or skill enhancement.

(2) Payment for occupational licensing or professional certification fees, related examination fees, and examination preparation course fees.

(3) Payment for the services of licensed placement agencies, vocational or return-to-work counseling, and résumé preparation, all up to a combined limit of 10 percent of the amount of the voucher.

(4) Purchase of tools required by a training or educational program in which the employee is enrolled.

(5) Purchase of computer equipment, up to one thousand dollars ($1,000).

(6) Up to five hundred dollars ($500) as a miscellaneous expense reimbursement or advance, payable upon request and without need for itemized documentation or accounting. The employee shall not be entitled to any other voucher payment for transportation, travel expenses, telephone or Internet access, clothing or uniforms, or incidental expenses.

(f) The voucher shall expire two years after the date the voucher is furnished to the employee, or five years after the date of injury, whichever is later. The employee shall not be entitled to payment or reimbursement of any expenses that have not been incurred and submitted with appropriate documentation to the employer prior to the expiration date.

(g) Settlement or commutation of a claim for the supplemental job displacement benefit shall not be permitted under Chapter 2 (commencing with Section 5000) or Chapter 3 (commencing with Section 5100) of Part 3.

(h) The administrative director shall adopt regulations for the administration of this section, including, but not limited to, both of the following:

(1) The time, manner, and content of notices of rights under this section.

(2) The form of a mandatory attachment to a medical report to be forwarded to the employer pursuant to paragraph (1) of subdivision (b) for the purpose of fully informing the employer of work capacities and of activity restrictions resulting from the injury that are relevant to potential regular work, modified work, or alternative work.

(i) An employer shall not be liable for compensation for injuries incurred by the employee while utilizing the voucher.

SEC. 59. #Vhfwlrq#7993#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4660. *This section shall only apply to injuries occurring before January 1, 2013.*

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+e,#+4,#Iru#sxusrvhv#ri#wklv#vhfwlrq/#wkh#Èqdwxuh#ri#wkh#sk|vlfdo#lqmxu|#ru#glviljxuhp hqwÉ#vkdoo#lqfrusrudwh#wkh# ghvfulswlrqv#dqg#p hdvxuhp hqwv#ri#sk|vlfdo#lp sdlup hqw#dqg#wkh#fruuhvsrqglqj#shufhqwdjhv#ri#lp sdlup hqw# sxeolvkhg#lq#wkh#Dp hulfdq#P hglfdo#Dvvrfldwlrq#+DP D,#Jxlghv#wr#wkh#Hydoxdwlrq#ri#Shup dqhqw#Lp sdlup hqw#+8wk# Hglwlrq,1

+5,#Iru#sxusrvhv#ri#wklv#vhfwlrq/#dq#hp sor|hhÑv#glp lqlvkhg#ixwxuh#hduqlqj#fdsdflw|#vkdoo#eh#d#qxp hulf#irup xod# edvhg#rq#hp sor|hh'v#glvdelolw|#udwlqj#dqg#zlwk#wkh#dyhudjh#shufhqwdjh#ri#orqj0whup #orvv#ri#lqfrp h# uhvxowlqj#irp #hdfk#w|sh#ri#lqmxu|#iru#vlp lodu|#vlwxdwhg#hp sor|hhv1Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#irup xodwh# wkh#dgmxvwhg#udwlqj#vfkhgxoh#edvhg#rq#hp sor|hh'v#glvdelolw|#udwlqj#dqg#ilqglqjv#irp #wkh#Hydoxdwlrq#ri#FdoliruqldÑv#Shup dqhqw# Glvdelolw|#Udwlqj#Vfkhgxoh#Lqwhulp #Uhsruw+Ghfhp ehu#5336,/#suhsduhg#e|#wkh#UDQG#Lqvwlwxwh#iru#Flylo#Mxvwlfh/# dqg#xsrq#gdwd#irp #dgglwlrqdo#hp slulfdo#vwxglhv1

+f,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#dp hqg#wkh#vfkhgxoh#iru#wkh#ghwhup lqdwlrq#ri#wkh#shufhqwdjh#ri#shup dqhqw# glvdelolw|#lq#dffrugdqfh#z lwk#wklv#vhfwlrq#dw#ohdvw#rqfh#hyhu|#ilyh#|hduv1Wklv#vfkhgxoh#vkdoo#eh#dydlodeoh#iru# sxeolf#lqvshfwlrq#dqg/#z lwkrxw#irup do#lqwurgxfwlrq#lq#hylghqfh/#vkdoo#eh#sulp d#idflh#hylghqfh#ri#wkh#shufhqwdjh# ri#shup dqhqw#glvdelolw|#wr#eh#dwwulexwhg#wr#hdfk#lqmxu|#fryhuhg#e|#wkh#vfkhgxoh1

+g,#Wkh#vfkhgxoh#vkdoo#surp rwh#frqvlvwhqf|/#xqlirup lw|/#dqg#remhfwlylw|1#Wkh#vfkhgxoh#dqg#dq|#dp hqgp hqw# wkhuhwr#ru#uhylvlrq#wkhuhri#vkdoo#dsso|#survshfwlyho|#dqg#vkdoo#dsso|#wr#dqg#jryhuq#rqo|#wkrvh#shup dqhqw# glvdelolwlhv#wkdw#uhvxow#irp #frp shqvdeoh#lqmxulhv#uhfhlyhg#ru#rffxuulqj#rq#dqg#diwhu#wkh#hiihfwlyh#gdwh#ri#wkh# dgrswlrq#ri#wkh#vfkhgxoh/#dp hqgp hqw#ru#uhylvlrq/#dv#wkh#idfw#p d|#eh1#Iru#frp shqvdeoh#fodlp v#dulvlqj#ehiruh# Mdqxdu|#4/#5338/#wkh#vfkhgxoh#dv#uhylvhg#sxuvxdqw#wr#fkdqjhv#p dgh#lq#dnjlvodwlrq#hqdfwhg#gxulqj#wkh#5336µ37# Uhjxodu#dqg#H{wudruglqdu|#Vhvvlrqv#vkdoo#dsso|#wr#wkh#ghwhup lqdwlrq#ri#shup dqhqw#glvdelolwlhv#z khq#wkhuh#kdv# ehhq#hlwkhu#qr#frp suhkhqvlyh#p hglfdo0ohjdo#uhsruw#ru#qr#uhsruw#e|#d#wuhdwlqj#sk|vlfldq#lqglfdwlqj#wkh#h{lvwhqfh# ri#shup dqhqw#glvdelolw|/#ru#z khq#wkh#hp sor|hu#lv#qrw#uhtxluhg#wr#surylgh#wkh#qrwlfh#uhtxluhg#e|#Vhfwlrq#7394#wr# wkh#lqmxuhg#z runhu1

+h,#Rq#ru#ehiruh#Mdqxdu|#4/#5338/#wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#dgrsw#uhjxodwlrqv#wr#lp sohp hqw#wkh#fkdqjhv# p dgh#wr#wklv#vhfwlrq#e|#wkh#dfw#wkdw#dgghg#wklv#vxeglylvlrq1

SEC. 60. *Section 4660.1 is added to the Labor Code, to read:*

4660.1. *This section shall apply to injuries occurring on or after January 1, 2013.*

(a) In determining the percentages of permanent partial or permanent total disability, account shall be taken of the nature of the physical injury or disfigurement, the occupation of the injured employee, and his or her age at the time of injury.

(b) For purposes of this section, the "nature of the physical injury or disfigurement" shall incorporate the descriptions and measurements of physical impairments and the corresponding percentages of impairments published in the American Medical Association (AMA) Guides to the Evaluation of Permanent Impairment (5th Edition) with the employee's whole person impairment, as provided in the Guides, multiplied by an adjustment factor of 1.4.

(c) (1) Except as provided in paragraph (2), there shall be no increases in impairment ratings for sleep dysfunction, sexual dysfunction, or psychiatric disorder, or any combination thereof, arising out of a compensable physical injury. Nothing in this section shall limit the ability of an injured employee to obtain treatment for sleep dysfunction, sexual dysfunction, or psychiatric disorder, if any, that are a consequence of an industrial injury.

(2) An increased impairment rating for psychiatric disorder shall not be subject to paragraph (1) if the compensable psychiatric injury resulted from either of the following:

(A) Being a victim of a violent act or direct exposure to a significant violent act within the meaning of Section 3208.3.

(B) A catastrophic injury, including, but not limited to, loss of a limb, paralysis, severe burn, or severe head injury.

(d) The administrative director may formulate a schedule of age and occupational modifiers and may amend the schedule for the determination of the age and occupational modifiers in accordance with this section. The Schedule for Rating Permanent Disabilities pursuant to the American Medical Association (AMA) Guides to the Evaluation of Permanent Impairment (5th Edition) and the schedule of age and occupational modifiers shall be available for public inspection and, without formal introduction in evidence, shall be prima facie evidence of the percentage of permanent disability to be attributed to each injury covered by the schedule. Until the schedule of age and occupational modifiers is amended, for injuries occurring on or after January 1, 2013, permanent disabilities shall be rated using the age and occupational modifiers in the permanent disability rating schedule adopted as of January 1, 2005.

(e) The schedule of age and occupational modifiers shall promote consistency, uniformity, and objectivity.

(f) The schedule of age and occupational modifiers and any amendment thereto or revision thereof shall apply prospectively and shall apply to and govern only those permanent disabilities that result from compensable injuries received or occurring on and after the effective date of the adoption of the schedule, amendment, or revision, as the case may be.

(g) Nothing in this section shall preclude a finding of permanent total disability in accordance with Section 4662.

(h) In enacting the act adding this section, it is not the intent of the Legislature to overrule the holding in Milpitas Unified School District v. Workers' Comp. Appeals Bd. (Guzman) (2010) 187 Cal.App.4th 808.

(i) The Commission on Health and Safety and Workers' Compensation shall conduct a study to compare average loss of earnings for employees who sustained work-related injuries with permanent disability ratings under the schedule, and shall report the results of the study to the appropriate policy and fiscal committees of the Legislature no later than January 1, 2016.

SEC. 61. Vhfwlrq#7:34#ri#wkh#Oderu#Frgh#lv#dphqghg#wr#uhdg=

4701. ~~Z khq~~ *If* ##dq#lqmxu|#fdxvhv#ghdwk/#hlwkhu#zlwk#ru#zlwkrxw#glvdelolw|/#wkh#hpsor|hu#vkdoo#eh#oldedh/#lq#dgglwlrq# wr#dq|#rwkhu#ehqhilw#surylghg#e|#wklv#glylvlrq/#iru#doo#ri#wkh#iroorzlqj=

+d,#Uhdvrqdedh#h{shqvhv#ri#wkh#hpsor|hhÑv#exuldo/ ~~qrw#h{fhhglqj#zr#wkrxvdqg#grooduv#+'5/333,#dqg#iru#lqmxulhv# rffxuulqj#rq#dqg#diwhu#Mdqxdu|#4/#4<<4/#qrw#h{fhhglqj#ilyh#wkrxvdqg#grooduv#+'8/333,~~ *in accordance with the following:*

(1) Up to two thousand dollars ($2,000) for injuries occurring prior to January 1, 1991.

(2) Up to five thousand dollars ($5,000) for injuries occurring on or after January 1, 1991, and prior to January 1, 2013.

(3) Up to ten thousand dollars ($10,000) for injuries occurring on or after January 1, 2013.

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SEC. 62.#Vhfwlrq#7<36#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4903. Wkh#dsshdov#erdug#p d|#ghwhup lqh/#dqg#doorz #dv#olhqv#djdlqvw#dq|#vxp #wr#eh#sdlg#dv#frp shqvdwlrq/#dq|# dp rxqw#ghwhup lqhg#dv#khuhlqdiwhu#vhw#iruwk#lq#vxeglylvlrqv#+d,#wkurxjk#+l1#Li#p ruh#wkdq#rqh#olhq#lv#doorz hg/#wkh# dsshdov#erdug#p d|#ghwhup lqh#wkh#sulrulwlhv/#li#dq|/#ehwz hhq#wkh#olhqv#doorz hg1#Wkh#olhqv#wkdw#p d|#eh#doorz hg# khuhxqghu#duh#dv#iroorz v=

+d,#D#uhdvrqdeoh#dwwruqh|ÑÑ#ihh#iru#ohjdo#vhuylfhv#shuwdlqlqj#wr#dq|#fodlp #iru#frp shqvdwlrq#hlwkhu#ehiruh#wkh# dsshdov#erdug#ru#ehiruh#dq|#ri#wkh#dsshoodwh#frxuw/#dqg#wkh#uhdvrqdeoh#glvexuvhp hqw#lq#frqqhfwlrq#wkhuhz lwk1# Qr#ihh#iru#ohjdo#vhuylfhv#vkdoo#eh#dz dughg#wr#dq|#uhsuhvhqwdwlyh#z kr#lv#qrw#dq#dwwruqh|/#h{fhsw#wkdw#uhvshfw#wr# wkrvh#fodlp v#iru#frp shqvdwlrq#iru#z klfk#dq#dssolfdwlrq/#sxuvxdqw#wr#Vhfwlrq#8834/#kdv#ehhq#ilohg#z lwk#wkh# dsshdov#erdug#rq#ru#ehiruh#Ghfhp ehu#64/#4<<4/#ru#iru#z klfk#d#glvforvxuh#irup /#sxuvxdqw#wr#Vhfwlrq#7<39/#kdv# ehhq#vhqw#wr#wkh#hp sor|hu/#ru#lqvxuhu#ru#wklug0sduw|#dgp lqlvwudwru/#li#hlwkhu#lv#nqrz q/#rq#ru#ehiruh#Ghfhp ehu# 64/#4<<41

+e,#Wkh#uhdvrqdeoh#h{shqvh#lqfxuuhg#e|#ru#rq#ehkdoi#ri#wkh#lqmxuhg#hp sor|hh/#dv#surylghg#e|##Duwlfoh#5#
+frp p hqflqj#z lwk#Vhfwlrq#~~7933,#dqg#wr#wkh#h{whqw#wkh#hp sor|hh#lv#hqwlwohg#wr#~~hp exuvhp hqw#xqghu#Vhfwlrq#~~
7954/#p hglfdo0ohjdo#h{shqvhv#dv#surylghg#e|#Duwlfoh#518#+frp p hqflqj#z lwk#Vhfwlrq#7953,#ri#Fkdswhu#5#ri#Sduw#~~
51 4600), except those disputes subject to independent medical review or independent bill review.

+f,#Wkh#uhdvrqdeoh#ydoxh#ri#wkh#olylqj#h{shqvhv#ri#dq#lqmxuhg#hp sor|hh#ru#ri#klv#ru#khu#ghshqghqwv/#vxevhtxhqw# wr#wkh#lqmxu|1

+g,#Wkh#uhdvrqdeoh#exugld#h{shqvhv#ri#wkh#ghfhdvhg#hp sor|hh/#qrw#wr#h{fhhg#wkh#dp rxqw#surylghg#iru#e|## Vhfwlrq#7:341

+h,#Wkh#uhdvrqdeoh#olylqj#h{shqvhv#ri#wkh#vsrxvh#ru#p lqru#fkloguhq#ri#wkh#lqmxuhg#hp sor|hh#ru#erwk/# vxevhtxhqw#wr#wkh#gdwh#ri#wkh#lqmxu|/#z khuh#wkh#hp sor|hh#kdv#ghvhuwhg#ru#lv#qhjohfwlqj#klv#ru#khu#idp lo|1#Wkhvh# h{shqvhv#vkdoo#eh#doorz hg#lq#wkh#sursruwlrq#wkdw#wkh#dsshdov#erdug#ghhp v#surshu/#xqghu#dssolfdwlrq#ri#wkh# vsrxvh/#jxdugldq#ri#wkh#p lqru#fkloguhq/#ru#wkh#dvvljqhh/#sxuvxdqw#wr#vxeglylvlrq#+d,#ri#Vhfwlrq#447::#ri#wkh# Z hoiduh#dqg#Lqvwlwxwlrqv#Frgh/#ri#wkh#vsrxvh/#d#irup hu#vsrxvh/#ru#p lqru#fkloguhq1#D#fromhfwlrq#uhfhlyhg#dv#d# uhvxow#ri#d#olhq#djdlqvw#d#z runhuvÑÑ#frp shqvdwlrq#dz dug#lp srvhg#sxuvxdqw#wr#wklv#vxeglylvlrq#iru#sd|p hqw#ri# fkog#vxssruw#rughuhg#e|#d#frxuw#vkdoo#eh#fuhglwhg#dv#surylghg#lq#Vhfwlrq#9<81554#ri#wkh#Frgh#ri#Flylo#Surfhgxuh1

+i,#Wkh#dp rxqw#ri#xqhp sor|p hqw#frp shqvdwlrq#glvdelolw|#ehqhilwv#wkdw#kdyh#ehhq#sdlg#xqghu#ru#sxuvxdqw#wr#wkh# Xqhp sor|p hqw#Lqvxudqfh#Frgh#lq#wkrvh#fdvhv#z khuh/#shqglqj#d#ghwhup lqdwlrq#xqghu#wklv#glylvlrq#wkhuh#z dv# xqfhuwdlqw|#z khwkhu#wkh#ehqhilwv#z huh#sd|deoh#xqghu#wkh#Xqhp sor|p hqw#Lqvxudqfh#Frgh#ru#sd|deoh#khuhxqghu>#
surylghg/#krz hyhu/#wkdw#dq|##ohhq#xqghu#wklv#vxeglylvlrq#vkdoo#eh#doorz hg#dqg#sdlg#dv#surylghg#lq#Vhfwlrq#7<371

+j,#Wkh#dp rxqw#ri#xqhp sor|p hqw#frp shqvdwlrq#ehqhilwv#dqg#h{whqghg#gxudwlrq#ehqhilwv#sdlg#wr#wkh#lqmxuhg# hp sor|hh#iru#wkh#vdp h#gd|#ru#gd|v#ri#z klfk#kh#ru#vkh#uhfhlyhv/#ru#lv#hqwlwohg#wr#uhfhlyh/#whp srudu|#wrwdo# glvdelolw|#lqghp qlw|#sd|p hqwv#xqghu#wklv#glylvlrq>#surylghg/#krz hyhu/#wkdw#dq|#ohhq#xqghu#wklv#vxeglylvlrq#vkdoo# eh#doorz hg#dqg#sdlg#dv#surylghg#lq#Vhfwlrq#7<371

+k,#Wkh#dp rxqw#ri#idp lo|#whp srudu|#glvdelolw|#lqvxudqfh#ehqhilwv#wkdw#kdyh#ehhq#sdlg#wr#wkh#lqmxuhg#hp sor|hh# sxuvxdqw#wr#wkh#Xqhp sor|p hqw#Lqvxudqfh#Frgh#iru#wkh#vdp h#gd|#ru#gd|v#iru#z klfk#wkdw#hp sor|hh#uhfhlyhv/#ru# lv#hqwlwohg#wr#uhfhlyh/#whp srudu|#wrwdo#glvdelolw|#lqghp qlw|#sd|p hqwv#xqghu#wklv#glylvlrq/#surylghg/#krz hyhu/#wkdw# dq|#ohhq#xqghu#wklv#vxeglylvlrq#vkdoo#eh#doorz hg#dqg#sdlg#dv#surylghg#lq#Vhfwlrq#7<371

+l,#Wkh#dp rxqw#ri#lqghp qlilfdwlrq#judqwhg#e|#wkh#Fdoliruqld#Ylfwlp v#ri#Fulp h#Surjudp #sxuvxdqw#wr#Duwlfoh#4#
+frp p hqflqj#z lwk#Vhfwlrq#46<8<,#ri#Fkdswhu#8#ri#Sduw#7#ri#Glylvlrq#6#ri#Wlwoh#5#ri#wkh#Jryhuqp hqw#Frgh1

~~m,#Wkh#dp rxqw#ri#frp shqvdwlrq/#lqfoxglqj#h{shqvhv#ri#p hglfdo#wuhdwp hqw/#dqg#uhfryhudeoh#frvwv#wkdw#kdyh#
ehhq#sdlg#e|#wkh#Dvehvwrv#Z runhuvÑ#Dffrxqw#sxuvxdqw#wr#wkh#surylvlrqv#ri#Fkdswhu#44#+frp p hqflqj#z lwk#
Vhfwlrq#7734,#ri#Sduw#41~~

SEC. 63. *Section 4903.05 is added to the Labor Code, to read:*

4903.05. *(a) Every lien claimant shall file its lien with the appeals board in writing upon a form approved by the appeals board. The lien shall be accompanied by a full statement or itemized voucher supporting the lien and justifying the right to reimbursement and proof of service upon the injured worker or, if deceased, upon the worker's dependents, the employer, the insurer, and the respective attorneys or other agents of record. Medical records shall be filed only if they are relevant to the issues being raised by the lien.*

(b) Any lien claim for expenses under subdivision (b) of Section 4903 or for claims of costs shall be filed with the appeals board electronically using the form approved by the appeals board. The lien shall be accompanied by a proof of service and any other documents that may be required by the appeals board. The service requirements for Section 4603.2 are not modified by this section.

(c) All liens filed on or after January 1, 2013, for expenses under subdivision (b) of Section 4903 or for claims of costs shall be subject to a filing fee as provided by this subdivision.

(1) The lien claimant shall pay a filing fee of one hundred fifty dollars ($150) to the Division of Workers' Compensation prior to filing a lien and shall include proof that the filing fee has been paid. The fee shall be collected through an electronic payment system that accepts major credit cards and any additional forms of electronic payment selected by the administrative director. If the administrative director contracts with a service provider for the processing of electronic payments, any processing fee shall be absorbed by the division and not added to the fee charged to the lien filer.

(2) On or after January 1, 2013, a lien submitted for filing that does not comply with paragraph (1) shall be invalid, even if lodged with the appeals board, and shall not operate to preserve or extend any time limit for filing of the lien.

(3) The claims of two or more providers of goods or services shall not be merged into a single lien.

(4) The filing fee shall be collected by the administrative director. All fees shall be deposited in the Workers' Compensation Administration Revolving Fund and applied for the purposes of that fund.

(5) The administrative director shall adopt reasonable rules and regulations governing the procedure for the collection of the filing fee, including emergency regulations as necessary to implement this section.

(6) Any lien filed for goods or services that are not the proper subject of a lien may be dismissed upon request of a party by verified petition or on the appeals board's own motion. If the lien is dismissed, the lien claimant will not be entitled to reimbursement of the filing fee.

(7) No filing fee shall be required for a lien filed by a health care service plan licensed pursuant to Section 1349 of the Health and Safety Code, a group disability insurer under a policy issued in this state pursuant to the provisions of Section 10270.5 of the Insurance Code, a self-insured employee welfare benefit plan, as defined in Section 10121 of the Insurance Code, that is issued in this state, a Taft-Hartley health and welfare fund, or a publicly funded program providing medical benefits on a nonindustrial basis.

SEC. 64. *Section 4903.06 is added to the Labor Code, to read:*

4903.06. *(a) Any lien filed pursuant to subdivision (b) of Section 4903 prior to January 1, 2013, and any cost that was filed as a lien prior to January 1, 2013, shall be subject to a lien activation fee unless the lien claimant provides proof of having paid a filing fee as previously required by former Section 4903.05 as added by Chapter 639 of the Statutes of 2003.*

(1) The lien claimant shall pay a lien activation fee of one hundred dollars ($100) to the Division of Workers' Compensation on or before January 1, 2014. The fee shall be collected through an electronic payment system that accepts major credit cards and any additional forms of electronic payment selected by the administrative director. If the administrative director contracts with a service provider for the processing of electronic payments, any processing fee shall be absorbed by the division and not added to the fee charged to the lien filer.

(2) The lien claimant shall include proof of payment of the filing fee or lien activation fee with the declaration of readiness to proceed.

(3) The lien activation fee shall be collected by the administrative director. All fees shall be deposited in the Workers' Compensation Administration Revolving Fund and applied for the purposes of that fund. The

administrative director shall adopt reasonable rules and regulations governing the procedure for the collection of the lien activation fee and to implement this section, including emergency regulations, as necessary.

(4) All lien claimants that did not file the declaration of readiness to proceed and that remain a lien claimant of record at the time of a lien conference shall submit proof of payment of the activation fee at the lien conference. If the fee has not been paid or no proof of payment is available, the lien shall be dismissed with prejudice.

(5) Any lien filed pursuant to subdivision (b) of Section 4903 prior to January 1, 2013, and any cost that was filed as a lien prior to January 1, 2013, for which the filing fee or lien activation fee has not been paid by January 1, 2014, is dismissed by operation of law.

(b) This section shall not apply to any lien filed by a health care service plan licensed pursuant to Section 1349 of the Health and Safety Code, a group disability insurer under a policy issued in this state pursuant to the provisions of Section 10270.5 of the Insurance Code, a self-insured employee welfare benefit plan, as defined in Section 10121 of the Insurance Code, that is issued in this state, a Taft-Hartley health and welfare fund, or a publicly funded program providing medical benefits on a nonindustrial basis.

SEC. 65. *Section 4903.07 is added to the Labor Code, to read:*

4903.07. *(a) A lien claimant shall be entitled to an order or award for reimbursement of a lien filing fee or lien activation fee, together with interest at the rate allowed on civil judgments, only if all of the following conditions are satisfied:*

(1) Not less than 30 days before filing the lien for which the filing fee was paid or filing the declaration of readiness for which the lien activation fee was paid, the lien claimant has made written demand for settlement of the lien claim for a clearly stated sum which shall be inclusive of all claims of debt, interest, penalty, or other claims potentially recoverable on the lien.

(2) The defendant fails to accept the settlement demand in writing within 20 days of receipt of the demand for settlement, or within any additional time as may be provide by the written demand.

(3) After submission of the lien dispute to the appeals board or an arbitrator, a final award is made in favor of the lien claimant of a specified sum that is equal to or greater than the amount of the settlement demand. The amount of the interest and filing fee or lien activation fee shall not be considered in determining whether the award is equal to or greater than the demand.

(b) This section shall not preclude an order or award of reimbursement of the filing fee or activation fee pursuant to the express terms of an agreed disposition of a lien dispute.

SEC. 66. Vhfwlrq#7<3614#ri#wkh#Oderu#Frgh#lv#dphqghg#wr#uhdg=

4903.1. +d,#Wkh#dsshdov#~~erdug/#duelwudwru/#ru#vhwwohphqw#frqihuhqfh#uhihuhh,/#~~ *board or arbitrator,* #ehiruh#lvvxlqj#dq#dzdug#ru#dssurydo#ri#dq|#frpsurplvh#ri#fodlp /#vkdoo#ghwhuplqh/#rq#wkh#edvlv#ri#olhqv#ilohg#z lwk#lw#sxuvxdqw#wr# ~~vxeglylvlrq#+e,#ru#+f,#~~ *Section 4903.05,* #z khwkhu#dq|#ehqhilw#kdyh#ehhq#sdlg#ru#vhuylfhv#surylghg#e|#d#khdowk# fduh#surylghu/#d#khdowk#fduh#vhuylfh#sodq/#d#jurxs#glvdelolw|#sodq/|#lqfoxglqj#d#orvv#ri#lqfrp h~~srolf|/#~~ *policy or* #d# vhoi0lqvxuhg#hp sor|hh#z hoiduh#ehqhilw#sodq/~~#ru#d#krvslwdo#vhuylfh#frqwudfw/#~~dqg#lw#dz dug#ru#dssurydo#vkdoo# surylgh#iru#uhlp exuvhp hqw#iru#ehqhilw#sdlg#ru#vhuylfhv#surylghg#xqghu#wkhvh#sodqv#dv#iroorz v=

+4,#~~Z khq#~~ *If* #~~wkh#uhihuhh#~~ *appeals board* #lvvxhv#dq#dzdug#lqglqj#wkdw#dq#lqmxu|#ru#loqhvv#dulvhv#rxw#ri#dqg#lq#wkh# frxuvh#ri#hp sor|p hqw/#exw#ghqlhv#wkh#dssolfdqw#uhlp exuvhp hqw#iru#vhoi0surfxuhg#p hglfdo#frvw#vroho|#ehfdxvh# ri#dlfn#ri#qrwlfh#wr#wkh#dssolfdqwÑ#p hp sor|hu#ri#lv#qhhg#iru#krvslwdo/#vxujlfdo/#ru#p hglfdo#fduh/#wkh#dsshdov#erdug# vkdoo#qhyhuwkhohvv#dz dug#d#olhq#djdlqvw#wkh#p hp sor|hhÑ#uhfryhu|/#wr#wkh#h{whqw#ri#ehqhilw#sdlg#ru#vhuylfhv# surylghg/#iru#wkh#hiihfw#ri#wkh#lqgxvwuldo#lqmxu|#ru#loqhvv/#e|#d#khdowk#fduh#surylghu/#d#khdowk#fduh#vhuylfh#sodq/# d#jurxs#glvdelolw|#~~srolf|/#~~ *policy or* #d#vhoi0lqvxuhg#hp sor|hh#z hoiduh#ehqhilw#sodq/#~~ru#d#krvslwdo#vhuylfh# frqwudfw,~~ *subject to the provisions described in subdivision (b).*

+5,#~~Z khq#~~ *If* #~~wkh#uhihuhh#~~ *appeals board* #lvvxhv#dq#dzdug#lqglqj#wkdw#dq#lqmxu|#ru#loqhvv#dulvhv#rxw#ri#dqg#lq#wkh# frxuvh#ri#hp sor|p hqw/#dqg#p dnhv#dq#dz dug#iru#uhlp exuvhp hqw#iru#vhoi0surfxuhg#p hglfdo#frvw/#wkh#dsshdov# erdug#vkdoo#doorz #d#olhq/#wr#wkh#h{whqw#ri#ehqhilw#sdlg#ru#vhuylfh#surylghg/#iru#wkh#hiihfw#ri#wkh#lqgxvwuldo#lqmxu|## ru#loqhvv/#e|#d#khdowk#fduh#surylghu/#d#khdowk#fduh#vhuylfh#sodq/#d#jurxs#glvdelolw|#~~srolf|/#~~ *policy or* #d#vhoi0 lqvxuhg#hp sor|hh#z hoiduh#ehqhilw#sodq/#~~ru#d#krvslwdo#vhuylfh#frqwudfw,~~ *subject to the provisions of subdivision (b).* #Iru#sxusrvhv#ri#wklv#sdudjudsk/#ehqhilw#sdlg#ru#vhuylfhv#surylghg#e|#d#vhoi0lqvxuhg#hp sor|hh#z hoiduh#

ehqhilw#sodq#vkdoo#eh#ghwhuplqhg#qrwzlwkvwdqglqj#wkh#riilfldo#phglfdo#ihh#vfkhgxoh#dgrswhg#sxuvxdqw#wr#Vhfwlrq# 863:141

+6,#~~Z khq~~ *If*##wkh#~~duhuhhh~~ *appeals board* #lvvxhv#dq#dzdug#ilqglqj#wkdw#dq#lqmxu|#ru#loqhvv#dulvhv#rxw#ri#dqg#lq#wkh# frxuvh#ri#hps or|p hqw#dqg#p dnhv#dq#dzdug#iru#whp srudu|#glvdelolw|#lqghp qlw|/#wkh#dsshdov#erdug#vkdoo#doorz#d# olhq#dv#dylqj#h{shqvh#xqghu#Vhfwlrq#7<36/#iru#ehqhilw#sdlg#e|#d#jurxs#glvdelolw|#srolf|#surylglqj#orvv#ri#wlp h# ehqhilwv1#~~Vxfk~~ *The*##olhq#vkdoo#eh#doorzhg#wr#wkh#h{whqw#wkdw#ehqhilw#kdyh#ehhq#sdlg#iru#wkh#vdp h#gd|#ru#gd|v#iru# zklfk#whp srudu|#glvdelolw|#lqghp qlw|#lv#dzdughg#dqg#vkdoo#qrw#h{fhhg#wkh#dzdug#iru#whp srudu|#glvdelolw|#lqghp qlw|1#~~Qr~~ *A*##olhq#vkdoo#*not*#eh#doorzhg#khuhxqghu#xqohvv#wkh#jurxs#glvdelolw|#srolf|#surylghv#iru#uhgxfwlrq/# h{foxvlrq/#ru#frruglqdwlrq#ri#orvv#ri#wlp h#ehqhilwv#rq#dffrxqw#ri#zrunhuv\u{l̃}frp shqvdwlrq#ehqhilwv1

+7,#~~Z khq~~ *If*##wkh#sduwlhv#sursrvh#wkdw#wkh#fdvh#eh#glvsrvhg#ri#e|#zd|#ri#d#frp surp lvh#dqg#uhohdvh#djuhhp hqw/# lq#wkh#hyhqw#wkh#olhq#fodlp dqw#rwkhu#wkdq#d#khdowk#fduh#surylghu/#grhv#qrw#djuhh#wr#wkh#dp rxqw#doorfdwhg#wr#lw/# wkhq#wkh#~~duhuhhh~~ *appeals board* #vkdoo#ghwhup lqh#wkh#srwhqwldo#uhfryhu|#dqg#uhgxfh#wkh#dp rxqw#ri#wkh#olhq#lq#wkh# udwlr#ri#wkh#dssolfdqw\u{ñ}#uhfryhu|#wr#wkh#srwhqwldo#uhfryhu|#lq#ixoo#vdwlvidfwlrq#ri#lwv#olhq#fodlp 1

+e,#~~Z khq#d#frp surp lvh#ri#fodlp #ru#dq#dzdug#lv#vxep lwwhg#wr#wkh#dsshdov#erdug/#duelwudwru/#ru#vhwwohp hqw# frqihuhqfh#uhihuhh# iru#dssurydo/#wkh#sduwlhv#vkdoo#ilh#zlwk#wkh#dsshdov#erdug/#duelwudwru/#ru#vhwwohp hqw# frqihuhqfh#uhihuhh#dq|#olhqv#vhuyhg#rq#wkh#sduwlhv1~~ *Notwithstanding subdivision (a), payment or reimbursement shall not be allowed, whether payable by the employer or payable as a lien against the employee's recovery, for any expense incurred as provided by Article 2 (commencing with Section 4600) of Chapter 2 of Part 2, nor shall the employee have any liability for the expense, if at the time the expense was incurred the provider either knew or in the exercise of reasonable diligence should have known that the condition being treated was caused by the employee's present or prior employment, unless at the time the expense was incurred at least one of the following conditions was met:*

+f, *(1)* ~~Dq|#olhq#fodlp dqw#xqghu#Vhfwlrq#7<36#ru#wklv#vhfwlrq#vkdoo#ilh#lw#lq#wkh#z lwk#wkh#dsshdov#erdug#lq#z ulwlqj# xsrq#d#irup #dssuryhg#e|#wkh#dsshdov#erdug1#Wkh#olhq#vkdoo#eh#dffrp sdqhg#e|#d#ixoo#vwdwhp hqw#ru#lwhp l}hg# yrxfkhu#vxssruwlqj#wkh#olhq#dqg#mxvwl
|lqj#wkh#uljkw#wr#uhp exuvhp hqw#dqg#surri#ri#vhuylfh#xsrq#wkh#lqmxuhg# z runhu/#ru#li#ghfhdvhg/#xsrq#wkh#z runhuÑ#ghshqghqw/#wkh#p sor|hu/#wkh#lqvxuhu#dqg#wkh#hvshfwlyh#dwwruqh|v# ru#rwkhu#djhqw#ri#hfrug1~~ *The expense was incurred for services authorized by the employer.*

+g, *(2)*##Wkh#~~dsshdov#erdug#vkdoo#ilh#dohqv#uhtxluhg#e|#vxeglylvlrq#+f,#p p hgldwho|#xsrq#uhfhlsw1Qxp ehuv#vkdoo# eh#dvvljqhg#sxuvxdqw#wr~~ *expense was incurred for services furnished while the employer failed or refused to furnish treatment as required by*##vxeglylvlrq#+f,#ri#Vhfwlrq#~~08331~~ *5402*.

(3) The expense was necessarily incurred for an emergency medical condition, as defined by subdivision (b) of Section 1317.1 of the Health and Safety Code.

~~h,~~ *(c)*##Wkh#fkdqjhv#p dgh#wr#wklv#vhfwlrq#e|#Vhqdwh#Elo#78:#ri#wkh#5344µ45#Uhjxodu#Vhvvlrq#gr#qrw#p rgli|#lq# dq|#z d|#wkh#uljkw#ru#reojdwlrqv#ri#wkh#irooz lqj=

+4,#Dq|#khdowk#fduh#surylghu#wr#ilh#dqg#survhfxwh#d#olhq#sxuvxdqw#wr#vxeglylvlrq#+e,#ri#Vhfwlrq#7<361

+5,#D#~~sd|ru~~ *payer*##wr#frqgxfw#xwlol}dwlrq#uhylhz #sxuvxdqw#wr#Vhfwlrq#79431

+6,#Dq|#sduw|#lq#frp so|lqj#z lwk#wkh#uhtxluhp hqw#xqghu#Vhfwlrq#7<361

SEC. 66.5.#Vhfwlrq#7<3614#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4903.1. +d,#Wkh#dsshdov#~~erdug/#duelwudwru/#ru#vhwwohp hqw#frqihuhqfh#uhihuhh/#~~ *board or arbitrator,* #ehiruh#lvvxlqj# dq#dzdug#ru#dssurydo#ri#dq|#frp surp lvh#ri#fodlp /#vkdoo#ghwhup lqh/#rq#wkh#edvlv#ri#olhqv#ilohg#z lwk#lw#sxuvxdqw#wr# ~~vxeglylvlrq#+e,#ru#+f,#~~ *Section 4903.05,* #z khwkhu#dq|#ehqhilw#kdyh#ehhq#sdlg#ru#vhuylfhv#surylghg#e|#d#khdowk# fduh#surylghu/#d#khdowk#fduh#vhuylfh#sodq/#d#jurxs#glvdelolw|#srolf|/#lqfoxglqj#d#~~orvv#ri#lqfrp h#srolf|/#~~ *loss-of-income policy or* #d#vhoi0lqvxuhg#p sor|hh#z hoiduh#ehqhilw#sodq/#~~ru#d#krvslwdo#vhuylfh#frqwudfw/~~#dqg#lw#dzdug#ru# dssurydo#vkdoo#surylgh#iru#uhlp exuvhp hqw#iru#ehqhilw#sdlg#ru#vhuylfhv#surylghg#xqghu#wkhvh#sodqv#dv#irooz v=

+4,#~~Z khq#wkh#uhihuhh#~~ *If the appeals board* #lvvxhv#dq#dzdug#ilqglqj#wkdw#dq#lqmxu|#ru#loqhvv#dulvhv#rxw#ri#dqg#lq# wkh#frxuvh#ri#hps or|p hqw/#exw#ghqlhv#wkh#dssolfdqw#uhlp exuvhp hqw#iru#vhoi0surfxuhg#p hglfdo#frvw#vrdo# ehfdxvh#ri#odfn#ri#qrwlfh#wr#wkh#dssolfdqwÑ#p sor|hu#ri#klv#*or her* #qhhg#iru#krvslwdo/#vxujlfdo/#ru#p hglfdo#fduh/# wkh#dsshdov#erdug#vkdoo#qhyhuwkhohvv#dz dug#d#olhq#djdlqvw#wkh#p sor|hhÑ#uhfryhu|/#wr#wkh#h{whqw#ri#ehqhilw# sdlg#ru#vhuylfhv#surylghg/#iru#wkh#hiihfw#ri#wkh#lqgxvwuldo#lqmxu|#ru#loqhvv/#e|#d#khdowk#fduh#surylghu/#d#khdowk# fduh#vhuylfh#sodq/#d#jurxs#glvdelolw|#~~srlf|/#~~ *policy or* #d#vhoi0lqvxuhg#p sor|hh#z hoiduh#ehqhilw#sodq/#~~ru#d#krvslwdo# vhuylfh#frqwudfw1~~ *subject to the provisions described in subdivision (b).*

(5) ~~Z khq~~ ~~Wkh~~ ~~uhihuhh~~ *If the appeals board* #lvvxhv#dq#dzdug#ilqglqj#wkdw#dq#lqmxu|#ru#loqhvv#dulvhv#rxw#ri#dqg#lq# wkh#frxuvh#ri#hpsor|phqw/#dqg#pdnhv#dq#dzdug#iru#uhlp exuvhphqw#iru#vhoi0surfxuhg#phglfdo#frvw/#wkh#dsshdov# erdug#vkdoodorz#d#dhoa/#wr#wkh#h{whqw#ri#ehqhilw#sdlg#ru#vhuylfhv#surylghg/#iru#wkh#hiihfw#ri#wkh#lqgxvwuldo#lqmxu|# ru#loqhvv/#e|#d#khdowk#fduh#surylghu/#d#khdowk#fduh#vhuylfh#sodq/#d#jurxs#glvdeolw|/#~~srof|/#~~ *policy or* #d#vhoi0 lqvxuhg#hp sor|hh#zhoiduh#ehqhilw#sodq/~~ru#d#krvslwd#vhuylfh#frqwudfw#~~ *subject to the provisions of subdivision (b).* #Iru#sxusrvhv#ri#wklv#sdudjudsk/#ehqhilw#sdlg#ru#vhuylfh#surylghg#e|#d#vhoi0lqvxuhg#hp sor|hh#zhoiduh# ehqhilw#sodq#vkdoo#eh#ghwhup lqhg#qrwzlwkvwdqglqj#wkh#riilfld#p hglfd#ihh#vfkhgxoh#dgrswhg#sxuvxdqw#wr#Vhfwlrq# 863:141

(6) ~~Z khq~~ *(A) If*##wkh#~~uhihuhh~~ *appeals board* #lvvxhv#dq#dzdug#ilqglqj#wkdw#dq#lqmxu|#ru#loqhvv#dulvhv#rxw#ri#dqg# lq#wkh#frxuvh#ri#hp sor|p hqw#dqg#p dnhv#dq#dzdug#iru#whp srudu|#glvdeolw|#lqghp qlw|/#wkh#dsshdov#erdug#vkdoo# dorz#d#dhoa#dv#dylqj#h{shqvhv#xqghu#Vhfwlrq#7<36/#iru#ehqhilw#sdlg#e|#d#jurxs#glvdeolw|#srof|#surylglqj#~~orvv#ri#~~ ~~wlp h#ehqhilwv#Vxfk#~~ *loss-of-time benefits and for loss-of-time benefits paid by a self-insured employee welfare benefit plan. The* #dhoa#vkdoe#dorz hg#wr#wkh#h{whqw#wkdw#ehqhilwv#kdyh#ehhq#sdlg#iru#wkh#vdp h#gd|#ru#gd|v#iru# zklfk#whp srudu|#glvdeolw|#lqghp qlw|#lv#dz dughg#dqg#vkdoo#qrw#h{fhhg#wkh#dz dug#iru#whp srudu|#glvdeolw|# lqghp qlw|1#~~Qr~~ *A*##dhoa#vkdoo#~~not~~ #eh#dorz hg#khuhxqghu#xqohvv#wkh#jurxs#glvdeolw|#srof|#*or self-insured employee welfare benefit plan* #surylghv#iru#uhgxfwlrq/#h{foxvlrq/#ru#frruglqdwlrq#ri#~~orvv#ri#p h#~~ *loss-of-time* #ehqhilw#rq# dffrxqw#ri#z runhuvÑ#frp shqvdwlrq#ehqhilw1

(B) For purposes of this paragraph, "self-insured employee welfare benefit plan" means any plan, fund, or program that is established or maintained by an employer or by an employee organization, or by both, to the extent that the plan, fund, or program was established or is maintained for the purpose of providing for its participants or their beneficiaries, other than through the purchase of insurance, either of the following:

(i) Medical, surgical, or hospital care or benefits.

(ii) Monetary or other benefits in the event of sickness, accident, disability, death, or unemployment.

(7) ~~Z khq~~ *If* #wkh#sduwlhv#sursrvh#wkdw#wkh#fdvh#eh#glvsrvhg#ri#e|#z d|#ri#d#frp surp lvh#dqg#uhohdvh#djuhhp hqw/# lq#wkh#hyhqw#wkh#dhoa#fodlp dqw/#rukru#wkdq#d#khdowk#fduh#surylghu/#grhv#qrw#djuhh#wr#wkh#dp rxqw#doorfdwhg#wr#lw/# wkhq#wkh#~~uhihuhh~~ *appeals board* #vkdoo#ghwhup lqh#wkh#srwhqwld#uhfryhu|#dqg#uhgxfh#wkh#dp rxqw#ri#wkh#dhoa#lq#wkh# udwlr#ri#wkh#dssolfdqwÑv#uhfryhu|#wr#wkh#srwhqwld#uhfryhu|#lq#ixoo#vdwlvidfwlrq#ri#lw#dhoa1

(e) ~~Z khq#d#frp surp lvh#ri#fodlp #ru#dq#dz dug#lv#vxem lwwhg#wr#wkh#dsshdov#erdug/#due lwudwru/#ru#vhwwohp hqw# frqihuhqfh#uhihuhh#iru#dssuryd/#wkh#sduwlhv#vkdoo#ilh#z lwk#wkh#dsshdov#erdug/#due lwudwru/#ru#vhwwohp hqw# frqihuhqfh#uhihuhh#dq|#dhqv#vhuyhg#rq#wkh#sduwlhv1~~ *Notwithstanding subdivision (a), payment or reimbursement shall not be allowed, whether payable by the employer or payable as a lien against the employee's recovery, for any expense incurred as provided by Article 2 (commencing with Section 4600) of Chapter 2 of Part 2, nor shall the employee have any liability for the expense, if at the time the expense was incurred the provider either knew or in the exercise of reasonable diligence should have known that the condition being treated was caused by the employee's present or prior employment, unless at the time the expense was incurred at least one of the following conditions was met:*

~~(f)~~ *(1)* ~~Dq|#dhq#fodlp dqw#xqghu#Vhfwlrq#7<36#ru#wklv#vhfwlrq#vkdoo#ilh#lw#dhq#z lwk#wkh#dsshdov#erdug#lq#z ulwlqj# xsrq#d#irup #dssuryhg#e|#wkh#dsshdov#erdug1#Wkh#dhq#vkdoo#eh#dffrp sdqlhg#e|#d#ixoo#vwdwhp hqw#ru#whp l}hg# yrxfkhu#vxssruwlqj#wkh#dhq#dqg#mxvwli|lqj#wkh#uljkw#wr#uhlp exuvhp hqw#dqg#surri#ri#vhuylfh#xsrq#wkh#lqmxuhg# z runhu/#ru#li#ghfhdvhg/#xsrq#wkh#z runhuÑv#ghshqghqwv/#wkh#p sor|hu/#wkh#lqvxuhu/#dqg#wkh#uhvshfwlyh#dwwruqh|v# ru#rwkhu#djhqw#ri#uhfrug1~~ *The expense was incurred for services authorized by the employer.*

~~(g)~~ *(2)*##Wkh#~~dsshdov#erdug#vkdoo#ilh#dhqv#uhtxluhg#e|#vxeglylvlrq#+f,#lp p hgldwho|#xsrq#uhfhlsw1#Qxp ehuv#vkdoo# eh#dvvljqhg#sxuvxdqw#wr#vxegylvlrq#+f,#ri#Vhfwlrq#00331~~ *expense was incurred for services furnished while the employer failed or refused to furnish treatment as required by subdivision (e) of Section 5402.*

(3) The expense was necessarily incurred for an emergency medical condition, as defined by subdivision (c) of Section 1317.1 of the Health and Safety Code.

~~(h)~~ *(c)*##Wkh#fkdqjhv#p dgh#wr#wklv#vhfwlrq#e|#Vhqdwh#Eloo#78:#ri#wkh#5344Ñ45#Uhjxodu#Vhvvlrq#gr#qrw#p rgli|#lq# dq|#z d|#wkh#uljkwv#ru#reojdwlrqv#ri#wkh#irorz lqj=

(4)#Dq|#khdowk#fduh#surylghu#wr#ilh#dqg#survhfxwh#d#dhq#sxuvxdqw#wr#vxeglylvlrq#+e,#ri#Vhfwlrq#7<361

(5)#D#~~sd|ru~~ *payer*##wr#frqgxfw#xwl|}dwlrq#uhylhz #sxuvxdqw#wr#Vhfwlrq#79431

(6)#Dq|#sduw|#lq#frp so|lqj#z lwk#wkh#uhtxluhp hqw#xqghu#Vhfwlrq#7<361

SEC. 67. #Vhfwlrq#7<3617#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4903.4. ~~Z khq~~ *(a) If* ##d#glvsxwh#dulvhv#frqfhuqlqj#d#dlhq#iru#h{shqvhv#lqfxuuhg#e|#ru#rq#ehkdoi#ri#wkh#lqmxuhg# hp sor|hh#dv#surylghg#e|#Duwlfdn#5#+frp p hqflqj#zlwk#Vhfwlrq#7<33,#ri#Fkdswhu#5#ri#Sduw#5/#wkh#dsshdov#erdug# p d|#uhvroyh#wkh#glvsxwh#lq#d#vhsdudwh#surfhhglqj/#zklfk#p d|#lqfoxgh#elqglqj#duelwudwlrq#xsrq#djuhhp hqw#ri#wkh# hp sor|hu/#dlhq#fodlp dqw/#dqg#wkh#hp sor|hh/#li#wkh#hp sor|hh#uhp dlqv#d#sduw|#wr#wkh#glvsxwh/#dffruglqj#wr#wkh# uxdnv#ri#sudfwlfh#dqg#surfhgxuh1

(b) If the dispute is heard at a separate proceeding it shall be calendared for hearing or hearings as determined by the appeals board based upon the resources available to the appeals board and other considerations as the appeals board deems appropriate and shall not be subject to Section 5501.

SEC. 68. #Vhfwlrq#7<3618#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4903.5. +d,#~~Qr~~ *A* ##dlhq#fodlp #iru#h{shqvhv#dv#surylghg#lq#vxeglylvlrq#+e,#ri#Vhfwlrq#7<36#~~p d|#~~ *shall not* #eh#ildng# diwhu#~~vl{#p rqwkv#iurp #wkh#gdwh#rq#zklfk#wkh#dsshdov#erdug#ru#dz runhuv}~~#~~frp shqvdwlrq#dgp lqlvwudwlyh#odz #mxgjh#~~ ~~lvvxhv#d#ilqdo#ghflvlrq/#ilqglqjv/#rughu/#lqfoxglqj#dq#rughu#dssurylqj#frp srp lvh#dqg#uhdndvh/#ru#dz dug/#rq#wkh#~~ ~~p hulw#ri#wkh#fodlp /#diwhu#ilyh#~~ *three* #|hduv#iurp #wkh#gdwh#~~ri#wkh#lqmxu|#iru#zklfk#wkh#~~ *the* #vhuylfhv#z huh# surylghg/#~~ru#diwhu#rqh#|hdu#iurp #~~ *nor more than 18 months after* #wkh#gdwh#wkh#vhuylfhv#z huh#surylghg/# ~~zklfkhyhu#lv#odwhu1~~ *if the services were provided on or after July 1, 2013.*

+e,#Qr wlwkvwdqglqj#vxeglylvlrq#+d,/#dq|#khdowk#fduh#~~surylghu/#khdowk#fduh#vhuylfh#sodq/#jurxs#glvdelolw|#lqvxuhu/#~~ ~~hp sor|hh#ehqhilw#sodq/#ru#rwkhu#hqwlw|#~~ *service plan licensed pursuant to Section 1349 of the Health and Safety Code, group disability insurer under a policy issued in this state pursuant to the provisions of Section 10270.5 of the Insurance Code, self-insured employee welfare benefit plan issued in this state as defined in Section 10121 of the Insurance Code, Taft-Hartley health and welfare fund, or publicly funded program* #surylglqj# p hglfdo#ehqhilwv#rq#d#qrqlqgxvwuldo#edvlv/#p d|#ildn#d#dlhq#fodlp #iru#h{shqvhv#dv#surylghg#lq#vxeglylvlrq#+e,#ri# Vhfwlrq#7<36#z lwklq#~~vl{ 12~~ #p rqwkv#diwhu#wkh#~~shuvrq#ru#hqwlw|#iluvw#kdv#nqrz dngjh#~~ *entity first knew or in the exercise of reasonable diligence should have known* #wkdw#dq#lqgxvwuldo#lqmxu|#lv#ehlqj#~~fodlp hg~~ *claimed, but in no event later than five years from the date the services were provided to the employee.*

+f,#Wkh#lqmxuhg#z runhu#vkdoo#qrw#eh#oldedn#iru#dq|#xqghuo|lqj#reoljdwlrq#li#d#dlhq#fodlp #kdv#qrw#ehhq#ildng#dqg# vhuyhg#z lwklq#wkh#dooz deon#shulrg1#H{fhsw#z khq#wkh#dlhq#fodlp dqw#lv#wkh#dssolfdqw#dv#surylghg#lq#Vhfwlrq#~~8834/#~~ *5501 or as otherwise permitted by rules of practice and procedure adopted by the appeals board,* #d#dlhq# fodlp dqw#vkdoo#qrw#ildn#d#ghfodudwlrq#ri#uhdglqhvv#wr#surfhhg#lq#dq|#fdvh#xqwld#wkh#fdvh0lq0fklhi#kdv#ehhq# uhvroyhg1

+g,#Wklv#vhfwlrq#vkdoo#qrw#dssо|#wr#flyld#dfwlrqv#eurxjkw#xqghu#wkh#Fduwzuljkw#Dfw#+Fkdswhu#5#+frp p hqflqj#z lwk# Vhfwlrq#49:33,#ri#Sduw#5#ri#Glylvlrq#:#ri#wkh#Exvlqhvv#dqg#Surihvvlrqv#Frgh,/#wkh#Xqidlu#Sudfwlfhv#Dfw#+Fkdswhu#7# +frp p hqflqj#z lwk#Vhfwlrq#4:333,#ri#Sduw#5#ri#Glylvlrq#:#ri#wkh#Exvlqhvv#dqg#Surihvvlrqv#Frgh,/#ru#wkh#ihghudo# Udfnhwhhu#Lqioxhqfhg#dqg#Fruuxsw#Rujdql}dwlrqv#Dfw#+Fkdswhu#<9#+frp p hqflqj#z lwk#Vhfwlrq#4<94,#ri#Wlwdn#4;#ri# wkh#Xqlwhg#Vwdwhv#Frgh,#edvhg#rq#frqfhuwhg#dfwlrq#z lwk#rwkhu#lqvxuhuv#wkdw#duh#qrw#sduwlhv#wr#wkh#fdvh#lq#z klfk# wkh#dlhq#ru#fodlp #lv#ildng1

SEC. 69. #Vhfwlrq#7<3619#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4903.6. +d,#H{fhsw#dv#qhfhvvdu|#wr#p hhw#wkh#uhtxluhp hqwv#ri#Vhfwlrq#7<3618/#~~qr~~ *a* ##dlhq#fodlp #ru#dssolfdwlrq#iru# dgmxglfdwlrq#vkdoo#~~not~~ *be* #ildng#~~or served~~ #xqghu#vxeglylvlrq#+e,#ri#Vhfwlrq#7<36#xqwld#~~wkh#h{sludwlrq#ri#rqh#ri#wkh#~~ ~~iroоz lqj=~~ *both of the following have occurred:*

+4,#Vl{w|#gd|v#~~have elapsed~~ #diwhu#wkh#gdwh#ri#dffhswdqfh#ru#uhmhfwlrq#ri#oldelolw|#iru#wkh#fodlp /#ru#h{sludwlrq#ri# wkh#wlp h#surylghg#iru#lqyhvwljdwlrq#ri#oldelolw|#sxuvxdqw#wr#vxeglylvlrq#+e,#ri#Vhfwlrq#8735/#z klfkhyhu#gdwh#lv# hduolhu1

(2) Either of the following:

~~+5,~~ *(A)* ##Wkh#wlp h#surylghg#iru#sd|p hqw#ri#p hglfdo#wuhdwp hqw#eloov#sxuvxdqw#wr#Vhfwlrq#~~7936151~~ *4603.2 has expired and, if the employer objected to the amount of the bill, the reasonable fee has been determined pursuant to Section 4603.6, and, if authorization for the medical treatment has been disputed pursuant to Section 4610, the medical necessity of the medical treatment has been determined pursuant to Sections 4610.5 and 4610.6.*

~~6,~~ *(B)* ##Wkh#wlp h#surylghg#iru#sd|p hqw#ri#p hglfdo0ohjdo#h{shqvhv#sxuvxdqw#wr#Vhfwlrq#~~79551~~ *4622 has expired and, if the employer objected to the amount of the bill, the reasonable fee has been determined pursuant to Section 4603.6.*

(b) All lien claimants under Section 4903 shall notify the employer and the employer's representative, if any, and the employee and his or her representative, if any, and the appeals board within five working days of obtaining, changing, or discharging representation by an attorney or nonattorney representative. The notice shall set forth the legal name, address, and telephone number of the attorney or nonattorney representative.

~~e,~~ *(c)* ~~Or~~ *A*##ghfodudwlrq#ri#uhdglqhvv#wr#surfhhg#vkdoo#*not* #eh#iolhg#iru#d#olhq#xqghu#vxeglylvlrq#+e,#ri#Vhfwlrq# 7<36#xqwlo#wkh#xqghuo|lqj#fdvh#kdv#ehhq#uhvroyhg#ru#zkhuh#wkh#dssolfdqw#fkrrvhv#qrw#wr#surfhhg#zlwk#klv#ru#khu# fdvh1

~~f,~~ *(d) With the exception of a lien for services provided by a physician as defined in Section 3209.3, no lien claimant shall be entitled to any medical information, as defined in subdivision (g) of Section 50.05 of the Civil Code, about an injured worker without prior written approval of the appeals board. Any order authorizing disclosure of medical information to a lien claimant other than a physician shall specify the information to be provided to the lien claimant and include a finding that such information is relevant to the proof of the matter for which the information is sought.* #Wkh#dsshdov#erdug#vkdoo#dorsw#uhdvrqdedoh#uhjxodwlrqv#wr#hqvxuh#frp sodqfh# zlwk#wklv#vhfwlrq/#dqg#vkdoo#wdnh#dq|#ixuwkhu#vwhsv#dv#p d|#eh#qhfhvvdu|#wr#hqirufh#wkh#uhjxodwlrqv/#lqfoxglqj/#exw# qrw#olp lwhg#wr/#lp srvlwlrq#ri#vdqfwlrqv#sxuvxdqw#wr#Vhfwlrq#8;461

~~g,~~ *(e)*##Wkh# surklelwlrq# ri# wklv# vhfwlrq# vkdoo# qrw# dsso| # wr# dohq# fodlp v/# dssolfdwlrqv# iru# dgmxglfdwlrq/# ru# ghfodudwlrqv#ri#uhdglqhvv#wr#surfhhg#iolhg#e| #ru#rq#ehkdoi#ri#wkh#hp sor|hh/#ru#wr#wkh#iolqjv#e| #ru#rq#ehkdoi#ri#wkh# hp sor|hu1

SEC. 70. *Section 4903.8 is added to the Labor Code, to read:*

4903.8. *(a) Any order or award for payment of a lien filed pursuant to subdivision (b) of Section 4903 shall be made for payment only to the person who was entitled to payment for the expenses as provided in subdivision (b) of Section 4903 at the time the expenses were incurred, and not to an assignee unless the person has ceased doing business in the capacity held at the time the expenses were incurred and has assigned all right, title, and interests in the remaining accounts receivable to the assignee.*

(b) If there has been an assignment of a lien, either as an assignment of all right, title, and interest in the accounts receivable or as an assignment for collection, a true and correct copy of the assignment shall be filed and served.

(1) If the lien is filed on or after January 1, 2013, and the assignment occurs before the filing of the lien, the copy of the assignment shall be served at the time the lien is filed.

(2) If the lien is filed on or after January 1, 2013, and the assignment occurs after the filing of the lien, the copy of the assignment shall be served within 20 days of the date of the assignment.

(3) If the lien is filed before January 1, 2013, the copy of the assignment shall be served by January 1, 2014, or with the filing of a declaration of readiness or at the time of a lien hearing, whichever is earliest.

(c) If there has been more than one assignment of the same receivable or bill, the appeals board may set the matter for hearing on whether the multiple assignments constitute bad-faith actions or tactics that are frivolous, harassing, or intended to cause unnecessary delay or expense. If so found by the appeals board, appropriate sanctions, including costs and attorney's fees, may be awarded against the assignor, assignee, and their respective attorneys.

(d) At the time of filing of a lien on or after January 1, 2013, or in the case of a lien filed before January 1, 2013, at the earliest of the filing of a declaration of readiness, a lien hearing, or January 1, 2014, supporting documentation shall be filed including one or more declarations under penalty of perjury by a natural person or persons competent to testify to the facts stated, declaring both of the following:

(1) The services or products described in the bill for services or products were actually provided to the injured employee.

(2) The billing statement attached to the lien truly and accurately describes the services or products that were provided to the injured employee.

(e) A lien submitted for filing on or after January 1, 2013, for expenses provided in subdivision (b) of Section 4903, that does not comply with the requirements of this section shall be deemed to be invalid, whether or not accepted for filing by the appeals board, and shall not operate to preserve or extend any time limit for filing of the lien.

(f) This section shall take effect without regulatory action. The appeals board and the administrative director may promulgate regulations and forms for the implementation of this section.

SEC. 71. #Vhfwlrq#7<37#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4904. +d,#Li#qrwlfh#lv#jlyhq#lq#zulwlqj#wr#wkh#lqvxuhu/#ru#wr#wkh#hp sor|hu#li#xqlqvxuhg/#vhwwlqj#iruwk#wkh#qdwxuh#dqg# h{whqw#ri#dq|#fodlp #wkdw#lv#doorzdeoh#dv#d#~dhq,/#wkh# *lien in favor of the Employment Development Department, the* #fodlp #lv#d#dhq#djdlqvw#dq|#dp rxw#wkhuhdiwhu#sd|deoh#dv#*temporary or permanent disability* #frp shqvdwlrq,/# vxemhfw#wr#wkh#ghwhup lqdwlrq#ri#wkh#dp rxw#dqg#dssurydo#ri#wkh#dhq#e|#wkh#dsshdov#erdug1#Z khq#wkh# Hp sor|p hqw#Ghyhorsp hqw#Ghsduw hqw#kdv#vhuyhg#dq#lqvxuhu#ru#hp sor|hu#zlwk#d#dhq#fodlp /#wkh#lqvxuhu#ru# hp sor|hu#vkdoo#qrwli|#wkh#Hp sor|p hqw#Ghyhorsp hqw#Ghsduw hqw/#lq#zulwlqj/#dv#vrrq#dv#srvvleoh/#exw#lq#qr#hyhqw# odwhu#wkdq#48#z runlqj#gd|v#diwhu#frp p hqflqj#glvdelolw|#lqghp qlw|#sd|p hqw1#Z khq#d#dhq#kdv#ehhq#vhuyhg#rq# dq#lqvxuhu#ru#dq#hp sor|hu#e|#wkh#Hp sor|p hqw#Ghyhorsp hqw#Ghsduw hqw/#wkh#lqvxuhu#ru#hp sor|hu#vkdoo#qrwli|# wkh#Hp sor|p hqw#Ghyhorsp hqw#Ghsduw hqw/#lq#zulwlqj/#z lwklq#43#z runlqj#gd|v#ri#iloqj#dq#dssolfdwlrq#iru# dgmxglfdwlrq/#dv#vwlsxodwhg#dz dug/#ru#d#frp surp lvh#dqg#uhohdvh#z lwk#wkh#dsshdov#erdug1

+e,#+4,#Lq#ghwhup lqlqj#wkh#dp rxw#ri#dhq#wr#eh#doorz hg#iru#xqhp sor|p hqw#frp shqvdwlrq#glvdelolw|#ehqhilwv# xqghu#vxeglylvlrq#+i,#ri#Vhfwlrq#7<36/#wkh#dsshdov#erdug#vkdoo#doorz #wkh#dhq#lq#wkh#dp rxw#ri#ehqhilwv#z klfk#lw# ilqgv#z huh#sdlg#iru#wkh#vdp h#gd|#ru#gd|v#ri#glvdelolw|#iru#z klfk#dq#dz dug#ri#frp shqvdwlrq#iru#dq|#shup dqhqw# glvdelolw|#lqghp qlw|#uhvxowlqj#vroho|#iurp #wkh#vdp h#lqmxu|#ru#looqhvv#ru#whp srudu|#glvdelolw|#lqghp qlw|,/#ru#erwk/#lv# p dgh#dqg#iru#z klfk#wkh#hp sor|hu#kdv#qrw#uhm exuvhg#wkh#Hp sor|p hqw#Ghyhorsp hqw#Ghsduwp hqw#sxuvxdqw#wr# Vhfwlrq#595<14#ri#wkh#Xqhp sor|p hqw#Lqvxudqfh#Frgh1

+5,#Lq#ghwhup lqlqj#wkh#dp rxw#ri#dhq#wr#eh#doorz hg#iru#xqhp sor|p hqw#frp shqvdwlrq#ehqhilwv#dqg#h{whqghg# gxudwlrq#ehqhilwv#xqghu#vxeglylvlrq#+j,#ri#Vhfwlrq#7<36/#wkh#dsshdov#erdug#vkdoo#doorz #wkh#dhq#lq#wkh#dp rxw#ri# ehqhilwv#z klfk#lw#ilqgv#z huh#sdlg#iru#wkh#vdp h#gd|#ru#gd|v#iru#z klfk#dq#dz dug#ri#frp shqvdwlrq#iru#whp srudu|# wrwdo#glvdelolw|#lv#p dgh1

+6,#Lq#ghwhup lqlqj#wkh#dp rxw#ri#dhq#wr#eh#doorz hg#iru#idp lo|#whp srudu|#glvdelolw|#lqvxudqfh#ehqhilwv#xqghu# vxeglylvlrq#+k,#ri#Vhfwlrq#7<36/#wkh#dsshdov#erdug#vkdoo#doorz #wkh#dhq#lq#wkh#dp rxw#ri#ehqhilwv#wkdw#lw#ilqgv# z huh#sdlg#iru#wkh#vdp h#gd|#ru#gd|v#iru#z klfk#dq#dz dug#ri#frp shqvdwlrq#iru#whp srudu|#wrwdo#glvdelolw|#lv#p dgh# dqg#iru#z klfk#wkh#hp sor|hu#kdv#qrw#uhm exuvhg#wkh#Hp sor|p hqw#Ghyhorsp hqw#Ghsduwp hqw#sxuvxdqw#wr#Vhfwlrq# 595<14#ri#wkh#Xqhp sor|p hqw#Lqvxudqfh#Frgh1

+f,#Lq#wkh#fdvh#ri#djuhhp hqw#iru#wkh#frp surp lvh#dqg#uhohdvh#ri#d#glvsxwhg#fodlp #iru#frp shqvdwlrq/#wkh# dssolfdqw#dqg#ghihqgdqw#p d|#sursrvh#wr#wkh#dsshdov#erdug/#dv#sduw#ri#wkh#frp surp lvh#dqg#uhohdvh#djuhhp hqw/# dq#dp rxw#rxw#ri#wkh#vhwwohp hqw#wr#eh#sdlg#wr#dq|#dhq#fodlp dqw#fodlp lqj#xqghu#vxeglylvlrq#+i,/#+j,/#ru#+k,#ri# Vhfwlrq#7<361Li#wkh#dhq#fodlp dqw#remhfw#wr#wkh#dp rxw#sursrvhg#iru#sd|p hqw#ri#lw#dhq#xqghu#d#frp surp lvh# dqg#uhohdvh#vhwwohp hqw#ru#vwlsxodwlrq/#wkh#dsshdov#erdug#vkdoo#ghwhup lqh#wkh#h{whqw#ri#wkh#dhq#fodlp dqw|v# hqwlwohp hqw#wr#uhm exuvhp hqw#rq#lw#dhq#dqg#p dnh#dqg# file#ilqglqjv#rq#doo#idfw#lqyroyhg#lq#wkh#frqwuryhuv|#ryhu# wklv#lvvxh#lq#dffrugdqfh#z lwk#Vhfwlrq#85461#Wkh#dsshdov#erdug#p d|#dssuryh#d#frp surp lvh#dqg#uhohdvh# djuhhp hqw#ru#vwlsxodwlrq#z klfk#sursrvhv#wkh#glvdoorz dqfh#ri#d#dhq/#lq#z kroh#ru#lq#sduw/#rqo|#z khuh#wkhuh#lv# surri#ri#vhuylfh#xsrq#wkh#dhq#fodlp dqw#e|#wkh#ghihqgdqw/#qrw#dhvv#wkdq#48#gd|v#sulru#wr#wkh#dsshdov#erdug# dfwlrq/#ri#doo#p hglfdo#dqg#uhkdelolwdwlrq#grfxp hqw#dqg#d#frs|#ri#wkh#sursrvhg#frp surp lvh#dqg#uhohdvh# djuhhp hqw#ru#vwlsxodwlrq1Wkh#ghwhup lqdwlrq#ri#wkh#dsshdov#erdug/#vxemhfw#wr#shwlwlrq#iru#uhfrqvlghudwlrq#dqg#wr# wkh#uljkw#ri#mxglfldo#uhylhz /#dv#wr#wkh#dp rxw#ri#dhq#doorz hg#xqghu#vxeglylvlrq#+i,/#+j,/#ru#+k,#ri#Vhfwlrq#7<36/# z khwkhu#lq#frqqhfwlrq#z lwk#dq#dz dug#ri#frp shqvdwlrq#ru#wkh#dssurydo#ri#d#frp surp lvh#dqg#uhohdvh#djuhhp hqw/# vkdoo#eh#elqglqj#rq#wkh#dhq#fodlp dqw/#wkh#dssolfdqw#dqg#wkh#ghihqgdqw/#lqvridu#dv#wkh#uljkw#wr#ehqhilw#sdlg# xqghu#wkh#Xqhp sor|p hqw#Lqvxudqfh#Frgh#iru#z klfk#wkh#dhq#z dv#fodlp hg1Wkh#dsshdov#erdug#p d|#rughu#wkh# dp rxw#ri#dq|#dhq#fodlp /#dv#ghwhup lqhg#dqg#doorz hg#e|#lw/#wr#eh#sdlg#gluhfwo|#wr#wkh#shuvrq#hqwlwohg/#hlwkhu#lq#d# oxp s#vxp #ru#lq#lqvwdoop hqw1

+g,#Z khuh#xqhp sor|p hqw#frp shqvdwlrq#glvdelolw|#ehqhilw/#lqfoxglqj#idp lo|#whp srudu|#glvdelolw|#lqvxudqfh# ehqhilw/#kdyh#ehhq#sdlg#sxuvxdqw#wr#wkh#Xqhp sor|p hqw#Lqvxudqfh#Frgh#z kloh#uhfrqvlghudwlrq#ri#dq|#rughu/# ghflvlrq/#ru#dz dug#lv#shqglqj#ru#kdv#ehhq#judqwhg/#wkh#dsshdov#erdug#vkdoo#ghwhup lqh#dqg#doorz #d#ilqdo#dp rxw# rq#wkh#dhq#dv#ri#wkh#gdwh#wkh#erdug#lv#uhdg|#wr#lvvxh#lw#ghflvlrq#ghq|lqj#d#shwlwlrq#iru#uhfrqvlghudwlrq#ru# diilup lqj/#uhvflqglqj/#dowhulqj#ru#dp hqglqj#wkh#rujlqdo#ilqglqjv/#rughu/#ghflvlrq/#ru#dz dug1

+h,#Wkh#dsshdov#erdug#~~p d~~ *shall*##qrw#eh#surklelwhg#iurp #dssurylqj#d#frp surp lvh#dqg#uhohdvh#djuhhp hqw#rq#doo# rwkhu#lvvxhv#dqg#ghihuulqj#wr#vxevhtxhqw#surfhhglqjv#wkh#ghwhup lqdwlrq#ri#d#dlhq#fodlp dqw $\tilde{N}$v#hqwlwdhp hqw#wr# uhlp exuvhp hqw#li#wkh#ghihqgdqw#lq#dq|#ri#wkhvh#surfhhglqjv#djuhhv#wr#sd|#wkh#dp rxqw#vxevhtxhqwo|#ghwhup lqhg# wr#eh#gxh#xqghu#wkh#dlhq#fodlp 1

(f) The amendments made to this section by the act adding this subdivision are declaratory of existing law, and shall not constitute good cause to reopen, rescind, or amend any final order, decision, or award of the appeals board.

SEC. 72.#Vhfwlrq#7<38#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4905. ~~Z khuh#~~ *Except with regard to liens as permitted by subdivision (b) of Section 4903, if* #lw#dsshduv#lq#dq|# surfhhglqj#shqglqj#ehiruh#wkh#dsshdov#erdug#wkdw#d#dlhq#vkrxog#eh#doozhg#li#lw#kdg#ehhq#gxo|#uhtxhvwhg#e|#wkh# sduw|#hqwlwohg#wkhuhwr/#wkh#dsshdov#erdug#p d|/#zlwkrxw#dq|#uhtxhvw#iru#vxfk#dlhq#kdylqj#ehhq#p dgh/#rughu#wkh# sd|p hqw#ri#wkh#fodlp #wr#eh#p dgh#gluhfwo|#wr#wkh#shuvrq#hqwlwohg/#lq#wkh#vdp h#p dqqhu#dqg#zlwk#wkh#vdp h#hiihfw# dv#wkrxjk#wkh#dlhq#kdg#ehhq#uhjxodu|#uhtxhvwhg/#dqg#wkh#dz dug#wr#vxfk#shuvrq#vkdoo#frqvwlwxwh#d#dlhq#djdlqvw# xqsdlg#frp shqvdwlrq#gxh#dw#wkh#wlp h#ri#vhuylfh#ri#wkh#dz dug1

SEC. 73.#Vhfwlrq#7<3:#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

4907. *(a)* Wkh#sulylohjh#ri#dq|#shuvrq/#~~lqfoxglqj~~ *except* dwwruqh|v#dqg lwwhg#wr#sudfwlfh#lq#wkh#Vxsuhp h#Frxuw#ri# wkh#~~vwdwh~~ *state*,##wr#dsshdu#lq#dq|#surfhhglqj#dv#d#uhsuhvhqwdwlyh#ri#dq|#sduw|#ehiruh#wkh#dsshdov#erdug/#ru#dq|#ri# lw#~~hihuhhv/#~~ *workers' compensation administrative law judges*, #p d|/#diwhu#d#khdulqj/#eh#uhp ryhg/#ghqlhg/#ru# vxvshqghg#e|#wkh#dsshdov#erdug#iru#~~d#ylrodwlrq#ri#wklv#fkdswhu#ru#iru#rwkhu#jrrg#fdxvh1~~ *either of the following:*

(1) For a violation of this chapter, the Rules of the Workers' Compensation Appeals Board, or the Rules of the Administrative Director.

(2) For other good cause, including, but not limited to, failure to pay final order of sanctions, attorney's fees, or costs issued under Section 5813.

(b) For purposes of this section, nonattorney representatives shall be held to the same professional standards of conduct as attorneys.

SEC. 74.#Vhfwlrq#863:14#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

5307.1. +d,#*(1)* Wkh#dgp lqlvwudwlyh#gluhfwru/#diwhu#sxeolf#khdulqjv/#vkdoo#dgrsw#dqg#uhylvh#shulrglfdoo|#dq#riilfldo# p hglfdo#ihh#vfkhgxoh#wkdw#vkdoo#hvwdeolvk#uhdvrqdeoh#p d{lp xp #ihhv#sdlg#iru#p hglfdo#vhuylfhv#rwkhu#wkdq# sk|vlfldq#vhuylfhv/#guxjv#dqg#skdup df|#vhuylfhv/#khdowk#fduh#idflolw|#ihhv/#krp h#khdowk#fduh/#dqg#doo#rwkhu# wuhdwp hqw/#fduh/#vhuylfhv/#dqg#jrrgv#ghvfulehg#lq#Vhfwlrq#7933#dqg#surylghg#sxuvxdqw#wr#wklv#vhfwlrq1#H{fhsw# iru#sk|vlfldq#vhuylfhv/#doo#ihhv#vkdoo#eh#lq#dffrugdqfh#zlwk#wkh#ihh0uhodwhg#vwuxfwxuh#dqg#uxohv#ri#wkh#uhohydqw# P hglfduh#dqg#P hgl0Fdo#sd|p hqw#v|vwhp v/#surylghg#wkdw#hp sor|hu#oldelolw|#iru#p hglfdo#wuhdwp hqw/#lqfoxglqj# lvvxhv#ri#uhdvrqdeohqhvv/#qhfhvvlw|/#iuhtxhqf|/#dqg#gxudwlrq/#vkdoo#eh#ghwhup lqhg#lq#dffrugdqfh#zlwk#Vhfwlrq# 79331#Frp p hqflqj#Mdqxdu|#4/#5337/#dqg#frqwlqxlqj#xqwlo#wkh#wlp h#wkh#dgp lqlvwudwlyh#gluhfwru#kdv#dgrswhg#dq# riilfldo#p hglfdo#ihh#vfkhgxoh#lq#dffrugdqfh#zlwk#wkh#ihh0uhodwhg#vwuxfwxuh#dqg#uxohv#ri#wkh#uhohydqw#P hglfduh# sd|p hqw#v|vwhp v/#h{fhsw#iru#wkh#frp srqhqw0ovwhg#lq#vxeglylvlrq#+m,/#p d{lp xp #uhdvrqdeoh#ihhv#vkdoo#eh#453# shufhqw#ri#wkh#hvwlp dwhg#djjuhjdwh#ihhv#suhvfulehg#lq#wkh#uhohydqw#P hglfduh#sd|p hqw#v|vwhp #iru#wkh#vdp h#fodvv# ri#vhuylfhv#ehiruh#dssolfdwlrq#ri#wkh#lqodwlrq#idfwruv#surylghg#lq#vxeglylvlrq#+j,/#h{fhsw#wkdw#iru#skdup df|# vhuylfhv#dqg#guxjv#wkdw#duh#qrw#rwkhuzlvh#fryhuhg#e|#d#P hglfduh#ihh#vfkhgxoh#sd|p hqw#iru#idflolw|#vhuylfhv/#wkh# p d{lp xp #uhdvrqdeoh#ihhv#vkdoo#eh#433#shufhqw#ri#ihhv#suhvfulehg#lq#wkh#uhohydqw#P hgl0Fdo#sd|p hqw#v|vwhp 1# Xsrq#dgrswlrq#e|#wkh#dgp lqlvwudwlyh#gluhfwru#ri#dq#riilfldo#p hglfdo#ihh#vfkhgxoh#sxuvxdqw#wr#wklv#vhfwlrq/#wkh# p d{lp xp #uhdvrqdeoh#ihhv#sdlg#vkdoo#qrw#h{fhhg#453#shufhqw#ri#hvwlp dwhg#djjuhjdwh#ihhv#suhvfulehg#lq#wkh# P hglfduh#sd|p hqw#v|vwhp #iru#wkh#vdp h#fodvv#ri#vhuylfhv#ehiruh#dssolfdwlrq#ri#wkh#lqodwlrq#idfwruv#surylghg#lq# vxeglylvlrq#+j,1#Skdup df|#vhuylfhv#dqg#guxjv#vkdoo#eh#vxemhfw#wr#wkh#uhtxluhp hqw#ri#wklv#vhfwlrq/#zkhwkhu# ixuqlvkhg#wkurxjk#d#skdup df|#ru#glvshqvhg#gluhfwo|#e|#wkh#sudfwlwlrqhu#sxuvxdqw#wr#vxeglylvlrq#+e,#ri#Vhfwlrq# 7357#ri#wkh#Exvlqhvv#dqg#Surihvvlrqv#Frgh1

(2) (A) The administrative director, after public hearings, shall adopt and review periodically an official medical fee schedule based on the resource-based relative value scale for physician services and nonphysician practitioner services, as defined by the administrative director, provided that all of the following apply:

(i) Employer liability for medical treatment, including issues of reasonableness, necessity, frequency, and duration, shall be determined in accordance with Section 4600.

(ii) The fee schedule is updated annually to reflect changes in procedure codes, relative weights, and the adjustment factor provided in subdivision (g).

(iii) The maximum reasonable fees paid shall not exceed 120 percent of estimated annualized aggregate fees prescribed in the Medicare payment system for physician services as it appeared on July 1, 2012, before application of the adjustment factor provided in subdivision (g). For purposes of calculating maximum reasonable fees, any service provided to injured workers that is not covered under the federal Medicare program shall be included at its rate of payment established by the administrative director pursuant to subdivision (d).

(iv) There shall be a four-year transition between the estimated aggregate maximum allowable amount under the official medical fee schedule for physician services prior to January 1, 2014, and the maximum allowable amount based on the resource-based relative value scale at 120 percent of the Medicare conversion factors as adjusted pursuant to this section.

(B) The official medical fee schedule shall include payment ground rules that differ from Medicare payment ground rules, including, as appropriate, payment of consultation codes and payment evaluation and management services provided during a global period of surgery.

(C) Commencing January 1, 2014, and continuing until the time the administrative director has adopted an official medical fee schedule in accordance with the resource-based relative value scale, the maximum reasonable fees for physician services and nonphysician practitioner services, including, but not limited to, physician assistant, nurse practitioner, and physical therapist services, shall be in accordance with the fee-related structure and rules of the Medicare payment system for physician services and nonphysician practitioner services, except that an average statewide geographic adjustment factor of 1.078 shall apply in lieu of Medicare's locality-specific geographic adjustment factors, and shall incorporate the following conversion factors:

(i) For dates of service in 2014, forty-nine dollars and five thousand three hundred thirteen ten thousandths cents ($49.5313) for surgery, fifty-six dollars and two thousand three hundred twenty-nine ten thousandths cents ($56.2329) for radiology, thirty dollars and six hundred forty-seven ten thousandths cents ($30.0647) for anesthesia, and thirty-seven dollars and one thousand seven hundred twelve ten thousandths cents ($37.1712) for all other before application of the adjustment factor provided in subdivision (g).

(ii) For dates of service in 2015, forty-six dollars and six thousand three hundred fifty-nine ten thousandths cents ($46.6359) for surgery, fifty-one dollars and one thousand thirty-six ten thousandths cents ($51.1036) for radiology, twenty-eight dollars and six thousand sixty-seven ten thousandths cents ($28.6067) for anesthesia, and thirty-eight dollars and three thousand nine hundred fifty-eight ten thousandths cents ($38.3958) for all other before application of the adjustment factor provided in subdivision (g).

(iii) For dates of service in 2016, forty-three dollars and seven thousand four hundred five ten thousandths cents ($43.7405) for surgery, forty-five dollars and nine thousand seven hundred forty-four ten thousandths cents ($45.9744) for radiology, twenty-seven dollars and one thousand four hundred eighty-seven thousandths cents ($27.1487) for anesthesia, and thirty-nine dollars and six thousand two hundred five ten thousandths cents ($39.6205) for all other before application of the adjustment factor provided in subdivision (g).

(iv) For dates of service on or after January 1, 2017, 120 percent of the 2012 Medicare conversion factor as updated pursuant to subdivision (g).

+e,#Lq#rughu#wr#frp so|#zlwk#wkh#vwdqgdugv#vshflilhg#lq#vxeglylvlrq#+i,/#wkh#dgp lqlvwudwlyh#gluhfwru#p d|#dgrsw# gliihuhqw#frqyhuvlrq#idfwruv/#gldjqrvwlf0uhodwhg#jurxs#zhljkw/#dqg#rwkhu#idfwru#diihfwlqj#sd|p hqw#dp rxqw# iurp #wkrvh#xvhg#lq#wkh#P hglfduh#sd|p hqw#v|vwhp /#surylghg#hvwlp dwhg#djjuhjdwh#ihhv#gr#qrw#h{fhhg#453# shufhqw#ri#wkh#hvwlp dwhg#djjuhjdwh#ihhv#sdlg#iru#wkh#vdp h#fodvv#ri#vhuylfhv#lq#wkh#uhohydqw#P hglfduh#sd|p hqw# v|vwhp 1

+f,#*(1)* Qrwzlwkvwdqglqj#vxeglylvlrqv#+d,#dqg#+g,/#wkh#p d{lpxp #idflolw|#ihh#iru#vhuylfhv#shuirup hg#lq#lq#~~dq#~~ ~~dp exodwru|#vxujlfdd#fhqwhu/#ru#lq#~~d#krvslwdd#rxwsdwlhqw#ghsduwp hqw/#vkdoo#qrw#h{fhhg#453#shufhqw#ri#wkh#ihh#sdlg# e|#P hglfduh#iru#wkh#vdp h#vhuylfhv#shuirup hg#lq#d#krvslwdd#rxwsdwlhqw#*department, and the maximum facility fee for services performed in an ambulatory surgical center shall not exceed 80 percent of the fee paid by Medicare for the same services performed in a hospital outpatient* #ghsduwp hqw1

(2) The department shall study the feasibility of establishing a facility fee for services that are performed in an ambulatory surgical center and are not subject to a fee paid by Medicare for services performed in an outpatient department, set at 85 percent of the diagnostic-related group (DRG) fee paid by Medicare for the same services

performed in a hospital inpatient department. The department shall report the finding to the Senate Labor Committee and Assembly Insurance Committee no later than July 1, 2013.

+g,#Li#wkh#dgp lqlvwudwlyh#gluhfwru#ghwhup lqhv#wkdw#d#p hglfdo#wuhdwp hqw/#idflolw|#xvh/#surgxfw/#ru#vhuylfh#lv#qrw#
fryhuhg#e|#d#P hglfduh#sd|p hqw#v|vwhp /#wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#hvwdeolvk#p d{lp xp #ihhv#iru#wkdw#lwhp /#
surylghg#wkdw#wkh#p d{lp xp #ihh#sdlg#vkdoo#qrw#h{fhhg#453#shufhqw#ri#wkh#ihhv#sdlg#e|#P hglfduh#iru#vhuylfhv#wkdw#
uhtxluh#frp sdudeoh#uhvrxufhv1#Li#wkh#dgp lqlvwudwlyh#gluhfwru#ghwhup lqhv#wkdw#d#skdup df|#vhuylfh#ru#guxj#lv#qrw#
fryhuhg#e|#d#P hgl0Fdo#sd|p hqw#v|vwhp /#wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#hvwdeolvk#p d{lp xp #ihhv#iru#wkdw#lwhp 1#
Krz hyhu/#wkh#p d{lp xp #ihh#sdlg#vkdoo#qrw#h{fhhg#433#shufhqw#ri#wkh#ihhv#sdlg#e|#P hgl0Fdo#iru#skdup df|#
vhuylfhv#ru#guxjv#wkdw#uhtxluh#frp sdudeoh#uhvrxufhv1

+h,#+4,#Sulru#wr#wkh#dgrswlrq#e|#wkh#dgp lqlvwudwlyh#gluhfwru#ri#d#p hglfdo#ihh#vfkhgxoh#sxuvxdqw#wr#wklv#vhfwlrq/#
iru#dq|#wuhdwp hqw/#idflolw|#xvh/#surgxfw#ru#vhuylfh#qrw#fryhuhg#e|#d#P hglfduh#sd|p hqw#v|vwhp /#lqfoxglqj#
dfxsxqfwxuh#vhuylfhv/#wkh#p d{lp xp #uhdvrqdeoh#ihh#sdlg#vkdoo#qrw#h{fhhg#wkh#ihh#vshflilhg#lq#wkh#riilfldo#p hglfdo#
ihh#vfkhgxoh#lq#hiihfw#rq#Ghfhp ehu#64/#5336/#h{fhsw#dv#rwkhuz lvh#surylghg#lq#wklv#vxeglylvlrq1

+5,#Dq|#frp srqhqg#guxj#surgxfw#vkdoo#eh#eloohg#e|#wkh#frp srqglqj#skdup df|#ru#glvshqvlqj#sk|vlfldq#dw#wkh#
lqjuhglhqw#ohyho/#z lwk#hdfk#lqjuhglhqw#lghqwlilhg#xvlqj#wkh#dssolfdeoh#Qdwlrqdo#Guxj#Frgh#QGF,#ri#wkh#lqjuhglhqw#
dqg#wkh#fruuhvsrqglqj#txdqwlw|/#dqg#lq#dffrugdqfh#z lwk#uhjxodwlrqv#dgrswhg#e|#wkh#Fdoliruqld#Vwdwh#Erdug#ri#
Skdup df|1#Lqjuhglhqwv#z lwk#qr#QGF#vkdoo#qrw#eh#vhsdudwho|#uhlp exuvdeoh1#Wkh#lqjuhglhqw0ohyho#uhlp exuvh hqw#
vkdoo#eh#htxdo#wr#433#shufhqw#ri#wkh#uhlp exuvh hqw#doorz hg#e|#wkh#P hgl0Fdo#sd|p hqw#v|vwhp #dqg#sd|p hqw#vkdoo#
eh#edvhg#rq#wkh#vxp #ri#wkh#doorz dedoh#ihh#iru#hdfk#lqjuhglhqw#soxv#d#glvshqvlqj#ihh#htxdo#wr#wkh#glvshqvlqj#ihh#
doorz hg#e|#wkh#P hgl0Fdo#sd|p hqw#v|vwhp v1#Li#wkh#frp srqhqg#guxj#surgxfw#lv#glvshqvhg#e|#d#sk|vlfldq/#wkh#
p d{lp xp #uhlp exuvh hqw#vkdoo#qrw#h{fhhg#633#shufhqw#ri#grfxp hqwhg#sdlg#frvw/#exw#lq#qr#fdvh#p ruh#wkdq#
wz hqw|0grooduv#+'53,#deryh#grfxp hqwhg#sdlg#frvw1

+6,#Iru#d#gdqjhurxv#guxj#glvshqvhg#e|#d#sk|vlfldq#wkdw#lv#d#ilqlvkhg#guxj#surgxfw#dssuryhg#e|#wkh#ihghudo#Irrg#
dqg#Guxj#Dgp lqlvwudwlrq/#wkh#p d{lp xp #uhlp exuvh hqw#vkdoo#eh#dffruglqj#wr#wkh#riilfldo#p hglfdo#ihh#vfkhgxoh#
dgrswhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru1

+7,#Iru#d#gdqjhurxv#ghylfh#glvshqvhg#e|#d#sk|vlfldq/#wkh#uhlp exuvh hqw#wr#wkh#sk|vlfldq#vkdoo#qrw#h{fhhg#
hlwkhu#ri#wkh#irroez lqj=

+D,#Wkh# dp rxqw# doorz hg# iru# wkh# ghylfh# sxuvxdqw# wr# wkh# riilfldo# p hglfdo# ihh# vfkhgxoh# dgrswhg# e| # wkh#
dgp lqlvwudwlyh#gluhfwru1

+E,#Rqh#kxqguhg#wz hqw|#shufhqw#ri#wkh#grfxp hqwhg#sdlg#frvw/#exw#qrw#ohvv#wkdq#433#shufhqw#ri#wkh#grfxp hqwhg#
sdlg#frvw#soxv#wkh#p lqlp xp #glvshqvlqj#ihh#doorz hg#iru#glvshqvlqj#suhvfulswlrq#guxjv#sxuvxdqw#wr#wkh#riilfldo#
p hglfdo#ihh#vfkhgxoh#dgrswhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru/#dqg#qrw#p ruh#wkdq#433#shufhqw#ri#wkh#grfxp hqwhg#
sdlg#frvw#soxv#wz r#kxqguhg#iliw|#grooduv#+'583,1

+8,#Iru#dq|#skdup df|#jrrgv#glvshqvhg#e|#d#sk|vlfldq#qrw#vxemhfw#wr#sdudjudsk#+5,/#+6,/#ru#+7,/#wkh#p d{lp xp #
uhlp exuvh hqw#wr#d#sk|vlfldq#iru#skdup df|#jrrgv#glvshqvhg#e|#wkh#sk|vlfldq#vkdoo#qrw#h{fhhg#dq|#ri#wkh#
irroez lqj=

+D,#Wkh#dp rxqw#doorz hg#iru#wkh#skdup df|#jrrgv#sxuvxdqw#wr#wkh#riilfldo#p hglfdo#ihh#vfkhgxoh#dgrswhg#e|#wkh#
dgp lqlvwudwlyh#gluhfwru#ru#sxuvxdqw#wr#sdudjudsk#+5,/#dv#dssolfdeoh1

+E,#Rqh#kxqguhg#wz hqw|#shufhqw#ri#wkh#grfxp hqwhg#sdlg#frvw#wr#wkh#sk|vlfldq1

+F,#Rqh#kxqguhg#shufhqw#ri#wkh#grfxp hqwhg#sdlg#frvw#wr#wkh#sk|vlfldq#soxv#wz r#kxqguhg#iliw|#grooduv#+'583,1

+9,#Iru#wkh#sxusrvhv#ri#wklv#vxeglylvlrq/#wkh#irroez lqj#ghilqlwlrqv#dsso|=

+D,#ĒDgp lqlvhuŠ#ru#Ēdgp lqlvhuhgŠ#kdv#wkh#p hdqlqj#ghilqhg#e|#Vhfwlrq#7349#ri#wkh#Exvlqhvv#dqg#Surihvvlrqv#
Frgh1

+E,#ĒFrp srqghg#guxj#surgxfwŠ#p hdqv#dq|#guxj#surgxfw#vxemhfw#wr#Duwlfoh#718#+frp p hqflqj#z lwk#Vhfwlrq#
4:68,#ri#G lylvlrq#4:#ri#Wlwoh#49#ri#wkh#Fdoliruqld#Frgh#ri#Uhjxodwlrqv#ru#rwkhu#uhjxodwlrqv#dgrswhg#e|#wkh#Vwdwh#
Erdug#ri#Skdup df|#wr#jryhuq#wkh#sudfwlfh#ri#frp srqglqj1

+F,#ĒG lvshqvhgŠ#p hdqv#ixuqlvkhg#wr#ru#iru#d#sdwlhqw#dv#frqwhp sodwhg#e|#Vhfwlrq#7357#ri#wkh#Exvlqhvv#dqg#
Surihvvlrqv#Frgh#dqg#grhv#qrw#lqfoxgh#Ēdgp lqlvhuhg1Š

+G,#ĒG dqjhurxv#guxjŠ#dqg#Ēgdqjhurxv#ghylfhŠ#kdyh#wkh#p hdqlqjv#ghilqhg#e|#Vhfwlrq#7355#ri#wkh#Exvlqhvv#dqg#
Surihvvlrqv#Frgh1

+H,#ÈGrfxp hqwhg#sdlg#frvwvŠ#p hdqv#wkh#xqlw#sulfh#sdlg#iru#wkh#vshflilf#surgxfw#ru#iru#hdfk#frp srqhqw#xvhg#lq# wkh# surgxfw#dv#grfxp hqwhg#e|#lqyrlfhv/#surri#ri#sd|p hqw/#dqg#lqyhqwru|#uhfrugv#dv#dssolfdedh/#ru#dv# grfxp hqwhg#lq#dffrugdqfh#zlwk#uhjxodwlrqv#wkdw#p d|#eh#dgrswhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru/#qhw#ri#uhedwhv/# glvfrxqwv/#dqg#dq|#rwkhu#p p hgldwh#ru#dqwlflsdwhg#frvw#dgmxvwp hqw1

+I,#ÈSkdup df|#jrrgvŠ#kdv#wkh#vdp h#p hdqlqj#dv#vhw#iruwk#lq#Vhfwlrq#16<161

+:,#Wr#wkh#h{whqw#wkdw#dq|#surylvlrq#ri#sdudjudskv#+5,#wr#+9,/#lqfoxvlyh/#lv#lqfrqvlvwhqw#zlwk#dq|#surylvlrq#ri#wkh# riilfldo#p hglfdo#ihh#vfkhgxoh#dgrswhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#rq#ru#diwhu#Mdqxdu|#4/#5345/#wkh#surylvlrq# dgrswhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#jryhuq1

+;,#Qrwzlwkvwdqglqj#sdudjudsk#+:,/#wkh#surylvlrqv#ri#wklv#vxeglylvlrq#frqfhuqlqj#sk|vlfldq0glvshqvhg#skdup df|## jrrgv#vkdoo#qrw#eh#vxshuvhghg#e|#dq|#surylvlrq#ri#wkh#riilfldo#p hglfdo#ihh#vfkhgxoh#dgrswhg#e|#wkh# dgp lqlvwudwlyh#gluhfwru#xqohvv#wkh#uhohydqw#riilfldo#p hglfdo#ihh#vfkhgxoh#surylvlrq#lv#h{suhvvo|#dssolfdedh#wr# sk|vlfldq0glvshqvhg#skdup df|#jrrgv1

+i,#Z lwklq#wkh#dp lw#surylghg#e|#wklv#vhfwlrq/#wkh#udwhv#ru#ihhv#hvwdedvkhg#vkdoo#eh#dghtxdwh#wr#hqvxuh#d# uhdvrqdedh#vwdqgdug#ri#vhuylfhv#dqg#fduh#iru#lqmxuhg#hp sor|hhv1

+j,#+4,#+D,#Qrwzlwkvwdqglqj#dq|#rwkhu#odz/#wkh#riilfldo#p hglfdo#ihh#vfkhgxoh#vkdoo#eh#dgmxvwhg#wr#frqirup #wr#dq|# uhohydqw#fkdqjhv#lq#wkh#P hglfduh#dqg#P hgl0Fdo#sd|p hqw#v|vwhp v#qr#odwhu#wkdq#93#gd|v#diwhu#wkh#hiihfwlyh#gdwh# ri#wkrvh#fkdqjhv/~~surylghg#wkdw#erwk#ri~~ *subject to* #wkh#iroorz lqj#~~frqglwlrqv#duh#p hw~~ *provisions:*

+l,#Wkh#dqqxdo#lqiodwlrq#dgmxvwp hqw#iru#idflolw|#ihhv#iru#lqsdwlhqw#krvslwdo#vhuylfhv#surylghg#e|#dfxwh#fduh# krvslwdov#dqg#iru#krvslwdo#rxwsdwlhqw#vhuylfhv#vkdoo#eh#ghwhup lqhg#vroho|#e|#wkh#hvwlp dwhg#lqfuhdvhv#lq#wkh# krvslwdo#p dunhw#edvnhw#iru#wkh#45#p rqwkv#ehjlqqlqj#Rfwrehu#4#ri#wkh#suhfhglqj#fdohqgdu#|hdu1

+ll,#Wkh#dqqxdo#xsgdwh#lq#wkh#rshudwlqj#vwdqgdug]hg#dp rxqw#dqg#fdslwdo#vwdqgdug#udwh#iru#lqsdwlhqw#krvslwdo# vhuylfhv#surylghg#e|#krvslwdov#h{foxghg#iurp #wkh#P hglfduh#survshfwlyh#sd|p hqw#v|vwhp #iru#dfxwh#fduh#krvslwdov# dqg#wkh#frqyhuvlrq#idfwru#iru#krvslwdo#rxwsdwlhqw#vhuylfhv#vkdoo#eh#ghwhup lqhg#vroho|#e|#wkh#hvwlp dwhg#lqfuhdvhv# lq#wkh#krvslwdo#p dunhw#edvnhw#iru#h{foxghg#krvslwdov#ru#wkh#45#p rqwkv#ehjlqqlqj#Rfwrehu#4#ri#wkh#suhfhglqj# fdohqgdu#|hdu1

(iii) The annual adjustment factor for physician services shall be based on the product of one plus the percentage change in the Medicare Economic Index and any relative value scale adjustment factor.

+E,#Wkh#xsgdwh#idfwruv#frqwdlqhg#lq#fodxvhv#+l,#dqg#+ll,#ri#vxesdudjudsk#+D,#vkdoo#eh#dssolhg#ehjlqqlqj#zlwk#wkh# iluvw#xsgdwh#lq#wkh# P hglfduh# ihh# vfkhgxoh# sd|p hqw#dp rxqw#diwhu#Ghfhp ehu#64/#~~53361~~ *2003, and the adjustment factor in clause (iii) of subparagraph (A) shall be applied beginning with the first update in the Medicare fee schedule payment amounts after December 31, 2012.*

+F,#Wkh#p d{lp xp #uhdvrqdedh#ihhv#sdlg#iru#skarp df|#vhuylfhv#dqg#guxjv#vkdoo#qrw#lqfoxgh#dq|#uhgxfwlrqv#lq#wkh# uhohydqw#P hgl0Fdo#sd|p hqw#v|vwhp #lp sohp hqwhg#sxuvxdqw#wr#Vhfwlrq#4743814<5#ri#wkh#Z hoiduh#dqg#Lqvwlwxwlrqv# Frgh1

+5,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#ghwhup lqh#wkh#hiihfwlyh#gdwh#ri#wkh#fkdqjhv#dqg#vkdoo#lvvxh#dq#rughu/# h{hp sw#iurp #Vhfwlrqv#863:16#dqg#863:17#dqg#wkh#uxohp dnlqj#surylvlrqv#ri#wkh#Dgp lqlvwudwlyh#Surfhgxuh#Dfw# +Fkdswhu#618 #+frp p hqflqj#zlwk#Vhfwlrq#44673,#ri#Sduw#4#ri#Glylvlrq#6#ri#Wlwoh#5#ri#wkh#Jryhuqp hqw#Frgh,/# lqirup lqj#wkh#sxedf#ri#wkh#fkdqjhv#dqg#wkhlu#hiihfwlyh#gdwh1#Doo#rughuv#lvvxhg#sxuvxdqw#wr#wklv#sdudjudsk#vkdoo# eh#sxedvkhg#rq#wkh#Lqwhuqhw#Z he#vlwh#ri#wkh#Glylvlrq#ri#Z runhuv'Ñ#Frp shqvdwlrq1

+6,#Iru#wkh#sxusrvhv#ri#wklv#vxeglylvlrq/#wkh#iroorz lqj#ghilqlwlrqv#dsso| =

+D,#ÈP hglfduh#Hfrqrp lf#Lqgh{Š#p hdqv#wkh#lqsxw#sulfh#lqgh{#xvhg#e|#wkh#ihghudo#Fhqwhuv#iru#P hglfduh#dqg# P hglfdlg#Vhuylfhv#wr#p hdvxuh#fkdqjhv#lq#wkh#frvw#ri#d#surylglqj#sk|vlfldq#dqg#rwkhu#vhuylfh#sdlg#xqghu#wkh# uhvrxufh0edvhg#uhodwlyh#ydoxh#vfdoh1

+E,#ÈKrvslwdo#p dunhw#edvnhwŠ#p hdqv#wkh#lqsxw#sulfh#lqgh{#xvhg#e|#wkh#ihghudo#Fhqwhuv#iru#P hglfduh#dqg#P hglfdlg# Vhuylfhv#wr#p hdvxuh#fkdqjhv#lq#wkh#frvw#ri#surylglqj#lqsdwlhqw#krvslwdo#vhuylfhv#surylghg#e|#dfxwh#fduh# krvslwdov#wkdw#duh#lqfoxghg#lq#wkh#P hglfduh#survshfwlyh#sd|p hqw#v|vwhp 1

+F,#ÈKrvslwdo#p dunhw#edvnhw#iru#h{foxghg#krvslwdovŠ#p hdqv#wkh#lqsxw#sulfh#lqgh{#xvhg#e|#wkh#ihghudo#Fhqwhuv#iru# P hglfduh#dqg#P hglfdlg#Vhuylfhv#wr#p hdvxuh#fkdqjhv#lq#wkh#frvw#ri#surylglqj#lqsdwlhqw#vhuylfhv#e|#krvslwdov# wkdw#duh#h{foxghg#iurp #wkh#P hglfduh#survshfwlyh#sd|p hqw#v|vwhp 1

(D) "Relative value scale adjustment factor" means the annual factor applied by the federal Centers for Medicare and Medicaid Services to the Medicare conversion factor to make changes in relative value units for the physician fee schedule budget neutral.

+k,#Wklv#vhfwlrq#grhv#qrw#surklelw#dq#hpsor|hu#ru#lqvxuhu#iurp #frqwudfwlqj#zlwk#d#p hglfdo#surylghu#iru#uhlpexuvhp hqw#udwhv#gliihuhqw#iurp #wkrvh#suhvfulehg#lq#wkh#riilfld#p hglfd#ihh#vfkhgxoh1

+l,#H{fhsw#dv#surylghg#lq#Vhfwlrq#7959/#wkh#riilfld#p hglfd#ihh#vfkhgxoh#vkdoo#qrw#dssof|#wr#p hglfd0ohjdo#h{shqvhv/#dv#wkdw#whup #lv#ghilqhg#e|#Vhfwlrq#79531

+m,#Wkh#iroorzlqj#P hglfduh#sd|phqw#v|vwhp #frp srqhqwv#vkdoo#qrw#ehfrp h#sduw#ri#wkh#riilfld#p hglfd#ihh#vfkhgxoh#xqwlo#Mdqxdu|#4/#5338=

+4,#Lqsdwlhqw#vnloohg#qxuvlqj#idflolw|#fduh1

+5,#Krp h#khdowk#djhqf|#vhuylfhv1

+6,#Lqsdwlhqw#vhuylfhv#ixuqlvhg#e|#krvslwdov#wkdw#duh#h{hp sw#iurp #wkh#survshfwlyh#sd|p hqw#v|vwhp #iru#jhqhud#dfxwh#fduh#krvslwdov1

+7,#Rxwsdwlhqw#uhqd#gld|vlv#vhuylfhv1

+n,#Qrwzlwkvwdqglqj#vxeglylvlrq#+d,/#iru#wkh#fddhqgdu#|hduv#5337#dqg#5338/#wkh#h{lvwlqj# *Except as revised by the administrative director, the* #riilfld#p hglfd#ihh#vfkhgxoh#udwhv#iru#sk|vlfld#vhuylfhv# *in effect on December 31, 2012,* #vkdoo#uhp dlq#lq#hiihfw/#exw#wkhvh#udwhv#vkdoo#eh#uhgxfhg#e|#8#shufhqw1#Wkh#dgp lqlvwudwlyh#glhfwru#p d|#uhgxfh#ihhv#ri#lqglylgxd#surfhgxuhv#e|#gliihuhqw#dp rxqw/#exw#vkdoo#qrw#uhgxfh#wkh#ihh#iru#d#surfhgxuh#wkdw#lv#fxuuhqwo|#uhlpexuvhg#dw#d#udwh#dw#ru#ehorz #wkh#P hglfduh#udwh#iru#wkh#vdp h#surfhgxuh1* effect until January 1, 2014.*

+o,#Qrwzlwkvwdqglqj#vxeglylvlrq#+d,/# ~~wkh#dgp lqlvwudwlyh#glhfwru#frp p hqflqj#Mdqxdu|#4/#5339/#vkdoo#kdyh#wkh#dxwkrulw|/#diwhu#sxeolf#khdulqjv/#wr#dgrsw#dqg#uhylvh/#ru#ghvv#iuhtxhqwo|#wkdq#ehqqldoo|/#dq#riilfld#p hglfd#~~ *any explicit reductions in the Medi-Cal* #ihh#vfkhgxoh#iru# ~~sk|vlfld#vhuylfhv1#Li#wkh#dgp lqlvwudwlyh#glhfwru#idlov#wr#dgrsw#dq#riilfld#p hglfd#ihh#vfkhgxoh#iru#sk|vlfld#vhuylfhv#e|#Mdqxdu|#4/#5339/#wkh#h{lvwlqj#~~ *pharmacy services and drugs to meet the budgetary targets provided in Section 14105.192 of the Welfare and Institutions Code shall not be reflected in the* #riilfld#p hglfd#ihh# ~~vfkhgxoh#udwhv#iru#sk|vlfld#vhuylfhv#vkdoo#uhp dlq#lq#hiihfw#xqwld#d#qhz #vfkhgxoh#lv#dgrswhg#ru#wkh#h{lvwlqj#vfkhgxoh#lv#uhylvhg1~~ *schedule.*

(m) On or before July 1, 2013, the administrative director shall adopt a regulation specifying an additional reimbursement for MS-DRGs Medicare Severity Diagnostic Related Groups (MS-DRGs) 028, 029, 030, 453, 454, 455, and 456 to ensure that the aggregate reimbursement is sufficient to cover costs, including the implantable medical device, hardware, and instrumentation. This regulation shall be repealed as of January 1, 2014, unless extended by the administrative director.

SEC. 75.#Vhfwlrq#863:1:#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

5307.7. +d,#Rq#ru#ehiruh#Mdqxdu|#4/#5346/#wkh#dgp lqlvwudwlyh#glhfwru#vkdoo#dgrsw#diwhu#sxeolf#khdulqjv/#d#ihh#vfkhgxoh#wkdw#vkdoo#hvwdeolvk#uhdvrqdeoh# ~~krxuo|~~ #ihhv#sdlg#iru#vhuylfhv#surylghg#e|#yrfdwlrqd#h{shuw/#lqfoxglqj/#exw#qrw#olp lwhg#wr/#yrfdwlrqd#hydoxdwlrqv#dqg#h{shuw#whvwlp rq|#ghwhup lqhg#wr#eh#uhdvrqdeoh/#dfwxdo#dqg#qhfhvvdu|#e|#wkh#dsshodwh#erdug1

+e,#D#yrfdwlrqd#h{shuw#vkdoo#qrw#eh#sdlg#dqg#wkh#dsshodwh#erdug#vkdoo#qrw#doorz /#yrfdwlrqd#h{shuw#ihhv#lq#h{fhvv#ri#wkrvh#wkdw#duh#uhdvrqdeoh/#dfwxdo#dqg# ~~qhfhvvdu|1~~ *necessary, or that are not consistent with the fee schedule adopted by the administrative director.*

SEC. 76. *Section 5307.8 is added to the Labor Code, to read:*

5307.8. *Notwithstanding Section 5307.1, on or before July 1, 2013, the administrative director shall adopt, after public hearings, a schedule for payment of home health care services provided in accordance with Section 4600 that are not covered by a Medicare fee schedule and are not otherwise covered by the official medical fee schedule adopted pursuant to Section 5307.1. The schedule shall set forth fees and requirements for service providers, and shall be based on the maximum service hours and fees as set forth in regulations adopted pursuant to Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code. No fees shall be provided for any services, including any services provided by a member of the employee's household, to the extent the services had been regularly performed in the same manner and to the same degree prior to the date of injury. If appropriate, an attorney's fee for recovery of home health care*

fees under this section may be awarded in accordance with Section 4906 and any applicable rules or regulations.

SEC. 77. *Section 5307.9 is added to the Labor Code, to read:*

5307.9. *On or before December 31, 2013, the administrative director, in consultation with the Commission on Health and Safety and Workers' Compensation, shall adopt, after public hearings, a schedule of reasonable maximum fees payable for copy and related services, including, but not limited to, records or documents that have been reproduced or recorded in paper, electronic, film, digital, or other format. The schedule shall specify the services allowed and shall require specificity in billing for these services, and shall not allow for payment for services provided within 30 days of a request by an injured worker or his or her authorized representative to an employer, claims administrator, or workers' compensation insurer for copies of records in the employer's, claims administrator's, or workers' compensation insurer's possession that are relevant to the employee's claim. The schedule shall be applicable regardless of whether payments of copy service costs are claimed under the authority of Section 4600, 4620, or 5811, or any other authority except a contract between the employer and the copy service provider.*

SEC. 78. Vhfwlrq#864;#ri#wkh#Oderu#Frgh#lv#uhshdohg1

~~**5318.** +d,#Lp sodqwdeoh#p hglfdo#ghylfhv/#kdugzduh/#dqg#lqvwuxp hqwdwlrq#iru#Glkjqrvwlf#Uhodwhg#Jurxsv#+GUJv,# 337/#7<9/#7<:./#7<;/#84<,#dqg#853#vkdoo#eh#vhsdudwho|#hlp exuhg#dw#wkh#surylghu¶v#grfxp hqwhg#sdlg#frvw/#soxv# dq#dgglwlrqdo#43 shufhqw#ri#wkh#surylghu¶v#grfxp hqwhg#sdlg#frvw/#qrw#wr#h{fhhg#d#p d{lp xp #ri#wz r#kxqguhg#iliw|# grooduv#+'503,/#soxv#dq|#vdohv#wd{#dqg#vklsslqj#dqg#kdqgolqj#fkdujhv#dfwxdoo|#sdlg1~~

~~+e,#Wklv#vhfwlrq#vkdoo#eh#rshudwlyh#rqo|#xqwlo#wkh#dgp lqlvwudwlyh#gluhfwru#dgrsw#d#uhjxodwlrq#vshfli|lqj#vhsdudwh# uhlp exuhp hqw/#li#dq|/#iru#lp sodqwdeoh#p hglfdo#kdugzduh#ru#lqvwuxp hqwdwlrq#iru#frp soh{#vslqdo#vxujhulhv1~~

SEC. 79. Vhfwlrq#8735#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

5402. +d,#Nqrz ohgjh#ri#dq#lqmxu|/#rewdlqhg#iurp #dq|#vrxufh/#rq#wkh#sduw#ri#dq#hp sor|hu/#klv#ru#khu#p dqdjlqj# djhqw/#vxshulqwhqghqw/#iruhp dq/#ru#rwkhu#shuvrq#lq#dxwkrulw|/#ru#nqrz ohgjh#ri#wkh#dvvhuwlrq#ri#d#fodlp #ri#lqmxu|# vxiilflhqw#wr#diirug#rssruwxqlw|#wr#wkh#hp sor|hu#wr#p dnh#dq#lqyhvwljdwlrq#lqwr#wkh#idfw/#lv#htxlydohqw#wr#vhuylfh# xqghu#Vhfwlrq#87331

+e,#Li#oldelolw|#lv#qrw#uhmhfwhg#z lwklq#<3#gd|v#diwhu#wkh#gdwh#wkh#fodlp #iurp #lv#ilohg#xqghu#Vhfwlrq#8734/#wkh#lqmxu|# vkdoo#eh#suhvxp hg#frp shqvdeoh#xqghu#wklv#glylvlrq1#Wkh#suhvxp swlrq#ri#wklv#vxeglylvlrq#lv#uhexwwdeoh#rqo|#e|# hylghqfh#glvfryhuhg#vxevhtxhqw#wr#wkh#<30gd|#shulrg1

+f,#Z lwklq#rqh#z runlqj#gd|#diwhu#dq#hp sor|hh#ilohv#d#fodlp #iru #xqghu#Vhfwlrq#8734/#wkh#hp sor|hu#vkdoo# dxwkrul}h#wkh# surylvlrq#ri#doo#wuhdwp hqw/# frqvlvwhqw#z lwk#Vhfwlrq# ~~863.15.#ru#wkh# Dp hulfdq# Frohjh#ri# Rffxsdwlrqdo#dqg#Iqylurqp hqwdo#P hglflqhÑv#Rffxsdwlrqdo#P hglflqh#Sudfwlfh#Jxlghdolqhv/~~ *5307.27,* #iru#wkh#doohjhg# lqmxu|#dqg#vkdoo#frqwlqxh#wr#surylgh#wkh#wuhdwp hqw#xqwlo#wkh#gdwh#wkdw#oldelolw|#iru#wkh#fodlp #lv#dffhswhg#ru# uhmhfwhg1#Xqwlo#wkh#gdwh#wkh#fodlp #lv#dffhswhg#ru#uhmhfwhg/#oldelolw|#iru#p hglfdo#wuhdwp hqw#vkdoo#eh#olp lwhg#wr#whq# wkrxvdqg#grooduv#+' 43/333,1

+g,#Wuhdwp hqw#surylghg#xqghu#vxeglylvlrq#+f,#vkdoo#qrw#jlyh#ulvh#wr#d#suhvxp swlrq#ri#oldelolw|#rq#wkh#sduw#ri#wkh# hp sor|hu1

SEC. 80. Vhfwlrq#8835#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

5502. +d,#H{fhsw#dv#surylghg#lq#vxeglylvlrqv#+e,#dqg#+g,/#wkh#khdulqj#vkdoo#eh#khog#qrw#ohvv#wkdq#43#gd|v/#dqg# qrw#p ruh#wkdq#93#gd|v/#diwhu#wkh#gdwh#d#ghfodudwlrq#ri#uhdglqhvv#wr#surfhhg/#rq#d#irup #suhvfulehg#e|#wkh# dsshdov#erdug/#lv#ilohg1#Li#d#fodlp #iru #kdv#ehhq#ilohg#iru#dq#lqmxu|#rffxulqj#rq#ru#diwhu#Mdqxdu|#4/#4<<3/#dqg# ehiruh#Mdqxdu|#4/#4<<7/#dq#dssolfdwlrq#iru#dgmxglfdwlrq#vkdoo#dffrp sdq|#wkh#ghfodudwlrq#ri#uhdglqhvv#wr#surfhhg1

+e,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#hvwdeolvk#d#sulrulw|#fdohqgdu#iru#lvvxhv#uhtxlulqj#dq#h{shglwhg#khdulqj#dqg# ghflvlrq1#D#khdulqj#vkdoo#eh#khog#dqg#d#ghwhup lqdwlrq#dv#wr#wkh#uljkwv#ri#wkh#sduwhv#vkdoo#eh#p dgh#dqg#ilohg# z lwklq#63#gd|v#diwhu#wkh#ghfodudwlrq#ri#uhdglqhvv#wr#surfhhg#lv#ilohg#li#wkh#lvvxhv#lq#glvsxwh#duh#dq|#ri#wkh# ~~iroorz lqj=~~ *following, provided that when an expedited hearing is requested pursuant to paragraph (2), no other issue may be heard until the medical provider network dispute is resolved:*

~~+4,~~ *(A)*##Wkh#hp sor|hhÑv#hqwlwohp hqw#wr#p hglfdo#wuhdwp hqw#sxuvxdqw#wr#Vhfwlrq#~~7933~~ *4600, except for treatment issues determined pursuant to Sections 4610 and 4610.5.*

(B) Whether the injured employee is required to obtain treatment within a medical provider network.

(C) A medical treatment appointment or medical-legal examination.

+5, *(D)*##Wkh#hp sor|hhÑv#hqwlwohp hqw#wr/#ru#wkh#dp rxqw#ri/#hp srudu|#glvdelolw|#lqghp qlw|#sd|p hqw1

+6, *(4)*##Wkh#hp sor|hhÑv#hqwlwohp hqw#wr#frp shqvdwlrq#iurp #rqh#ru#p ruh#uhvsrqvleoh#hp sor|huv#z khq#wz r#ru# p ruh#hp sor|huv#glvsxwh#oldelolw|#dv#dp rqj#whp vhoyhv1

+7, *(5)*##Dq|# rwkhu# lvvxhv# uhtxlulqj# dq|#h{shglwhg# khdulqj#dqg# ghwhup lqdwlrq# dv# suhvfulehg# lq# uxohv#dqg# uhjxodwlrqv#ri#wkh#dgp lqlvwudwlyh#gluhfwru1

+f,#Wkh#dgp lqlvwudwlyh#gluhfwru#vkdoo#hvwdeolvk#d#sulrulw|#frqihuhqfh#fddqgdu#iru#fdvhv#lq#z klfk#wkh#hp sor|hh#lv# uhsuhvhqwhg#e|#dq#dwwruqh|#dqg#wkh#lvvxhv#lq#glvsxwh#duh#hp sor|p hqw#ru#lqmxu|#dulvlqj#rxw#ri#hp sor|p hqw#ru#lq# wkh#frxvh#ri#hp sor|p hqw1Wkh#frqihuhqfh#vkdoo#eh#frqgxfwhg#e|#d#z runhuvÑfrp shqvdwlrq#dgp lqlvwudwlyh#odz # mxgjh#z lwklq#63#gd|v#diwhu#wkh#ghfodudwlrq#ri#uhdglqhvv#wr#surfhhg1Li#wkh#glvsxwh#fdqqrw#eh#uhvroyhg#dw#wkh# frqihuhqfh/#d#wuldo#vkdoo#eh#vhw#dv#h{shglwlrxvo|#dv#srvvleoh/#xqohvv#jrrg#fdxvh#lv#vkrz q#z k|#glvfryhu|#lv#qrw# frp sohwh/#lq#z klfk#fdvh#vwdwxv#frqihuhqfhv#vkdoo#eh#khog#dw#uhjxodu#lqwhuydov1Wkh#fdvh#vkdoo#eh#vhw#iru#wuldo#z khq# glvfryhu|#lv#frp sohwh/#ru#z khq#wkh#z runhuvÑfrp shqvdwlrq#dgp lqlvwudwlyh#odz #mxgjh#ghwhup lqhv#wkdw#wkh#sduwlhv# kdyh#kdg#vxiilflhqw#wlp h#lq#z klfk#wr#frp sohwh#uhdvrqdeoh#glvfryhu|1#D#ghwhup lqdwlrq#dv#wr#wkh#uljkw#ri#wkh# sduwlhv#vkdoo#eh#p dgh#dqg#ilohg#z lwklq#63#gd|v#diwhu#wkh#wuldo1

+h, *(d)*##+4,#Lq# doo# fdvhv/# d# p dqgdwru|# vhwwohp hqw# ~~frqihuhqfh#~~ *conference, except a lien conference or a mandatory settlement lien conference,* #vkdoo#eh#frqgxfwhg#qrw#ohvv#wkdq#43#gd|v/#dqg#qrw#p ruh#wkdq#63#gd|v/# diwhu#wkh#ilolqj#ri#d#ghfodudwlrq#ri#uhdglqhvv#wr#surfhhg1Li#wkh#glvsxwh#lv#qrw#uhvroyh/#wkh#uhjxodu#~~khdulqj#~~ *hearing, except a lien trial,* #vkdoo#eh#khog#z lwklq#: 8#gd|v#diwhu#wkh#ghfodudwlrq#ri#uhdglqhvv#wr#surfhhg#lv#ilohg1

+5,#Wkh#vhwwohp hqw#frqihuhqfh#vkdoo#eh#frqgxfwhg#e|#d#z runhuvÑfrp shqvdwlrq#dgp lqlvwudwlyh#odz #mxgjh#ru#e|#d# uhihuhh#z kr#lv#holjleoh#wr#eh#d#z runhuvÑfrp shqvdwlrq#dgp lqlvwudwlyh#odz #mxgjh#ru#holjleoh#wr#eh#dq#duelwudwru# xqghu#Vhfwlrq#85: 31081#Dw#wkh#p dqgdwru|# vhwwohp hqw# frqihuhqfh/# wkh# uhihuhh# ru# z runhuvÑfrp shqvdwlrq# dgp lqlvwudwlyh#odz #mxgjh#vkdoo#kdyh#wkh#dxwkrulw|#wr#uhvroyh#wkh#glvsxwh/#lqfoxglqj#wkh#dxwkrulw|#wr#dssuryh#d# frp surp lvh#dqg#uhohdvh#ru#lvvxh#d#vwlsxodwhg#ilqglqj#dqg#dz dug/#dqg#li#wkh#glvsxwh#fdqqrw#eh#uhvroyhg/#wr#iudp h# wkh#lvvxhv#dqg#vwlsxodwlrqv#iru#wuldo1Wkh#dsshdo#erdug#vkdoo#dgrsw#dq|#uhjxodwlrqv#qhhghg#wr#lp sohp hqw#wklv# vxeglylvlrq1 Wkh# suhvlglqj# z runhuvÑ frp shqvdwlrq# dgp lqlvwudwlyh# odz # mxgjh# vkdoo# vxshuylvh# vhwwohp hqw# frqihuhqfh#uhihuhhv#lq#wkh#shuirup dqfh#ri#wkhlu#mxglfldo#ixqfwlrqv#xqghu#wklv#vxeglylvlrq1

+6,#Li#wkh#fodlp # lv#qrw#uhvroyhg#dw#wkh# p dqgdwru|#vhwwohp hqw#frqihuhqfh/#wkh#sduwlhv#vkdoo#iloh#d#suhwuldo# frqihuhqfh#vwdwhp hqw#qrwlqj#wkh#vshflilf#lvvxhv#lq#glvsxwh/#hdfk#sduw|Ñv#sursrvhg#shup dqhqw#glvdelolw|#udwlqj/# dqg#olvwlqj#wkh#h{klelw/#dqg#glvforvlqj#z lwqhvvhv1Glvfryhu|#vkdoo#forvh#rq#wkh#gdwh#ri#wkh#p dqgdwru|#vhwwohp hqw# frqihuhqfh1#Hylghqfh#qrw#glvforvhg#ru#rewdlqhg#wkhuhdiwhu#vkdoo#qrw#eh#dgp lvvleoh#xqohvv#wkh#sursrqhqw#ri#wkh# hylghqfh#fdq#ghp rqvwudwh#wkdw#lw#z dv#qrw#dydlodeoh#ru#frxog#qrw#kdyh#ehhq#glvfryhuhg#e|#wkh#h{huflvh#ri#gxh# gloljhqfh#sulru#wr#wkh#vhwwohp hqw#frqihuhqfh1

+i, *(e)*##Lq#fdvhv#lqyroylqj#wkh#Gluhfwru#ri#~~wkh#Ghsdup hqw#ri#~~#Lqgxvwuldo#Uhodwlrqv#lq#klv#ru#khu#fdsdflw|#dv# dgp lqlvwudwru#ri#wkh#Xqlqvxuhg#Hp sor|huv#Ixqg/#lw#lv#vhfwlrq#vkdoo#qrw#dsso|#xqohvv#surri#ri#vhuylfh/#dv#vshflilhg# lq#sdudjudsk#+4,#ri#vxeglylvlrq#+g,#ri#Vhfwlrq#6: 49/#kdv#ehhq#ilohg#z lwk#wkh#dsshdov#erdug#dqg#surylghg#wr#wkh# Gluhfwru#ri#Lqgxvwuldo#Uhodwlrqv/#ydog#mxulvglfwlrq#kdv#ehhq#hvwdeolvkhg#ryhu#wkh#hp sor|hu/#dqg#wkh#ixqg#kdv# ehhq#mrlqhg1

+j, *(f)*##H{fhsw#dv#surylghg#lq#vxeglylvlrq#+d,#dqg#lq#Vhfwlrq#7398/#wkh#surylvlrqv#ri#wklv#vhfwlrq#vkdoo#dsso|# luuhvshfwlyh#ri#wkh#gdwh#ri#lqmxu|1

SEC. 81.#Vhfwlrq#8: 36#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

5703. Wkh#dsshdov#erdug#p d|#uhfhlyh#dv#hylghqfh#hlwkhu#dw#ru#vxevhtxhqw#wr#d#khdulqj/#dqg#xvh#dv#surri#ri#dq|# idfw#lq#glvsxwh/#wkh#iroorz lqj#p dwwhuv/#lq#dgglwlrq#wr#vz ruq#whvwlp rq|#suhvhqwhg#lq#rshq#khdulqj=

+d,#Uhsruw#ri#dwwhqglqj#ru#h{dp lqlqj#sk|vlfldqv1

+4,#Vwdwhp hqwv#frqfhuqlqj#dq|#eloo#iru#vhuylfhv#duh#dgp lvvleoh#rqo|#li#p dgh#xqghu#shqdow|#ri#shumxu|#wkdw#wkh|# duh#wuxh#dqg#fruuhfw#wr#wkh#ehvw#nqrz ohgjh#ri#wkh#sk|vlfldq1

+5,#Lq#dgglwlrq/#uhsruw#duh#dgp lvvleoh#xqghu#wklv#vxeglylvlrq#rqo|#li#wkh#sk|vlfldq#kdv#ixuwkhu#vwdwhg#lq#wkh#erg|#ri#wkh#uhsruw#wkdw#wkhuh#kdv#qrw#ehhq#d#ylrodwlrq#ri#Vhfwlrq#46<19#dqg#wkdw#wkh#frqwhqwv#ri#wkh#uhsruw#duh#wuxh#dqg#fruuhfw#wr#wkh#ehvw#nqrzdngjh#ri#wkh#sk|vlfldq1#Wkh#vwdwhp hqw#vkdoo#eh#p dgh#xqghu#shqdow|#ri#shumxu|1

+e,#Uhsruw#ri#vshfldo#lqyhvwljdwruv#dssrlqwhg#e|#wkh#dsshdov#erdug#ru#d#z runhuvÑ#frp shqvdwlrq#mxgjh#wr#lqyhvwljdwh#dqg#uhsruw#xsrq#dq|#vflhqwlilf#ru#p hglfdo#txhvwlrq1

+f,#Uhsruw#ri#hp sor|hhv/#frqwdlqlqj#frslhv#ri#wlp hvkhhwv/#errn#dffrxqwv/#uhsruwv/#dqg#rwkhu#uhfrugv#surshuo|#dxwkhqwlfdwhg1

+g,#Surshuo| #dxwkhqwlfdwhg#frslhv#ri#krvslwdo#uhfrugv#ri#wkh#fdvh#ri#wkh#lqmxuhg#hp sor|hh1

+h,#Doo#sxeolfdwlrqv#ri#wkh#Glylvlrq#ri#Z runhuvÑ#Frp shqvdwlrq1

+i,#Doo#riilfldo#sxeolfdwlrqv#ri#wkh#Vwdwh#ri#Fdoliruqld#dqg#Xqlwhg#Vwdwhv#jryhuqp hqw1

+j,#H{fhusw#iurp #h{shuw#whvwlp rq|#uhfhlyhg#e|#wkh#dsshdov#erdug#xsrq#vlp lodu#lvvxhv#ri#vflhqwlilf#idfw#lq#rwkhu#fdvhv#dqg#wkh#sulru#ghflvlrqv#ri#wkh#dsshdov#erdug#xsrq#vlp lodu#lvvxhv1

+k,#Uhohydqw#sruwlrqv#ri#p hglfdo#wuhdwp hqw#surwrfrov#sxeolvkhg#e|#p hglfdo#vshfldow|#vrflhwlhv1#Wr#eh#dgp lvvleoh/#wkh#sduw|#riihulqj#vxfk#d#surwrfro#ru#sruwlrq#ri#d#surwrfro#vkdoo#frqfxuuhqwo|#hqwhu#lqwr#hylghqfh#lqirup dwlrq#uhjduglqj#krz #wkh#surwrfro#z dv#ghyhorshg/#dqg#wr#z kdw#h{whqw#wkh#surwrfro#lv#hylghqfh0edvhg/#shhu0uhylhz hg/#dqg#qdwlrqdoo| #uhfrjql}hg1#Li#d#sduw| #riihuv#lqwr#hylghqfh#d#sruwlrq#ri#d#wuhdwp hqw#surwrfro/#dq| #rwkhu#sduw| #p d| #riihu#lqwr#hylghqfh#dgglwlrqdo#sruwlrqv#ri#wkh#surwrfro1#Wkh#sduw| #riihulqj#d#surwrfro/#ru#sruwlrq#wkhuhri/#lqwr#hylghqfh#vkdoo#hlwkhu#p dnh#d#sulqwhg#frs| #ri#wkh#ixoo#surwrfro#dydlodeoh#iru#uhylhz #dqg#frs| lqj/#ru#vkdoo#surylgh#dq#Lqwhuqhw#dgguhvv#dw#z klfk#wkh#hqwluh#surwrfro#p d| #eh#dffhvvhg#z lwkrxw#fkdujh1

+l,#Wkh#p hglfdo#wuhdwp hqw#xwlol}dwlrq#vfkhgxoh#lq#hiihfw#sxuvxdqw#wr#Vhfwlrq#863:15:#ru#wkh#jxlgholqhv#lq#hiihfw#sxuvxdqw#wr#Vhfwlrq#7937181

(j) Reports of vocational experts. If vocational expert evidence is otherwise admissible, the evidence shall be produced in the form of written reports. Direct examination of a vocational witness shall not be received at trial except upon a showing of good cause. A continuance may be granted for rebuttal testimony if a report that was not served sufficiently in advance of the close of discovery to permit rebuttal is admitted into evidence.

(1) Statements concerning any bill for services are admissible only if they comply with the requirements applicable to statements concerning bills for services pursuant to subdivision (a).

(2) Reports are admissible under this subdivision only if the vocational expert has further stated in the body of the report that the contents of the report are true and correct to the best knowledge of the vocational expert. The statement shall be made in compliance with the requirements applicable to medical reports pursuant to subdivision (a).

SEC. 82.#Vhfwlrq#8:43#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

5710.#+d,#Wkh#dsshdov#erdug/#d#z runhuvÑ#frp shqvdwlrq#mxgjh/#ru#dq|#sduw|#wr#wkh#dfwlrq#ru#surfhhglqj/#p d|/#lq#dq|#lqyhvwljdwlrq#ru#khdulqj#ehiruh#wkh#dsshdov#erdug/#fdxvh#wkh#ghsrvlwlrq#ri#z lwqhvvhv#uhvlglqj#z lwklq#ru#z lwkrxw#wkh#vwdwh#wr#eh#wdnhq#lq#wkh#p dqqhu#suhvfulehg#e|#odz #iru#olnh#ghsrvlwlrqv#lq#flylo#dfwlrqv#lq#wkh#vxshulru#frxuw#ri#wklv#vwdwh#xqghu#Wlwoh#7#+frp p hqflqj#z lwk#Vhfwlrq#53491343,#ri#Sduw#7#ri#wkh#Frgh#ri#Flylo#Surfhgxuh1#Wr#wkdw#hqg#wkh#dwwhqgdqfh#ri#z lwqhvvhv#dqg#wkh#surgxfwlrq#ri#uhfrugv#p d| #eh#uhtxluhg1#Ghsrvlwlrqv#p d| #eh#wdnhq#rxwvlgh#wkh#vwdwh#ehiruh#dq| #riilfhu#dxwkrul}hg#wr#dgp lqlvwhu#rdwkv1#Wkh#dsshdov#erdug#ru#d#z runhuvÑ#frp shqvdwlrq#mxgjh#lq#dq| #surfhhglqj#ehiruh#wkh#dsshdov#erdug#p d| #fdxvh#hylghqfh#wr#eh#wdnhq#lq#rwkhu#mxulvglfwlrqv#ehiruh#wkh#djhqf| #dxwkrul}hg#wr#khdu#z runhuvÑ#frp shqvdwlrq#p dwwhuv#lq#wkrvh#rwkhu#mxulvglfwlrqv1

+e,#~~Z khuh~~ *If*#wkh#hp sor| hu#ru#lqvxudqfh#fduulhu#uhtxhvw#d#ghsrvlwlrq#wr#eh#wdnhq#ri#dq#lqmxuhg#hp sor| hh/#ru#dq| #shuvrq#fodlp lqj#ehqhilw#dv#d#ghshqghqw#ri#dq#lqmxuhg#hp sor| hh/#wkh#ghsrqhqw#lv#hqwlwohg#wr#uhfhlyh#lq#dgglwlrq#wr#doo#rwkhu#ehqhilwv=

+4,#Doo#uhdvrqdeoh#h{shqvhv#ri#wudqvsruwdwlrq/#p hdov/#dqg#orgjlqj#lqflghqw#wr#wkh#ghsrvlwlrq1

+5,#Uhlp exuvhp hqw#iru#dq| #orvv#ri#z djhv#lqfxuuhg#gxulqj#dwwhqgdqfh#dw#wkh#ghsrvlwlrq1

+6,#~~D~~ *One*##frs| #ri#wkh#wudqvfulsw#ri#wkh#ghsrvlwlrq/#z lwkrxw#frvw1

+7,#D#uhdvrqdeoh#doorz dqfh#iru#dwwruqh|Ñv#ihhv#iru#wkh#ghsrqhqw/#li#uhsuhvhqwhg#e|#dq#dwwruqh|#dfhqvhg#e|#wkh# Vwdwh#Edu#ri#wklv#vwdwh1#Wkh#ihh#vkdoo#eh#glvfuhwlrqdu|#z lwk/#dqg/#li#doorz hg/#vkdoo#eh#vhw#e|/#wkh#dsshdov#erdug/# exw#vkdoo#eh#sdlg#e|#wkh#hp so|hu#ru#klv#ru#khu#lqvxuhu1

+8,#~~D#uhdvrqdeoh#doorz dqfh#iru#lqwhusuhwhuÕv#ihhv#iru#wkh#ghsrqhqw/#li#lqwhusuhwdwlrq#vhuylfhv#duh#qhhghg#dqg# surylghg#e|#d# *If interpretation services are required because the injured employee or deponent does not proficiently speak or understand the English language, upon a request from either, the employer shall pay for the services of a* #odqjxdjh#lqwhusuhwhu#fhuwlilhg#ru#ghhp hg#fhuwlilhg#sxuvxdqw#wr#Duwlfoh#;#+frp p hqflqj#z lwk# Vhfwlrq#44768,138,#ri#Fkdswhu#718#ri#Sduw#4#ri#Glylvlrq#6#ri#Wlwoh#5#ri#ru#Vhfwlrq#9;899#ri#wkh#Jryhuqp hqw# Frgh1#Wkh#ihh *to be paid by the employer* #vkdoo#eh#lq#dffrugdqfh#z lwk#wkh#ihh#vfkhgxoh#~~vhw *adopted*##e|#wkh# dgp lqlvwudwlyh#gluhfwru#dqg#~~sdlg#e|#wkh#hp so|hu#ru#klv#ru#khu#lqvxuhu1Sd|p hqw#iru#lqwhusuhwhuÕv#vhuylfhv#vkdoo# eh#doorz hg#iru#ghsrvlwlrq#ri#d#qrq0Hqjolvk0vshdnlqj#lqmxuhg#z runhu/#dqg#iru *shall include* #dq|#rwkhu#ghsrvlwlrq0 uhodwhg#hyhqwv#dv#shup lwwhg#e|#wkh#dgp lqlvwudwlyh#gluhfwru1

SEC. 83. #Vhfwlrq#8;44#ri#wkh#Oderu#Frgh#lv#dp hqghg#wr#uhdg=

5811. +d,#Qr#ihhv#vkdoo#eh#fkdujhg#e|#wkh#fdhun#ri#dq|#frxuw#iru#wkh#shuirup dqfh#ri#dq|#riilfldo#vhuylfh#uhtxluhg# e|#wklv#glylvlrq/#h{fhsw#iru#wkh#grfnhwlqj#ri#dz dugv#dv#mxgjp hqwv#dqg#iru#fhuwlilhg#frslhv#ri#wudqvfulsw#wkhuhri1# Lq#doo#surfhhglqjv#xqghu#wklv#glylvlrq#ehiruh#wkh#dsshdov#erdug/#frvw#dv#ehwz hhq#wkh#sduwlhv#p d|#eh#doorz hg#e|# wkh#dsshdov#erdug1

(b) (1) It shall be the responsibility of any party producing a witness requiring an interpreter to arrange for the presence of a qualified interpreter.

~~e,~~ *(2)* ~~Lw#vkdoo#eh#wkh#uhvsrqvlelolw|#ri#dq|#sduw|#surgxflqj#d#z lwqhvv#uhtxlulqj#dq#lqwhusuhwhu#wr#duudqjh#iru#wkh# suhvhqfh#ri#d#txdolilhg#lqwhusuhwhu1~~ #D#txdolilhg#lqwhusuhwhu#lv#d#odqjxdjh#lqwhusuhwhu#z kr#lv#fhuwlilhg/#ru#ghhp hg# fhuwlilhg/#sxuvxdqw#wr#Duwlfoh#;#+frp p hqflqj#z lwk#Vhfwlrq#44768,#ri#Fkdswhu#718#ri#Sduw#4#ri#Glylvlrq#6#ri# Wlwoh#5#ri#ru#Vhfwlrq#9;899#ri#wkh#Jryhuqp hqw#Frgh1 *The duty of an interpreter is to accurately and impartially translate oral communications and transliterate written materials, and not to act as an agent or advocate. An interpreter shall not disclose to any person who is not an immediate participant in the communications the content of the conversations or documents that the interpreter has interpreted or transliterated unless the disclosure is compelled by court order. An attempt by any party or attorney to obtain disclosure is a bad faith tactic that is subject to Section 5813.*

Lqwhusuhwhu#ihhv#~~z klfk~~ *that*##duh#uhdvrqdeo|/#dfwxdo/#dqg#qhfhvvdulo|#lqfxuuhg#vkdoo#eh#~~doorz hg#dv#frvw~~ *paid by the employer* #xqghu#wklv#vhfwlrq/#surylghg#wkh|#duh#lq#dffrugdqfh#z lwk#wkh#ihh#vfkhgxoh#~~vhw *adopted*##e|#wkh# dgp lqlvwudwlyh#gluhfwru1

D#txdolilhg#lqwhusuhwhu#p d|#uhqghu#vhuylfhv#gxulqj#wkh#iroorz lqj=

~~4,~~ *(A)*##D#ghsrvlwlrq1

~~5,~~ *(B)*##Dq#dsshdov#erdug#khdulqj1

(C) A medical treatment appointment or medical-legal examination.

~~6,~~ *(D)*##Gxulqj#wkrvh#vhwwlqjv#z klfk#wkh#dgp lqlvwudwlyh#gluhfwru#ghwhup lqhv#duh#uhdvrqdeo|#qhfhvvdu|#wr# dvfhuwdlq#wkh#ydolglw|#ru#h{whqw#ri#lqmxu|#wr#dq#hp so|hh#z kr#~~fdqqrw#frp p xqlfdwh#lq#Hqjolvk1~~ *does not proficiently speak or understand the English language.*

SEC. 84. *This act shall apply to all pending matters, regardless of date of injury, unless otherwise specified in this act, but shall not be a basis to rescind, alter, amend, or reopen any final award of workers' compensation benefits.*

SEC. 85. *Section 66.5 of this bill incorporates amendments to Section 4903.1 of the Labor Code proposed by both this bill and Senate Bill 1105. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2013, (2) each bill amends Section 4903.1 of the Labor Code, and (3) this bill is enacted after Senate Bill 1105, in which case Section 66 of this bill shall not become operative.*

SEC. 86. *No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIIIB of the California Constitution.*