



## **Legislative and Industry Updates – June 2022**

An update on bills that have been introduced and are currently moving through the legislative process.

### **LEGISLATIVE ACTIVITY**

#### **AB 1681 – Insurance Fraud (Daly)**

AB 1681 provides for a District Attorney/Assistant District Attorney to meet with insured/self-insured representatives regarding specific information about insurance fraud and would protect the person from civil liability for libel, slander or “any other relevant cause of action”. This requires the District Attorney or their representative to advise those in attendance of the guidelines “to ensure compliance with federal and state antitrust laws, as specified, and if there is no fraud or malice on the part of the participants.” The meeting requires participation from the commissioner or their designated deputy commissioner. This bill is supported by CAJPA.

STATUS – 05/19/22 Passed in the Assembly

#### **AB 1751 – COVID-19 Presumption Extension to January 1, 2025 (Daly)**

This bill authored by Chair Daly extends the COVID-19 Presumptions in SB 1159 to January 1, 2025. Included in this extension is the requirement for employers to report positive testing to their claims administrator to determine if an “outbreak” has occurred. This bill is opposed by CAJPA as an unnecessary burden on employers.

STATUS – In Committee Process, ordered to 3<sup>rd</sup> reading

#### **AB 2848 – Potential WC Reform Bill**

AB 2848 is now a bill to extend the timeline for study regarding treatment and utilization review for Medical Provider Networks. However, discussions are underway for a WC reform in 2022 and this bill is seen as a potential vehicle for that reform. No definite information is available at this time, staff will continue to monitor the situation.

STATUS – Passed in Assembly

#### **SB 1127 – Compensation Decision Timeline (Atkins)**

Similar to SB 335, which did not progress in the last session, SB 1127 proposes to reduce the period to make an informed decision on a submitted Workers’ Compensation claim from 90 days to 60

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days for all claims, except for *PRESUMPTIVE* claims (which includes those determined presumptive under SB 1159 outbreaks). Presumptive claims will have a limit of 30 days to make a decision on compensability. The proposed reduction in the time to gather information supporting industrial injury will result in an increased number of denied claims with a corresponding increase in litigation.

In addition to the reduction in decision time, SB 1127 proposes a penalty of 5 times the amount “unreasonably delayed” as determined by the Appeals Board. This section is applicable regardless of the date of injury, on, before or after this bill is enacted. This in turn is an incentive to increase litigation and/or use the claim of unreasonable delay for negotiation of increased settlements.

One further aspect of this bill is the increase of Temporary Disability combined with LC 4850 benefits for cancer presumptive injuries to 240 weeks, rather than the 104 weeks currently required. This bill is strongly opposed by a coalition of employers and carriers.

STATUS – Passed by the Senate

### **SB 1458 – Wage Disparity (Limon)**

SB 1458 proposes to address the wage disparity between male and female employees by increasing the Workers’ Compensation Indemnity benefits by 12% for female injured workers. This bill is opposed by a coalition of employers and carriers.

STATUS – Senate did not allow a vote on this bill, and it will not progress.

### **AB 399 – MPN/IMR/IBR (Salas)**

AB 399 has been amended once again. The current amendments as of May 23, 2022, focus solely on Independent Bill Review (IBR) regarding fee disputes filed by Providers of service. An administrative fee of \$50 will be imposed on the entity filing for IBR, with the potential for additional (undefined) fees imposed by IBR upon completion of their review. The Bill currently requires the IBR vendor (contracted through the State) to bill either the Employer or the Provider for any additional fees dependent upon the outcome of the review.

STATUS – Passed to Senate