

**REVENUE: No revenue impact**

**FISCAL: No fiscal impact**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	6 - 0 - 1
<b>Yeas:</b>	Berger, Edwards C., Esquivel, Holvey, Rosenbaum, Schaufler
<b>Nays:</b>	0
<b>Exc.:</b>	Smith P.
<b>Prepared By:</b>	Theresa Van Winkle, Administrator
<b>Meeting Dates:</b>	1/26, 3/23

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**WHAT THE MEASURE DOES:** Requires workers' compensation insurer to make a lump sum payment of a permanent partial disability award over \$6000 if requested by the worker unless a condition exists which prevents approval of the request. Eliminates review of lump sum payment by the Director of Department of Consumer and Business Services. Eliminates requirement that the Director consult physicians, if requested, when determining whether to approve or deny certain changes of a worker's attending physician or nurse practitioner. Eliminates requirement for the Workers' Compensation Division to adopt temporary rules to determine a workers' permanent disability when the workers' disability is not addressed by current disability rating standards. Gives Director the authority to assess civil penalties to managed care organizations for failing to comply with laws or administrative rules.

**ISSUES DISCUSSED:**

- Provisions of the measure

**EFFECT OF COMMITTEE AMENDMENT:** Clarifies language relating to imposing civil penalties to a managed care organization for failing to comply with laws or administrative rules.

**BACKGROUND:** HB 2218-A eliminates three functions currently administered by the Workers' Compensation Division (WCD) and also enables the director to more efficiently address managed care organization performance issues.

Current statute requires the Director of the Department of Consumer and Business Services to adopt temporary rules to determine a worker's permanent disability when the disability is not included in the division's disability rating standards. The temporary rule only applies to the worker's specific claim, expires in 180 days, and sets no precedent for future claims. HB 2218-A eliminates the requirement to adopt rules and allows the director to include a determination of a worker's impairment in an order of consideration, which can be appealed to the Hearings Division of the Workers' Compensation Board.

Workers are entitled to three choices of attending physician during the life of their claim. Currently, the Director is required to seek upon request the advice of one or more physicians when approving a change in an injured worker's attending physician after the original choices are exhausted. HB 2218-A would eliminate this requirement, as the WCD has not received any requests in recent memory for a consultation and decisions by the Director on this issue do not necessitate any further consultation with physicians.

Insurers are required to pay a permanent partial disability award of \$6,000 or less in a lump sum; if the amount is over \$6,000, the law allows a worker to request the payment as a lump sum instead of monthly payments. If the request is denied by the insurer, statute requires the Director to review the denial. The Director can uphold the denial if the insurer denies the lump sum payment for one of four reasons currently established in statute or administrative rule. HB 2218-A consolidates the reasons into one section of statute, and removes the Director from automatically reviewing all lump sum award requests.

Statutes governing managed care organizations (MCOs) allow the Director to revoke or suspend an organization's certification, but there are no statutory provisions to address less severe performance issues. The measure gives the Director authority to address performance problems by issuing civil penalties against MCOs that fail to comply with laws or administrative rules.

4/3/2007 8:19:00 AM

***This summary has not been adopted or officially endorsed by action of the committee.***