

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass and Be Placed on the Consent Calendar
<b>Vote:</b>	8 - 0 - 0
<b>Yeas:</b>	Conger, Doherty, Esquivel, Hoyle, Johnson, Matthews, Kennemer, Schaufler
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Theresa Van Winkle, Administrator
<b>Meeting Dates:</b>	5/4

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**WHAT THE MEASURE DOES:** Limits the amount recoverable by a medical service provider or health insurance provider for medical services provided in workers' compensation claims resolved by a settlement to the full medical fee-schedule amount. Allows payment to a medical service provider directly from the settlement proceeds.

**ISSUES DISCUSSED:**

- Provisions of the measure

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Workers' compensation statutes allow for two types of claim settlements. The claims disposition agreement (CDA) applies to claims that have been accepted by the insurance company, and benefits are provided to the worker for the specific medical problem that resulted from the on-the-job injury. The disputed claims settlement (DCS) occurs when claims are denied and the claim is settled either during or outside of a hearing.

Medical providers are reimbursed based upon an established fee schedule, which is factored into the amount of the CDA. However, there have been cases in which an injured worker has settled their claim outside of the workers' compensation system, receive their settlement, and find that the medical provider's request for costs are above what they would have received if the claim was settled via a CDA. Senate Bill 173-A clarifies that if an injured worker settled their claim via the DCS process, they are to pay medical providers the full medical fee-schedule amount, which is the amount to which the provider would have been entitled if the claim had been accepted, out of the settlement's proceeds.

Senate Bill 173-A was unanimously approved by the Management-Labor Advisory Committee (MLAC).