

NAWBO-CA March Newsletter

Advocacy & Public Policy

Legislation of Interest Introduced So Far

NAWBO-CA's Art of Advocacy is Underway

Continued from the March newsletter:

Assembly Bill 399 (Salas) Medical Provider Networks - Sponsored by the California Society of Industrial Medicine and Surgery (CSIMS) this bill would prevent Medical Provider Networks (MPNs) and service providers in the workers' compensation system from the ability to negotiate reimbursement rates to medical providers. Currently, MPNs may contract for rates with providers to administer care at rates different than the Official Medical Fee Schedule (OMFS), pursuant to Labor Code Section 5307.11. By enabling MPNs the freedom to contract for services at mutually agreed upon rates, similar to the practice in the group health market, costs in the workers' compensation system have lowered significantly. AB 399 sets a floor for reimbursement at not less than 120 percent of the Medicare payment system. This is an arbitrary floor that will eliminate an MPNs ability to negotiate with providers across all service types and for some services, will prohibit an MPN from openly negotiating below the proposed workers compensation reimbursement floor.

Assembly Bill 399 also adds provisions that will impede payers from reviewing and correcting improperly submitted bill submissions while effectively encouraging providers to repeatedly submit those claims. Amendments to Section 4603.2 of the Labor Code would prohibit the denial of a duplicate bill submission, as a duplicate, even if the original bill submission denied for a valid reason. This section would effectively circumvent bill validation and correction services by allowing a provider to submit a duplicate bill while the underlying bill was under review or was already rejected for valid reasons, such as the use of inappropriate coding and/or billed units, or any of the "clean bill" criteria outlined in the DWC's Payment Guide. Verifying medical bill accuracy is a critical role, as noncompliant or fraudulent bills are common in the system. These errors can add considerable cost to employers if validation is not permitted.

In addition to providing a way to circumvent bill submission review, the additional amendments to Section 4306.2 would also create an entirely new additional administrative process for provider billing disputes beyond the independent bill review (IBR) process already outlined in Section 4603.6 of existing code. This additional "non-independent review process" is not needed and is already addressed through existing dispute resolution mechanisms.

The benefits of MPNs are not limited to the direct cost savings through provider contracting. Because MPNs take an active role in coordinating billing and access to care, by-passing networks will create additional costs that will be felt indirectly.

Diminished MPN utilization will have the following impacts:

- 1. Increased Fraudulent Claims:** Fraud detection is a component of network services and, without them, the exclusive responsibility of the payer. Less network utilization means fewer entities assisting in oversight of the overall provider base. As noted above, MPNs address claim irregularities which may rise to the level of fraud.
- 2. Increased Billing Costs:** Billing complexity and costs will also increase as there will be significantly less standardization and oversight on the billing process. Additionally, efficiencies from electronic billing through networks will be lost as individual providers will most likely generate paper bills.
- 3. Reduced Coordination and Innovation:** Individual payer medical staff will be required to collaborate directly with providers and there will be no coordination of trends among providers unless the individual payers coordinate with each other. As a result, quality standards for providers will not be achieved to ensure that workers are getting access to high-quality providers.

These elements, combined, will have the unintended consequence of diminishing care of injured workers while raising costs for California employers. We are working on talking points to provide to the Assembly Insurance Committee members and the Committee Consultants and will be holding zoom meetings with a group of MPN providers during the Month of March.

Assembly Bill 404 (Salas) Medical-Legal Fees - Sponsored by the California Applicant's Attorneys Association, this bill is a placeholder bill that as of today, prevents the Division of Workers' Compensation's Administrative Director from decreasing the medical-legal fee schedule's reimbursement rates if the Medicare fee schedule decreases. If enacted, this bill would increase workers' compensation costs to all businesses.

PPP Sole Proprietor Update

**This update is based on information given by NAWBO National*

1. If you are a sole proprietor, **DO NOT** apply for PPP until the new loan calculation comes out from the Biden Administration.
2. The new PPP loan calculation for sole props should come out to lenders late this week or early next week.
3. If you are a sole prop still in the application process, cancel your current loan in process and wait for calculation to be released.

Also, the SBA has run some calculations and 99.7% of PPP loans have been forgiven, so for those of you hesitating, they wanted to get that information out there.

NAWBO National Advocacy Award Nominations

Nominations open through March 15

- Open to members in good standing
 - Can self-nominate
 - Send supporting docs to contests@nawbo.org
 - Awarded during the June Virtual Advocacy Days and recognized at WBC
- Access this [link](#) to nominate

The Art of Advocacy

How to Develop Your Advocacy Message and Legislative Meeting Dynamics

March 23, 2021

1:30PM – 3:30PM



[**Register here to participate**](#)

(Inquire about the promotional code available to members)

Gain or refine the tools you need to be a more impactful woman business owner advocate. Registration remains open to join us for Session II of The Art of Advocacy.

Session II promises to be just as impactful as Session I. The panel will include Assemblymember Cristina Garcia and Senator Nancy Skinner, Chair and Vice-Chair of the Legislative Women's Caucus, Assemblymember Chris Holden, 41st Assembly District and author of AB 979; Dr. Alisha Wilkins, Chair of the California Commission on

the Status of Women and Girls, Soyla Fernandez, Principal of Fernandez Cervantes Government Affairs. Join us as we discuss best practice in advocacy and legislative outreach and meeting dynamics. The recording of both sessions will be available at the conclusion of Session II.

JOIN THE ADVOCACY AND PUBLIC POLICY COMMITTEE (APP)

Thank you for considering joining the Advocacy and Public Policy Committee. We are encouraged by your participation. This committee is open to ALL members. We meet on the 4th Friday of the month from 8:00 – 9:00 a.m. If you're interested, email

NAWBO-CA's Advocacy and Public Policy Director Robin Allen at

robindharris1@hotmail.com. Please address all advocacy and public policy

questions to Robin Allen and Lori Kammerer, NAWBO-CA's legislative advisor, at

LoriKammerer@gmail.com. The bigger the team, the greater the outcomes!