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AGENDA ITEM 6 – INFORMATIONAL ONLY

TO: MEMBERS OF THE BOARD OF DIRECTORS

- I. SUBJECT:** Legislative Update
- II. PROGRAM:** Government Affairs
- III. RECOMMENDATION:** INFORMATIONAL – No Action Required
- IV. Executive Summary**

We are near the end of the 2013 legislative session. The last day for the Senate and Assembly to pass bills is September 13th. The Governor will have until October 13th to sign or veto bills in his possession.

The following is a summary of bills with the potential to impact the workers' compensation system. These bills address issues facing the workers' compensation system such as the use of opioids to treat pain, the limitation of benefits for professional athletes employed primarily outside of California, and the ability for workers' compensation insurers to send specified electronic notices to policyholders.

SB 626 was a bill with the potential to undo parts of SB 863, which was last year's comprehensive workers' compensation reform bill. SB 626 failed the May 3rd deadline to pass from committee. The bill cannot be taken up again until January 2014.

Government Affairs will continue to monitor all legislation to ensure that impacts to the workers' compensation system are assessed and that appropriate action is taken.

Rhonda Myers, Government Affairs Manager

SB 146 (Lara) Workers' Compensation: Medical Treatment Billing
In Assembly - Ordered to Engrossing and Enrolling

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

This legislation would exempt a pharmacy bill from including the prescription when requesting payment, unless there is an agreement to include it. A pharmacy bill denied for not including the prescription may be resubmitted for payment until March 31, 2014.

Recent reform in the medical treatment billing process requires a provider to include the prescription for the service with the billing. The Division of Workers' Compensation (DWC) encourages electronic billing to improve efficiency, decrease bill processing time, and reduce administrative costs. However, the DWC standards for electronic pharmacy bills do not currently allow an attachment, as can be done with the standards for other electronic medical treatment billings.

SB 62 (Price) Coroners: Reporting Requirements: Prescription Drug Use
Awaiting hearing in Assembly Appropriations

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

This legislation would require a coroner to report a death due to a Schedule II, III, or IV controlled substance to the Medical Board of California.

These controlled substances include painkillers known as "opioids." The Center for Disease Control and Prevention (CDC) has declared prescription painkiller overdoses a public health epidemic. It found that nearly 60% of the overdose deaths in 2010 involved pharmaceutical drugs, with opioids involved in about 75% of those deaths. The CDC recommends that states encourage professional licensing boards to take action against inappropriate prescribing as a means of decreasing deaths from prescription painkillers.

SB 670 (Steinberg) Physicians and Surgeons: Drug Prescribing Privileges
To be heard in Assembly Business, Professions & Consumer Protection
on August 13, 2013

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

This legislation would reduce delays in a medical board investigation of a physician suspected of overprescribing controlled substances and prevent the physician from continuing to prescribe them while the investigation is pending.

Existing state law can allow delays in obtaining physician interviews and receiving consent to obtain a deceased patient's medical records for a board investigation of a physician suspected of overprescribing. Currently, an interim order can be made by an administrative law judge to restrict a physician's license only if there are affidavits showing that there is a danger to the public health, safety, or welfare. There are standards of proof for that process consistent with an injunction in a civil action and the physician has a right to a timely hearing and other elements of due process.

SB 809 (DeSaulnier) Controlled Substances: Reporting
To be heard in Assembly Business, Professions & Consumer Protection
on August 13, 2013

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
	1st House				2nd House							

This legislation would create a dedicated fund to maintain the online Controlled Substance Utilization Review and Evaluation System (CURES). CURES is a real-time California database that prescribers and pharmacists can access to determine a patient's controlled substance history. Opioids are controlled substances that are tracked by CURES.

This legislation would require specified healing arts boards to charge an additional annual fee up to 1.16% of the licensing renewal fee to fund CURES. It would also allow health insurers, health care service plans, workers' compensation insurers, and qualified manufacturers to voluntarily contribute funds to support CURES.

This legislation would require a pharmacist or a prescriber of Schedule II, III, or IV controlled substances to register to access CURES data. When CURES is upgraded and funded, but not before June 1, 2015, a pharmacist or prescriber is strongly encouraged to consult CURES before dispensing or prescribing a Schedule II, III, or IV controlled substance.

AB 1309 (Perea) Workers' Compensation: Professional Athletes
In Senate Rules - awaiting further committee assignment

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
	1st House				2nd House							

This legislation would prohibit a professional athlete from filing a cumulative trauma (CT) claim in California unless the athlete spent at least 20% of their total career in California, or was employed by a California based team for a period of at least two years.

This legislation is an attempt to close a loophole which provides workers' compensation benefits to out-of-state professional athletes.

AB 607 (Perea) Workers' Compensation: Dependent Children.
To be heard in Senate Appropriations on August 12, 2013

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
	1st House				2nd House							

This legislation would clarify that a deceased employee's disabled dependent child is considered to be a total dependent regardless of whether or not there is a surviving totally dependent parent.

AB 584 (Perea) Insurance: Risk and Solvency Assessment
May be heard in Senate Appropriations on August 12, 2013

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

This legislation would require insurers with annual premiums greater than \$500 million and insurance groups with annual premiums greater than \$1 billion to maintain a comprehensive risk management framework to identify, assess, and manage relevant risks. Would also require the insurer to file an Own Risk and Solvency Assessment (ORSA) report annually with the Insurance Commissioner detailing the risks identified and the sufficiency of its capital to support the risks. Would provide that the information in the possession of the commissioner is confidential and is not subject to disclosure pursuant to the California Public Records Act.

SB 251 (Calderon) Insurance: Notice: Electronic Transmission
To be heard in Assembly Judiciary on August 13, 2013

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

This legislation would add workers' compensation insurers to those businesses that may electronically transmit certain notices that are required to be given or mailed to a person, if the policyholder consents to the method.