

**STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF WORKERS' COMPENSATION**

NOTICE OF PROPOSED RULEMAKING

Subject Matter of Proposed Amendments to Regulations: Workers' Compensation – Health Care Organizations

PROPOSED REGULATORY ACTIONS

NOTICE IS HEREBY GIVEN that the Administrative Director of the Division of Workers' Compensation (hereinafter "Administrative Director"), acting pursuant to the authority granted by Labor Code Sections 133, 4600.3, 4600.5, 4600.7 and 5307.3. proposes to amend existing regulations to implement the amendments to Labor Code Section made by AB 749 (Calderon, 2001-2002, Statutes 2002, Chapter 6, Section 61). The effective date of these amendments will be January 1, 2003.

The Administrative Director is also proposing to amend existing regulations to conform the language of these regulations to prior changes in the statutory provisions that the regulations implement and make specific.

The proposed amendments will also make changes to an existing form to clarify and streamline the annual enrollment process for employees whose employers contract with an HCO.

The proposed amendments will also require payment of an existing administrative fee in one single payment instead of two payments.

Finally, the proposed amendments will also repeal an existing provision that provides for HCOs that received provisional certification under prior provisions of the current regulations to obtain full certification upon payment of the remaining balance of the application fee required by the current regulations.

The proposed amendments are to Sections 9771, 9771.2, 9771.66, 9772, 9779, 9779.1, 9779.3, 9779.4, 9779.45 and 9779.5. These sections concern:

- The procedures under which an entity may apply for certification as a Health Care Organization (hereinafter "HCO");
- an HCO's continuing obligation to furnish information concerning its operations,
- prohibitions against deceptive advertising by HCOs;
- the general standards an HCO must meet to obtain and maintain its certification;
- the length of time for which certification is valid and the process for recertification;
- the procedure under which the Division of Workers' Compensation will conduct on-site surveys of HCOs;
- the obligations to its employees of an employer covered by a contract with an HCO;
- the content of the form that employers who contract with an HCO must annually provide to their employees;
- the minimum periods of employer medical control over employees enrolled in an HCO; and,

- the payment by HCOs of administrative fees to the Administrative Director.

TIME AND PLACE OF PUBLIC HEARING

A public hearing has been scheduled to permit all interested persons the opportunity to present statements or arguments, either orally or in writing, with respect to the subjects noted above. The hearing will be held at the following time and place:

Date: Friday, September 13, 2002

Time: 10:00 a.m.

Place: Auditorium

The Governor Hiram Johnson State Office Building

455 Golden Gate Avenue

San Francisco, California 94102

The public hearing room is wheelchair accessible. Persons requiring additional accommodation of a disability are requested to alert the contact person identified below so that special arrangements may be made.

Please note that public comment will begin promptly at 10:00 a.m. and will conclude when the last speaker has finished his or her presentation or 5:00 p.m., whichever is earlier. If public comment concludes before the noon recess, no afternoon session will be held.

The Administrative Director requests, but does not require, that any persons who make oral comments at the hearing also provide a written copy of their comments. Equal weight will be accorded to oral comments and written materials.

AUTHORITY AND REFERENCE

The Administrative Director is undertaking this regulatory action pursuant to the authority vested in the Administrative Director by Labor Code Sections 133, 4600.3, 4600.5, 4600.7 and 5307.3.

Reference is to Labor Code Sections 4600, 4600.3, 4600.5, 4600.6 and 4600.7.

INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW

Labor Code Section 4600.3 allows employers to contract with HCOs to provide the employer's employees with treatment for work-related injuries and illnesses. This code section also specifies how long an employee who is being treated by an HCO must wait before he or she may choose to receive treatment from their own physician.

Labor Code Section 4600.5 specifies the requirements for various entities to apply for and receive certification as an HCO.

Labor Code Section 4600.7 creates the Workers' Compensation Managed Care Fund in the State Treasury and authorizes the Administrative Director to establish a schedule of fees and revenues to be charged to certified HCOs and applicants for certification to fund the administration of the HCO program.

1. Proposed Amendment to Section 9771 – Applications for Certification:

Subdivision (a)(1):

This subdivision, which provides for an entity licensed as a full service health care service plan under Section 1353 of the Health and Safety Code (Knox-Keene Health Care Service Plan Act) to apply for certification as an HCO, is being repealed.

Effective January 1, 2003 Labor Code Section 4600.5 will provide that if an HCO is a health care service plan licensed pursuant to the Knox-Keene Health Care Service Plan Act, that organization (an “HMO”) shall be deemed to be a health care organization able to provide health care pursuant to Section 4600.3 without further application.

Subdivision (a)(2):

This subdivision is merely being renumbered as (a)(1) to conform to the repeal of the existing subdivision (a)(1).

Subdivision (a)(3):

This subdivision permits an entity authorized as a workers compensation health care provider organization (WCHCPO) by the Commissioner of Corporations pursuant to Part 3.2 of Division 4 of the Labor Code to apply for certification as an HCO. (A WCHCPO is any applicant for certification or any certified HCO that is not a disability insurer licensed by Department of Insurance or a Knox-Keene Health Care Service Plan Act licensed HMO. Examples of WCHCPOs include a hospital network, a PPO or an industrial medicine clinic network.)

The subdivision is being amended to delete the reference to authorization by the Commissioner of Corporations. Responsibility for authorizing WCHCPOs was legislatively transferred from the Commissioner of Corporations to the Administrative Director by SB 1063 (Peace, 1997-1998, Statutes 1997, Chapter 346, Section 5).

This subdivision is also being renumbered as (a)(2) to conform to the repeal of the existing subdivision (a)(1).

Subdivision (c):

The subdivision is being amended to delete the reference to WHCHPOs. Responsibility for authorizing WCHCPOs was legislatively transferred from the Commissioner of Corporations to the Administrative Director by Statutes 1997, Chapter 346, Section 5.

The proposed amendment will also change a reference in this subdivision from the “Commissioner of Corporations” or the “Department of Corporations” to the “Director of the Department of Managed Health Care” or the “Department of Managed Health Care.” This amendment will conform the language of the regulation to the 1999 and 2000 amendments to Labor Code Section 4600.5. (Statutes 1999, Chapter 525 Section 22 and Statutes 2000, Chapter 857, Section 19.)

Subdivision (d):

The proposed amendment deletes references to the “Department of Corporations”. The amendment will conform the language of the regulation to the 1999 and 2000 amendments to Labor Code Section 4600.5. (Statutes 1999, Chapter 525 Section 22 and Statutes 2000, Chapter 857, Section 19.)

Subdivision (e):

The proposed amendment corrects an erroneous cross-reference from subdivision (f) to (b).

Subdivision (f):

The subdivision is being amended to delete the reference to WHCHPOs. Responsibility for authorizing WCHCPOs was legislatively transferred from the Commissioner of Corporations to the Administrative Director by Statutes 1997, Chapter 346, Section 5.

The proposed amendment will also change a reference in this subdivision from the “Commissioner of Corporations” or the “Department of Corporations” to the “Director of the Department of Managed Health Care” or the “Department of Managed Health Care.” This amendment will conform the language of the regulation to the 1999 and 2000 amendments to Labor Code Section 4600.5. (Statutes 1999, Chapter 525 Section 22 and Statutes 2000, Chapter 857, Section 19.)

Subdivision (g):

Effective January 1, 2003 Labor Code Section 4600.5(c) will be amended to provide that an HMO licensed pursuant to the Knox-Keene Health Care Service Plan Act shall be deemed to be an HCO without further application. Those HCOs will be required to maintain good standing with the Department of Managed Health Care and meet additional requirements as specified, including complying with any other requirement the Administrative Director determines is necessary to provide medical services to injured employees consistent with the intent of Article 2 of Chapter 2 of Part 2 of Division 4 of the Labor Code, including, but not limited to, a written patient grievance policy.

The proposed new subdivision will provide that in lieu of an application for certification, an HMO deemed to be an HCO pursuant to Labor Code Section 4600.5(c) shall submit to the Administrative Director a concise description of how the plan will satisfy the requirements of Labor Code Section 4600.5(c)(1 - 5) and Title 8, California Code of Regulations, Sections 9772 through 9778, inclusive. The Administrative Director considers compliance with Sections 9772 through 9778 necessary for an HMO deemed an HCO to adequately provide medical services to injured employees.

Proposed new subdivision (g)(1) will also require that at the time the materials required by this subdivision are submitted to the Administrative Director for review, the plan shall pay a nonrefundable documentation processing and review fee of \$10,000.

Proposed new subdivision (g)(1) will also require a written certification that the health plan is not in violation of any provision of law or rules or orders of the Director of the Department of Managed Health Care, and that there are no outstanding orders, undertakings, or deficiency letters which involve the health plan. The requirement of this subdivision may be satisfied by verified statement under penalty of perjury by the president or managing officer of the health plan that the plan meets the requirements of this subdivision, subject to verification by the Administrative Director.

Finally, Labor Code Section 4600.7 is being added to the authority note for Section 9771.

2. Proposed Amendment to Section 9771.2 – Information to be Furnished as it Becomes Available:

Subdivision (b)(1):

Effective January 1, 2003 Labor Code Section 4600.5(c) will be amended to provide that an HMO licensed pursuant to the Knox-Keene Health Care Service Plan Act shall be deemed to be a HCO without further application.

The first proposed amendment will therefore delete the reference to an HMO being an applicant for certification as an HCO.

The proposed amendments will also change references in this section from the “Commissioner of Corporations” or the “Department of Corporations” to the “Director of the Department of Managed Health Care” or the “Department of Managed Health Care.” The amendment will conform the language of the regulation to the 1999 and 2000 amendments to Labor Code Section 4600.5. (Statutes 1999, Chapter 525 Section 22 and Statutes 2000, Chapter 857, Section 19.)

Finally, the proposed amendments will also provide that the requirements of this subdivision will also apply to an HMO deemed an HCO pursuant to Labor Code Section 4600.5(c) while the Administrative Director is reviewing the documentation required by Section 9771, subdivisions (g) (1) and (2) prior to issuing the HMO its certification as an HCO.

Subdivision (3):

The subdivision is being repealed as unnecessary. Responsibility for authorizing WCHCPOs was legislatively transferred from the Commissioner of Corporations to the Administrative Director by Statutes 1997, Chapter 346, Section 5.

3. Proposed Amendment to Section 9771.66 – Deceptive Advertising:

Subdivision (c):

The proposed amendment merely changes a reference in this section from the “Department of Corporations” to the “Department of Managed Health Care.” The amendment will conform the language of the regulation to the 1999 and 2000 amendments to Labor Code Section 4600.5. (Statutes 1999, Chapter 525 Section 22 and Statutes 2000, Chapter 857, Section 19.)

4. Proposed Amendment to Section 9772 – General Standards:

Subdivision (7):

Labor Code Section 4600.3(a)(1), as amended effective January 1, 2003, will provide that if the health care organization offered by the employer is the workers’ compensation insurer that covers the employee or is an entity that controls or is controlled by that insurer, as defined by Section 1215 of the Insurance Code, this information shall be included in the notice of contract with a health care organization. (Statutes 2002, Chapter 6, Section 61.)

The proposed amendment will require any applicant for certification as an HCO that is owned in whole or in part or controlled by a workers’ compensation insurer or self-insured employer to demonstrate, in addition to the other requirements set forth in this section, that the organization’s claims function shall have no influence or control over medical decision-making.

The proposed amendment will also require such an applicant to demonstrate that the clear authority of its Medical Director over all medical decisions is reflected both in its organizational chart and any internal procedure manual or other internal description of HCO operations.

5. Proposed Amendment to Section 9779 – Certification

New Subdivision (b):

Effective January 1, 2003 Labor Code Section 4600.5(c) will be amended to provide that an HMO licensed pursuant to the Knox-Keene Health Care Service Plan Act shall be deemed to be a HCO without further application. Those HCOs will be required to maintain good standing with

the Department of Managed Health Care and meet additional requirements as specified, including complying with any other requirement the Administrative Director determines is necessary to provide medical services to injured employees consistent with the intent of Article 2 of Chapter 2 of Part 2 of Division 4 of the Labor Code, including, but not limited to, a written patient grievance policy.

The proposed new subdivision will provide that once the Administrative Director has determined that an entity licensed as a full service health care service plan under Section 1353 of the Health and Safety Code (a Knox-Keene Health Care Service Plan Act) and deemed to be an HCO pursuant to Labor Code Section 4600.5(c) has complied with the requirements of Section 9771 subdivisions (g) (1) and (2) the Administrative Director shall certify the organization as an HCO, pursuant to Section 4600.5(c), for a period of three years unless earlier revoked or suspended.

Existing Subdivision (b):

This subdivision is merely being renumbered as (c) to conform to the adoption of a new subdivision (b).

Subdivision (c):

The proposed amendment will repeal as unnecessary the provision for applicants that received provisional certification under prior provisions of the current regulations to obtain full certification upon payment of the remaining balance of the application fee required by the current regulations.

No remaining HCO applicants provisionally certified under prior provisions of the current regulations exist.

This subdivision is also being renumbered as (d) to conform to the adoption of the new subdivision (b).

6. Proposed Amendment to Section 9779.1 – On-Site Surveys:

Subdivision (a):

The proposed amendment merely changes a reference in this section from the “Department of Corporations” to the “Department of Managed Health Care.” The amendment will conform the language of the regulation to the 1999 and 2000 amendments to Labor Code Section 4600.5. (Statutes 1999, Chapter 525 Section 22 and Statutes 2000, Chapter 857, Section 19.)

7. Proposed Amendment to Section 9779.3 – Obligations of an Employer Covered by Contracts with Health Care Organization:

Labor Code Section 4600.3 allows employees to choose to be treated by an HCO for on-the-job injuries and illnesses.

Labor Code Section 4600.3 also requires that every employee whose employer contracts with an HCO shall be given an affirmative choice at the time of employment and at least annually thereafter to designate or change the designation of an HCO or a personal physician, personal chiropractor, or personal acupuncturist. The choice must be memorialized in writing and maintained in the employee’s personnel records.

Labor Code Section 4600.3 also currently requires that an employee must be allowed to choose from at least two HCOs, of which at least one must be compensated on a fee-for-service basis. If one or more of the HCOs offered by the employer is the workers' compensation insurer that

covers the employee or is an entity that controls or is controlled by that insurer, as defined by Section 1215 of the Insurance Code, the employee shall be allowed to choose from at least one additional health care organization, that is not the workers' compensation insurer that covers the employee, or entities that control or are controlled by that insurer, of which at least one must be compensated on a fee-for-service basis.

Finally, existing Labor Code Section 4600.3(c)(3) provides that if an employee is receiving or is eligible to receive health care coverage for nonoccupational injuries or illnesses provided by the employer, and his or her physician, chiropractor, or acupuncturist for nonoccupational illnesses or injuries is participating in at least one of the HCOs offered to the employee, and he or she has chosen treatment by one of these health care organizations for occupational injuries or illnesses, the employee may be treated by a physician, chiropractor, or acupuncturist of his or her own choice or at a facility of his or her own choice within a reasonable geographic area if the employee or his or her physician, chiropractor, acupuncturist, or other agent notifies his or her employer in writing only after 365 days from the date the injury was reported, or upon the date of contract renewal or open enrollment, whichever occurs first, but in no case until 90 days from the date the injury was reported.

AB 749 (Calderon, 2001-2002, Statutes 2002, Chapter 6, Section 61), effective January 1, 2003 will repeal the requirement to contract with two HCOs. AB 749 will also repeal Labor Code Section 4600.3(c)(3) and cap the employer's medical control at 180 days.

Section 9779.3 sets forth the requirements for employers to provide notice to their employees regarding the HCO enrollment process. The section specifies the information that must be provided to employees not more than 30 days after hiring, not more than 15 days after HCO enrollment and annually thereafter.

Section 9779.3 also provides that for an employee enrolled in an HCO pursuant to paragraph (3) of subdivision (c) of Section 4600.3 of the Labor Code, the employee's personal physician or chiropractor for non-occupational care must be available to the employee within an HCO offered by the employer for the treatment of work injuries or illnesses.

Section 9779.3 also specifies that if one of the HCOs offered by an employer is owned or controlled by the same individual or entity, the employer must be provided with an additional HCO that is not controlled by the same individual or entity and the employer must provide information to explain the nature of any material and significant differences between the HCOs in a manner that would allow the employee to make an informed choice between the HCOs.

Subdivision (a):

The proposed amendments to subdivisions (1) – (4) will conform the regulation to Labor Code Section 4600.3, as it will be amended effective January 1, 2003 by deleting:

- the requirement to offer a choice between at least two HCOs and to identify by name the HCOs offered;
- the requirement that if one or more of the HCOs offered by the employer is owned or controlled by the same individual or by the same corporate or business entity, the employer must provide information to explain the nature of any material and significant differences between the HCOs in a manner that would allow the employee to make an informed choice between HCOs; and,
- the requirement in subdivision (a)(4) that for an employee enrolled in an HCO pursuant to paragraph (3) of subdivision (c) of Section 4600.3 of the Labor Code, the employee's personal physician or chiropractor for non-occupational care must be available to the employee within an HCO offered by the employer for the treatment of work injuries or illnesses.

Subdivision (a)(5) is merely being renumbered as (a)(4) to conform to the repeal of the existing subdivision (a)(4).

Subdivision (b):

This subdivision is being amended to provide that an employee who designates on a form DWC 1194 that he or she does not wish to enroll in an HCO and wishes instead to pre-designate their own personal physician or chiropractor shall pre-designate that physician or chiropractor on the Form 1194.

Finally, existing subdivision (b) also provides that if an employee chooses to change from one HCO to another HCO or to designate a personal physician, the employee must designate such choice on a DWC Form 1194.

As the requirement to offer more than one HCO is being eliminated by statute, subdivision (b) is being amended to provide that this designation requirement will only apply if the employer offers more than one HCO.

Subdivision (c):

Existing subdivision (c) provides that for an employee enrolled in an HCO pursuant to paragraph (3) of subdivision (c) of Section 4600.3 of the Labor Code, the employee's personal physician or chiropractor for non-occupational care must be available to the employee within an HCO offered by the employer for the treatment of work injuries or illnesses.

As AB 749 will repeal Labor Code Section 4600.3(c)(3), which is the statutory authority for subdivision 9779.3(c), subdivision (c) is being repealed.

8. Proposed Amendment to Section 9779.4 – DWC Form 1194:

Labor Code Section 4600.3(a)(1) requires that every employee shall be given an affirmative choice at the time of employment and at least annually thereafter to designate or change the designation of an HCO or a personal physician, personal chiropractor, or personal acupuncturist. The choice must be memorialized in writing and maintained in the employee's personnel records. The employee who has designated a personal physician, personal chiropractor, or personal acupuncturist may change their designated caregiver at any time prior to the injury. Any employee who fails to choose between health care organizations or to designate a personal physician, personal chiropractor, or personal acupuncturist may be enrolled in the HCO selected by the employer.

Section 9779.4 provides an annual enrollment form that complies with Labor Code Section 4600.3(a)(1)'s requirements.

The proposed amendments will conform the annual enrollment form to the changes in the proposed revised regulations as set forth above.

Specifically, the proposed amendments:

- delete all references to the requirements to offer more than one HCO and revise the grammatical structure accordingly;
- inform the employee if the employer's insurer owns or controls the HCO being offered;
- delete the reference to one year medical control;
- add to the title on the back of the form the phrase "For Workers' Compensation Health Care;"

- advise the employee that if they choose to predesignate a physician or chiropractor, they should do so on the form in the space provided on the form
- provide a space for writing the predesignated physician or chiropractor's name and address;
- clarify that the "date" on the form is the date that the employee signs the form.

9. Proposed Amendment to Section 9779.45 – Minimum Periods of Enrollment:

Labor Code Section 4600.3(c) provides that if an employee is receiving or is eligible to receive health care coverage for nonoccupational injuries or illnesses provided by the employer, and his or her physician, chiropractor, or acupuncturist for nonoccupational illnesses or injuries is participating in at least one of the HCOs offered to the employee, and he or she has chosen treatment by one of these health care organizations for occupational injuries or illnesses, the employee may be treated by a physician, chiropractor, or acupuncturist of his or her own choice or at a facility of his or her own choice within a reasonable geographic area if the employee or his or her physician, chiropractor, acupuncturist, or other agent notifies his or her employer in writing only after 365 days from the date the injury was reported, or upon the date of contract renewal or open enrollment, whichever occurs first, but in no case until 90 days from the date the injury was reported.

For the convenience of the regulated public, Section 9779.45 sets forth the respective amounts of time Labor Code Section 4600.3 requires to elapse before an employee who is enrolled in an HCO may obtain treatment from a private physician chiropractor, or acupuncturist of his or her own choice, with the required time depending on whether the employer offers non-occupational health coverage. Subdivision (c) restates the provisions of Labor Code Section 4600.3(c).

AB 749 (Calderon, 2001-2002, Statutes 2002, Chapter 6, Section 61), effective January 1, 2003 will repeal Labor Code section 4600.3(c) and cap the maximum employer medical control at 180 days.

The proposed amendment will delete subdivision (c).

10. Proposed Amendment to Section 9779.5 – Reimbursement of Costs to the Administrative Director; Obligation to Pay Share of Administrative Expense:

Labor Code Section 4600.7 establishes the Workers' Compensation Managed Care Trust Fund in the State Treasury and requires the Administrative to establish a schedule of fees and revenues to be charged to HCOs and applicants for certification in order to fully fund the administration of the program and to repay a loan from the General Fund to the Workers' Compensation Managed Care Trust Fund.

The existing regulation requires all organizations certified as HCOs or WCHCPOs to pay an annual assessment to the Workers' Compensation Managed Care Fund representing that entity's share of the costs and expenses reasonably incurred in the administration of the HCO program. The annual assessment may be paid in two equal installments, with the first payment falling due on or before July 1 and the second installment falling due on or before December 15.

The proposed amendment would require the annual assessment to be paid in a single payment due on or before July 1.

DISCLOSURES REGARDING THE PROPOSED REGULATORY ACTION

The Administrative Director has made the following initial determinations:

- Significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states: None. The only economic impact of the regulations will be to impose a \$10,000 documentation processing and review fee on an entity licensed as a full service health care service plan under Section 1353 of the Health and Safety Code (a Knox-Keene Health Care Service Plan Act) and deemed to be an HCO pursuant to Labor Code Section 4600.5(c), when that entity seeks certification as an HCO. This is half the fee required of non-HMO applicants for certification.
- Adoption of these regulations will not: (1) create or eliminate jobs within the State of California, (2) create new businesses or eliminate existing businesses within the State of California, or (3) affect the expansion of businesses currently doing business in California.
- Effect on Housing Costs: None.
- Cost impacts on representative private person or business: The Administrative Director is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. Only an entity licensed as a full service health care service plan under Section 1353 of the Health and Safety Code (a Knox-Keene Health Care Service Plan Act) and deemed to be an HCO pursuant to Labor Code Section 4600.5(c), would be required to pay the \$10,000 documentation processing and review fee created by Section 9771(g)(1), and then only if that entity chooses to seek certification as an HCO.

FISCAL IMPACTS

- Costs or savings to state agencies or costs/savings in federal funding to the State: None.
- Local Mandate: None. The proposed regulations will not impose any new mandated programs or increased service levels on any local agency or school district. The proposed amendments do not apply to any local agency or school district.
- Cost to any local agency or school district that is required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of the Government Code: None. The proposed amendments do not apply to any local agency or school district.
- Other nondiscretionary costs/savings imposed upon local agencies: None. The proposed amendments do not apply to any local agency or school district.

EFFECT ON SMALL BUSINESS

The Administrative Director has determined that the proposed regulations may affect small businesses.

The express terms of proposed action written in plain English are available from agency contact person named in this notice. The Administrative Director has drafted the regulations in plain English. Furthermore, the "Informative Digest" above constitutes a plain English policy statement overview.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5(a)(13), the Administrative Director must determine that no reasonable alternative considered or that has otherwise been identified and brought to the Administrative Director's attention would be more effective in carrying out the purpose for which the actions are proposed or would be as effective and less burdensome to affected private persons than the proposed actions.

The Administrative Director invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations at the scheduled hearing or during the written comment period.

PUBLIC DISCUSSIONS OF PROPOSED REGULATIONS

A pre-notice workshop, pursuant to Government Code Section 11346.45, is not required to implement the proposed regulations, because the issues addressed are not so complex that it cannot easily be reviewed during the comment period.

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS / INTERNET ACCESS

An Initial Statement of Reasons and the text of the proposed regulations have been prepared and are available from the contact person named in this notice. The entire rulemaking file will be made available for inspection and copying at the address indicated below or a copy will be provided upon written request.

As of the date of this notice, the rulemaking file consists of the notice, the Initial Statement of Reasons, the proposed text of the regulations in ~~strikeout~~/underline format, and the Form 399. In addition, the Notice, Initial Statement of Reasons, and proposed text of regulations may be accessed and downloaded from the Department of Industrial Relations' Internet site at www.dir.ca.gov

PRESENTATION OF ORAL AND/OR WRITTEN COMMENTS AND DEADLINE FOR SUBMISSION OF WRITTEN COMMENTS

Members of the public are invited to present oral and/or written statements, arguments or evidence at the public hearing. If you provide a written comment, it will not be necessary to present your comment as oral testimony at the public hearing.

Any person may submit written comments on the proposed regulations, prior to the public hearings to:

Ms. Marcela Reyes,
Regulations Coordinator
Department of Industrial Relations
Division of Workers' Compensation
Post Office Box 420603
San Francisco, CA 94142

Written comments may be submitted by facsimile transmission (FAX), addressed to the contact person at (415) 703-4720. Written comments may also be sent electronically (via e-mail), using the following e-mail address: dwcrules@hq.dir.ca.gov

Unless submitted prior to or at the public hearing, all written comments must be received by the agency contact person, no later than 5:00 p.m. on September 13, 2002. Equal weight will be accorded to oral and written materials.

COMMENTS TRANSMITTED BY E-MAIL OR FACSIMILE

The Administrative Director will accept written comments transmitted by e-mail provided they are sent to the following e-mail address: dwcrules@hq.dir.ca.gov

The Administrative Director will also accept written comments transmitted by facsimile provided they are directed to the attention of Marcela Reyes and sent to the following facsimile number: (415) 703-4720.

Due to the inherent risks of non-delivery by electronic communications, the Administrative Director suggests, but does not require, that a copy of any comments transmitted electronically be submitted by regular mail.

Comments sent to other e-mail addresses or other facsimile numbers will not be accepted. Comments sent by e-mail or facsimile are subject to the deadline set forth above for written comments.

AVAILABILITY OF RULEMAKING FILE AND LOCATION WHERE RULEMAKING FILE MAY BE INSPECTED

Any interested person may inspect a copy or direct questions about the proposed regulations, the Initial Statement of Reasons, and any supplemental information contained in the rulemaking file.

The rulemaking file, including the Initial Statement of Reasons, the complete text of the proposed regulations and all documents relied upon in this rulemaking may be inspected during normal business hours (8:00 a.m. to 5:00 p.m., Monday through Friday, excluding public holidays) at the following location:

Division of Workers' Compensation
455 Golden Gate Avenue, Ninth Floor
San Francisco, California 94102

CONTACT PERSON:

Nonsubstantive inquiries concerning this action, such as requests to be added to the mailing list for rulemaking notices, requests for copies of the text of the proposed regulations, the Initial Statement of Reasons, and any supplemental information contained in the rulemaking file may be requested directed to the contact person at the same address. The contact person is:

Ms. Marcela Reyes
Regulations Coordinator
Department of Industrial Relations
Division of Workers' Compensation
Post Office Box 420603
San Francisco, CA 94142

The telephone number of the contact person is (415) 703-4600.

BACK-UP CONTACT PERSON / CONTACT PERSON FOR SUBSTANTIVE QUESTIONS

To obtain responses to questions regarding the substance of the proposed regulations, or in the event the contact person is unavailable, inquiries should be directed to: James M. Robbins, Industrial Relations Counsel, at the same address and telephone number as noted above for the contact person.

AVAILABILITY OF CHANGES FOLLOWING PUBLIC HEARING

If the Administrative Director makes changes to the proposed regulations as a result of the public hearing and public comment received, the modified text with changes clearly indicated will be made available for public comment for at least 15 days prior to the date on which the regulations are adopted.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, the Final Statement of Reasons will be available and copies may be requested from the contact person named in this notice or may be accessed on the website: www.dir.ca.gov

AUTOMATIC MAILING

A copy of this Notice, including the Informative Digest, will automatically be sent to those interested persons on the Administrative Director's mailing list and the DWC Managed Care Program's mailing list.

If adopted, the regulations as amended will appear in Title 8, California Code of Regulations, Sections 9771, 9771.2, 9771.66, 9772, 9779, 9779.1, 9779.3, 9779.4, 9779.45 and 9779.5.

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