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State of California

DWCNewsline

Division of Workers' Compensation
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Notice of rulemaking and public hearing for amendments to Health Care Organization (HCO) regulations

The Division of Workers' Compensation (DWC) is proposing amendments to its Health Care Organization (HCO) regulations. The proposed regulations will reduce HCO fees and eliminate duplicative HCO reporting requirements. The proposed amendments are posted on the DWC Web site at http://www.dir.ca.gov/dwc/DWCPropRegs/hco/HCO_Regulations.htm and have been forwarded to the Office of Administrative Law for publication in the California Notice Registry. A public hearing on the regulations has been scheduled for:

Date: Monday, July 27, 2009
Time: 10:00 a.m. to 5:00 p.m. or until conclusion of business
Place: Elihu Harris State Office Building – Auditorium
1515 Clay Street
Oakland, California 94612

Members of the public may comment on the proposed regulations until 5 p.m. on July 27, 2009.

The proposed amendments include:

- The application fee for certification of an entity not licensed under the Knox-Keene Health Care Service Plan Act will be reduced from \$20,000 to \$2,500.
- The application fee for certification of an entity licensed under the Knox-Keene Health Care Service Plan Act will be reduced from \$10,000 to \$1,000.
- The recertification fee will be reduced from \$10,000 to \$1,000.
- The annual assessment fee will be reduced from \$1.00 per enrollee to \$250.00 for 0 to 1000 enrollees, \$350 for 1001 to 5000 enrollees, and \$500 for 5001 or more enrollees.
- The loan repayment surcharge in section 9779.5(a)(2) will be removed as the repayment period has now ended.
- The late payment fee in section 9779 will be repealed.
- Information collected by the Workers' Compensation Information System (WCIS) will not be required to be resubmitted to DWC by HCOs.

The proposed HCO regulations are authorized by Labor Code sections 133, 4600.3, 4600.5, 4600.7, 4603.5, and 5307.3. The proposed amendments are found in the California Code of Regulations, Title 8, sections 9771, 9778, 9779, 9779.5 and 9779.9. These regulations were previously posted to the DWC's online forum for public comment in December 2008.

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