

N E W S R E L E A S E

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New Workers' Compensation Laws Will Reduce Treatment Delays and Improve Anti-Fraud Efforts

Sacramento—Two newly signed laws will build upon California's workers' compensation reforms by addressing two critical issues—reducing treatment delays for injured workers and rooting out provider fraud and illegitimate liens.

Governor Brown signed SB 1160 (Mendoza) and AB 1244 (Gray and Daly), which build on the 2012 workers' compensation reforms designed to increase benefits and improve medical care for injured workers, and to control costs for employers.

“Expedited and appropriate treatment in the critical first month of injury encourages the best outcome for injured workers and employers,” said Christine Baker, Director of the Department of Industrial Relations (DIR). “In reforming the utilization review process used to contest care to injured workers and tightening controls on fraud, these new laws further the treatment and savings goals initiated by the Governor and the Legislature in 2012.”

SB 1160 reduces most utilization review in the first 30 days following a work-related injury. It also mandates electronic reporting of utilization review data by claims administrators to the Division of Workers' Compensation, which will enable the division to monitor claim processes and address problems.

In August, DIR announced that \$600 million in liens filed against injured employees' claims for workers' compensation benefits have been filed by convicted or criminally indicted parties from 2011 through 2015. SB 1160 adds requirements to verify a lien is legitimate, that it is filed only by the lien holder, and that that liens owned by providers who have been indicted or charged with crimes be stayed until the disposition of criminal proceedings.

AB 1244 requires the Division of Workers' Compensation Administrative Director to suspend any medical provider, physician or practitioner from participating in the workers' compensation system when convicted of fraud.

“These new laws will protect injured workers and employers from continued abuse by suspending providers convicted of fraud from participating in the workers’ compensation system and by staying liens filed by indicted parties,” said the division’s Acting Administrative Director George Parisotto.

Beginning January 1, 2017 lien filers will be required to file a declaration affirming eligibility under penalty of perjury. Liens filed without the declaration will be dismissed. The Division of Workers’ Compensation will modify the [EAMS](#) system—which requires lien filers to pay a fee—to disallow any liens not meeting requirements.

DIR protects and improves the health, safety and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. Its [Division of Workers’ Compensation](#) monitors the administration of workers’ compensation claims, and provides administrative and judicial services to assist in resolving disputes that arise in connection with claims for workers’ compensation benefits.

Members of the press may contact Erika Monterroza or Peter Melton at (510) 286-1161, and are encouraged to [subscribe to get email alerts](#) on DIR’s press releases or other departmental updates.

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The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#). For general inquiries, contact DIR’s Communications Call Center at 844-LABOR-DIR (844-522-6734) for help in locating the appropriate [division or program](#) in our department.