



April 30, 2025

The Honorable Buffy Wicks
Chair, Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, CA 95814

**RE: AB 1048 (Chen) – Independent Bill Review and Contract Disputes
OPPOSE**

Dear Assemblymember Wicks,

The undersigned organizations respectfully **OPPOSE AB 1048 (Chen)**, which would expand the types of billing disputes subject to the Independent Bill Review (IBR) process that exists within the workers' compensation system. Our organizations represent a broad base of California's public and private sector employers that have an interest in the workers' compensation and advocate for a balanced workers' compensation system that provides injured workers with fair benefits, while keeping costs low for employers. Our members include not only businesses of every size, but also cities, counties, schools, and other public entities.

Employers are broadly supportive of the IBR process because it reduces unnecessary litigation on simple billing disputes. IBR typically addresses issues related to coding, bundling of services, and application of the official medical fee schedule. Under AB 1048, however, IBR would also be asked to resolve complicated contract disputes related to billing. IBR reviewers are typically insurance and billing professionals who are quite good at resolving routine billing issues. IBR is not, however, staffed by attorneys and judges who are able to resolve legal disputes around contract application.

Many of the contracts subject to IBR under AB 1048 have binding dispute resolution provisions that would be interfered with by funneling the disputes into IBR. These provisions can include internal appeals processes, arbitration, and/or venue selection for dispute resolution. In fact, Labor Code Section 5275(b) specifically allows parties in the workers' compensation system to agree to arbitration to resolve disputes. From our

perspective it is bad public policy to move these disputes from qualified arbitrators or judges and into the IBR system.

AB 1048 ignores contracted dispute resolution provisions and instead forces these disputes into an IBR process that isn't built for contract disputes. For these reasons, and more, we respectfully **OPPOSE AB 1048 (Chen)**.

Sincerely,

Laura Curtis, American Property Casualty Insurance Association
Faith Borges, California Association of Joint Powers Authorities
Ashley Hoffman, California Chamber of Commerce
Jason Schmelzer, California Coalition on Workers' Compensation
Benjamin Ebbink, California League of Food Producers
Jen Hamelin, Public Risk, Innovation, Solutions, and Management
Jean Hurst, Urban Counties of California