



April 16, 2025

The Honorable Melissa Hurtado
California State Senate
State Capitol, Room 6510
Sacramento, CA 95814

**Subject: SB 668 (Hurtado) – Workers’ Compensation: Medical Legal Fee Schedule
OPPOSE**

Dear Senator Hurtado,

The undersigned organizations are respectfully **OPPOSED** to your **SB 668**, which would require the state Division of Workers’ Compensation (DWC) to biannually increase the rate of reimbursements under the medical legal fee schedule. The DWC’s Administrative Director has existing authority to review and adjust this fee schedule as necessary, and it did a significant revision to the fee schedule in 2021.

The California State Auditor issued a [report](#) on this subject in 2019 and, as a part of that report, issued several recommendations to both the legislature and the Division of Workers’ Compensation. These recommendations were multifaceted and, taken together, could result in more available doctors, higher reimbursements, and higher quality reports. SB 668 only addresses one part of the audit report – updating the fee schedule – and does so in a manner that is inconsistent with the audit report.

The audit report recommendation applicable to SB 668 is found on page 25 of the report: *“To ensure that DWC maintains a sufficient supply of QMEs and appropriately compensates these individuals, the Legislature should amend state law to specify that DWC review and, if necessary, update the medical-legal fee schedule at least every two years based on inflation. DWC’s review of the medical-legal fee schedule should be separate from its review of the Official Medical Fee Schedule.”*

SB 668 is inconsistent with the specific recommendation made by the auditor in the following ways:

- The audit report recommends that the DWC be given discretion to “review and, if necessary, update the medical-legal fee schedule at least every two years based on inflation.” This suggests that the Administrative Director be vested with discretion to adjust the fee schedule, or not. SB 668 does not provide discretion to the regulator. Instead, it simply requires an increase every year and would not allow the regulator to exercise discretion based on other factors.
- The audit report recommends that the DWC review and increase, if necessary, the medical-legal fee schedule every two years. SB 668 instead requires a biannual increase in the fee schedule, even if the Administrative Director believes it’s unnecessary.

SB 668 would increase fees under the medical-legal fee schedule and eliminate regulatory discretion. The bill would result in higher costs for employers, including the State of California which is the largest payer in the workers’ compensation system, but does nothing to improve the quality of reports.

For these reasons, and more, we are **OPPOSED** to your **SB 668**.

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 Food Producers
Jean Hurst, Urban Counties of California