



****UPDATED****

July 22, 2016

To: Members, Senate Committee on Appropriations

FROM: California State Association of Counties
Association of California Insurance Companies
California Chamber of Commerce
California Coalition on Workers' Compensation

**SUBJECT: AB 1244 (GRAY) WORKERS' COMPENSATION: PROVIDERS: SUSPENSION
SCHEDULED FOR HEARING – AUGUST 1, 2016
SUPPORT**

The California State Association of Counties (CSAC), the California Chamber of Commerce (CalChamber) and the Association of California Insurance Companies (ACIC) are pleased to **SUPPORT AB 1244**.

AB 1244 would require the Director of the Department of Health Care Services (DHCS) to notify the Administrative Director of the Division of Workers' Compensation (DWC) when a physician or other individual practitioner has been suspended from participation in the Medi-Cal program for reasons including, among others, conviction of a felony or any misdemeanor including fraud, Medi-Cal program or patient abuse; further, **AB 1244** would require the DWC Administrative Director, upon that notification, to promptly suspend the physician or practitioner from participating in the workers' compensation system in any capacity, including participation as a qualified medical examiner, a treating provider in a medical provider network, or an independent medical reviewer.

Recent investigations have uncovered almost \$1 billion statewide in systemic fraud within the workers' compensation system. Such fraud not only increases costs to California's employers, it poses risk and cost to injured workers, as well.

While our organizations would submit that a more broad effort toward eliminating abuse within the workers' compensation system needs to be undertaken by all parties involved, we believe **AB 1244** is an acceptable initial step toward achieving this goal.

For these reasons, we **SUPPORT AB 1244**. Please contact Faith Conley at 916.650.8117 (CSAC) or Jeremy Merz (CalChamber) at (916) 444-6670 should you have any questions regarding our position on this legislation.

cc: Tom Dyer, Office of the Governor
The Honorable Adam Gray
Jennifer Galehouse, Senate Committee on Appropriations
Jessica Billingsley, Senate Republican Caucus
District Office, Members, Senate Committee on Appropriations