



September 20, 2019

The Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814

Subject: SB 537 (Hill) – Workers' Compensation
REQUEST FOR SIGNATURE

Dear Governor Newsom,

The California Coalition on Workers' Compensation, the CSAC Excess Insurance Authority, the American Property Casualty Insurance Association, California Association of Joint Powers Authorities, all **SUPPORT SB 537 (Hill)**, which would increase accountability and transparency in the workers' compensation system, and respectfully request that you **SIGN** this bill when it comes before you.

SB 537 PROVIDES IMPORTANT DATA

California's workers' compensation system can be overly complex and political. Recent history would suggest that a data-driven approach to legislative and regulatory decision-making provides stability and improves outcomes for both injured workers and their employers. SB 537 takes an important step forward by tracking important data related to medical providers in the workers' compensation system and their interaction with medical treatment approval processes such as Utilization Review (UR) and Independent Medical Review (IMR). The data provided by SB 537 will help regulators and policymakers make the types of adjustments necessary to keep our workers' compensation system stable, and it will provide system stakeholders with the information necessary to make better decisions.

SB 537 PROVIDES TRANSPARENCY

California's workers' compensation system is complex, and transparency is key. Payers in the workers' compensation system – mainly self-insured employers and insurance companies – sometimes utilize networks of providers and ancillary services for various reasons. Employers and insurers sometimes know how much they pay to the network for services, but they don't know how much of that total payment actually flows to the provider. SB 537 requires these networks to disclose to payers the reimbursement rate paid to providers by the network. This

important provision will help payers ensure that their contracting practices don't lead to unintended consequences.

SB 537 is a positive step forward for the workers' compensation system. Only through data-driven analysis and transparency can this massive and complex system deliver the best results possible for injured workers at a price that is reasonable for California's employers. It is for these reasons that our coalition is in **SUPPORT** of **SB 537** and respectfully requests that you sign this legislation.

Sincerely,



Jason Schmelzer
Legislative Advocate
California Coalition on Workers' Compensation



Jen Hamelin
Director of Workers' Compensation
CSAC Excess Insurance Authority



Jeremy Merz
Vice President
American Property Casualty Insurance Association



Faith Borges
Legislative Advocate
California Association of Joint Powers Authorities