

Workers' Comp Bill More Harm than Help to Workers

The California Coalition on Workers' Compensation (CCWC), in coordination with a coalition of 60+ unified private, public entity, non-profit and insurer organizations committed to ensuring fairness in the workers' compensation system, is strongly opposing SB 1127 (Atkins). This problematic bill was passed by the California Legislature on August 30 and is on Governor Gavin Newsom's desk for consideration. We are urging the Governor to veto this legislation.

[Senate Bill 1127](#) by Senator Toni Atkins (D-San Diego) is a seemingly well-intentioned measure to quicken review of workers' compensation claims for California's first responders, increase their payments while away from work, and penalize employers that unreasonably reject work injury claims.

Despite these intentions, SB 1127 is poorly conceived and poorly constructed. It will, in fact, worsen the very problems its supporters seek to address and result in more workers' comp claim denials, litigation and wasted tax dollars. Unfortunately, when the

California Legislature passed SB 1127 on August 30, powerful labor politics overcame the clear and objective problems that had previously stopped similar legislation in 2021 ([SB 335, Cortese](#)). Now, [we're urging Governor Newsom to veto](#) this measure and bring stakeholders together for a more thoughtful, collaborative review of the workers' comp system.

To start, the extent to which presumption claims filed for public safety personnel are delayed or inappropriately denied - the problems SB 1127 seeks to address - is unclear. Without data, it's even less clear why this may be happening and whether SB 1127 is the right prescription. What is clear is that nine in 10 workers' comp claims are approved, and California law already strongly favors public safety workers.

For a range of ailments, including heart issues, cancers, certain infections and injuries like hernias, state law "presumes" public safety claims are work-related, no evidence required. Here, the burden shifts to employers to prove whether some other, non-work cause was at issue.

It's important to do right by our public safety personnel, who risk their lives and face increasing physical and mental stresses. And presumptions serve a noble purpose, where risks are higher but "work causation" can be hard to prove, such as cancer among firefighters.

However, SB 1127 supporters seemingly believe presumption claims should be accepted, carte blanche, done deal, end of story. But this perspective ignores legal requirements and basic mechanics of claim handling.

State law requires - not optional - a full review of any claim, including presumption claims. As stewards of taxpayer dollars, it also would be poor policy and poor budgeting for public agencies (cities, counties, special districts, State of California) to accept claims that are not work-related or otherwise inappropriate. Last year, the State of California spent \$890 million on workers' comp claims. And local public agencies currently face more than \$9 billion in workers' comp liabilities.

An investigation does not mean a public employer is seeking to deny a claim. It simply means the employer is meeting their obligation to "fully and fairly gather information." During this review, workers are entitled to \$10,000 of medical treatment, even if their claim is eventually denied.

Currently, employers have 90 days to corral the numerous parties needed to gather information. More complicated claims take the full 90 days (or more) for various reasons. One well-documented cause is the lack of independent Qualified Medical Examiners to evaluate injured workers in a timely manner. If an employer cannot get a QME report within 90 days, it may issue a "conditional denial," or else the claim becomes automatically accepted.

Accelerating this process would benefit all parties. But SB 1127 simply shortens the deadline to 75 days. It does nothing to increase the QME roster or obligate others to move faster (workers, witnesses, physicians, lawyers, etc.). Thus it will force employers' hand sooner and generate more denials - the very problem proponents are seeking to address. The burden then falls onto workers to appeal and probably litigate - counter to the purpose of presumptions to ease the claim process for first responders.

Will such denials be "unreasonable" by employers' SB 1127 doesn't define the term, so expect lawsuits. Certainly, every plaintiff's attorney will seek out the new \$50,000 penalty under SB 1127 - a five-fold increase.

With these changes, SB 1127 would create a more contentious path for public safety workers to access workers' compensation benefits and an ultra-punitive penalty structure for public agencies that are being delayed by factors beyond their control.

Historically, California's workers' comp system has been full of conflict, abuse, wasted effort and misspent dollars. The past decade has seen vast improvements for system stability, while accelerating benefits for workers. SB 1127 would be a step backward to a more conflict-driven, piecemeal approach that results in more unintended consequences than improvements for employers, injured workers and taxpayers.

[Read the coalition's veto request letter here with additional details.](#)

