



California Workers' Compensation Institute

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June 18, 2019

VIA E-MAIL – OSIPRulemaking@dir.ca.gov

Lyn Asio Booz, Chief
Department of Industrial Relations
Office of Self-Insurance Plans
11050 Olson Drive, Suite 230
Rancho Cordova, CA 95670

Re: Proposed Amendments to OSIP Regulations – May 31, 2019

Dear Ms. Asio Booz:

These comments on recent set of amendments to the proposed modifications to the Office of Self-Insurance Plans regulations are presented on behalf of members of the California Workers' Compensation Institute (the Institute). Institute members include insurers writing 81% of California's workers' compensation premium, and self-insured employers with \$72.1B of annual payroll (31.7% of the state's total annual self-insured payroll).

Insurer members of the Institute include AIG, Alaska National Insurance Company, Allianz Global Corporate and Specialty, AmTrust North America, Berkshire Hathaway, CHUBB, CNA, CompWest Insurance Company, Crum & Forster, EMPLOYERS, Everest National Insurance Company, The Hartford, ICW Group, Liberty Mutual Insurance, Pacific Compensation Insurance Company, Preferred Employers Insurance, Republic Indemnity Company of America, Sentry Insurance, State Compensation Insurance Fund, Travelers, XL America, Zenith Insurance Company, and Zurich North America.

Self-insured employer members include Adventist Health, Albertsons/Safeway, BETA Healthcare Group, California Joint Powers Insurance Authority, California State University Risk Management Authority, Chevron Corporation, City and County of San Francisco, City of Los Angeles, City of Pasadena, City of Torrance, Contra Costa County Risk Management, Costco Wholesale, County of Los Angeles, County of San Bernardino Risk Management, County of Santa Clara Risk Management, Dignity Health, Foster Farms, East Bay Municipal Utility District, Grimmway Farms, Kaiser Permanente, Marriott International, Inc., North Bay Schools Insurance Authority, Pacific Gas & Electric Company, Schools Insurance Authority, Sempra Energy, Shasta County Risk Management, Shasta-Trinity Schools Insurance Group, Southern California Edison, Special District Risk Management Authority, Sutter Health, United Airlines, University of California, and The Walt Disney Company.

Recommended revisions to the proposed regulation are indicated by double underscore and ~~double strikeout~~. Comments and discussion by the Institute are identified by *italicized text*.

Recommendations:

FORM AR-2 ADDENDUM -- Aggregate Claims Information

Aggregate amount of Medical Costs paid for each category	
	Interpreters (\$ amount)
	Physician Visits (\$ amount)
	In-Patient Hospital (\$ amount)
	Out-Patient Hospital and Ambulatory Surgery Center (\$ amount)
	Diagnostics Imaging (\$ amount)
	DME supplies (\$ amount)
	Physical Therapy (\$ amount)

Discussion:

The Institute recommends revising “Diagnostics” to “Diagnostic Imaging,” to provide greater clarity. Rather than a specified range of codes, the proposed change to “Diagnostics” would encompass a number of disconnected services, expanding this category to include everything from electrodiagnostic studies to lab work to psyche testing, and would make it difficult to identify services for reporting purposes.

In contrast, “Diagnostic Imaging” services are readily identifiable by a range of AMA Current Procedural Terminology (CPT) codes, and are categorized by the U.S. National Library of Medicine to include X-rays, CT scans, nuclear medicine scans, MRI scans, and ultrasound. Ease of identification will allow for greater consistency in reporting.

However, if the intent is actually to include a wider range of diagnostic studies and tests, a definition or list of reportable services should be provided in the regulation.

Thank you for the opportunity to comment, and please contact us if additional information would be helpful.

Sincerely,

Stacy L. Jones, Senior Research Associate
Ellen Sims Langille, General Counsel

SLJ:ESL/pm

cc: Victoria Hassid, Chief Deputy Director, Department of Industrial Relations
CWCI Claims Committee
CWCI Medical Care Committee
CWCI Legal Committee
CWCI Regular Members
CWCI Associate Members