



## Genex Utilization Review

# 10 Things You Need to Know About California SB 1160

SB 1160 will implement major reforms to the California workers' compensation (WC) system in an attempt to eliminate Utilization Review (UR) delays and inappropriate denials of care for injured workers, as well as to prevent billions of dollars in WC billing fraud. SB 1160 will achieve the following:

1. Set major regulations and restrictions around liens to help curb WC fraud.
2. Prohibit the use of financial incentives to a physician based on a UR decision (e.g. to deny or modify treatment), and give the Division of Workers' Compensation (DWC) the authority to review UR compensation arrangements.
3. Increase the minimum penalty for failing to report WC data to the Workers' Compensation Information System (WCIS) from \$5,000 to \$10,000.
4. Starting January 1, 2018, eliminate prospective UR in the first 30 days of an accepted claim, if the medical treatment follows the utilization schedule and if the injured worker is sent to a predesignated physician, such as a physician in the medical provider network. However, SB 1160 specifies nine types of services that will still require preauthorization (e.g. surgery, home health services, psychological services, etc.).
5. In determining whether to approve, modify or deny requests either prospectively, retrospectively, or concurrently, prompt timeframes must be met and are defined in the bill. For most treatment, a prospective or concurrent decision must be made within 5 working days from receiving a request for authorization, and in no event will it exceed 14 calendar days of the treatment recommendation by the physician.
6. For requests for authorization of a medication on the formulary, a prospective decision must be made within 5 working days from receiving the request for authorization and no extension to 14 calendar days is permitted. This may place medication and other treatment on two separate review timeframes.

7. On or before July 1, 2018, all UR processes must be accredited by an independent, nonprofit organization. The administrative director shall adopt rules to select the accrediting organization, but until then, URAC will serve as the designated accrediting organization.
8. On or before July 1, 2018, employers must submit UR plans to the DWC for approval of their UR process. Employers currently must file plans with the DWC, but these have not previously been subject to review and approval by the DWC.
9. Require that all UR documents be submitted to the DWC in an electronic format, allowing for the creation of a comprehensive UR database. Which documents must be provided, the required format, and the timing and method of submission have not yet been determined.
10. Allow the DWC to update the existing Medical Treatment Utilization Schedule (MTUS) by order, exempt from rulemaking procedures. Such updates currently require public hearings.

The SB 1160 requirements are complex and continue to evolve. Consult with Enlyte to discuss how our URAC accreditation and quality UR processes will help you to meet these requirements and other changes ahead.

