

Coventry Workers' Comp Services Legislative Update



Spring 2008

Coventry Workers' Comp Services' Legislative Affairs staff continues to work with state law makers and regulators to encourage the adoption of favorable policy and legislative initiatives. In addition to our direct participation in the development of legislation and regulations, we serve on advisory committees and industry task forces, and provide data and subject matter expertise to public officials to assist them in the formulation and implementation of policy and reform measures.

Among the activities in which we are currently engaged are the following:

- CWCS staff is providing formal commentary and informal guidance to officials in the Texas Department of Insurance's Division of Workers' Compensation as they formulate regulations to implement legislation passed in the 2007 legislative session. Notable among the measures enacted are HB 473, which regulates so-called voluntary and informal networks, and HB 472, which establishes registration requirements for workers' compensation TPAs.
- We are meeting with legislators and public officials in several states to encourage statutory and regulatory changes that will clarify the parameters for use of PPO arrangements in workers' compensation.
- Our legislative affairs and network leadership team continue to meet with health care providers in several states to explore ways to enhance positive and proactive communication between providers and health care organizations.
- Our team is consulting with New York state officials to provide data and operational guidance to officials charged with implementing the recent workers' compensation reform measures.

We are also monitoring and engaged in direct advocacy in connection with several significant bills introduced in the current legislative session. They include, but are not limited to, the following:

- Measures in Tennessee and California that would require utilization review to be performed solely by board certified, and/or in-state licensed physicians. These measures would needlessly raise costs without appreciably improving the quality of care provided to injured workers.
- Legislation in multiple states, including Connecticut, Florida, New York and Tennessee, that is based on the American Medical Association's Model Act to Regulate the Secondary Market in Physician Discounts ("Model Act") and that would severely restrict network leasing arrangements and impose stringent requirements on the form and content of provider contracts.
- California AB 2081, which is broadly aimed at combating fraud but includes rather imprecise language that would restrict the manner in which contracting parties may be compensated for bill review and/or utilization review services.
- Workers' compensation reform measures in Oklahoma, Florida, Minnesota and other states; while we expect that only a few significant reform bills will be enacted this year, we are closely following each of these bills as they portend the initiatives we will likely see in subsequent legislative sessions.

Finally, on the national level, our legislative affairs staff continues to play a leading role in the health care industry's efforts to negotiate with the AMA to develop standards for provider contracting and network rental. It is our belief that these efforts, combined with our direct advocacy in states in which legislation modeled after the AMA's Model Act has been introduced, will ultimately lead to improved relationships between providers and health care organizations and greater certainty in the PPO market.

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