

COUNTY OF LOS ANGELES

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Marvin Deon II

April 15, 2024

SENATE

The Honorable Maria Elena Durazo California State Senate, District 26 1021 O Street, Room 7530 Sacramento, CA 95814

> SB 1346 (Durazo), as introduced, February 16, 2024 - OPPOSE RE: **Workers' Compensation: Aggregate Disability Payments** Hearing Set on April 22, 2024, in the Senate Appropriations Committee

Dear Senator Durazo:

The County of Los Angeles must respectfully oppose SB 1346. This bill would result in an unfortunate impact on an existing framework of legislation that has built up over time and benefited thousands of workers statewide.

More specifically, SB 1346 would weaken the workers' compensation reforms enacted in 2003 (AB 227 and SB 228) related to the adoption of evidence-based medicine guidelines and the application of those guidelines through a mandatory utilization review process. This bill would also weaken reforms enacted in 2012 (SB 863) related to the independent medical review process and temporary disability benefits.

As presented, this legislation would require significant system modifications and interfaces to monitor treatment requests, utilization review denials, independent medical review overturn decisions, and temporary disability payments, with projected costs of nearly \$1 million, annually.

Last year, in response to AB 1213, (which was very similar to this bill) the California Workers' Compensation Institute's June 2023 report included an estimate indicating that 31.7 percent of California workers' compensation claims had temporary disability payments, 11.7 percent of workers' compensation claims with temporary disability payments had at least one independent medical review decision, and 3.2 percent of workers' compensation claims with a utilization review denial of treatment were overturned. This is a clear indication that the current system works well and protects the health and well-being of California's workers. Furthermore, according to the analysis, only 0.9 percent of temporary disability claims, or under 0.3 percent of all workers' compensation claims, would have been impacted.

For additional information or clarification, please contact Andi Liebenbaum on my team at (916) 441-7888 or <u>ALiebenbaum@ceo.lacounty.gov</u>.

Sincerely,

Marvin Deon

Chief Legislative Representative

C: Each Member and Consultant, Senate Appropriations Committee