

SB 863 MEDICAL PROVIDER NETWORK REGULATIONS FINAL REGULATIONS APPROVED

On July 16, 2014, the Department of Workers' Compensation (DWC) submitted final proposed regulations governing Medical Provider Networks to the Office of Administrative Law (OAL) for approval. The DWC received approval from the OAL effective August 27, 2014. We now have the official regulations that allow Keenan, on our clients' behalf, to file a New Medical Provider Network (MPN) in accordance with enactment of SB 863.

The proposed regulations were initially released May 13, 2013 and went through several public comment periods, the most recent ending May 19, 2014. Keenan, on behalf of our clients, attended public hearings and provided comments in an effort to help shape the regulations in a manner that would benefit all California employers and public agencies.

As we reported in our June 2013 *Briefing*, **SB 863: Medical Provider Network Changes as of January 1, 2014** (please see the link below), of particular concern in earlier versions of the regulations was what appeared to be an overly burdensome administrative process as well as the potential for severe administrative penalties associated with the regulations.

http://www.keenan.com/news/brief/2013/BRF_20130620_MPNCChanges_KA.pdf

The final regulations appear to have struck a balance that all parties can work within.

Based on the final regulations approved by the OAL, California employers can expect the following:

- If you are currently participating in a MPN, you can expect to convert to the new MPN during the first quarter of 2015. Keenan is in the process of filing a new MPN with the DWC. In addition, we are exploring various options in an effort to streamline this process for our clients. Once approved, MPNs will be in effect for a period of four (4) years.
- There are revised MPN notification requirements. Currently, MPN participants are notifying employees upon hire and time of injury. While it may be good practice to notify employees of a MPN prior to an injury, the new regulations will streamline notification and require it only at time of injury or upon transfer of care.
- New penalty provisions are definitely a concern; however, Keenan - working to protect the interest of our clients and injured employees - is assessing how best to ensure compliance and minimize the potential for penalties. Penalties were outlined in the June 2013 Client Briefing (please see the link above).
- New physician access standards will continue to require diligence to ensure that the MPN provides the necessary and appropriate number and type of physician specialties to treat injuries that are common to

our clients. Over the past year, Keenan has been hard at work evaluating all physicians in the network to ensure access standards continue to be met without having too large of a network.

- Physician acknowledgment is a new requirement of the regulations. All physicians participating in the medical provider network are now required to submit written acknowledgment that they elect to be part of the network.

Should you have questions, or desire additional information, you may contact your Keenan Account Manager or the following:

Ron Nassif, Assistant Vice President, Managed Care (310) 212-0363 ext. 3933

Susie Crane, Director, Managed Care (310) 212-0363 ext. 3900

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