

**Assembly Bill No. 1177**

**CHAPTER 252**

An act to add Sections 5307.11 and 5318 to the Labor Code, relating to workers' compensation.

[Approved by Governor September 5, 2001. Filed with Secretary of State September 5, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1177, Calderon. Workers' compensation: official medical fee schedule.

Existing law provides for administration of the workers' compensation system by the Director of the Division of Workers' Compensation of the Department of Industrial Relations, who is referred to as the administrative director.

This bill would authorize a health care provider or licensed health facility and a contracting agent, employer, or carrier to contract for reimbursement rates that are different from the official medical fee schedule. The bill would provide that the December 31, 2001 termination date contained in the California Code of Regulations for specified regulations be extended until new regulations on the medical fee schedule adopted by the administrative director become effective.

*The people of the State of California do enact as follows:*

SECTION 1. Section 5307.11 is added to the Labor Code, to read:

5307.11. A health care provider or health facility licensed pursuant to Section 1250 of the Health and Safety Code, and a contracting agent, employer, or carrier may contract for reimbursement rates different from those in the fee schedule adopted and revised pursuant to Section 5307.1. When a health care provider or health facility licensed pursuant to Section 1250 of the Health and Safety Code, and a contracting agent, employer, or carrier contract for reimbursement rates different from those in the fee schedule, the medical fee schedule for that health care provider or health facility licensed pursuant to Section 1250 of the Health and Safety Code shall not apply to the contracted reimbursement rates. Except as provided in subdivision (b) of Section 5307.1, the official medical fee schedule shall establish maximum reimbursement rates for all medical services for injuries subject to this division provided by a health care provider or health care facility licensed pursuant to



Section 1250 of the Health and Safety Code other than those specified in contracts subject to this section.

SEC. 2. Section 5318 is added to the Labor Code, to read:

5318. Notwithstanding any other provision of law, the termination date of December 31, 2001, provided in Section 9792.1 of Title 8 of the California Code of Regulations shall be extended until the effective date of new regulations adopted by the administrative director, as required by Section 5307.1, providing for the biennial review of the fee schedule for health care facilities.

