An act to amend Section 3201.5 of the Labor Code, relating to workers’ compensation.

SB 2019, as introduced, Mountjoy. Workers’ compensation.

Under existing law, a person injured in the course of employment is, in general, entitled to workers’ compensation. Existing law provides that a collective bargaining between a private employer or groups of employers engaged in construction, construction maintenance, or activities limited to rock, sand, gravel, cement, and asphalt operations, heavy-duty mechanics, surveying, and construction inspection and a union that is the recognized or certified exclusive bargaining representative of employees may establish various things, including an alternative dispute resolution system governing disputes between employees and employers or their insurers that supplements or replaces all or part of those dispute resolution processes ordinarily applicable to workers’ compensation. That collective bargaining agreement may also provide for the use of an agreed list of providers of medical treatment that may be the exclusive source of all medical treatment, the use of an agreed, limited list of qualified medical evaluators and agreed medical evaluators that may be the exclusive source of qualified medical evaluators and agreed medical evaluators, joint labor management safety committees, a light-duty, modified job or
return-to-work program, or a vocational rehabilitation or retraining program utilizing an agreed list of providers of rehabilitation services that may be the exclusive source of providers of rehabilitation services under this division.

This bill would permit agreements between those employers or groups of employers and their employees without the requirement that the agreement be part of a collective bargaining agreement.


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

SECTION 1. Section 3201.5 of the Labor Code is amended to read:

3201.5. (a) Except as provided in subdivisions (b) and (c), the Department of Industrial Relations and the courts of this state shall recognize as valid and binding any provision in an agreement between a private employer or groups of employers engaged in construction, construction maintenance, or activities limited to rock, sand, gravel, cement and asphalt operations, heavy-duty mechanics, surveying, and construction inspection and a union that is the recognized or certified exclusive bargaining representative of employees that establishes any of the following:

1) An alternative dispute resolution system governing disputes between employees and employers or their insurers that supplements or replaces all or part of those dispute resolution processes contained in this division, including, but not limited to, mediation and arbitration. Any system of arbitration shall provide that the decision of the arbiter or board of arbitration is subject to review by the appeals board in the same manner as provided for reconsideration of a final order, decision, or award made and filed by a workers’ compensation judge pursuant to the procedures set forth in Article 1 (commencing with Section 5900) of Chapter 7 of Part 4 of Division 4, and the court of appeals pursuant to the
procedures set forth in Article 2 (commencing with Section 5950) of Chapter 7 of Part 4 of Division 4, governing orders, decisions, or awards of the appeals board. The findings of fact, award, order, or decision of the arbitrator shall have the same force and effect as an award, order, or decision of a workers’ compensation judge. Any provision for arbitration established pursuant to this section shall not be subject to Sections 5270, 5270.5, 5271, 5272, 5273, 5275, and 5277.

(2) The use of an agreed list of providers of medical treatment that may be the exclusive source of all medical treatment provided under this division.

(3) The use of an agreed, limited list of qualified medical evaluators and agreed medical evaluators that may be the exclusive source of qualified medical evaluators and agreed medical evaluators under this division.

(4) Joint labor management safety committees.

(5) A light-duty, modified job or return-to-work program.

(6) A vocational rehabilitation or retraining program utilizing an agreed list of providers of rehabilitation services that may be the exclusive source of providers of rehabilitation services under this division.

(b) Nothing in this section shall allow a collective bargaining an agreement that diminishes the entitlement of an employee to compensation payments for total or partial disability, temporary disability, vocational rehabilitation, or medical treatment fully paid by the employer as otherwise provided in this division. The portion of any agreement that violates this subdivision shall be declared null and void.

(c) Subdivision (a) shall apply only to the following:

(1) An employer developing or projecting an annual workers’ compensation insurance premium, in California, of two hundred fifty thousand dollars ($250,000) or more, or any employer that paid an annual workers’ compensation insurance premium, in California, of two hundred fifty thousand dollars ($250,000) in at least one of the previous three years.
(2) Groups of employers engaged in a workers’ compensation safety group complying with Sections 11656.6 and 11656.7 of the Insurance Code, and established pursuant to a joint labor management safety committee or committees, which develops or projects annual workers’ compensation insurance premiums of two million dollars ($2,000,000) or more.

(3) Employers or groups of employers that are self-insured in compliance with Section 3700 that would have projected annual workers’ compensation costs that meet the requirements of, and that meet the other requirements of, paragraph (1) in the case of employers, or paragraph (2) in the case of groups of employers.

(4) Employers covered by an owner or general contractor provided wrap-up insurance policy applicable to a single construction site that develops workers’ compensation insurance premiums of two million dollars ($2,000,000) or more with respect to those employees covered by that wrap-up insurance policy.

(d) Employers and labor representatives who meet the eligibility requirements of this section shall be issued a letter by the administrative director advising each employer and labor representative that, based upon the review of all documents and materials submitted as required by the administrative director, each has met the eligibility requirements of this section.

(e) The premium rate for a policy of insurance issued pursuant to this section shall not be subject to the requirements of Section 11732 or 11732.4 of the Insurance Code.

(f) No employer may establish or continue a program established under this section until it has provided the administrative director with all of the following:

(1) Upon its original application and whenever it is renegotiated thereafter, a copy of the collective bargaining agreement and the approximate number of employees who will be covered thereby.

(2) Upon its original application and annually thereafter, a valid and active license where that license is required by law as a condition of doing business in the
state within the industries set forth in subdivision (a) of Section 3201.5.
(3) Upon its original application and annually thereafter, a statement signed under penalty of perjury, that no action has been taken by any administrative agency or court of the United States to invalidate the collective bargaining agreement.
(4) The name, address, and telephone number of the contact person of the employer.
(5) Any other information that the administrative director deems necessary to further the purposes of this section.
(g) If employees who would be subject to the agreement are represented by the union, the agreement shall be between the employer or group of employers and the union that is the recognized or certified exclusive bargaining representative of the employees.
(h) No collective bargaining representative may establish or continue to participate in a program established under this section unless all of the following requirements are met:
(1) Upon its original application and annually thereafter, it has provided to the administrative director a copy of its most recent LM-2 or LM-3 filing with the United States Department of Labor, along with a statement, signed under penalty of perjury, that the document is a true and correct copy.
(2) It has provided to the administrative director the name, address, and telephone number of the contact person or persons of the collective bargaining representative or representatives.
(i) Commencing July 1, 1995, and annually thereafter, the Division of Workers’ Compensation shall report to the Director of the Department of Industrial Relations the number of collective bargaining agreements received and the number of employees covered by these agreements.
By June 30, 1996, and annually thereafter, the Administrative Director of the Division of Workers’ Compensation shall prepare and notify Members of the Legislature that a report authorized by this section is available upon request. The report based upon aggregate data shall include the following:

1. Person hours and payroll covered by agreements filed.
2. The number of claims filed.
3. The average cost per claim shall be reported by cost components whenever practicable.
4. The number of litigated claims, including the number of claims submitted to mediation, the appeals board, or the court of appeals.
5. The number of contested claims resolved prior to arbitration.
6. The projected incurred costs and actual costs of claims.
7. Safety history.
8. The number of workers participating in vocational rehabilitation.
9. The number of workers participating in light-duty programs.
10. The division shall have the authority to require those employers and groups of employers listed in subdivision (c) to provide the data listed above.

(k) The data obtained by the administrative director pursuant to this section shall be confidential and not subject to public disclosure under any law of this state. However, the Division of Workers’ Compensation shall create derivative works pursuant to subdivisions (h) and (i) and (j) based on the collective bargaining agreements and data. Those derivative works shall not be confidential, but shall be public. On a monthly basis the administrative director shall make available an updated list of employers and unions entering into collective bargaining agreements.
bargaining agreements containing provisions authorized
by this section.