

MEMORANDUM

Medical Advisory Committee

TO: John Shilts, Administrator
Workers' Compensation Division

FROM: Medical Advisory Committee

THROUGH: Kevin Willingham, Committee Administrator

DATE: October 20, 2005

RE: SB 311 and related Management-Labor Advisory Committee Agreement

The Workers' Compensation Division provided the Medical Advisory Committee an update on Senate Bill 311, and shared related agreements that will be implemented through administrative rule. The committee was asked to provide input regarding rule issues.

In response, the committee would like to provide the following regarding the proposed requirement that an attending physician review all Independent Medical Examination reports with workers. While we concur that the agreement sounds good, we do not believe it is a practicable solution to any problem presented. We feel the requirement is more likely to produce negative outcomes.

The agreement is problematic to regulate and enforce. It requires either additional enforcement staff, or will not be enforced adequately to produce the desired outcomes. To the degree it is enforced, the requirement has the potential of driving physicians out of the workers' compensation system to avoid the increased regulatory burden. However, we fundamentally believe that physicians are more likely to ignore the requirement.

In those instances where a physician does comply, the additional consultation will be billed to the insurer or self-insured employer. System costs will increase as a result.

We believe that the Management-Labor Advisory Committee should consider other alternatives to attain the policy goal behind its agreement.