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A bill to be entitled An act relating to workers' compensation; amending s. 440.13, F.S.; deleting limitations on chiropractic treatment; requiring a physician to provide copies of medical reports to an injured employee; deleting certification requirements; deleting limitations on referrals between health care providers; expanding the membership of the panel that determines maximum reimbursement allowances; deleting a requirement for a copayment for medical services; amending s. 440.15, F.S.; increasing the period for temporary total disability, permanent impairment, and temporary partial disability benefits; revising criteria to establish the schedule of impairment benefits; increasing the rate of payment of impairment benefits; removing the prohibition against compensation for mental, psychological, or emotional injury; revising criteria for an obligation to rehire; amending s. 440.191, F.S.; requiring employers and carriers to pay attorneys' fees in specified circumstances; amending s. 440.192, F.S.; providing for payment of attorneys' fees; amending s. 440.34, F.S.; revising the formula for setting attorneys' fees; revising the application of a law relating to payment of compensation; repealing s. 440.25(4)(j), F.S., which provides for expedited dispute resolution; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

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Section 1. Subsections (2), (3), (12), and (14) of section 440.13, Florida Statutes, are amended to read:

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440.13 Medical services and supplies; penalty for violations; limitations.--

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(2) MEDICAL TREATMENT; DUTY OF EMPLOYER TO FURNISH. --

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(a) Subject to the limitations specified elsewhere in this chapter, the employer shall furnish to the employee such medically necessary remedial treatment, care, and attendance for such period as the nature of the injury or the process of recovery may require, including medicines, medical supplies, durable medical equipment, orthoses, prostheses, and other medically necessary apparatus. Remedial treatment, care, and attendance, including work-hardening programs or pain-management programs accredited by the Commission on Accreditation of Rehabilitation Facilities or Joint Commission on the Accreditation of Health Organizations or pain-management programs affiliated with medical schools, shall be considered as covered treatment only when such care is given based on a referral by a physician as defined in this chapter. Each facility shall maintain outcome data, including

work status at discharges, total program charges, total number of visits, and length of stay. The department shall utilize such data and report to the President of the Senate and the Speaker of the House of Representatives regarding the efficacy and cost-effectiveness of such program, no later than October 1, 1994. Medically necessary treatment, care, and attendance does not include chiropractic services in excess of 18

chiropractic treatment, whichever comes first, unless the

treatments or rendered 8 weeks beyond the date of the initial

carrier authorizes additional treatment or the employee is catastrophically injured.

- (b) The employer shall provide appropriate professional or nonprofessional attendant care performed only at the direction and control of a physician when such care is medically necessary. The value of nonprofessional attendant care provided by a family member must be determined as follows:
- 1. If the family member is not employed, the per-hour value equals the federal minimum hourly wage.
- 2. If the family member is employed and elects to leave that employment to provide attendant or custodial care, the per-hour value of that care equals the per-hour value of the family member's former employment, not to exceed the per-hour value of such care available in the community at large. A family member or a combination of family members providing nonprofessional attendant care under this paragraph may not be compensated for more than a total of 12 hours per day.
- required by this section after request by the injured employee, the employee may obtain such treatment at the expense of the employer, if the treatment is compensable and medically necessary. There must be a specific request for the treatment, and the employer or carrier must be given a reasonable time period within which to provide the treatment or care. However, the employee is not entitled to recover any amount personally expended for the treatment or service unless he or she has requested the employer to furnish that treatment or service and the employer has failed, refused, or neglected to do so within a reasonable time or unless the nature of the

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injury requires such treatment, nursing, and services and the employer or his or her superintendent or foreman, having knowledge of the injury, has neglected to provide the treatment or service.

- (d) The carrier has the right to transfer the care of an injured employee from the attending health care provider if an independent medical examination determines that the employee is not making appropriate progress in recuperation.
- (e) Except in emergency situations and for treatment rendered by a managed care arrangement, after any initial examination and diagnosis by a physician providing remedial treatment, care, and attendance, and before a proposed course of medical treatment begins, each insurer shall review, in accordance with the requirements of this chapter, the proposed course of treatment, to determine whether such treatment would be recognized as reasonably prudent. The review must be in accordance with all applicable workers' compensation practice parameters. The insurer must accept any such proposed course of treatment unless the insurer notifies the physician of its specific objections to the proposed course of treatment by the close of the tenth business day after notification by the physician, or a supervised designee of the physician, of the proposed course of treatment.
- (f) A physician shall provide copies of all medical reports, except psychiatric or psychological reports, to an injured employee at the same time as copies are provided to the attorneys for the carrier and the employee.
 - (3) PROVIDER ELIGIBILITY; AUTHORIZATION. --
- (a) As a condition to eligibility for payment under this chapter, a health care provider who renders services must be a certified health care provider and must receive

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authorization from the carrier before providing treatment. This paragraph does not apply to emergency care. The division shall adopt rules to implement the certification of health care providers. As a one-time prerequisite to obtaining certification, the division shall require each physician to demonstrate proof of completion of a minimum 5-hour course that covers the subject areas of cost containment, utilization control, ergonomics, and the practice parameters adopted by the division governing the physician's field of practice. The division shall coordinate with the Agency for Health Care Administration, the Florida Medical Association, the Florida Osteopathic Medical Association, the Florida Chiropractic Association, the Florida Podiatric Medical Association, the Florida Optometric Association, the Florida Dental Association, and other health professional organizations and their respective boards as deemed necessary by the Agency for Health Care Administration in complying with this subsection. No later than October 1, 1994, the division shall adopt rules regarding the criteria and procedures for approval of courses and the filing of proof of completion by the physicians.

must notify the carrier by the close of the third business day after it has rendered such care. If the emergency care results in admission of the employee to a health care facility, the health care provider must notify the carrier by telephone within 24 hours after initial treatment. Emergency care is not compensable under this chapter unless the injury requiring emergency care arose as a result of a work-related accident. Pursuant to chapter 395, all licensed physicians and health care providers in this state shall be required to make their services available for emergency treatment of any employee

eligible for workers' compensation benefits. To refuse to make such treatment available is cause for revocation of a license.

- (c) A health care provider may not refer the employee to another health care provider, diagnostic facility, therapy center, or other facility without prior authorization from the carrier, except when emergency care is rendered. Any referral must be to a health care provider that has been certified by the division, unless the referral is for emergency treatment.
- (d) A carrier must respond, by telephone or in writing, to a request for authorization by the close of the third business day after receipt of the request. A carrier who fails to respond to a written request for authorization for referral for medical treatment by the close of the third business day after receipt of the request consents to the medical necessity for such treatment. All such requests must be made to the carrier. Notice to the carrier does not include notice to the employer.
- (e) Carriers shall adopt procedures for receiving, reviewing, documenting, and responding to requests for authorization. Such procedures shall be for a health care provider certified under this section.
- (f) By accepting payment under this chapter for treatment rendered to an injured employee, a health care provider consents to the jurisdiction of the division as set forth in subsection (11) and to the submission of all records and other information concerning such treatment to the division in connection with a reimbursement dispute, audit, or review as provided by this section. The health care provider must further agree to comply with any decision of the division rendered under this section.

as otherwise provided in this section.

subsection (1), treating injured workers.

specialist consultations, surgical operations,

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the pharmacy or pharmacist dispensing and filling 31 prescriptions for medicines required under this chapter. It is

CODING: Words stricken are deletions; words underlined are additions.

(g) The employee is not liable for payment for medical

treatment or services provided pursuant to this section except

(h) The provisions of s. 455.236 are applicable to

(h)(i) Notwithstanding paragraph (d), a claim for

physiotherapeutic or occupational therapy procedures, X-ray

more than \$1,000 and other specialty services that the

days to a written request for authorization, or unless

division identifies by rule is not valid and reimbursable

unless the services have been expressly authorized by the

examinations, or special diagnostic laboratory tests that cost

carrier, or unless the carrier has failed to respond within 10

emergency care is required. The insurer shall not refuse to

authorize such consultation or procedure unless the health care provider or facility is not authorized or certified or

unless an expert medical advisor has determined that the

consultation or procedure is not medically necessary or

otherwise compensable under this chapter. Authorization of a

treatment plan does not constitute express authorization for

paragraph does not limit the carrier's obligation to identify

contrary, a sick or injured employee shall be entitled, at all

times, to free, full, and absolute choice in the selection of

(i)(i) Notwithstanding anything in this chapter to the

purposes of this section, except to the extent the carrier

provides otherwise in its authorization procedures. This

and disallow overutilization or billing errors.

referrals among health care providers, as defined in

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30 31 expressly forbidden for the division, an employer, or a carrier, or any agent or representative of the division, an employer, or a carrier to select the pharmacy or pharmacist which the sick or injured employee must use; condition coverage or payment on the basis of the pharmacy or pharmacist utilized; or to otherwise interfere in the selection by the sick or injured employee of a pharmacy or pharmacist.

- (12) CREATION OF THREE-MEMBER PANEL; GUIDES OF MAXIMUM REIMBURSEMENT ALLOWANCES.--
- (a) A five-member three-member panel is created, consisting of the Insurance Commissioner, or the Insurance Commissioner's designee, and four two members to be appointed by the Governor, subject to confirmation by the Senate, two members one member who, on account of present or previous vocation, employment, or affiliation, are shall be classified as representatives a representative of employers, and two members the other member who, on account of previous vocation, employment, or affiliation, are shall be classified as representatives a representative of employees. The panel shall determine statewide schedules of maximum reimbursement allowances for medically necessary treatment, care, and attendance provided by physicians, hospitals, ambulatory surgical centers, work-hardening programs, pain programs, and durable medical equipment. The maximum reimbursement allowances for inpatient hospital care shall be based on a schedule of per diem rates, to be approved by the five-member three-member panel by November 1, 1998, no later than March 1, 1994, to be used in conjunction with a precertification manual as determined by the division. All compensable charges for hospital outpatient care shall be reimbursed at 75 percent of usual and customary charges. Until the five-member

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three-member panel approves a schedule of per diem rates for inpatient hospital care and it becomes effective, all compensable charges for hospital inpatient care must be reimbursed at 75 percent of their usual and customary charges. Annually, the five-member three-member panel shall adopt schedules of maximum reimbursement allowances for physicians, hospital inpatient care, hospital outpatient care, ambulatory surgical centers, work-hardening programs, and pain programs. However, the maximum percentage of increase in the individual reimbursement allowance may not exceed the percentage of increase in the Consumer Price Index for the previous year. An individual physician, hospital, ambulatory surgical center, pain program, or work-hardening program shall be reimbursed either the usual and customary charge for treatment, care, and attendance, the agreed-upon contract price, or the maximum reimbursement allowance in the appropriate schedule, whichever is less.

- (b) As to reimbursement for a prescription medication, the reimbursement amount for a prescription shall be the average wholesale price times 1.2 plus \$4.18 for the dispensing fee, except where the carrier has contracted for a lower amount. Fees for pharmaceuticals and pharmaceutical services shall be reimbursable at the applicable fee schedule amount. Where the employer or carrier has contracted for such services and the employee elects to obtain them through a provider not a party to the contract, the carrier shall reimburse at the schedule, negotiated, or contract price, whichever is lower.
- (c) Reimbursement for all fees and other charges for such treatment, care, and attendance, including treatment, care, and attendance provided by any hospital or other health

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care provider, ambulatory surgical center, work-hardening 2 program, or pain program, must not exceed the amounts provided 3 by the uniform schedule of maximum reimbursement allowances as 4 determined by the panel or as otherwise provided in this 5 section. This subsection also applies to independent medical 6 examinations performed by health care providers under this 7 chapter. Until the five-member three-member panel approves a 8 uniform schedule of maximum reimbursement allowances and it becomes effective, all compensable charges for treatment, 9 10 care, and attendance provided by physicians, ambulatory 11 surgical centers, work-hardening programs, or pain programs shall be reimbursed at the lowest maximum reimbursement 12 allowance across all 1997 1992 schedules of maximum 13 14 reimbursement allowances for the services provided regardless of the place of service. In determining the uniform schedule, 15 the panel shall first approve the data which it finds 16 17 representative of prevailing charges in the state for similar 18 treatment, care, and attendance of injured persons. Each 19 health care provider, health care facility, ambulatory 20 surgical center, work-hardening program, or pain program receiving workers' compensation payments shall maintain 21 records verifying their usual charges. In establishing the 22 uniform schedule of maximum reimbursement allowances, the 23 24 panel must consider:

- The levels of reimbursement for similar treatment, care, and attendance made by other health care programs or third-party providers;
- 2. The impact upon cost to employers for providing a level of reimbursement for treatment, care, and attendance which will ensure the availability of treatment, care, and attendance required by injured workers;

- 3. The financial impact of the reimbursement allowances upon health care providers and health care facilities, including trauma centers as defined in s. 395.401, and its effect upon their ability to make available to injured workers such medically necessary remedial treatment, care, and attendance. The uniform schedule of maximum reimbursement allowances must be reasonable, must promote health care cost containment and efficiency with respect to the workers' compensation health care delivery system, and must be sufficient to ensure availability of such medically necessary remedial treatment, care, and attendance to injured workers; and
- 4. The most recent average maximum allowable rate of increase for hospitals determined by the Health Care Board under chapter 408.
 - (14) PAYMENT OF MEDICAL FEES. --
- (a) Except for emergency care treatment, fees for medical services are payable only to a health care provider certified and authorized to render remedial treatment, care, or attendance under this chapter. A health care provider may not collect or receive a fee from an injured employee within this state, except as otherwise provided by this chapter. Such providers have recourse against the employer or carrier for payment for services rendered in accordance with this chapter.
- (b) Fees charged for remedial treatment, care, and attendance may not exceed the applicable fee schedules adopted under this chapter.
- (c) Notwithstanding any other provision of this chapter, following overall maximum medical improvement from an injury compensable under this chapter, the employee is obligated to pay a copayment of \$10 per visit for medical

services. The copayment shall not apply to emergency care provided to the employee.

Section 2. Paragraph (a) of subsection (2), paragraph (a) of subsection (3), paragraph (b) of subsection (4), and subsection (6) of section 440.15, Florida Statutes, are amended to read:

440.15 Compensation for disability.--Compensation for disability shall be paid to the employee, subject to the limits provided in s. 440.12(2), as follows:

- (2) TEMPORARY TOTAL DISABILITY. --
- (a) In case of disability total in character but temporary in quality, 66 2/3 percent of the average weekly wages shall be paid to the employee during the continuance thereof, not to exceed 182 104 weeks except as provided in this subsection, s. 440.12(1), and s. 440.14(3). Once the employee reaches the maximum number of weeks allowed, or the employee reaches the date of maximum medical improvement, whichever occurs earlier, temporary disability benefits shall cease and the injured worker's permanent impairment shall be determined.
 - (3) PERMANENT IMPAIRMENT AND WAGE-LOSS BENEFITS.--
 - (a) Impairment benefits.--
- 1. Once the employee has reached the date of maximum medical improvement, impairment benefits are due and payable within 20 days after the carrier has knowledge of the impairment.
- 2. The <u>five-member</u> three-member panel, in cooperation with the division, shall establish and use a uniform permanent impairment rating schedule. This schedule must be based on medically or scientifically demonstrable findings as well as the systems and criteria set forth in the American Medical

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Association's Guides to the Evaluation of Permanent Impairment; the Snellen Charts, published by American Medical 2 3 Association Committee for Eye Injuries; and the Minnesota Department of Labor and Industry Disability Schedules. The 4 5 schedule should be based upon objective findings. The schedule 6 shall be more comprehensive than the AMA Guides to the 7 Evaluation of Permanent Impairment and shall expand the areas 8 already addressed and address additional areas not currently contained in the guides. On August 1, 1979, and pending the 9 10 adoption, by rule, of a permanent schedule, Guides to the 11 Evaluation of Permanent Impairment, copyright 1977, 1971, 1988, by the American Medical Association, shall be the 12 temporary schedule and shall be used for the purposes hereof. 13 For injuries after July 1, 1990, pending the adoption by 14 division rule of a uniform disability rating schedule, the 15 Minnesota Department of Labor and Industry Disability Schedule 16 17 shall be used unless that schedule does not address an injury. In such case, the Guides to the Evaluation of Permanent 18 19 Impairment by the American Medical Association shall be used. 20 Determination of permanent impairment under this schedule must 21 be made by a physician licensed under chapter 458, a doctor of osteopathic medicine licensed under chapters 458 and 459, a 22 chiropractor licensed under chapter 460, a podiatrist licensed 23 24 under chapter 461, an optometrist licensed under chapter 463, or a dentist licensed under chapter 466, as appropriate 25 considering the nature of the injury. No other persons are 26 authorized to render opinions regarding the existence of or 27 28 the extent of permanent impairment. 29 All impairment income benefits shall be based on an

impairment rating using the impairment schedule referred to in

the rate of 66 2/3 50 percent of the employee's average weekly salary temporary total disability benefit not to exceed the 2 3 maximum weekly benefit under s. 440.12. An employee's entitlement to impairment income benefits begins the day after 4 5 the employee reaches maximum medical improvement or the 6 expiration of temporary benefits, whichever occurs earlier, 7 and continues until the earlier of: 8 a.(I) Eighteen weeks of eligibility for permanent 9 impairment ratings up to and including 3 percent; 10 (II) Thirty-six weeks of eligibility for permanent 11 impairment ratings greater than 3 percent and up to and 12 including 6 percent; (III) Fifty-four weeks of eligibility for permanent 13 impairment ratings greater than 6 percent and up to and 14 15 including 9 percent; (IV) Seventy-two weeks of eligibility for permanent 16 impairment ratings greater than 9 percent and up to and 17 18 including 12 percent; 19 (V) Eighty-six weeks of eligibility for permanent impairment ratings greater than 13 percent and up to and 20 21 including 14 percent; 22 Ninety-four weeks of eligibility for permanent 23 impairment ratings greater than 14 percent and up to and 24 including 15 percent; 25 (VII) One-hundred and five weeks of eligibility for 26 permanent impairment ratings greater than 15 percent and up to 27 and including 16 percent; 28 (VIII) One-hundred and nineteen weeks of eligibility 29 for permanent impairment ratings greater than 16 percent and 30 up to and including 17 percent;

1	(IX) One-hundred and thirty-three weeks of eligibility
2	for permanent impairment ratings greater than 17 percent and
3	up to and including 18 percent;
4	(X) One-hundred and forty-seven weeks of eligibility
5	for permanent impairment ratings greater than 18 percent and
6	up to and including 19 percent;
7	(XI) One-hundred sixty-one weeks of eligibility for
8	permanent impairment ratings greater than 19 percent and up to
9	and including 20 percent;
10	(XII) One-hundred seventy-five weeks of eligibility
11	for permanent impairment ratings greater than 20 percent and
12	up to and including 21 percent;
13	(XIII) One-hundred ninety-two weeks of eligibility for
14	permanent impairment ratings greater than 21 percent and up to
15	and including 22 percent;
16	(XIV) Two-hundred ten-weeks of eligibility for
17	permanent impairment ratings greater than 22 percent and up to
18	and including 23 percent;
19	(XV) Two-hundred twenty-seven weeks of eligibility for
20	permanent impairment ratings greater than 23 percent and up to
21	and including 24 percent;
22	(XVI) Two-hundred forty-five weeks of eligibility for
23	permanent impairment ratings greater than 24 percent and up to
24	and including 25 percent; or
25	(XVII) Two-hundred fifty-four weeks of eligibility for
26	permanent impairment ratings greater than 25 percent; or
27	a. The expiration of a period computed at the rate of
28	3 weeks for each percentage point of impairment; or
29	b. The death of the employee.
30	4. After the employee has been certified by a doctor
31	as having reached maximum medical improvement or 6 weeks

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before the expiration of temporary benefits, whichever occurs 2 earlier, the certifying doctor shall evaluate the condition of 3 the employee and assign an impairment rating, using the impairment schedule referred to in subparagraph 2. 4 5 Compensation is not payable for the mental, psychological, or 6 emotional injury arising out of depression from being out of 7 work because of the employee's accident. If the certification 8 and evaluation are performed by a doctor other than the 9 employee's treating doctor, the certification and evaluation 10 must be submitted to the treating doctor, and the treating 11 doctor must indicate agreement or disagreement with the certification and evaluation, but the opinion of the second 12 doctor counts in the final decision of impairment. If there is 13 14 any controversy, the judge shall resolve the dispute between the two doctors. The certifying doctor shall issue a written 15 report to the division, the employee, and the carrier 16 17 certifying that maximum medical improvement has been reached, 18 stating the impairment rating, and providing any other 19 information required by the division. If the employee has not 20 been certified as having reached maximum medical improvement before the expiration of 182 102 weeks after the date 21 temporary total disability benefits begin to accrue, the 22 carrier shall notify the treating doctor of the requirements 23 24 of this section.

- 5. The carrier shall pay the employee impairment income benefits for a period based on the impairment rating.
 - (4) TEMPORARY PARTIAL DISABILITY.--
- (b) Such benefits shall be paid during the continuance of such disability, not to exceed a period of $\underline{182}$ $\underline{104}$ weeks, as provided by this subsection and subsection (2). Once the injured employee reaches the maximum number of weeks,

temporary disability benefits cease and the injured worker's permanent impairment must be determined.

(6) OBLIGATION TO REHIRE.—If the employer has not in good faith made available to the employee, within a 35-mile 100-mile radius of the employee's residence, work appropriate to the employee's physical limitations within 30 days after the carrier notifies the employer of maximum medical improvement and the employee's physical limitations, the employer shall pay to the division for deposit into the Workers' Compensation Administration Trust Fund a fine of \$250 for every \$5,000 of the employer's workers' compensation premium or payroll, not to exceed\$5,000\$\frac{2}{2},000\$ per violation, as the division requires by rule. The employer is not subject to this subsection if the employee is receiving permanent total disability benefits or if the employer has \$\frac{25}{50}\$ or fewer employees.

Section 3. Paragraph (d) of subsection (2) of section 440.191, Florida Statutes, is amended to read:

440.191 Employee Assistance and Ombudsman Office.-- (2)

assign an ombudsman to assist the employee in resolving the dispute. If the dispute is not resolved within 30 days after the employee contacts the office, the ombudsman shall, at the employee's request, assist the employee in drafting a petition for benefits and explain the procedures for filing petitions. The employee is entitled to be represented by an attorney and, the employer or carrier is liable for payment of attorney's fees and costs. The Employee Assistance and Ombudsman Office may not represent employees before the judges of compensation claims. An employer or carrier may not pay any attorneys' fees

on behalf of the employee for services rendered or costs 2 incurred in connection with this section, unless expressly 3 authorized elsewhere in this chapter. 4 Section 4. Subsection (6) of section 440.192, Florida 5 Statutes, is amended to read: 6 440.192 Procedure for resolving benefit disputes. --7 (6) If the claimant is not represented by counsel, the Office of the Judges of Compensation Claims may request the 8 9 Employee Assistance and Ombudsman Office to assist the 10 claimant in filing a petition that meets the requirements of this section. If the claimant is represented by counsel, the 11 12 employer or carrier must pay the attorney's fees. Paragraph (c) of subsection (11) of section 13 Section 5. 14 440.20, Florida Statutes, applies to all claims not settled 15 unless the claimant was injured before 1994. 16 Section 6. Paragraph (j) of subsection (4) of section 440.25, Florida Statutes, is repealed. 17 Section 7. This act shall take effect upon becoming a 18 19 law. 20 21 22 SENATE SUMMARY Amends various sections of chapter 440, F.S., relating to workers' compensation to:

Delete limitations on chiropractic treatment. 23 24 Require a physician to provide copies of medical reports to injured employees.

Delete certification requirements. 25 26 Delete limitations on referrals between health care providers. Increase the three-member panel to a five-member panel.

Delete a copayment for medical services.

Increase the period for temporary total disability,
permanent impairment, and temporary partial disability 27 28 29 benefits. Increase the rate of payment of impairment benefits. Remove the prohibition against compensation for mental 30 injury. 31 Revise criteria for an obligation to rehire. Provide for payment of attorney's fees.