



ANALYSIS OF OREGON SENATE BILL 533

As Introduced on February 12, 2013

NCCI has analyzed Oregon Senate Bill (SB) 533, and concludes that the cost effects of the proposed changes are not immediately quantifiable. If enacted, any resulting cost impact would be realized through future Oregon claims experience and reflected in subsequent NCCI loss cost filings. This bill would be effective upon passing and would potentially impact benefits for accidents that occurred before the date on which the bill is passed.

Background of SB 533

In Oregon, the injured worker has initial choice of doctor, physician or nurse practitioner and may subsequently make two changes without approval from the Director of the Workers' Compensation Board.

Nurse Practitioners

Currently a nurse practitioner may provide services to an injured worker as follows:

- provide compensable medical services for 90 days
- authorize payment of temporary disability benefits for a period not to exceed 60 days
- refer an injured employee to a physician qualified to be an attending physician for the purpose of determining an impairment rating within the same 90 days

Under Senate Bill (SB) 533 all three of these time periods would be extended to 180 days. Also under the proposal, in the case of a nurse practitioner authorized to provide medical services to a worker enrolled in a managed care organization (MCO), the MCO could allow the nurse practitioner to provide medical services and authorize temporary disability payments beyond 180 days.

Chiropractors

Per Section ORS 656.260 (4)(g) of the current Oregon statutes, MCO plans must allow a worker the choice to receive medical treatment from a primary care physician, who is not a member of the MCO, with whom the worker has a documented history of treatment. Such physician must agree to refer the worker to the MCO for any specialized treatment, including physical therapy. SB 533 amends this section to include chiropractors as primary care physicians, and would allow chiropractors to provide compensable medical services and to authorize temporary disability compensation.

Further, as established in ORS 656.005 (12)(b)(B), chiropractic treatment is currently limited to a maximum of 60 days (starting from the date of first treatment) or 18 visits, whichever occurs first. Under SB 533, an MCO may authorize an extension beyond these timeframes.

Miscellaneous

Under SB 533 an MCO would be required to provide a process to resolve disputes between a health care provider and the MCO when the health care provider is terminated from or denied participation in the plan. SB 533 also includes guidelines under which an MCO may deny or



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terminate the authorization of primary care physicians and chiropractic physicians to act as the attending physician as well as removing the authority of nurse practitioners to provide medical services, in conjunction with the MCO.

Actuarial Analysis

Nurse Practitioner

Under SB 533 the timeframes within which a nurse practitioner can provide medical services, authorize temporary disability benefits and refer the injured worker to a physician for an impairment rating are being extended to 180 days. In the case of less severe injuries, the extension may allow the nurse practitioner to provide treatment throughout the entire healing period, improving continuity and potentially lowering the administrative cost of reassigning the injured worker to a new physician. Alternatively, nurse practitioners may not have the same level of expertise as a doctor in evaluating injuries. This could result in longer timeframes for treatment and lengthen the duration to achieve maximum medical improvement, thus potentially increasing costs.

Under SB 533, an MCO would be allowed to authorize nurse practitioners to extend their treatment of the injured worker beyond the 180 days. The extent to which this would occur and the impact on claim costs is uncertain. Given that the MCO would maintain control over the timeframes involved, it is not likely that this would add measurable costs to the system.

Chiropractors

As noted above, SB 533 amends Section ORS 656.260 (4)(g) to include chiropractors as primary care physicians, and would allow chiropractors to provide medical services and to authorize temporary disability compensation.

According to a 2006 Oregon study¹, some employers expressed concerns against expanding the attending physician role of the chiropractor, citing, for example, that workers treated by chiropractors typically have permanent disability and a large amount of time loss. However, other employers advocated for chiropractic care, pointing out that workers often choose active treatment by chiropractors rather than an alternative of bed rest and medication.

Chiropractic treatment would still be limited to a maximum of 60 days (starting from the date of first treatment) or 18 visits, whichever occurs first. However under SB 533, the MCO would be allowed to authorize chiropractors to provide medical services and authorize temporary disability payments beyond these timeframes. The extent to which this would occur and the impact on claim costs is uncertain. Given that chiropractic visits are limited and that the MCO would have control over extensions on these limits, NCCI does not anticipate a measurable impact on system costs.

¹ *Workers' Compensation Care Provider Study*; 2006, by the Department of Consumer and Business Services.