

## **SB 323**

**SUBJECT: Instructs the Oregon Institute of Occupational Health Sciences to conduct study related to provision of medical services in workers' compensation claims. Requires that a report be submitted to Workers' Compensation Management-Labor Advisory Committee and Legislative Assembly by July 1, 2016. Mandates payment of expenses for study from funds continuously appropriated to institute.**

**SPONSOR: Senator Beyer, Monroe; Representative Doherty**

### **Existing Law:**

Does not have any provision for studying claims costs or clinical outcomes.

### **This bill:**

- Directs the Oregon Institute of Occupational Health Sciences to conduct a study on the cost and clinical outcomes of workers' compensation claims, including but not limited to the cost of medical services provided. The study shall be conducted for claims in which medical services are provided under the provisions of a managed care organization (MCO enrolled claims) as well as for claims in which medical services are not provided under the provisions of an MCO.
- Provides that for MCO enrolled claims, the study consists of claims in which medical services are provided by any MCO panel physician licensed in Oregon, and chiropractic physicians or naturopathic physicians who serve as the attending physician for the life of the claim.
- Provides that the study of claims in which medical services are *not* provided under the provisions of an MCO involves claims in which chiropractic physicians or naturopathic physicians serve as the attending physician for an injured worker for the life of the claim. The study shall compare the cost and clinical outcomes of these claims to the cost and clinical outcomes of claims in which other physicians serve as the attending physician.
- Provides that this study be submitted to the workers' compensation Management-Labor Advisory Committee by July 1, 2016.
- The costs of the study shall be paid from the moneys continuously appropriated to the Oregon Institute of Occupational Health Sciences under ORS 656.630.

### **Analysis:**

1. This bill tasks the Oregon Institute of Occupational Health Sciences (at Oregon Health and Sciences University) to conduct a study on the cost and clinical outcomes of workers' compensation claims. In order to conduct such a study, the Oregon Institute of Occupational Health Sciences would need access to medical records as well as data on medical and indemnity costs. The Oregon Institute of Occupational Health Sciences currently does not have direct access to medical records or cost data. This bill does not specify who would

provide the necessary medical records and cost data to the Oregon Institute of Occupational Health Sciences. Regardless of the source of the claim information, any individually identifiable health information will have to be redacted in order to comply with federally mandated privacy laws.

2. There are four MCOs licensed to provide medical services to Oregon injured workers. Only one MCO allows chiropractic physicians and naturopathic physicians to serve as the attending physician for the life of the claim. Therefore, for claims involving medical services provided under the provisions of an MCO, the study would be limited to claims enrolled in just one MCO.
3. For claims not subject to an MCO, the study is to include only chiropractic physicians and naturopathic physicians who serve as the attending physician for the life of the claim. Under Oregon law, the life of a workers' compensation claim extends past claim closure or medically stationary date. The life of a claim ends if a worker and insurer enter into a disputed claim settlement for the claim or when the worker dies – which could be decades after the claim is closed. ORS 656.005(12)(b)(B) limits the period a chiropractic physician or naturopathic physician may serve as the attending physician to 60 days or 18 visits from the date of the first visit on the initial claim. This means that chiropractic physicians or naturopathic physicians essentially can never serve as attending physicians for the life of the claim. Therefore, we do not expect that the study could include any non-MCO claims in which chiropractic physicians or naturopathic physicians serve as the attending physician for life.

**Questions and/or suggested amendments:**

1. Who would provide the Oregon Institute of Occupational Health Sciences with the necessary medical records and cost data to conduct the study?
2. Will whoever provides the medical records and cost data be compensated for any costs they incur?
3. For MCO enrolled claims, is the purpose of the study to compare claims where chiropractic physicians and naturopathic physicians serve as attending physicians to claims where other physicians serve as attending physicians? Or is the purpose to compare cost and clinical outcomes under the provisions of an MCO to cost and clinical outcomes when services are not provided under the provisions of an MCO?
4. For non-MCO enrolled claims, chiropractic physicians and naturopathic physicians will hardly ever serve as attending physician for the life of a claim due to statutory limits. This means that there may not be any claims involved in this study where a chiropractic physician or naturopathic physician was the attending physician. Was that the intent of this bill?

**Fiscal Impact to DCBS:** If the department is required to provide data for this study it would require some staff time from the Central Services Division, Information Technology and Research Section. Due to the ambiguities in the current version of the bill, it is difficult to estimate the cost impact, but it is likely to be covered using existing resources.

**Other Economic Impact:** If insurers were to provide cost data and medical records for analysis, the study would create economic costs to insurers. The cost will depend on the scope of the study and volume of records and information required. The Oregon Institute of Occupational Health Sciences will incur expenses to conduct the study, out of proceeds currently transferred to the from the Workers' Benefit Fund and Premium Assessment Operating Account. The Institute will likely need to adjust its budget to reflect a reprioritization of resources.

**Support:** Unknown

**Opposition:** Unknown

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