LONG TITLE

General Description:
This bill modifies provisions related to reimbursement of hospitals for certain services.

Highlighted Provisions:
This bill:
• requires a study regarding hospital costs;
• addresses reasonable standards for hospital costs;
• defines terms;
• addresses contracting with hospitals;
• provides for the reimbursement amount in the absence of a contract;
• prohibits balance billing by hospitals;
• addresses coordination of benefits; and
• makes technical and conforming changes.

Money Appropriated in this Bill:
None

Other Special Clauses:
None

Utah Code Sections Affected:
AMENDS:
34A-2-107, as last amended by Laws of Utah 2013, Chapter 43
34A-2-407, as last amended by Laws of Utah 2013, Chapter 72
34A-2-418, as renumbered and amended by Laws of Utah 1997, Chapter 375
34A-2-801, as last amended by Laws of Utah 2014, Chapter 192
Be it enacted by the Legislature of the state of Utah:

Section 1. Section 34A-2-107 is amended to read:


(1) The commissioner shall appoint a workers' compensation advisory council composed of:

(a) the following voting members:
   (i) five employer representatives; and
   (ii) five employee representatives; and

(b) the following nonvoting members:
   (i) a representative of the Workers' Compensation Fund;
   (ii) a representative of a private insurance carrier;
   (iii) a representative of health care providers;
   (iv) the Utah insurance commissioner or the insurance commissioner's designee; and
   (v) the commissioner or the commissioner's designee.

(2) Employers and employees shall consider nominating members of groups who historically may have been excluded from the council, such as women, minorities, and individuals with disabilities.

(3) (a) Except as required by Subsection (3)(b), as terms of current council members expire, the commissioner shall appoint each new member or reappointed member to a two-year term beginning July 1 and ending June 30.

(b) Notwithstanding the requirements of Subsection (3)(a), the commissioner shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of council members are staggered so that approximately half of the council is appointed every two years.

(4) (a) When a vacancy occurs in the membership for any reason, the replacement shall
be appointed for the unexpired term.

(b) The commissioner shall terminate the term of a council member who ceases to be representative as designated by the member's original appointment.

(5) The council shall confer at least quarterly for the purpose of advising the commission, the division, and the Legislature on:

(a) the Utah workers' compensation and occupational disease laws;
(b) the administration of the laws described in Subsection (5)(a); and
(c) rules related to the laws described in Subsection (5)(a).

(6) Regarding workers' compensation, rehabilitation, and reemployment of employees who acquire a disability because of an industrial injury or occupational disease the council shall:

(a) offer advice on issues requested by:
   (i) the commission;
   (ii) the division; and
   (iii) the Legislature; and
(b) make recommendations to:
   (i) the commission; and
   (ii) the division.

(7) The council shall study how hospital costs may be reduced for purposes of medical benefits for workers' compensation. The council shall report to the Business and Labor Interim Committee the council's recommendations by no later than November 30, 2017.

(8) The commissioner or the commissioner's designee shall serve as the chair of the council and call the necessary meetings.

(9) The commission shall provide staff support to the council.

(10) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:

(a) Section 63A-3-106;
(b) Section 63A-3-107; and
Section 2. Section 34A-2-407 is amended to read:

34A-2-407. Reporting of industrial injuries -- Regulation of health care providers.

(1) As used in this section, "physician" is as defined in Section 34A-2-111.

(2) (a) An employee sustaining an injury arising out of and in the course of employment shall provide notification to the employee's employer promptly of the injury.

(b) If the employee is unable to provide the notification required by Subsection (2)(a), the following may provide notification of the injury to the employee's employer:

(i) the employee's next of kin; or

(ii) the employee's attorney.

(c) An employee claiming benefits under this chapter or Chapter 3, Utah Occupational Disease Act, shall comply with rules adopted by the commission regarding disclosure of medical records of the employee medically relevant to the industrial accident or occupational disease claim.

(3) (a) An employee is barred for any claim of benefits arising from an injury if the employee fails to notify within the time period described in Subsection (3)(b):

(i) the employee's employer in accordance with Subsection (2); or

(ii) the division.

(b) The notice required by Subsection (3)(a) shall be made within:

(i) 180 days of the day on which the injury occurs; or

(ii) in the case of an occupational hearing loss, the time period specified in Section 34A-2-506.

(4) The following constitute notification of injury required by Subsection (2):

(a) an employer's report filed with:

(i) the division; or

(ii) the employer's workers' compensation insurance carrier;
(b) a physician's injury report filed with:
   (i) the division;
   (ii) the employer; or
   (iii) the employer's workers' compensation insurance carrier;
(c) a workers' compensation insurance carrier's report filed with the division; or
(d) the payment of any medical or disability benefits by:
   (i) the employer; or
   (ii) the employer's workers' compensation insurance carrier.

(5) (a) An employer and the employer's workers' compensation insurance carrier, if any, shall file a report in accordance with the rules made under Subsection (5)(b) of a:
   (i) work-related fatality; or
   (ii) work-related injury resulting in:
   (A) medical treatment;
   (B) loss of consciousness;
   (C) loss of work;
   (D) restriction of work; or
   (E) transfer to another job.
(b) An employer or the employer's workers' compensation insurance carrier, if any, shall file a report required by Subsection (5)(a), and any subsequent reports of a previously reported injury as may be required by the commission, within the time limits and in the manner established by rule by the commission made after consultation with the workers' compensation advisory council and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act. A rule made under this Subsection (5)(b) shall:
   (i) be reasonable; and
   (ii) take into consideration the practicality and cost of complying with the rule.
(c) A report is not required to be filed under this Subsection (5) for a minor injury, such as a cut or scratch that requires first aid treatment only, unless:
   (i) a treating physician files a report with the division in accordance with Subsection
(9); or
(ii) a treating physician is required to file a report with the division in accordance with
Subsection (9).

(6) An employer and its workers' compensation insurance carrier, if any, required to
file a report under Subsection (5) shall provide the employee with:
(a) a copy of the report submitted to the division; and
(b) a statement, as prepared by the division, of the employee's rights and
responsibilities related to the industrial injury.

(7) An employer shall maintain a record in a manner prescribed by the commission by
rule of all:
(a) work-related fatalities; or
(b) work-related injuries resulting in:
(i) medical treatment;
(ii) loss of consciousness;
(iii) loss of work;
(iv) restriction of work; or
(v) transfer to another job.

(8) (a) Except as provided in Subsection (8)(b), an employer or a workers'
compensation insurance carrier who refuses or neglects to make a report, maintain a record, or
file a report as required by this section is subject to a civil assessment:
(i) imposed by the division, subject to the requirements of Title 63G, Chapter 4,
Administrative Procedures Act; and
(ii) that may not exceed $500.
(b) An employer or workers' compensation insurance carrier is not subject to the civil
assessment under this Subsection (8) if:
(i) the employer or workers' compensation insurance carrier submits a report later than
required by this section; and
(ii) the division finds that the employer or workers' compensation insurance carrier has
shown good cause for submitting a report later than required by this section.

(c) (i) A civil assessment collected under this Subsection (8) shall be deposited into the Uninsured Employers' Fund created in Section 34A-2-704 to be used for a purpose specified in Section 34A-2-704.

(ii) The administrator of the Uninsured Employers' Fund shall collect money required to be deposited into the Uninsured Employers' Fund under this Subsection (8)(c) in accordance with Section 34A-2-704.

(9) (a) A physician attending an injured employee shall comply with rules established by the commission regarding:

(i) fees for physician's services;

(ii) disclosure of medical records of the employee medically relevant to the employee's industrial accident or occupational disease claim;

(iii) reports to the division regarding:

(A) the condition and treatment of an injured employee; or

(B) any other matter concerning industrial cases that the physician is treating; and

(iv) rules made under Section 34A-2-407.5.

(b) A physician who is associated with, employed by, or bills through a hospital is subject to Subsection (9)(a).

(c) A hospital providing services for an injured employee is not subject to the requirements of Subsection (9)(a) except for rules made by the commission that are described in Subsection (9)(a)(ii) or (iii) or Section 34A-2-407.5.

(d) The commission's schedule of fees may reasonably differentiate remuneration to be paid to providers of health services based on:

(i) the severity of the employee's condition;

(ii) the nature of the treatment necessary; and

(iii) the facilities or equipment specially required to deliver that treatment.

(e) This Subsection (9) does not prohibit a contract with a provider of health services relating to the pricing of goods and services.
(10) A copy of the initial report filed under Subsection (9)(a)(iii) shall be furnished to:
   (a) the division;
   (b) the employee; and
   (c) (i) the employer; or
   (ii) the employer's workers' compensation insurance carrier.

(11) (a) As used in this Subsection (11):
   (i) "Balance billing" means charging a person, on whose behalf a workers'
       compensation insurance carrier or self-insured employer is obligated to pay medical benefits
       under this chapter or Chapter 3, Utah Occupational Disease Act, for the difference between
       what the workers' compensation insurance carrier or self-insured employer reimburses the
       hospital for covered medical services and what the hospital charges for those covered medical
       services.
   (ii) "Covered medical services" means medical services provided by a hospital that are
       covered by workers' compensation medical benefits under this chapter or Chapter 3, Utah
       Occupational Disease Act.
   (iii) "Health benefit plan" means the same as that term is defined in Section
       31A-22-619.6.
   (iv) "Self-insured employer" means the same as that term is defined in Section
       34A-2-201.5.

(b) Subject to Subsection (11)(d), a workers' compensation insurance carrier or
    self-insured employer may contract, either in writing or by mutual oral agreement, with a
    hospital to establish reimbursement rates.

(c) Subject to Subsection (11)(d), for the time period beginning on May 10, 2016, and
    ending on July 1, 2018, a workers' compensation insurance carrier or self-insured employer that
    is reimbursing a hospital that has not entered into a contract described in Subsection (11)(b)
    shall reimburse the hospital for covered medical services at 85% of the billed hospital fees for
    the covered medical services.

(d) A hospital may not engage in balance billing.
(e) Covered services paid under a health benefit plan are subject to coordination of benefits in accordance with Sections 31A-22-619.6 and 34A-2-213.

[(11)] (12) (a) Subject to appellate review under Section 34A-1-303, the commission has exclusive jurisdiction to hear and determine:

(i) whether goods provided to or services rendered to an employee are compensable pursuant to this chapter or Chapter 3, Utah Occupational Disease Act, including:

(A) medical, nurse, or hospital services;

(B) medicines; and

(C) artificial means, appliances, or prosthesis;

(ii) except for amounts charged or paid under Subsection [(11)], the reasonableness of the amounts charged or paid for a good or service described in Subsection [(11)] (12)(a)(i); and

(iii) collection issues related to a good or service described in Subsection [(11)] (12)(a)(i).

(b) Except as provided in Subsection [(11)] (12)(a), Subsection 34A-2-211(6), or Section 34A-2-212, a person may not maintain a cause of action in any forum within this state other than the commission for collection or payment for goods or services described in Subsection [(11)] (12)(a) that are compensable under this chapter or Chapter 3, Utah Occupational Disease Act.

Section 3. Section 34A-2-418 is amended to read:

34A-2-418. Awards -- Medical, nursing, hospital, and burial expenses -- Artificial means and appliances.

(1) In addition to the compensation provided in this chapter or Chapter 3, Utah Occupational Disease Act, and subject to Subsection 34A-2-407(11), the employer or the insurance carrier shall pay reasonable sums for medical, nurse, and hospital services, for medicines, and for artificial means, appliances, and prostheses necessary to treat the injured employee.

(2) If death results from the injury, the employer or the insurance carrier shall pay the burial expenses in ordinary cases as established by rule.
(3) If a compensable accident results in the breaking of or loss of an employee's artificial means or appliance including eyeglasses, the employer or insurance carrier shall provide a replacement of the artificial means or appliance.

(4) An administrative law judge may require the employer or insurance carrier to maintain the artificial means or appliances or provide the employee with a replacement of any artificial means or appliance for the reason of breakage, wear and tear, deterioration, or obsolescence.

(5) An administrative law judge may, in unusual cases, order, as the administrative law judge considers just and proper, the payment of additional sums:

(a) for burial expenses; or

(b) to provide for artificial means or appliances.

Section 4. Section 34A-2-801 is amended to read:

34A-2-801. Initiating adjudicative proceedings -- Procedure for review of administrative action.

(1) (a) To contest an action of the employee's employer or its insurance carrier concerning a compensable industrial accident or occupational disease alleged by the employee or a dependent any of the following shall file an application for hearing with the Division of Adjudication:

(i) the employee;

(ii) a representative of the employee, the qualifications of whom are defined in rule by the commission; or

(iii) a dependent as described in Section 34A-2-403.

(b) To appeal the imposition of a penalty or other administrative act imposed by the division on the employer or its insurance carrier for failure to comply with this chapter or Chapter 3, Utah Occupational Disease Act, any of the following shall file an application for hearing with the Division of Adjudication:

(i) the employer;

(ii) the insurance carrier; or
(iii) a representative of either the employer or the insurance carrier, the qualifications of whom are defined in rule by the commission.

(c) A person providing goods or services described in Subsections 34A-2-407(12) and 34A-3-108(13) may file an application for hearing in accordance with Section 34A-2-407 or 34A-3-108.

(d) An attorney may file an application for hearing in accordance with Section 34A-1-309.

(2) (a) Unless all parties agree to the assignment in writing, the Division of Adjudication may not assign the same administrative law judge to hear a claim under this section by an injured employee if the administrative law judge previously heard a claim by the same injured employee for a different injury or occupational disease.

(b) Unless all parties agree to the appointment in writing, an administrative law judge may not appoint the same medical panel or individual panel member to evaluate a claim by an injured employee if the medical panel or individual panel member previously evaluated a claim by the same injured employee for a different injury or occupational disease.

(3) Unless a party in interest appeals the decision of an administrative law judge in accordance with Subsection (4), the decision of an administrative law judge on an application for hearing filed under Subsection (1) is a final order of the commission 30 days after the day on which the decision is issued. An administrative law judge shall issue a decision by no later than 60 days from the day on which the hearing is held under this part unless:

(a) the parties agree to a longer period of time; or

(b) a decision within the 60-day period is impracticable.

(4) (a) A party in interest may appeal the decision of an administrative law judge by filing a motion for review with the Division of Adjudication within 30 days of the date the decision is issued.

(b) Unless a party in interest to the appeal requests under Subsection (4)(c) that the appeal be heard by the Appeals Board, the commissioner shall hear the review.

(c) A party in interest may request that an appeal be heard by the Appeals Board by
filing the request with the Division of Adjudication:

(i) as part of the motion for review; or

(ii) if requested by a party in interest who did not file a motion for review, within 20
days of the day on which the motion for review is filed with the Division of Adjudication.

(d) A case appealed to the Appeals Board shall be decided by the majority vote of the
Appeals Board.

(5) The Division of Adjudication shall maintain a record on appeal, including an
appeal docket showing the receipt and disposition of the appeals on review.

(6) Upon appeal, the commissioner or Appeals Board shall make its decision in
accordance with Section 34A-1-303. The commissioner or Appeals Board shall issue a
decision under this part by no later than 90 days from the day on which the motion for review is
filed unless:

(a) the parties agree to a longer period of time; or

(b) a decision within the 90-day period is impracticable.

(7) The commissioner or Appeals Board shall promptly notify the parties to a
proceeding before it of its decision, including its findings and conclusions.

(8) (a) Subject to Subsection (8)(b), the decision of the commissioner or Appeals
Board is final unless within 30 days after the date the decision is issued further appeal is
initiated under the provisions of this section or Title 63G, Chapter 4, Administrative
Procedures Act.

(b) In the case of an award of permanent total disability benefits under Section
34A-2-413, the decision of the commissioner or Appeals Board is a final order of the
commission unless set aside by the court of appeals.

(9) (a) Within 30 days after the day on which the decision of the commissioner or
Appeals Board is issued, an aggrieved party may secure judicial review by commencing an
action in the court of appeals against the commissioner or Appeals Board for the review of the
decision of the commissioner or Appeals Board.

(b) In an action filed under Subsection (9)(a):
(i) any other party to the proceeding before the commissioner or Appeals Board shall be made a party; and
(ii) the commission shall be made a party.

(c) A party claiming to be aggrieved may seek judicial review only if the party exhausts the party's remedies before the commission as provided by this section.

(d) At the request of the court of appeals, the commission shall certify and file with the court all documents and papers and a transcript of all testimony taken in the matter together with the decision of the commissioner or Appeals Board.

(10) (a) The commission shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to facilitate timely completion of administrative actions under this part.
(b) The commission shall monitor the time from filing of an application for a hearing to issuance of a final order of the commission for cases brought under this part.
(c) The commission shall annually report to the Business and Labor Interim Committee:

(i) the number of cases for which an application for hearing is filed under this part in the previous calendar year;
(ii) the number of cases described in Subsection (10)(c)(i) for which the decision of the administrative law judge was not issued within the 60-day period required by Subsection (3);
(iii) the number of cases described in Subsection (10)(c)(i) that are appealed to the commissioner or Appeals Board for which the decision of the commissioner or Appeals Board was not issued within the 90-day period required by Subsection (6);
(iv) the number of cases described in Subsection (10)(c)(i) for which a final order of the commission is issued within 18 months of the day on which the application for hearing is filed;
(v) the number of cases for which a final order of the commission is not issued within 18 months of the day on which the application for a hearing is filed; and
(vi) the reasons the cases described in Subsection (10)(c)(v) were not resolved within
366 18 months of the day on which the application for a hearing is filed.
367 Section 5. Section 34A-3-108 is amended to read:
368
369 34A-3-108. Reporting of occupational diseases -- Regulation of health care
370 providers.
371 (1) An employee sustaining an occupational disease, as defined in this chapter, arising
372 out of and in the course of employment shall provide notification to the employee's employer
373 promptly of the occupational disease. If the employee is unable to provide notification, the
374 employee's next of kin or attorney may provide notification of the occupational disease to the
375 employee's employer.
376 (2) (a) An employee who fails to notify the employee's employer or the division within
377 180 days after the cause of action arises is barred from a claim of benefits arising from the
378 occupational disease.
379 (b) The cause of action is considered to arise on the date the employee first:
380 (i) suffers disability from the occupational disease; and
381 (ii) knows, or in the exercise of reasonable diligence should have known, that the
382 occupational disease is caused by employment.
383 (3) The following constitute notification of an occupational disease:
384 (a) an employer's report filed with the:
385 (i) division; or
386 (ii) workers' compensation insurance carrier;
387 (b) a physician's injury report filed with the:
388 (i) division;
389 (ii) employer; or
390 (iii) workers' compensation insurance carrier;
391 (c) a workers' compensation insurance carrier's report to the division; or
392 (d) the payment of any medical or disability benefit by the employer or the employer's
393 workers' compensation insurance carrier.
394 (4) (a) An employer and the employer's workers' compensation insurance carrier, if
any, shall file a report in accordance with the rules described in Subsection (4)(b) of any occupational disease resulting in:

(i) medical treatment;
(ii) loss of consciousness;
(iii) loss of work;
(iv) restriction of work; or
(v) transfer to another job.

(b) An employer or the employer's workers' compensation insurance carrier, if any, shall file a report required under Subsection (4)(a) and any subsequent reports of a previously reported occupational disease as may be required by the commission within the time limits and in the manner established by rule by the commission made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, under Subsection 34A-2-407(5).

(c) A report is not required:

(i) for a minor injury that requires first aid treatment only, unless a treating physician files, or is required to file, the Physician's Initial Report of Work Injury or Occupational Disease with the division;
(ii) for occupational diseases that manifest after the employee is no longer employed by the employer with which the exposure occurred; or
(iii) when the employer is not aware of an exposure occasioned by the employment that results in an occupational disease as defined by Section 34A-3-103.

(5) An employer or its workers' compensation insurance carrier, if any, shall provide the employee with:

(a) a copy of the report submitted to the division; and
(b) a statement, as prepared by the division, of the employee's rights and responsibilities related to the occupational disease.

(6) An employer shall maintain a record in a manner prescribed by the division of occupational diseases resulting in:

(a) medical treatment;
(b) loss of consciousness;
(c) loss of work;
(d) restriction of work; or
(e) transfer to another job.

(7) An employer or a workers' compensation insurance carrier who refuses or neglects to make a report, maintain a record, or file a report with the division as required by this section is subject to citation and civil assessment in accordance with Subsection 34A-2-407(8).

(8) (a) Except as provided in Subsection (8)(c), a physician, surgeon, or other health care provider attending an occupationally diseased employee shall:

(i) comply with the rules, including the schedule of fees, for services as adopted by the commission;
(ii) make reports to the division at any and all times as required as to the condition and treatment of an occupationally diseased employee or as to any other matter concerning industrial cases being treated; and
(iii) comply with rules made under Section 34A-2-407.5.

(b) A physician, as defined in Section 34A-2-111, who is associated with, employed by, or bills through a hospital is subject to Subsection (8)(a).

(c) A hospital is not subject to the requirements of Subsection (8)(a) except a hospital is subject to rules made by the commission under Subsections 34A-2-407(9)(a)(ii) and (iii) and Section 34A-2-407.5.

(d) The commission's schedule of fees may reasonably differentiate remuneration to be paid to providers of health services based on:

(i) the severity of the employee's condition;
(ii) the nature of the treatment necessary; and
(iii) the facilities or equipment specially required to deliver that treatment.

(e) This Subsection (8) does not prohibit a contract with a provider of health services relating to the pricing of goods and services.

(9) A copy of the physician's initial report shall be furnished to the:
(a) division;

(b) employee; and

(c) employer or its workers' compensation insurance carrier.

(10) A person subject to reporting under Subsection (8)(a)(ii) or Subsection 34A-2-407(9)(a)(iii) who refuses or neglects to make a report or comply with this section is subject to a civil assessment in accordance with Subsection 34A-2-407(8).

(11) (a) As used in this Subsection (11):

(i) "Balance billing" means charging a person, on whose behalf a workers' compensation insurance carrier or self-insured employer is obligated to pay medical benefits under this chapter or Chapter 2, Workers' Compensation Act, for the difference between what the workers' compensation insurance carrier or self-insured employer reimburses the hospital for covered medical services and what the hospital charges for those covered medical services.

(ii) "Covered medical services" means medical services provided by a hospital that are covered by workers' compensation medical benefits under this chapter or Chapter 2, Workers' Compensation Act.

(iii) "Health benefit plan" means the same as that term is defined in Section 31A-22-619.6.

(iv) "Self-insured employer" means the same as that term is defined in Section 34A-2-201.5.

(b) Subject to Subsection (11)(d), a workers' compensation insurance carrier or self-insured employer may contract, either in writing or by mutual oral agreement, with a hospital to establish reimbursement rates.

(c) Subject to Subsection (11)(d), for the time period beginning on May 10, 2016, and ending on July 1, 2018, a workers' compensation insurance carrier or self-insured employer that is reimbursing a hospital that has not entered into a contract described in Subsection (11)(b), shall reimburse the hospital for covered medical services at 85% of the billed hospital fees for the covered medical services.

(d) A hospital may not engage in balance billing.
(e) Covered services paid under a health benefit plan are subject to coordination of benefits in accordance with Sections 31A-22-619.6 and 34A-2-213.

[(11)] (12) (a) An application for a hearing to resolve a dispute regarding an occupational disease claim shall be filed with the Division of Adjudication.

(b) After the filing, a copy shall be forwarded by mail to:

(i) (A) the employer; or
(B) the employer's workers' compensation insurance carrier;
(ii) the applicant; and
(iii) the attorneys for the parties.

[(12)] (13) (a) Subject to appellate review under Section 34A-1-303, the commission has exclusive jurisdiction to hear and determine:

(i) whether goods provided to or services rendered to an employee is compensable pursuant to this chapter and Chapter 2, Workers' Compensation Act, including the following:
(A) medical, nurse, or hospital services;
(B) medicines; and
(C) artificial means, appliances, or prosthesis;
(ii) except for amounts charged or paid under Subsection [(12)] (13)(a)(i), the reasonableness of the amounts charged or paid for a good or service described in Subsection [(12)] (13)(a); and
(iii) collection issues related to a good or service described in Subsection [(12)] (13)(a)(i).

(b) Except as provided in Subsection [(12)] (13)(a), Subsection 34A-2-211(6), or Section 34A-2-212, a person may not maintain a cause of action in any forum within this state other than the commission for collection or payment of goods or services described in Subsection [(12)] (13)(a) that are compensable under this chapter or Chapter 2, Workers' Compensation Act.