



## RIMS Priorities for California Workers' Compensation Reform



**Overview:** In his 2011 veto message of AB 211, Governor Brown expressed his desire for a comprehensive workers' compensation overhaul over a piecemeal approach. As a recommendation to the legislature, the Commission on Health and Safety and Workers' Compensation (CHSWC) has recommended several items to the legislature which will likely make their way into the bill. Below are the priorities for RIMS based on those recommendations.

### Permanent Disability

In 2004, workers' compensation reforms were adopted to quantify and standardize the permanent disability rating process by requiring the rating doctor to utilize the AMA guidelines in rating the employee's injuries. Since the adoption of this reform several court cases have revised the manner in which the guidelines are to be used, causing costs to be significantly higher than originally intended.

**RIMS Position:** To resolve this issue the Legislature should repeal the case law and allow the standardized rating process to function as intended in the 2004 reforms. RIMS also supports CHSWC's recommendations that permanent disability compensation be increased while at the same time enacting legislation that will improve the consistency of impairment ratings under the AMA Guidelines and to make the rating schedule conclusive for all or most cases.

### Return to Work (RTW)

**RIMS Position:** RIMS is in favor of RTW so long as the system properly utilizes the incentives that employers were provided in the 2003-2004 reforms. For example, there are many times that the +/- 15% in permanent disability payments is not awarded, thus providing a disincentive to providing RTW benefits. Eliminating the supplemental job displacement benefit should also be considered, as recommended by the CHSWC.

RIMS also agrees with CHSWC that there should be greater coordination between workers' compensation and other programs that support RTW such as the Fair Employment and Housing Act and the American Disabilities Act. Timelines and procedures between the different programs should have greater uniformity.

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### **Integration of Workers' Comp Medical Care with Other Systems**

**RIMS Position:** The needs of the workers' compensation system are very specific. For this reason, RIMS has strong reservations regarding integration of the WC medical care system with another medical system, particularly in light of the ongoing litigation and changes in the federal healthcare legislation. This matter should be delayed pending resolution of litigation and other issues related to implementation of the federal healthcare law.



### **Information for Injured Workers and Employers**

**RIMS Position:** RIMS is strongly in favor of making workers' compensation information both readily available and easier to understand for all employees and employers. In 2011, RIMS supported AB 335 which required certain workers' compensation information to be written in plain language. While the passage of this legislation was a great first step toward a better understanding of the workers' compensation system, providing the information in additional languages would also make employees and certain employers better informed. Better understanding will lead to less confusion and a more cost-effective and efficient claims handling process.

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