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DWCNewsline

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Division of Workers' Compensation responds to questions about discounts

The Division of Workers' Compensation (DWC) is responding to recent inquiries regarding discounted payments for medical-legal services. DWC advises that the Labor Code provisions for medical treatment do not apply to medical-legal services.

Claims administrators have asked whether medical provider networks (MPN) or preferred provider organization (PPO) contracted discounts apply to payments for medical-legal evaluations under the California official medical-legal fee schedule (MLFS). Payors applying these discounts are doing so citing the provisions of Labor Code section 5307.11 as their legal justification for using the contract rates.

Labor Code section 5307.11 addresses whether or not it is permissible to contract for reimbursement rates different from those in the fee schedule. This statute specifically indicates that health care providers and contracting agents, employers or carriers, may contract for rates different than those found in fee schedules adopted and revised pursuant to Labor Code section 5307.1, the official medical fee schedule (OMFS).

The MLFS is set forth in Labor Code section 5307.6, not 5307.1, and therefore services rendered under its provisions would not be subject to the contracting provisions described in section 5307.11.

Unless the medical-legal provider and the payor have made a specific written agreement regarding medical-legal service payment at rates different than the MLFS, a general MPN or PPO discount **does not** apply.

Claims administrators are also reminded to pay all undisputed amounts in a timely manner as required by Labor Code section 4622.

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