

Title X COORDINATION OF MEDICAL PORTION OF WORKERS
COMPENSATION AND AUTOMOBILE INSURANCE
Table of Contents

Subtitle A Workers Compensation Insurance

Section 10000 Definitions

Part 1 Health Plan Requirements Relating to Workers
Compensation

Section 10001 Provision of workers compensation
services

Section 10002 Payment by workers compensation carrier

Part 2 Requirements of Participating States

Section 10011 Coordination of specialized workers
compensation providers

Section 10012 Preemption of State laws restricting
delivery of workers compensation medical benefits

Section 10013 Development of supplemental schedule

Section 10014 Construction

Part 3 Application of Information Requirements; Report on
Premium Reductions

Section 10021 Application of information requirements

Section 10022 Report on reduction in workers
compensation premiums

Part 4 Demonstration Projects

Section 10031 Authorization

Section 10032 Development of work-related protocols

Section 10033 Development of capitation payment
models

Subtitle B Automobile Insurance

Section 10100 Definitions

Part 1 Health Plan Requirements Relating to Automobile Insurance

Section 10101 Provision of automobile insurance medical benefits through health plans

Section 10102 Payment by automobile insurance carrier

Part 2 Requirement of Participating States

Section 10111 Development of supplemental schedule

Section 10112 Construction

Part 3 Application of Information Requirements

Section 10121 Application of information requirements

Subtitle C Commission on Integration of Health Benefits

Section 10201 Commission

Subtitle D Federal Employees' Compensation Act

Section 10301 Application of policy

Subtitle E Davis-Bacon Act and Service Contract Act

Section 10401 Coverage of benefits under Health Security Act

Subtitle F Effective Dates

Section 10501 Regional alliances

Section 10502 Corporate alliances

Section 10503 Federal requirements

Subtitle A Workers Compensation Insurance

Section 10000 DEFINITIONS.

In this subtitle:

(1) Injured worker. The term "injured worker" means, with respect to a health plan, an individual enrolled under the plan who has a work-related injury or illness for which workers compensation medical benefits are available under State law.

(2) Specialized workers compensation provider. The term "specialized workers compensation provider" means a health care provider that specializes in the provision of treatment relating to work-related injuries or illness, and includes specialists in industrial medicine, specialists in occupational therapy, and centers of excellence in industrial medicine and occupational therapy.

(3) Workers compensation medical benefits. The term "workers compensation medical benefits" means, with respect to an enrollee who is an employee subject to the workers compensation laws of a State, the comprehensive medical benefits for work-related injuries and illnesses provided for under such laws with respect to such an employee.

(4) Workers compensation carrier. The term "workers compensation carrier" means an insurance company that underwrites workers compensation medical benefits with respect to one or more employers and includes an employer or fund that is financially at risk for the provision of workers compensation medical benefits.

(5) Workers compensation services. The term "workers compensation services" means items and services included in workers compensation medical benefits and includes items and services (including rehabilitation services and long-term care services) commonly used for treatment of work-related injuries and illnesses.

Part 1 HEALTH PLAN REQUIREMENTS RELATING TO WORKERS
COMPENSATION

Section 1001 PROVISION OF WORKERS COMPENSATION
SERVICES.

(a) Provision of Benefits. Subject to subsection (b)

(1) Requirement for certain health plans.

(A) In general. Each health plan that provides services to enrollees through participating providers shall enter

into such contracts and arrangements as are necessary (in accordance with subparagraph (B)) to provide or arrange for the provision of workers compensation services to such enrollees, in return for payment from the workers compensation carrier under section 10002.

(B) Provision of services. For purposes of this paragraph, a health plan provides (or arranges for the provision of) workers compensation services with respect to an enrollee if the services are provided by

(i) a participating provider in the plan,

(ii) any other provider with whom the plan has entered into an agreement for the provision of such services, or

(iii) a specialized workers compensation provider (designated by the State under 10011(b)), whether or not the provider is a provider described in clause (i) or (ii).

(2) Individual requirement. An individual entitled to workers compensation medical benefits and enrolled in a health plan (whether or not the plan is described in paragraph (1)(A)) shall receive workers compensation services through the provision (or arrangement for the provision) of such services by the health plan.

(3) Exceptions.

(A) Emergency services. Paragraphs (1) and (2) shall not apply in the case of emergency services.

(B) Electing veterans, military personnel and indians. Paragraphs (1) and (2) shall not apply in the case of an individual described in section 1004(b) and making an election described in such section.

(4) Use of specialized workers compensation providers. If a participating State has designated under section 10011(b) specialized workers compensation providers with respect to one or more types of injuries or illnesses for a geographic area, either a health plan or an injured worker who has an injury or illness of such type may elect to provide or receive the benefits under this subsection through such a provider.

(b) Alternative Permitted. Subsection (a) shall not be

construed as preventing an injured worker and a workers compensation carrier from agreeing that workers compensation services shall be provided other than by or through the health plan in which the worker is enrolled.

(c) Coordination.

(1) Designation of case manager. Each health plan shall employ or contract with one or more individuals, such as occupational nurses, with experience in the treatment of occupational illness and injury to provide case management services with respect to workers compensation services provided through the plan under this section.

(2) Functions of case manager. The health plan (through the case manager described in paragraph (1)) is responsible for ensuring that

(A) there is plan of treatment (when appropriate) for each enrollee who is an injured worker designed to assure appropriate treatment and facilitate return to work;

(B) the plan of treatment is coordinated with the workers compensation carrier, the employer, or both;

(C) the health plan (and its providers) comply with legal duties and requirements under State workers compensation law; and

(D) if the health plan is unable to provide a workers compensation service needed to treat a work-related injury or illness, the injured worker is referred (in consultation with the workers compensation carrier) to an appropriate provider.

(c) Administration. The Secretary of Labor shall administer this part and, for such purposes, the Secretary is authorized to prescribe such rules and regulations as may be necessary and appropriate.

Section 10002 PAYMENT BY WORKERS COMPENSATION CARRIER.

(a) Payment.

(1) In general. Each workers compensation carrier that is liable for payment for workers compensation services furnished by

or through a health plan, regardless of whether or not the services are included in the comprehensive benefit package, shall make payment for such services.

(2) Use of regional alliance fee schedule. Except as provided in subsection (b), such payment shall be made in accordance with the applicable fee schedule established under section 1322(c) or section 10013.

(b) Alternative Payment Methodologies. Subsection (a)(2) shall not apply

(1) in the case of a regional alliance or participating State that establishes an alternative payment methodology (such as payment on a negotiated fee for each case) for payment for workers compensation services; or

(2) in the case in which a workers compensation carrier and the health plan negotiate alternative payment arrangements.

(c) Limitation of Liability of Injured Worker. Nothing in this part shall be construed as requiring an injured worker to make any payment (including payment of any cost sharing or any amount in excess of the applicable fee schedule) to any health plan or health care provider for the receipt of workers compensation services.

Part 2 REQUIREMENTS OF PARTICIPATING STATES

Section 10011 COORDINATION OF SPECIALIZED WORKERS COMPENSATION PROVIDERS.

(a) In General. Each participating State shall coordinate access to services provided by specialized workers compensation providers on behalf of health plans, providing coverage to individuals residing in the State, under part 1.

(b) Optional Designation of Specialized Workers Compensation Providers. A participating State may designate such specialized workers compensation providers, with respect to one or more types of illnesses or injuries in a geographic area as the State determines to be appropriate, to provide under part 1 workers compensation services that

(1) are not included in the comprehensive benefit package, or

(2) are so included but are specialized services that are typically provided (as determined by the State) by specialists in occupational or rehabilitative medicine. Injured workers and health plans may elect to use such providers under section 10001(a)(4).

Section 10012 PREEMPTION OF STATE LAWS RESTRICTING DELIVERY OF WORKERS COMPENSATION MEDICAL BENEFITS.

(a) In General. Subject to section 10011(b), no State law shall have any effect that restricts the choice, or payment, of providers that may provide workers compensation services for individuals enrolled in a health plan.

(b) Dispute Resolution. A State law may provide for a method for resolving disputes among parties related to

(1) an individual's entitlement to workers compensation medical benefits under State law,

(2) the necessity and appropriateness of workers compensation services provided to an injured worker, and

(3) subject to section 10002, the reasonableness of charges or fees charged for workers compensation services.

Section 10013 DEVELOPMENT OF SUPPLEMENTAL SCHEDULE.

Each participating State shall develop a fee schedule applicable to payment for workers compensation services for which a fee is not included in the applicable fee schedule established under section 1322(c).

Section 10014 CONSTRUCTION.

(a) In General. Nothing in this subtitle shall be construed as altering

(1) the effect of a State workers compensation law as the exclusive remedy for work-related injuries or illnesses,

(2) the determination of whether or not a person is an injured worker and entitled to workers compensation medical benefits under State law,

(3) the scope of items and services available to injured workers entitled to workers compensation medical benefits under State law, or

(4) the eligibility of any individual or class of individuals for workers compensation medical benefits under State law.

(b) Early Integration. Nothing in this subtitle shall prevent a State from integrating or otherwise coordinating the payment for workers compensation medical benefits with payment for benefits under health insurance or health benefit plans before the date the Commission submits its report under section 10201(e).

Part 3 APPLICATION OF INFORMATION REQUIREMENTS; REPORT ON PREMIUM REDUCTIONS

Section 10021 APPLICATION OF INFORMATION REQUIREMENTS.

(a) In General. The provisions of

(1) part 3 of subtitle B of title V (relating to use of standard forms), and

(2) section 5101(e)(9) (relating to provision of data on quality), apply to the provision of workers compensation services in the same manner as such provisions apply with respect to the provision of services included in the comprehensive benefit package.

(b) Rules. The Secretary of Labor shall promulgate rules to clarify the responsibilities of health plans and workers compensation carriers in carrying out the provisions referred to in subsection (a).

Section 10022 REPORT ON REDUCTION IN WORKERS COMPENSATION PREMIUMS.

(a) Study and Report.

(1) Study. The Secretary of Labor shall provide for a study of the impact of the provisions of this subtitle on the premium rates charged to employers for workers compensation insurance. Such study shall use information supplied by States

relating to workers compensation premiums and such other information as such Secretary finds appropriate.

(2) Report. Such Secretary shall submit to the Congress, by not later than 2 years after the date that this subtitle applies in all States, a report on the findings of the study.

(b) Workers Compensation Carrier Filings.

(1) In general. Within six months after the date this subtitle is effective in a participating State, each workers compensation carrier (other than a self-funded employer) providing workers compensation insurance in the State shall make a filing with an agency designated by the State. Such filing shall describe the manner in which such carrier has modified (or intends to modify) its premium rates for workers compensation insurance provided in the State to reflect the changes brought about by the provisions in this subtitle. The filing shall include such actuarial projections and assumptions as necessary to support the modifications of such rates.

(2) Report to secretary. Each participating State shall provide to the Secretary of Labor such information on filings made under paragraph (1) as such Secretary may specify.

Part 4 DEMONSTRATION PROJECTS

Section 10031 AUTHORIZATION.

The Secretary of Health and Human Services and the Secretary of Labor are authorized to conduct demonstration projects under this part in one or more States with respect to treatment of work-related injuries and illnesses.

Section 10032 DEVELOPMENT OF WORK-RELATED PROTOCOLS.

(a) In General. Under this part, the Secretaries, in consultation with States and such experts on work-related injuries and illnesses as the Secretaries find appropriate, shall develop protocols for the appropriate treatment of work-related conditions.

(b) Testing of Protocols. The Secretaries shall enter into contracts with one or more health alliances to test the validity of the protocols developed under subsection (a).

Section 10033 DEVELOPMENT OF CAPITATION PAYMENT
MODELS.

Under this part, the Secretaries shall develop, using protocols developed under section 10032 if possible, methods of providing for payment by workers compensation carriers to health plans on a per case, capitated payment for the treatment of specified work-related injuries and illnesses.

Title X, Subtitle B

Subtitle B Automobile Insurance

Section 10100 DEFINITIONS.

In this subtitle:

(1) Injured individual. The term "injured individual" means, with respect to a health plan, an individual enrolled under the plan who has an injury or illness sustained in an automobile accident for which automobile insurance medical benefits are available.

(2) Automobile insurance medical benefits. The term "automobile insurance medical benefits" means, with respect to an enrollee, the comprehensive medical benefits for injuries or illnesses sustained in automobile accidents.

(3) Automobile insurance carrier. The term "automobile insurance carrier" means an insurance company that underwrites automobile insurance medical benefits and includes an employer or fund that is financially at risk for the provision of automobile insurance medical benefits.

(4) Automobile insurance medical services. The term "automobile insurance medical services" means items and services included in automobile insurance medical benefits and includes items and services (such as rehabilitation services and long-term care services) commonly used for treatment of injuries and illnesses sustained in automobile accidents.

Part 1 HEALTH PLAN REQUIREMENTS RELATING TO AUTOMOBILE
INSURANCE

Section 10101 PROVISION OF AUTOMOBILE INSURANCE
MEDICAL BENEFITS THROUGH HEALTH PLANS.

(a) In General. An individual entitled to automobile insurance medical benefits and enrolled in a health plan shall receive automobile insurance medical services through the provision (or arrangement for the provision) of such services by the health plan.

(b) Referral for Specialized Services. Each health plan shall provide for such referral for automobile insurance medical services as may be necessary to assure appropriate treatment of injured individuals.

(c) Exceptions. Subsections (a) and (b) shall not apply in the case of an individual described in section 1004(b) and making an election described in such section.

(d) Alternative Permitted. Subsection (a) shall not be construed as preventing an injured individual and an automobile insurance carrier from agreeing that automobile insurance medical services shall be provided other than by or through the health plan in which the individual is enrolled.

Section 10102 PAYMENT BY AUTOMOBILE INSURANCE
CARRIER.

(a) Payment.

(1) In general. Except as provided in subsection (b), each automobile insurance carrier that is liable for payment for automobile insurance medical services furnished by or through a health plan, regardless of whether or not the services are included in the comprehensive benefit package, shall make payment for such services.

(2) Use of regional alliance fee schedule. Such payment shall be made in accordance with the applicable fee schedule established under section 1322(c) or section 10111.

(b) Alternative Payment Methodologies. Subsection (a) shall not apply

(1) in the case of a regional alliance or participating State that establishes an alternative payment methodology (such as payment on a negotiated fee for each case) for payment for automobile insurance medical services; or

(2) in the case in which a automobile insurance carrier and the health plan negotiate alternative payment arrangements.

(c) Limitation of Liability of Injured Individual. Nothing in this part shall be construed as requiring an injured individual to make any payment (including payment of any cost sharing or any amount in excess of the applicable fee schedule) to any health plan or health care provider for the receipt of automobile insurance medical services.

Part 2 REQUIREMENT OF PARTICIPATING STATES

Section 10111 DEVELOPMENT OF SUPPLEMENTAL SCHEDULE.

Each participating State shall develop a fee schedule applicable to payment for automobile insurance medical services for which a fee is not included in the applicable fee schedule established under section 1322(c).

Section 10112 CONSTRUCTION.

Nothing in this subtitle shall be construed as altering

(1) the determination of whether or not a person is an injured individual and entitled to automobile insurance medical benefits under State law, or

(2) the scope of items and services available to injured individuals entitled to automobile insurance medical benefits under State law.

Part 3 APPLICATION OF INFORMATION REQUIREMENTS.

Section 10121 APPLICATION OF INFORMATION REQUIREMENTS.

(a) In General. The provisions of

(1) part 3 of subtitle B of title V (relating to use of standard forms), and

(2) section 5101(e)(9) (relating to provision of data on quality), apply to the provision of automobile insurance medical services in the same manner as such provisions apply with respect to the provision of services included in the comprehensive benefit package.

(b) Rules. The Secretary of Labor shall promulgate rules to clarify the responsibilities of health plans and automobile insurance carriers in carrying out the provisions referred to in subsection (a).

Title X, Subtitle C

Subtitle C COMMISSION ON INTEGRATION OF HEALTH BENEFITS

Section 10201 COMMISSION.

(a) Establishment. There is hereby created a Commission on Integration of Health Benefits (in this section referred to as the "Commission").

(b) Composition.

(1) In general. The Commission shall consist of 15 members appointed jointly by the Secretary of Health and Human Services and the Secretary of Labor.

(2) No compensation except travel expenses. Members of the Commission shall serve without compensation, but the Secretaries shall provide that each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) Duties. The Commission shall study the feasibility and appropriateness of transferring financial responsibility for all medical benefits (including those currently covered under workers compensation and automobile insurance) to health plans.

(d) Staff Support. The Secretaries shall provide staff support for the Commission.

(e) Report. The Commission shall submit a report on its work to the President by not later than July 1, 1995. If such report recommends the integration of financial responsibility for all medical benefits in health plans, such report shall provide for a detailed plan as to how (and when) such an integration should be effected under this Act.

(f) Termination. The Commission shall terminate 90 days after the date of submission of its report under subsection (e).

(g) Authorization of Appropriations. There are authorized to be appropriated such sums as may be necessary to carry out this section.

Title X, Subtitle D

Subtitle D Federal Employees' Compensation Act

Section 10301 APPLICATION OF POLICY.

(a) In General. Chapter 81 of title 5, United States Code, known as the Federal Employees' Compensation Act shall be interpreted and administered consistent with the provisions of subtitle A.

(b) Construction. In applying subsection (a), subtitle A shall be applied as if the following modifications had been made in subtitle A:

(1) Any reference in section 10000, section 10001(c)(2)(C), section 10012(b), or section 10014 to a State law is deemed to include a reference to chapter 81 of title 5, United States Code.

(2) The term "workers compensation carrier" includes the Employees Compensation Fund (established under section 8147 of title 5, United States Code).

Title X, Subtitle E

Subtitle E Davis-Bacon Act and Service Contract Act

Section 10401 COVERAGE OF BENEFITS UNDER HEALTH SECURITY ACT.

(a) Davis-Bacon Act. Subsection (b)(2) of the first section of the Davis Bacon Act (40 U.S.C. 276a(b)(2)) is amended in the matter following subparagraph (B) by inserting after "local law" the following: "(other than benefits provided pursuant to the Health Security Act)".

(b) Service Contract Act of 1965. The second sentence of section 2(a)(2) of the Service Contract Act of 1965 (41 U.S.C. 351(a)(2)) is amended by inserting after "local law" the following: "(other than benefits provided pursuant to the Health

Security Act)".

Title X, Subtitle F

Subtitle F Effective Dates

Section 10501 REGIONAL ALLIANCES.

The provisions of subtitles A and B of this title apply to regional alliances, and regional alliance health plans, in a State 2 years after the State's first year (as defined in section 1902(17)).

Section 10502 CORPORATE ALLIANCES.

The provisions of subtitles A and B of this title apply to corporate alliances, and corporate alliance health plans, on the date under section 10501 that such subtitles apply to regional alliances, and regional alliance health plans, in the State.

Section 10503 FEDERAL REQUIREMENTS.

The provisions of subtitle D of this title shall take effect on January 1, 1998.