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## Doctors criticize workers' comp

### Medical association survey finds many plan to cut services.

**By Gilbert Chan -- Bee Staff Writer**

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Fed up with costly red tape and delayed reimbursements by insurers, doctors surveyed by the California Medical Association vow to cut back or stop treating injured workers in the wake of sweeping changes to the state workers' compensation system.

While slashing costs, the historic overhaul has spawned an environment "that is hostile to physicians and often harmful to the patients they serve," according to a report released Monday by the medical association.

CMA officials cited a litany of physician complaints about insurance carriers missing legal deadlines for decisions on medical tests and treatment, payments routinely delayed and rulings made by nonmedical specialists.

These problems, the group said, could spark more legal wrangling and wind up costing insurers and employers more money in the long run. The influential group is urging the Schwarzenegger administration to step up policing of insurance companies and calling on lawmakers to re-examine practices of 973 newly created doctor networks.

"We have significant problems. We're going to see premiums go back to where they were. The administration is going to have to do something about it," Jack Lewin, association chief executive officer, said during a Monday news conference in Sacramento.

Insurance industry officials disagreed with findings from the survey of 250 doctors. And, Carrie Nevans, acting administrative director of the state Division of Workers' Compensation, said steps already are under way to answer many of the issues, including new financial penalties for delaying insurance payments.

The division has commissioned the University of California, Los Angeles, to evaluate the legislative changes and their impact on treatment to injured workers. The study should be completed this summer.

The changes are "such a fundamental shift from how medical treatment under workers' compensation had been administered in the past," Nevans said Monday. "Everything is going to take a little bit of time to settle out and operate smoothly."

Nicole Mahrt, spokeswoman for the American Insurance Association, said the complaints arise from "growing pains being felt by doctors used to the old system. Doctors are frustrated by trying to follow the new rules. The existing rules and regulations are adequate to protect patients and doctors."

Insurance officials said the association's survey was too limited to draw solid conclusions.

The CMA report was compiled from responses by 250 physicians who handle workers'

compensation cases. Officials said the results, though not drawn from a scientific sampling, still confirm many of the issues raised by physicians around the state.

Among the findings:

\* 63 percent of doctors intend to cut back on workers' compensation cases. Of that percentage, a third plan to quit treating injured workers.

\* Only 1 percent reached an insurance company claims reviewer on the first telephone call; 68 percent of doctors said they needed to make multiple attempts.

\* 40 percent said half their requests for treatment were denied because of new medical guidelines. But 43 percent of those surveyed reported a quarter of their denials were overturned when appealed.

Moreover, doctors were critical of the new doctor networks, claiming they focus more on getting physicians to agree to fee discounts instead of following a set of standard medical practices. They also complained about out-of-state physicians reviewing cases without having all the medical records at hand.

The survey cited a Ventura physician who recounted the case of a United Airlines pilot who was being treated for tennis elbow for more than a year. Despite 25 calls seeking approval for surgery, the procedure was approved only after the pilot complained to the airline's chief workers' compensation administrator that she was having problems lowering the landing gear because of her medical condition.

"She was long overdue for surgery," Lewin said.

Because of surging costs to treat job-related injuries in the late 1990s and early 2000s, lawmakers passed a series of laws designed to lower medical treatment and benefit costs by imposing new fee schedules, uniform guidelines on treatment and benefit payments.

Last year, a landmark overhaul plan was brokered between Gov. Arnold Schwarzenegger and legislative leaders to require doctors to follow uniform medical guidelines when evaluating a permanent disability. The law also established a new HMO-style medical provider network and a formula to calculate permanent disability payouts to workers who never fully recover from injuries.

The results have been dramatic the past two years with costs plunging 50 percent while insurers' profits climbed after a decade of red ink. At the same time, insurers have cut premiums paid by employers by more than 30 percent on average since the first changes were passed.

Critics have maintained the changes have come at the expense of injured workers.

"They have made it very difficult to take care of injured workers," said Dr. Paul Windham, a Eureka physician who completed the survey. "The system has turned into a wrestling match."

Windham cited a case with a 52-year-old utility worker injured during a windstorm last January. Repeated denials for tests to assess the injury compounded the injury and delayed surgery for months.

Dr. Glenn Hakanson, a Sacramento psychiatrist who also sent in a response to the CMA, stopped accepting new workers' compensation patients in May because of his dealings with insurers.

"The paperwork is enormous," he said. "It's getting harder and harder to (get) payments. They're hard to reach."

#### **About the writer:**

- The Bee's Gilbert Chan can be reached at (916) 321-1045 or

[gchan@sacbee.com](mailto:gchan@sacbee.com).

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