

Senate Commerce Committee

Aaron Jones 271-2609

SB 67-FN, relative to workers' compensation and resolution of payment disputes.

Hearing Date: January 23, 2025

Time Opened: 11:10 a.m.

Time Closed: 11:19 a.m.

Members of the Committee Present: Senators Innis, Ricciardi, Murphy, McGough, Fenton and Reardon

Members of the Committee Absent : None

Bill Analysis: This bill establishes a 90-day time limit for applying to the commissioner to resolve disputes regarding the reasonable value of services provided.

Sponsors:

Sen. McGough

Sen. Rochefort

Sen. Fenton

Who supports the bill: Senator Tim McGough, Senator David Rochefort, Senator Donovan Fenton, Cam Lapine (American Property & Casualty Insurance Association), Lindsay Nadeau (NH Association of Domestic Insurance Companies), Dan Bennett (NH Auto Dealers Association), Peter Bragdon (The Lawson Group), Mike Somers (NH Lodging & Restaurant Association)

Who opposes the bill: No one

Who is neutral on the bill: Danielle Albert (NHDOL)

Summary of testimony presented in support:

Senator Tim McGough

- A medical provider submits a bill for a workers' compensation claim, and the payer has 30 days to pay it.
- Currently, there is an unlimited amount of time given to dispute the reasonable and customary charges that were paid. In some instances, there are disputes over a payment made years later after the surplus has been refunded to the self-insured group.
- This bill would establish a time limit for a dispute to be filed. It would not change the right to dispute, eliminate the requirement to pay the reasonable value of services, or alter the 30-day deadline for payment.

Peter Bragdon, Senior Policy Advisor at Preti Strategies, representing The Lawson Group

- The Lawson Group is a third-party administrator for companies that have decided to self-insure. Currently, they manage workers' compensation trusts made up of members from the lumber, manufacturing, and health and human services industries. There are more than 400 employers, who employ over 35,000 individuals, in these trusts.
- Self-insured workers' compensation is helpful for smaller companies that are not large enough to self-insure on their own.
- The least expensive workplace accidents are the ones that do not happen; therefore, the Lawson Group spends more time on loss control and prevention. This results in lower payments, and surpluses are returned to members based on their individual safety ratings.
- When a worker is injured, a bill is sent from their medical provider to the self-insured group who has 30 days to pay the reasonable value of the bill.
- To ensure payment is sent to a provider within 30 days, carriers or the self-insured group have in-house resources or a third-party contract to determine the reasonable value of the bill in that specific geographic area.
- An appeal mechanism is given to providers, and the parties must negotiate in good faith to reach a resolution. If there is no resolution, the Commissioner of the Department of Labor has the sole and exclusive authority to determine the number. Mr. Bragdon said this is not the preferred route because there is certainty with a negotiated agreement.
- The problem has been that providers have asked for their claims to be looked at years after being paid. At the end of each year, actuaries have already determined what the reserves should be, and money has been given back to members for having good years.
- Mr. Bragdon emphasized that they were not trying to get rid of the 30 days to pay; instead, they wanted to put a limit on when providers could ask for reconsideration.
- Within 45 days of receipt of payment, this bill would require a provider to notify the carrier that they disagree. An additional 45 days would be given to negotiate. If those negotiations fail, it would go to the Commissioner.

Summary of testimony presented in opposition:

Neutral Information Presented:

Danielle Albert, Deputy Commissioner, New Hampshire Department of Labor

- The Department reviewed the proposed changes, and they would be able to implement them.