

California Workers’ Compensation Institute

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VIA E-MAIL to dwcrules@dir.ca.gov

February 24, 2014

Maureen Gray, Regulations Coordinator

Department of Industrial Relations

Division of Workers’ Compensation, Legal Unit

Post Office Box 420603

San Francisco, CA 94142

**RE: 1st Forum Comments – Copy Service Fee Schedule**

Dear Ms. Gray:

These Forum comments on draft regulations regarding copy service fees are presented on behalf of members of the California Workers' Compensation Institute (the Institute). Institute members include insurers writing 71% of California’s workers’ compensation premium, and self-insured employers with $46B of annual payroll (27% of the state’s total annual self-insured payroll).

Insurer members of the Institute include ACE, AIG, Alaska National Insurance Company, AmTrust North America, Chubb Group, CNA, CompWest Insurance Company, Crum & Forster, Employers, Everest National Insurance Company, Farmers Insurance Group, Fireman's Fund Insurance Company, The Hartford, Insurance Company of the West, Liberty Mutual Insurance, Pacific Compensation Insurance Company, Preferred Employers Insurance Company, Springfield Insurance Company, State Compensation Insurance Fund, State Farm Insurance Companies, Travelers, XL America, Zenith Insurance Company, and Zurich North America.

Self-insured employer members are Adventist Health, Agilent Technologies, Chevron Corporation, City and County of San Francisco, City of Santa Ana, City of Torrance, Contra Costa County Schools Insurance Group, Costco Wholesale, County of San Bernardino Risk Management, County of Santa Clara Risk Management, Dignity Health, Foster Farms, Grimmway Enterprises Inc., Kaiser Permanente, Marriott International, Inc., Pacific Gas & Electric Company, Safeway, Inc., Schools Insurance Authority, Sempra Energy, Shasta County Risk Management, Southern California Edison, Sutter Health, University of California, and The Walt Disney Company.

The Institute supports the concept of a flat fee schedule wherein copy services and all related fees are bundled. At the request of the Department of Industrial Relations, the Berkeley Research Group (BRG) issued a report on copy service fees titled “Formulating a Copy Service Fee Schedule for the California Division of Workers’ Compensation” and dated October 2, 2013. BRG recommended, based on its review and analysis of copy service payment data and other information, that the most cost effective and fair method for paying for copy costs is “a single price for copy sets, regardless of the number of pages involved (up to 1,000 pages) or the difficulty in retrieval of documents.” It concluded that “the cost of each initial copy set should be $103.55 and that additional copy sets should be made available at $.10 per page if paper and for a nominal lump sum fee of $5.00 if electronic.”

Based on the data considered by BRG, we believe that a flat rate in the range recommended by BRG is appropriate for up to 1,000 pages, rather than 500 pages. The Institute believes that a flat fee should pay no more than is allowed as reasonable under California Evidence Code sections 1560-1567 for 1,000 pages, and any per-page fee should not exceed $.10 per page for copies in excess of 1,000 pages, and $.20 per page for microfilm copies. According to California Evidence Code sections 1560-1567, reasonable cost is:

* not more than $.10 per page for 8.5x14 inches or less
* $.20 per page for microfilm copies
* actual costs for the reproduction of oversize documents or the reproduction of documents requiring special processing which are made in response to a subpoena
* reasonable clerical costs incurred in locating and making the records available to be billed at the maximum rate of twenty-four dollars ($24) per hour per person, computed on the basis of six dollars ($6) per quarter hour or fraction thereof
* actual postage charges.

We support the description of allowable services in section 9982, and recommend clarifying that the bundled services include, but are not limited to these services.

The Institute recommends that the Administrative Director adopt billing codes at the time it adopts copy services. According to Labor Code section 4603.2(b), copy services are among those services that are provided pursuant to Labor Code Section 4600, and billing codes will be necessary to properly bill, pay, and report the copy services.

Thank you for considering these recommendations and comments. Please contact me if additional clarification would be helpful.

Sincerely,

Brenda Ramirez

Claims & Medical Director

BR/pm

cc: Christine Baker, DIR Director

 Destie Overpeck, DWC Acting Administrative Director

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