AMENDED IN ASSEMBLY APRIL 9, 2025

AMENDED IN ASSEMBLY MARCH 24, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 1293

Introduced by Assembly Member Wallis

February 21, 2025

An act to amend Section 4062.3 139.2 of, and to add Section 4062.4 to, the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1293, as amended, Wallis. Workers' compensation: qualified medical evaluators.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries arising out of and in the course of their employment. Existing law establishes procedures for the resolution of disputes regarding the compensability of an injury, including the use of a qualified medical evaluator (QME) to perform a comprehensive medical-legal evaluation to address all contested medical issues arising from all injuries reported in a claim. Existing law requires all communications with a panel QME before a medical evaluation to be in writing served on the opposing party 20 days in advance of the evaluation, and any subsequent communication with the QME to be in writing and served on the opposing party when the communication is sent to the QME.

This bill would-require, for medical-legal evaluations with a date of service on or after January 1, 2027, *require* the administrative director to develop and make available a joint medical evaluation request form

to be used by all parties in *for* communicating with a panel qualified medical evaluator in advance of an evaluation obtained pursuant to the above provisions. The bill would require the administrative director to develop and make available a template QME report form, which will include all necessary statutory and regulatory requirements for a complete QME report that constitutes substantial evidence. The bill would require the Division of Workers' Compensation to adopt regulations to implement these provisions by January 1, 2027. *The bill would also require the administrative director to promulgate regulations by January 1, 2027, to, among other things, establish a process by which a party to a case may submit a medical-legal report that is alleged to be inaccurate or incomplete to the medical director.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- SECTION 1. Section 4062.3 of the Labor Code is amended to
 read:
- 3 4062.3. (a) Any party may provide to the qualified medical
- 4 evaluator selected from a panel any of the following information:
- 5 (1) Records prepared or maintained by the employee's treating
- 6 physician or physicians.
- 7 (2) Medical and nonmedical records relevant to determination
 8 of the medical issue.
- 9 (b) Information that a party proposes to provide to the qualified
- 10 medical evaluator selected from a panel shall be served on the
- 11 opposing party 20 days before the information is provided to the
- 12 evaluator. If the opposing party objects to consideration of
- 13 nonmedical records within 10 days thereafter, the records shall
- 14 not be provided to the evaluator. Either party may use discovery
- 15 to establish the accuracy or authenticity of nonmedical records
- 16 prior to the evaluation.
- 17 (c) If an agreed medical evaluator is selected, as part of their
- 18 agreement on an evaluator, the parties shall agree on what
- 19 information is to be provided to the agreed medical evaluator.
- 20 (d) In any formal medical evaluation, the agreed or qualified
- 21 medical evaluator shall identify the following:
- 22 (1) All information received from the parties.
- 23 (2) All information reviewed in preparation of the report.

1 (3) All information relied upon in the formulation of their 2 opinion.

3 (e) All communications with a qualified medical evaluator

4 selected from a panel before a medical evaluation shall be in

5 writing and shall be served on the opposing party 20 days in

6 advance of the evaluation. Any subsequent communication with

7 the medical evaluator shall be in writing and shall be served on

8 the opposing party when sent to the medical evaluator.

9 (f) Communications with an agreed medical evaluator shall be 10 in writing, and shall be served on the opposing party when sent to 11 the agreed medical evaluator. Oral or written communications with 12 physician staff or, as applicable, with the agreed medical evaluator, 13 relative to nonsubstantial matters such as the scheduling of appointments, missed appointments, the furnishing of records and 14 15 reports, and the availability of the report, do not constitute ex parte 16 communication in violation of this section unless the appeals board 17 has made a specific finding of an impermissible ex parte 18 communication. 19 (g) Ex parte communication with an agreed medical evaluator 20 or a qualified medical evaluator selected from a panel is prohibited. 21 If a party communicates with the agreed medical evaluator or the 22 qualified medical evaluator in violation of subdivision (e), the 23 aggrieved party may elect to terminate the medical evaluation and 24 seek a new evaluation from another qualified medical evaluator 25 to be selected according to Section 4062.1 or 4062.2, as applicable, 26 or proceed with the initial evaluation. 27 (h) The party making the communication prohibited by this 28 section shall be subject to being charged with contempt before the

29 appeals board and shall be liable for the costs incurred by the 30 aggrieved party as a result of the prohibited communication, 31 including the cost of the medical evaluation, additional discovery

32 costs, and attorney's fees for related discovery.

33 (i) Subdivisions (e) and (g) shall not apply to oral or written

34 communications by the employee or, if the employee is deceased,

35 the employee's dependent, in the course of the examination or at

36 the request of the evaluator in connection with the examination.

37 (j) Upon completing a determination of the disputed medical

issue, the medical evaluator shall summarize the medical findings
 on a form prescribed by the administrative director and shall serve

40 the formal medical evaluation and the summary form on the

1 employee and the employer. The medical evaluation shall address

2 all contested medical issues arising from all injuries reported on

3 one or more claim forms prior to the date of the employee's initial

4 appointment with the medical evaluator.

5 (k) If, after a medical evaluation is prepared, the employer or

6 the employee subsequently objects to any new medical issue, the

7 parties, to the extent possible, shall utilize the same medical

8 evaluator who prepared the previous evaluation to resolve the
 9 medical dispute.

10 (1) No disputed medical issue specified in subdivision (a) may

11 be the subject of declaration of readiness to proceed unless there

12 has first been an evaluation by the treating physician or an agreed

13 or qualified medical evaluator.

14 (m) For medical-legal evaluation dates of service occurring on

15 or after January 1, 2027, the parties shall communicate with and

16 provide information to the panel qualified medical evaluator in 17 the manner prescribed by the administrative director pursuant to

18 Section 4062.4.

19 SECTION 1. Section 139.2 of the Labor Code is amended to 20 read:

21 139.2. (a) The administrative director shall appoint qualified

medical evaluators in each of the respective specialties as requiredfor the evaluation of medical-legal issues. The appointments shall

24 be for two-year terms.

25 (b) The administrative director shall appoint or reappoint as a 26 qualified medical evaluator a physician, as defined in Section 27 3209.3, who is licensed to practice in this state and who 28 demonstrates that he or she the physician meets the requirements 29 in paragraphs (1), (2), (6), and (7), and, if the physician is a medical 30 doctor, doctor of osteopathy, doctor of chiropractic, or a 31 psychologist, that he or she the physician also meets the applicable 32 requirements in paragraph (3), (4), or (5).

33 (1) Prior to his or her their appointment as a qualified medical 34 evaluator, passes an examination written and administered by the 35 administrative director for the purpose of demonstrating competence in evaluating medical-legal issues in the workers' 36 37 compensation system. Physicians shall not be required to pass an 38 additional examination as a condition of reappointment. A 39 physician seeking appointment as a qualified medical evaluator 40 on or after January 1, 2001, shall also complete prior to

1 appointment, a course on disability evaluation report writing

2 approved by the administrative director. The administrative director3 shall specify the curriculum to be covered by disability evaluation

4 report writing courses, which shall include, but is not limited to,

5 12 or more hours of instruction.

6 (2) Devotes at least one-third of total practice time to providing 7 direct medical treatment, or has served as an agreed medical 8 evaluator on eight or more occasions in the 12 months prior to 9 applying to be appointed as a qualified medical evaluator.

10 (3) Is a medical doctor or doctor of osteopathy and meets one 11 of the following requirements:

(A) Is board certified in a specialty by a board recognized by
the administrative director and either the Medical Board of
California or the Osteopathic Medical Board of California.

(B) Has successfully completed a residency training program
 accredited by the Accreditation Council for Graduate Medical
 Education or the osteopathic equivalent.

18 (C) Was an active qualified medical evaluator on June 30, 2000.

(D) Has qualifications that the administrative director and either
the Medical Board of California or the Osteopathic Medical Board
of California, as appropriate, both deem to be equivalent to board
certification in a specialty.

(4) Is a doctor of chiropractic and has been certified in California
workers' compensation evaluation by a provider recognized by
the administrative director. The certification program shall include
instruction on disability evaluation report writing that meets the
atom dords out forth in program (1)

27 standards set forth in paragraph (1).

28 (5) Is a psychologist and meets one of the following 29 requirements:

30 (A) Is board certified in clinical psychology by a board31 recognized by the administrative director.

(B) Holds a doctoral degree in psychology, or a doctoral degree
deemed equivalent for licensure by the Board of Psychology
pursuant to Section 2914 of the Business and Professions Code,
from a university or professional school recognized by the
administrative director and has not less than five years'
postdoctoral experience in the diagnosis and treatment of emotional
and mental disorders.

39 (C) Has not less than five years' postdoctoral experience in the 40 diagnosis and treatment of emotional and mental disorders, and

1 has served as an agreed medical evaluator on eight or more2 occasions prior to January 1, 1990.

3 (6) Does not have a conflict of interest as determined under the
4 regulations adopted by the administrative director pursuant to
5 subdivision (o).

6 (7) Meets any additional medical or professional standards 7 adopted pursuant to paragraph (6) of subdivision (j).

8 (c) The administrative director shall adopt standards for 9 appointment of physicians who are retired or who hold teaching 10 positions who are exceptionally well qualified to serve as a qualified medical evaluator even though they do not otherwise 11 12 qualify under paragraph (2) of subdivision (b). A physician whose 13 full-time practice is limited to the forensic evaluation of disability 14 shall not be appointed as a qualified medical evaluator under this 15 subdivision.

16 (d) The qualified medical evaluator, upon request, shall be 17 reappointed if he or she *the qualified medical evaluator* meets the 18 qualifications of subdivision (b) and meets all of the following 19 criteria:

20 (1) Is in compliance with all applicable regulations and 21 evaluation guidelines adopted by the administrative director.

22 (2) Has not had more than five of his or her their evaluations 23 that were considered by a workers' compensation administrative 24 law judge at a contested hearing rejected by the workers' 25 compensation administrative law judge or the appeals board 26 pursuant to this section during the most recent two-year period 27 during which the physician served as a qualified medical evaluator. 28 If the workers' compensation administrative law judge or the appeals board rejects the qualified medical evaluator's report on 29 30 the basis that it fails to meet the minimum standards for those 31 reports established by the administrative director or the appeals 32 board, the workers' compensation administrative law judge or the

33 appeals board, as the case may be, shall make a specific finding

34 to that effect, and shall give notice to the medical evaluator and

35 to the administrative director. Any rejection shall not be counted 36 as one of the five qualifying rejections until the specific finding

has become final and time for appeal has expired.

38 (3) Has completed within the previous 24 months at least 12

39 hours of continuing education in impairment evaluation or workers'

compensation-related medical dispute evaluation approved by the
 administrative director.

3 (4) Has not been terminated, suspended, placed on probation,
4 or otherwise disciplined by the administrative director during-his
5 or her their most recent term as a qualified medical evaluator.

6 If the evaluator does not meet any one of these criteria, the 7 administrative director may, in his or her their discretion, reappoint 8 or deny reappointment according to regulations adopted by the 9 administrative director. A physician who does not currently meet 10 the requirements for initial appointment or who has been terminated 11 under subdivision (e) because his or her their license has been 12 revoked or terminated by the licensing authority shall not be 13 reappointed.

(e) The administrative director may, in his or her their discretion,
suspend or terminate a qualified medical evaluator during his or
her their term of appointment without a hearing as provided under
subdivision (k) or (l) whenever either of the following conditions
occurs:

(1) The evaluator's license to practice in California has been
suspended by the relevant licensing authority so as to preclude
practice, or has been revoked or terminated by the licensing
authority.

(2) The evaluator has failed to timely pay the fee required bythe administrative director pursuant to subdivision (n).

25 (f) The administrative director shall furnish a physician, upon 26 request, with a written statement of its reasons for termination of, 27 or for denying appointment or reappointment as, a qualified 28 medical evaluator. Upon receipt of a specific response to the 29 statement of reasons, the administrative director shall review his 30 or her their decision not to appoint or reappoint the physician or 31 to terminate the physician and shall notify the physician of its final 32 decision within 60 days after receipt of the physician's response. 33 (g) The administrative director shall establish agreements with 34 qualified medical evaluators to ensure the expeditious evaluation

of cases assigned to them for comprehensive medical evaluations.
(h) (1) When requested by an employee or employer pursuant
to Section 4062.1, the medical director appointed pursuant to

to Section 4062.1, the medical director appointed pursuant toSection 122 shall assign three-member panels of qualified medical

evaluators within five working days after receiving a request fora panel. Preference in assigning panels shall be given to cases in

1 which the employee is not represented. If a panel is not assigned 2 within 20 working days, the employee shall have the right to obtain 3 a medical evaluation from any qualified medical evaluator of his 4 or her their choice within a reasonable geographic area. The 5 medical director shall use a random selection method for assigning panels of qualified medical evaluators. The medical director shall 6 7 select evaluators who are specialists of the type requested by the 8 employee. The medical director shall advise the employee that he 9 or she the employee should consult with his or her their treating 10 physician prior to deciding which type of specialist to request.

(2) The administrative director shall promulgate a form that 11 12 shall notify the employee of the physicians selected for his or her 13 the employee's panel after a request has been made pursuant to 14 Section 4062.1 or 4062.2. The form shall include, for each 15 physician on the panel, the physician's name, address, telephone number, specialty, number of years in practice, and a brief 16 17 description of his or her the physician's education and training. 18 and shall advise the employee that he or she the employee is entitled 19 to receive transportation expenses and temporary disability for each day necessary for the examination. The form shall also state 20 21 in a clear and conspicuous location and type: "You have the right 22 to consult with an information and assistance officer at no cost to 23 you prior to selecting the doctor to prepare your evaluation, or you may consult with an attorney. If your claim eventually goes to 24 25 court, the workers' compensation administrative law judge will 26 consider the evaluation prepared by the doctor you select to decide 27 your claim." 28 (3) When compiling the list of evaluators from which to select

randomly, the medical director shall include all qualified medical
 evaluators who meet all of the following criteria:

(A) He or she *The evaluator* does not have a conflict of interest
in the case, as defined by regulations adopted pursuant to
subdivision (o).

(B) He or she *The evaluator* is certified by the administrative
director to evaluate in an appropriate specialty and at locations
within the general geographic area of the employee's residence.
An evaluator shall not conduct qualified medical evaluations at
more than 10 locations.

39 (C) He or she *The evaluator* has not been suspended or 40 terminated as a qualified medical evaluator for failure to pay the

1 fee required by the administrative director pursuant to subdivision 2 (n) or for any other reason.

3 (4) When the medical director determines that an employee has 4 requested an evaluation by a type of specialist that is appropriate 5 for the employee's injury, but there are not enough qualified 6 medical evaluators of that type within the general geographic area 7 of the employee's residence to establish a three-member panel, 8 the medical director shall include sufficient qualified medical 9 evaluators from other geographic areas and the employer shall pay 10 all necessary travel costs incurred in the event the employee selects 11 an evaluator from another geographic area.

12 (i) (1) The medical director appointed pursuant to Section 122 13 shall continuously review the quality of comprehensive medical evaluations and reports prepared by agreed and qualified medical 14 15 evaluators and the timeliness with which evaluation reports are 16 prepared and submitted. The review shall include, but not be 17 limited to, a review of a random sample of reports submitted to 18 the division, and a review of all reports alleged to be inaccurate 19 or incomplete by a party to a case for which the evaluation was 20 prepared. The medical director shall submit to the administrative 21 director an annual report summarizing the results of the continuous 22 review of medical evaluations and reports prepared by agreed and 23 qualified medical evaluators and make recommendations for the 24 improvement of the system of medical evaluations and 25 determinations.

26 (2) The administrative director shall, no later than January 1, 27 2027, promulgate regulations to do all of the following:

28 (A) Establish a process by which a party to a case may submit

29 a medical-legal report that is alleged to be inaccurate or 30 incomplete to the medical director.

31 (B) Annually evaluate medical-legal reports, including all 32 medical-legal reports submitted in accordance with subparagraph

33 (A) and all medical-legal reports rejected and noticed in accordance with paragraph (2) of subdivision (d). 34

35 (C) Publish the annual report submitted pursuant to paragraph 36 (1) on the division's internet website.

37 (i) After public hearing pursuant to Section 5307.3, the administrative director shall adopt regulations concerning the 38

following issues: 39

1 (1) (A) Standards governing the timeframes within which 2 medical evaluations shall be prepared and submitted by agreed 3 and qualified medical evaluators. Except as provided in this 4 subdivision, the timeframe for initial medical evaluations to be 5 prepared and submitted shall be no more than 30 days after the evaluator has seen the employee or otherwise commenced the 6 7 medical evaluation procedure. The administrative director shall 8 develop regulations governing the provision of extensions of the 9 30-day period in both of the following cases:

- 10 (i) When the evaluator has not received test results or consulting 11 physician's evaluations in time to meet the 30-day deadline.
- (ii) To extend the 30-day period by not more than 15 days whenthe failure to meet the 30-day deadline was for good cause.
- (B) For purposes of subparagraph (A), "good cause" means anyof the following:
- 16 (i) Medical emergencies of the evaluator or evaluator's family.
- 17 (ii) Death in the evaluator's family.
- (iii) Natural disasters or other community catastrophes thatinterrupt the operation of the evaluator's business.
- 20 (C) The administrative director shall develop timeframes 21 governing availability of qualified medical evaluators for 22 unrepresented employees under Section 4062.1. These timeframes 23 shall give the employee the right to the addition of a new evaluator 24 to his or her the employee's panel, selected at random, for each 25 evaluator not available to see the employee within a specified period of time, but shall also permit the employee to waive this 26 right for a specified period of time thereafter. 27 28 (2) Procedures to be followed by all physicians in evaluating
- (2) Procedures to be followed by all physicians in evaluating
 the existence and extent of permanent impairment and limitations
 resulting from an injury in a manner consistent with Sections 4660
 and 4660.1.
- 32 (3) Procedures governing the determination of any disputed33 medical treatment issues in a manner consistent with Section34 5307.27.
- (4) Procedures to be used in determining the compensability of
 psychiatric injury. The procedures shall be in accordance with
 Section 3208.3 and shall require that the diagnosis of a mental
 disorder be expressed using the terminology and criteria of the
 American Psychiatric Association's Diagnostic and Statistical
 Manual of Mental Disorders, Third Edition-Revised, or the
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1 terminology and diagnostic criteria of other psychiatric diagnostic

2 manuals generally approved and accepted nationally by 3 practitioners in the field of psychiatric medicine.

4 (5) Guidelines for the range of time normally required to perform 5 the following:

6 (A) A medical-legal evaluation that has not been defined and 7 valued pursuant to Section 5307.6. The guidelines shall establish 8 minimum times for patient contact in the conduct of the 9 evaluations, and shall be consistent with regulations adopted 10 pursuant to Section 5307.6.

11 (B) Any treatment procedures that have not been defined and 12 valued pursuant to Section 5307.1.

13 (C) Any other evaluation procedure requested by the Insurance
14 Commissioner, or deemed appropriate by the administrative
15 director.

(6) Any additional medical or professional standards that a
medical evaluator shall meet as a condition of appointment,
reappointment, or maintenance in the status of a medical evaluator.
(k) Except as provided in this subdivision, the administrative

(k) Except as provided in this subdivision, the administrative
 director may, in his or her their discretion, suspend or terminate

21 the privilege of a physician to serve as a qualified medical evaluator

if the administrative director, after hearing pursuant to subdivision(*l*), determines, based on substantial evidence, that a qualified

24 medical evaluator:

25 (1) Has violated any material statutory or administrative duty.

(2) Has failed to follow the medical procedures or qualifications
established pursuant to paragraph (2), (3), (4), or (5) of subdivision
(j).

(3) Has failed to comply with the timeframe standardsestablished pursuant to subdivision (j).

31 (4) Has failed to meet the requirements of subdivision (b) or 32 (c).

(5) Has prepared medical-legal evaluations that fail to meet the
minimum standards for those reports established by the
administrative director or the appeals board.

36 (6) Has made material misrepresentations or false statements
37 in an application for appointment or reappointment as a qualified
38 medical evaluator.

A hearing shall not be required prior to the suspension or termination of a physician's privilege to serve as a qualified

- 1 medical evaluator when the physician has done either of the 2 following:
- 3 (A) Failed to timely pay the fee required pursuant to subdivision 4 (n).
- 5 (B) Had his or her *their* license to practice in California 6 suspended by the relevant licensing authority so as to preclude 7 practice, or had the license revoked or terminated by the licensing 8 authority.

9 (*l*) The administrative director shall cite the qualified medical evaluator for a violation listed in subdivision (k) and shall set a 10 hearing on the alleged violation within 30 days of service of the 11 citation on the qualified medical evaluator. In addition to the 12 13 authority to terminate or suspend the qualified medical evaluator 14 upon finding a violation listed in subdivision (k), the administrative 15 director may, in his or her their discretion, place a qualified medical evaluator on probation subject to appropriate conditions, including 16 17 ordering continuing education or training. The administrative director shall report to the appropriate licensing board the name 18 19 of any qualified medical evaluator who is disciplined pursuant to 20 this subdivision. 21 (m) The administrative director shall terminate from the list of 22 medical evaluators any physician where licensure has been

terminated by the relevant licensing board, or who has been 23 24 convicted of a misdemeanor or felony related to the conduct of his 25 or her their medical practice, or of a crime of moral turpitude. The 26 administrative director shall suspend or terminate as a medical 27 evaluator any physician who has been suspended or placed on probation by the relevant licensing board. If a physician is 28 29 suspended or terminated as a qualified medical evaluator under 30 this subdivision, a report prepared by the physician that is not 31 complete, signed, and furnished to one or more of the parties prior 32 to the date of conviction or action of the licensing board, whichever 33 is earlier, shall not be admissible in any proceeding before the 34 appeals board nor shall there be any liability for payment for the 35 report and any expense incurred by the physician in connection

- 36 with the report.
- 37 (n) A qualified medical evaluator shall pay a fee, as determined
- by the administrative director, for appointment or reappointment.These fees shall be based on a sliding scale as established by the
- 40 administrative director. All revenues from fees paid under this
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1 subdivision shall be deposited into the Workers' Compensation 2 Administration Revolving Fund and are available for expenditure 3 upon appropriation by the Legislature, and shall not be used by 4 any other department or agency or for any purpose other than 5 administration of the programs of the Division of Workers' 6 Compensation related to the provision of medical treatment to 7 injured employees. 8 (o) An evaluator shall not request or accept any compensation

or other thing of value from any source that does or could create
a conflict with his or her their duties as an evaluator under this
code. The administrative director, after consultation with the
Commission on Health and Safety and Workers' Compensation,
shall adopt regulations to implement this subdivision.

14 SEC. 2. Section 4062.4 is added to the Labor Code, to read:

15 4062.4. (a) (1) The administrative director shall develop and 16 make available a template qualified medical evaluator (QME) 17 report form, which shall include all necessary statutory and 18 regulatory requirements for a complete report that constitutes 19 substantial evidence.

(2) Use of a template QME report form developed pursuant to
paragraph (1) does not constitute prima facie evidence that a
report is complete, accurate, or compliant with applicable statutory
or regulatory requirements.

(b) The administrative director shall develop and make available
a joint medical evaluation request form to be used by all parties
in *for* communicating with a panel qualified medical evaluator *pursuant to Section 4062.3* in advance of an evaluation obtained
pursuant to Section 4062.1 or 4062.2.

29 (c) The administrative director shall establish a method for

30 evaluating the quality of QME reporting pursuant to Sections 4060,

31 4061, and 4062, which shall include, but not be limited to,

32 collection of final orders by the Workers' Compensation Appeals

33 Board or a workers' compensation administrative law judge that

34 a QME report is incomplete or insubstantial evidence on the issue

35 of permanent disability or apportionment, or both.

36 (d)

37 (c) The Division of Workers' Compensation, acting in 38 accordance with the Administrative Procedure Act (Chapter 3.5

39 (commencing with Section 11340) of Part 1 of Division 3 of Title

AB 1293

- 2 of the Government Code), shall adopt regulations to implement this chapter with an effective date of no later than January 1, 2027. 1
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