



# Senate

General Assembly

**File No. 599**

February Session, 2004

Substitute Senate Bill No. 625

*Senate, April 15, 2004*

The Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE POWERS AND DUTIES OF THE DEPARTMENT OF ADMINISTRATIVE SERVICES WITH RESPECT TO WORKERS' COMPENSATION.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-284a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2004*):

3 (a) Notwithstanding the provisions of sections 4a-19 and 4a-20 to  
4 the contrary, the Commissioner of Administrative Services shall solicit  
5 proposals from any management firm engaged in the business of  
6 administering workers' compensation claims, or from any authorized  
7 mutual insurance company or stock company or subsidiary thereof  
8 writing workers' compensation or employer's liability insurance in this  
9 state, for the purposes of administering the workers' compensation  
10 claims filed against the state, or of insuring the state's full liability  
11 under workers' compensation and administering such claims. [Said]  
12 The commissioner may, at [his] said commissioner's discretion, reject

13 any or all of such proposals if they are deemed to be inadequate to  
14 effectively serve the needs of the state concerning workers'  
15 compensation. [Any funds appropriated in section 1 of special act 81-  
16 22\* for workers' compensation payments by the state and  
17 administrative expenses for the state workers' compensation program  
18 shall be available and may be transferred with the approval of the  
19 Governor to meet the necessary expenses of contracting for such  
20 services.]

21 (b) The Commissioner of Administrative Services shall adopt  
22 regulations, in accordance with the provisions of chapter 54, which  
23 establish the fees payable by this state for its employees under the  
24 provisions of this chapter, based on the medical procedure,  
25 combination of procedures or diagnosis of the patient, provided the fee  
26 schedule shall not apply to services rendered to a claimant who is  
27 participating in the state's managed care plan. The regulations shall  
28 limit annual growth in total medical fees payable by the state to no  
29 more than the annual percentage increase in the consumer price index  
30 for all urban workers. Said commissioner may exclude from  
31 participation in the state workers' compensation managed care  
32 program any medical provider found, through a systematic program  
33 of utilization review, to exceed generally accepted standards of the  
34 scope, duration or intensity of services rendered to patients with  
35 similar diagnostic characteristics. The state shall not make any  
36 payment to a facility owned in whole or in part by the referring  
37 practitioner.

38 (c) The Commissioner of Administrative Services shall have sole  
39 responsibility for establishing policies, procedures and practices for all  
40 state agencies participating in the state of Connecticut workers'  
41 compensation program, including, but not limited to, policies,  
42 procedures and practices with respect to injury prevention, injury  
43 reporting, return to work, modified or alternative duty, claims  
44 management and claims reimbursement.

45 **Statement of Legislative Commissioners:**  
46 Obsolete language in subsection (a) was bracketed.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>

**APP**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Department of Administrative Services; Children & Families, Dept.; Correction, Dept.; Mental Retardation, Dept.; Mental Health & Addiction Serv., Dept.; Public Safety, Dept.	GF - Potential Savings	Indeterminate	Indeterminate

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill provides the Commissioner of Administrative Services with the sole responsibility for establishing policies, procedures and practices for all state agencies workers' compensation programs.

Under the bill, the Department of Administrative Services (DAS) will have responsibility over the workers' compensation programs in the Department of Correction, Department of Children and Families, Department of Mental Retardation, Department of Mental Health and Addiction Services and the Department of Public Safety.

Providing DAS with responsibility over all state agencies workers' compensation programs may result in a savings to certain agencies workers' compensation programs, depending on the effectiveness of DAS claims management, claims reimbursement, injury prevention programs and modified or alternative duty programs.

DAS will be able to handle the increased workload associated with the bill within existing appropriations.

**OFA Bill Analysis**

sSB 625

***AN ACT CONCERNING THE POWERS AND DUTIES OF THE DEPARTMENT OF ADMINISTRATIVE SERVICES WITH RESPECT TO WORKERS' COMPENSATION.*****SUMMARY:**

The bill provides the Commissioner of Administrative Services with the sole responsibility for establishing policies, procedures and practices for all state agencies workers' compensation programs. The bill gives the Department of Administrative Services (DAS) responsibility over policies and practices with respect to injury prevention, injury reporting, modified or alternative duty, claims management and claims reimbursement.

EFFECTIVE DATE: July 1, 2004

**BACKGROUND**

DAS currently has responsibility over 74 state agencies workers' compensation programs. This bill would provide DAS with certain responsibilities over workers' compensation programs in the Department of Correction, Department of Children and Families, Department of Mental Retardation, Department of Mental Health and Addiction Services and the Department of Public Safety.

**COMMITTEE ACTION**

Appropriations Committee

Joint Favorable Substitute

Yea 51    Nay 0