**NATIONAL CONFERENCE OF INSURANCE LEGISLATORS
RESOLUTION ON WORKERS’ COMPENSATION MANAGED CARE**

***Adopted by the NCOIL Executive Committee on November 12, 1995.
Readopted by the NCOIL Executive Committee on July 13, 2001.***

WHEREAS, state workers’ compensation laws are a critically important form of state regulated insurance; and

WHEREAS, workers’ compensation covers all reasonable and necessary medical treatment for injured workers on a no-fault basis; and

WHEREAS, workers’ compensation medical benefits have become a major cost driver and, in many states, represent close to half of all benefit expenditures under workers’ compensation; and

WHEREAS, the availability of affordable workers’ compensation insurance coverage for employers is threatened unless spiraling medical costs can be controlled; and

WHEREAS, managed care approached, such as expert networks of medical providers, utilization review, case management treatment protocols, pre-authorization, and second opinions, are proven and accepted techniques for providing workers high-quality care at an affordable price under other medical payment systems and under many state workers’ compensation laws; and

WHEREAS, workers’ compensation managed arrangements maintain high levels of patient satisfaction while promoting prompt return to work and improved workplace safety, while offering workers a choice of physicians without requiring workers to pay deductibles or copayments or imposing dollar or time limits on medical coverage; and

WHEREAS, some states have legal barriers to the use of managed care under workers’ compensation, such as opt-outs and mandated for unrestricted choice of physicians that foster doctor-shopping, requirements to offer multiple plans that prevent economies of scale needed to control costs, administrative red-tape for certification of networks, restrictions on insurer financial interest in managed care plans, geographic and professional qualifications for participating providers and reviewers that have no medical merit, prohibitions against innovative fee arrangements with medical providers, and mandates for rate reductions that have no actuarial justification or are redundant to existing pricing programs;

NOW THEREFORE BE IT RESOLVED, that the National Conference of Insurance Legislators calls upon state legislatures to eliminate statutory and administrative barriers to workers’ compensation managed care arrangements.