



State Fund Medical Provider Network (MPN)

MPN PARTICIPATION AGREEMENT

State Compensation Insurance Fund (State Fund) Medical Provider Network (MPN) Physicians must adhere to this MPN Participation Agreement (the “Agreement”) in this document for inclusion and continued membership in the State Fund MPN. It is a requirement that all State Fund MPN physicians comply with the Agreement whether practicing independently or within a medical group. Physicians must agree to abide by the Agreement and sign the attached Signature Form in order to participate in the State Fund MPN.

1. Definitions

- 1.1. “Home Health Care” shall mean patient care services provided by professional agencies to injured employees.
- 1.2. “Network Vendor” shall mean an entity which the physician directly contracts with, in order to participate in the State Fund MPN.
- 1.3. “Nurse” shall mean a medical professional who co-ordinates and manages the care of injured employees in partnership with doctors, other workers’ compensation staff; formulates and administers individual care plans that ensures injured employees receive appropriate care and services.
- 1.4. “Peer Reviewer” shall mean an appropriate Specialty Matched health professional who conducts a clinical review of a specific course of medical treatment
- 1.5. “Peer-to-Peer Review and Discussion” shall mean a telephone or in-person clinical review conducted by an appropriate Specialty Matched physician, regarding issues or concerns relating to medical treatment.
- 1.6. “Physician” shall mean a health care provider as defined by Labor Code section 3209.3: “physicians and surgeons holding an M.D. or D.O. degree, psychologists, acupuncturists, optometrists, dentists, podiatrists, and chiropractic practitioners licensed by California state law and within the scope of their practice as defined by California state law.” This definition applies regardless of whether the physician is practicing independently or within a medical group.
- 1.7. “Primary Treating Physician” shall mean, as defined by Title 8, California Code of Regulations section 9785(a)(1), the physician who is primarily responsible for managing the care of an employee, and who has examined the employee at least once for the purpose of rendering or prescribing treatment and has monitored the effect of the treatment thereafter.

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Definitions (continued)

- 1.8. “Provider Performance Management” shall mean the evaluation of a physician in a peer-to-peer setting, focusing on clinical practices, narcotics prescribing practices, and compliance with the Agreement, California and Federal laws, and Medical Treatment Utilization Schedule (MTUS).
- 1.9. “Return to Work Program” shall mean as defined by Title 8, California Code of Regulations sections 10116 through 10117, the activities and efforts to return the injured employee to productive employment.
- 1.10. “Stay at Work Program” shall mean the activities and efforts to keep the injured employee at the workplace with medically necessary modified duties.

2. Credentialing Requirements

- 2.1. Credentialing with Network Vendor. Physician shall be credentialed, in good standing, and contracted with Network Vendor in order to be eligible for continued membership in the State Fund MPN.
- 2.2. License to Practice. Physician must hold an unrestricted license to practice medicine in the State of California and be actively engaged in the practice of medicine.
- 2.3. Sanctions or Restrictions. Physician must have no history of disciplinary action, sanctions or restrictions to practice by the applicable state licensing authority, Medical Board, Centers for Medicare & Medicaid Services (CMS), the California Department of Health Services, hospitals, professional boards, or governing agencies within the last five (5) years.
- 2.4. Criminal Convictions. Physician shall have no felony convictions whatsoever, or misdemeanor convictions involving moral turpitude and/or the qualifications, functions or duties of a physician.
- 2.5. Compliance with Laws. Physician and physician’s practice shall comply with all applicable laws, including but not limited to California Workers’ Compensation Laws, Labor Code, Insurance Code, and Business and Professions Code.
- 2.6. Professional Liability Insurance. Physician must maintain professional liability coverage of at least the minimum amount specified in physician’s contract with the Network Vendor.
- 2.7. Educational History. Physician’s educational history shall meet professionally recognized standards for the physician’s area of practice; have a complete history of professional

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Credentialing Requirements (continued)

education and practice.

- 2.8. Medical Conditions. Physician shall have no medical condition, other physical condition, or problem that substantially impairs or prevents the essential functions of a physician, and must disclose to State Fund if one develops within (five) 5 days of the physician knowing of any such impairment.
- 2.9. Office Standards. Physician's office must have adequate parking, be a clean, neat and safe facility, and have appropriate equipment with up-to-date inspection certificates posted. State Fund reserves the right to conduct an onsite evaluation of the physician's facility at any time during normal business hours, with or without notice.
- 2.10. Changes to Information. Physician shall inform his/her Network Vendor of any changes to his/her practice (including but not limited to: tax identification number, treating location, telephone number, area of practice) within ten (10) calendar days of such change.

3. Other Requirements

- 3.1. Communication. Physician shall communicate in a timely and cooperative manner with State Fund, employers, and the injured employees. In the event that State Fund, Peer Reviewers, Nurses, case managers, employers and/or injured employees initiates communication with physician, physician must respond within two (2) business days, or within the time frames established by the Labor Code and/or California Code of Regulations, whichever time frame is shorter.
- 3.2. Responding to Quality Assurance Issues. Physician shall respond to requests regarding quality assurance issues as identified by State Fund within fourteen (14) days from the date of the request, unless the parties mutually agree in writing to a different time period.
- 3.3. Appointment Availability – Non-Specialty. For non-emergency, non-specialty services, physician shall ensure the availability of an initial appointment within three (3) business days from the request in accordance with Title 8, California Code of Regulations, section 9767.5(f). If physician is unable to provide non-emergency medical care to covered injured employees within the statutory three (3) business day requirement, physician must refer the injured employee back to the State Fund claims adjuster or to MEDfinder to facilitate finding an appropriate MPN physician to manage medical care.

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Other Requirements (continued)

- 3.4. Appointment Availability – Specialty. For non-emergency specialist services, Physician shall ensure the availability of an appointment for treatment within twenty (20) business days of the request, in accordance with Title 8, California Code of Regulations, section 9767.5(g). If physician is not the appropriate specialist for the care required by the covered injured employees or physician is not able to schedule an appointment for treatment within the statutory twenty (20) business day requirement, physician must refer the employee back to the State Fund claims adjuster or to MEDfinder to facilitate finding an appropriate MPN specialist physician to manage their medical care.
- 3.5. No Self-Referral. Physician shall not violate, and shall have no history of violation of Labor Code section 139.3, which prohibits physicians from making unlawful referrals to an individual or entity in which the physician or his or her immediate family has a financial interest.
- 3.6. No Fraudulent or Inappropriate Billing Practices. Physician shall not engage in or have any history of engaging in any fraudulent practices, nor shall physician engage in any improper billing practices including, but not limited to, upcoding, unbundling, double billing, and/or billing for services which were not performed.
- 3.7. Primary Treating Physician. Physician agrees to assume the role of a Primary Treating Physician, when requested by a State Fund MPN-covered injured employee or by State Fund, subject to limitations of Labor Code sections 4600(c) and 4604.5(c), which provide that a chiropractor may not be a Primary Treating Physician after the employee has received twenty four (24) chiropractic visits per industrial injury.
- 3.8. Submission of Reports. Physician must prepare and timely submit legible treating physician reports in accordance with Title 8, California Code of Regulations, sections 9785, 10606, 14003, 14007, and Labor Code sections 4055, 4061.5, 4068, 4628, and 6409. In all cases, medical reports must include supporting documentation and the rationale for the prescribed treatment.
- 3.9. Treatment Requests. Treatment requests must be submitted via the Request for Authorization form (DWC Form RFA) and be accompanied by the Doctor's First Report of Occupational Injury or Illness (DFR-1), a Treating Physician Progress Report (PR-2) form, or in a narrative report substantiating the requested treatment. All of these forms must be signed by the treating physician. If a physician's assistant or nurse practitioner, acting within the scope of his/her license, signs the DFR or the PR-2 and the DWC form RFA, they must also be signed by the supervising physician. Centralized fax submission of the DWC form RFA with the supporting medical report to the State Fund regional offices' dedicated Utilization Review fax number is the preferred method of transmission to

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Other Requirements (continued)

expedite processing which can be accessed at www.statefundca.com/pdf/UR-UnitsDedicatedFAX.pdf.

- 3.10. Standards for Medical Treatment. Physician shall provide medical treatment to the injured employee consistent with the Medical Treatment Utilization Schedule (MTUS) as adopted and amended by the Administrative Director of the Division of Workers' Compensation, Title 8, California Code of Regulations sections 9792.20 to 9792.26. In the event physician provides treatment for conditions or injuries not addressed by the MTUS, the treatment must be in accordance with the following standards, which shall be applied in the order listed, allowing reliance on a lower ranked standard only if every higher ranked standard is inapplicable to the employee's medical condition: 1) peer-reviewed scientific and medical evidence regarding the effectiveness of the service, 2) nationally recognized professional standards, 3) expert opinion, 4) generally accepted standards of medical practice, 5) treatments that are likely to provide a benefit to a patient for conditions for which other treatments are not clinically efficacious.
- 3.11. Utilization Review. Physician shall comply with the Utilization Review Process, pursuant to Labor Code section 4610 and Title 8, California Code of Regulations, sections 9792.6 to 9792.10, for prospective, retrospective, and concurrent review of medical care for work-related injury and/or illness, including the DWC appeals process.
- 3.12. Peer-to-Peer Review and Discussion. State Fund will establish and follow procedures to continuously review the quality of care, performance of medical personnel, utilization of services and facilities, and costs in accordance with Labor Code section 4616(b)(2). In order to comply with Labor Code section 4616(b)(2), physician shall participate and cooperate fully in Peer-to-Peer Review and Discussion, which includes a professional clinician assessment of medical treatment history.
- 3.13. Non-Disclosure of Confidential Information. All information relating to State Fund's review of individual physician quality of care, performance, utilization of services and facilities, and costs must be kept confidential. This provision does not apply to any disclosures as required by the California Labor Code, including but not limited to communication with Utilization Review Organizations, State Fund claims adjusters or other personnel, injured employees and/or injured employees' legal representatives.
- 3.14. Payment for Treatment. Physician agrees to seek payment from State Fund only for treatment, medications, and goods or services authorized by State Fund, ordered by Independent Medical Review (IMR) under Labor Code section 4610.5, recommended by second or third opinion which the injured employee has obtained under Labor Code section 4616.3, and/or recommended by an Agreed Medical Examiner or Qualified Medical Examiner.

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Other Requirements (continued)

- 3.15. Billing and Reimbursement. Physician agrees to engage in appropriate billing practices and accept reimbursement in accordance with the physician's Network Vendor contractual requirements. Physician agrees to not negotiate payment above the contracted rate, including but not limited to requesting letters of agreement for prearranged fees for services rendered. Physician will not file liens for balance between the contracted rate and either the Official Medical Fee Schedule (OMFS) or the Resource Based Relative Value Scale (RBRVS). All disputes regarding the amount of payment allowed by the Network Vendor contract shall be submitted to State Fund for an appeal. If, after the appeal, there is still a dispute, physician must submit the dispute to Independent Bill Review (IBR) under Labor Code section 4603.6 in accordance with the physician's Network Vendor contract agreement. Physician further agrees to provide all documents required to participate in IBR, including but not limited to, physician's Network Vendor contract's rate sheet. To expedite reimbursements, State Fund encourages all MPN physicians to utilize e-billing with the expectation that this process will comply with all e-billing standards promulgated by the DWC.
- 3.16. Returning Employees to Work and Compliance with ODG. Physician must have knowledge and understanding of the practices, policies, and philosophy of State Fund's Stay at Work, and Return to Work Programs. The physician must make all attempts to return the injured employee to work within 20 percent of the Official Disability Guideline (ODG) timeframes in accordance with the diagnosis and injured employee's occupation. The Official Disability Guideline can be located at www.disabilitydurations.com to procure appropriate training material in order to comply with this requirement.
- 3.17. Impairment Ratings. Any physician who is acting as an injured employee's Primary Treating Physician shall have knowledge of and use the AMA Guides to the Evaluation of Permanent Impairment 5th Edition, or any Guide currently approved and promulgated by the DWC; in accordance with Title 8, California Code of Regulations, section 9785(g).
- 3.18. Physician Assistants and Nurse Practitioners. Physician Assistants and Nurse Practitioners shall only be used in accordance with Labor Code section 3209.10.
- 3.19. Physical Therapy. Physical Therapy service shall be administered under the direction of a Registered Physical Therapist in accordance with professionally-recognized standards, and applicable state law, including but not limited to the Business and Professions Code.
- 3.20. Referrals. Unless otherwise approved or directed by State Fund, when it is necessary to refer an injured employee to another medical provider or facility, Physician shall refer only to medical providers and facilities which are participants in the State Fund MPN and listed on the State Fund MEDfinder, which can be accessed at www.statefundca.com/Home/StaticIndex?id=http://content.statefundca.com/claims/MPNHome.asp Referrals are subject to the emergent medical needs of the injured employee, in accordance with Title 8, California Code of Regulations, sections 9767.5 and 9767.6 (e).

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Other Requirements (continued)

In no event may a physician refer to an individual or entity in which he or she has a financial interest.

- 3.21. Home Health Care. As required by Labor Code section 4600(h), all prescriptions for Home Health Care shall only be valid when requested by a doctor of medicine or doctor of osteopathy. All requests for Home Health Care must be made to the State Fund claims adjuster to schedule an assessment. Once the assessment has been completed and physician has reviewed the assessment report, physician's final order for Home Health Care may be prescribed. This prescription for Home Health Care should include the necessary services to be provided, but may not specify hours of care unless attendant care is required for the patient's safety. Physician shall obtain and comment upon all reports from secondary physicians, physical therapy, and other health care providers including Home Health Care, to which the employee was referred. Physician shall quarterly determine the ongoing need for Home Health Care specified treatment recommended by the secondary health care provider, and report to State Fund.
- 3.22. Medication Dispensation. Unless approved through State Fund's Utilization Review Process or ordered by IMR, physician agrees to not dispense medications from his/her office; except during the first visit or in emergencies. The initial medication dispensed shall not exceed a 72-hour supply. This criterion does not apply to injections related to in-office procedures.
- 3.23. Generic Drugs. Unless approved through State Fund's Utilization Review Process or ordered by IMR, physician shall prescribe generic drugs in lieu of brand name drugs when generic equivalent drugs are available, as required by Labor Code section 4600.1, subject to the emergent medical needs of the injured employee.
- 3.24. Compounded Medications. Unless approved through State Fund's Utilization Review Process or ordered by IMR, physician agrees to not prescribe compounded medications without prior authorization. This excludes the combining of medication for injections related to in-office procedures, and/or placing active prescription medication in a cream if the active prescription medication is the only item billed.
- 3.25. Opioid Medication. Unless approved through State Fund's Utilization Review Process, as provided by under Section 3.22 of this Agreement, or ordered by IMR, the physician shall not dispense opioid medication and shall limit prescribing opioid medication to two-week increments for moderate to severe acute pain or after alternative treatment measures have been initiated. Moreover, unless pre-authorization is obtained, the physician agrees to limit prescribing opioid medication for no more than thirty (30) days.

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Other Requirements (continued)

Regarding approved opioid use greater than sixty (60) days – at least once per quarter, the physician agrees to evaluate the continued medical need for opioid drug therapy and refer to UR for approval. Random urine drug testing in accordance with the California Workers' Compensation Medical Treatment Utilization Schedule (MTUS) or American College of Environmental Medicine (ACOEM) guidelines will be required for the duration of opioid drug therapy. Physician must report to State Fund the quarterly evaluation of the opioid drug therapy.

- 3.26. Controlled Substance Utilization Review and Evaluation System. Physician agrees to review the Controlled Substance Utilization Review and Evaluation System (CURES), before the first opioid prescription and every time thereafter to determine if the injured employee has been prescribed any other controlled medications that may interfere with what the physician has prescribed.
- 3.27. Continuity of Care. Physician shall have knowledge of and agrees to comply with State Fund's Continuity of Care policy in accordance with Labor Code section 4616.2.
- 3.28. Chiropractors. If a Chiropractor is the Primary Treating Physician, the Chiropractor shall relinquish his/her primary treating physician status after the injured employee has received twenty four (24) chiropractic visits. After the injured employee has received twenty four (24) chiropractic visits, the Chiropractic Primary Treating Physician shall comply with the transfer of care initiated by the employee and/or claims administrator.
- 3.29. Confidential Information. Physician agrees to handle confidential information, including but not limited to protected health information, in compliance with applicable state and federal laws, including but not limited to California Privacy Law, the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), and will ensure compliance by its business associates. Protected health information disclosure shall be limited to the minimum disclosure necessary to accomplish the workers' compensation purpose.
- 3.30. Economic Profiling Policy. State Fund utilizes an Economic Profiling Policy, which is attached as Exhibit A. Physician agrees to abide by and cooperate with the Economic Profiling Policy.

Physician shall not use for marketing or any commercial purpose and shall not disclose to a third party, any outcome material related to State Fund's Economic Profiling Policy or other review authorized by Labor Code section 4616(b)(2). "Third Party" as referred to in this section shall not include any State Fund employees, representatives, legal counsel, assignees, or consultants.

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Other Requirements (continued)

In the event the physician is compelled to disclose the outcome material related to State Fund's Economic Profiling Policy or other review authorized by Labor Code section 4616(b)(2) as required by law (including but not limited to court order or subpoena), physician shall provide State Fund written notice of such requirement sufficient for State Fund to contest the request, but no later than five (5) business days from the request to disclose.

- 3.31. Provider Education. Physician agrees to work with State Fund to participate in education courses offered to MPN providers.

4. Term and Termination

- 4.1. Term. This Agreement shall be effective for one year from the date of physician signature in the attached Signature Form, and shall renew automatically unless terminated by physician or State Fund. State Fund has the right to modify, update or amend this Agreement at any time pursuant to section 5.1 of the Agreement.
- 4.2. Material Breach. Any violation of or non-compliance with any term contained in this Agreement or violation of any applicable California and/or Federal laws shall be considered a material breach of this Agreement.
- 4.3. Immediate Removal from the MPN. State Fund may immediately terminate a physician from the MPN at its sole discretion if it believes there is a risk of imminent harm to any injured employee(s), staff or other person(s), or if physician fails to meet the State Fund MPN credentialing requirements as set forth in Section 2 of this Agreement.
- 4.4. Non-Immediate Removal from the MPN. Except for immediate terminations set forth in Section 4.3, State Fund may also remove a physician from the MPN for any other breach of the Agreement in accordance or default in performance of any other provision of this Agreement if such or default is not cured to the reasonable satisfaction of State Fund within thirty (30) days of receipt of written notice by State Fund of the breach or default in performance.
- 4.5. Appeal Policy. If physician is removed from the MPN pursuant to Section 4.3 or 4.4, above, physician may have a right to appeal the removal. A copy of State Fund's appeal policy will be provided to physician upon request or in the event State Fund initiates any action to remove physician.
- 4.6. Termination by Physician. Physician may terminate participation in the MPN at any time, with or without cause, upon thirty (30) day written notice to State Fund.

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5. Miscellaneous Provisions

- 5.1. Modification. State Fund may modify the Agreement upon thirty (30) day notice to the physician of the modification. Physician shall have thirty (30) days from receipt of the notice to agree, in writing, to the modification. If physician fails to agree to the modifications to the Agreement, the physician will be automatically removed from the State Fund MPN. Such a removal will be treated as if physician has terminated his or her participation in the MPN pursuant to Section 4.6.
- 5.2. Waiver. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by this Agreement will be effective unless it is in writing. No waiver of any breach, failure, right, or remedy will be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor will any waiver constitute a continuing waiver unless the writing so specifies.
- 5.3. Severability. In the event State Fund should waive any part of this Agreement, or should any part of this Agreement be determined to be unenforceable for any reason by law or otherwise, physician shall not thereby be relieved from the remaining obligations of this Agreement. Any provision of this Agreement that in any way contravenes the laws of any state or country in which this Agreement is effective will, in that state or country, to the extent the law is contravened, be considered separable and inapplicable and will not affect any other provision or provisions of this Agreement.
- 5.4. Applicable Law. This Agreement shall be interpreted in accordance with the laws of the State of California.
- 5.5. Changes to Law. To the extent any of the statutes or regulations cited in this Agreement are modified, the Agreement shall automatically be modified accordingly.
- 5.6. Notices. All notices required to be given pursuant to this Agreement, unless otherwise stated, shall be sent via certified mail to the following addresses:

If to State Fund:

State Compensation Insurance Fund
900 Corporate Center Drive
Monterey Park, CA 91754
Attn: MPN Manager

If to Physician:

The address listed on the MPN Participation Agreement Signature Form.

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EXHIBIT A: ECONOMIC PROFILING POLICY

State Fund evaluates the objective outcomes of all individual physicians and medical groups participating in the State Fund Medical Provider Network (MPN) according to quality, efficiency, and cost. This policy only applies to physicians and not to other types of providers in our MPN. The evaluation is designed to improve the quality of treatment outcomes, provide incentives such as acknowledgements and/or UR exemptions, and support accountable care. Accountable care is responsible, high quality treatment provided in accordance with the Medical Treatment Utilization Schedule (MTUS), and integrates primary and specialty care.

Methodology:

The evaluation methodology consists of analytics using key outcome indicators such as Return-to-Work and Utilization Review (UR) compliance, provision of treatment consistent with the MTUS, and narcotic utilization to evaluate the level of safe and responsible patient care.

The overall process involves integrating relevant provider outcome measurements established on the MTUS, Official Disability Guidelines (ODG), and the State Fund MPN Participation Agreement, formerly known as the State Fund MPN General Provisions and Criteria (GPC). The analyses of claims data collected from broad-based industry will be based on:

- Determination of predominant treating physician - the single physician identified as having the greatest impact over the claim
- Identification of key clinical indicators and objective outcomes
 - Key clinical indicators include:
 - Provision of treatment consistent with MTUS
 - Compliance with the UR process pursuant to Labor Code section 4610 and Title 8, California Code of Regulations sections 9792.6 to 9792.10
 - Objective outcomes include:
 - Knowledge and understanding of Stay at Work/Return to Work programs; attempt to return injured employee to work within 20% of ODG timeframes
 - Prescribing compounded medications only with prior authorization
 - Limitation of prescribing opioid medication consistent with the MTUS
- Risk Adjustment will not be used

Analyses of treatment outcomes may include, but are not limited to, total disability duration, claims duration, and return to work outcomes. Peer reviews in the form of discussions with specialty-matched peer case managers and adherence to mutually agreed upon resolutions may supplement the evaluation.

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Exhibit A: Economic Profiling Policy (continued)

How Economic Profiling Will be Used:

State Fund will utilize this economic profiling policy to promote best practices, ensure responsible patient care, and improve the standard of care for our Policyholders' covered employees. The policy will not be used to assess penalties.

Economic profiling may be used in conjunction with UR to identify and exempt physicians who conform to the MTUS from formal UR for certain treatment.

The policy may also be used to include or exclude providers from the State Fund MPN based on the provider's key clinical indicators, objective outcomes and/or analysis of treatment outcomes. MPN physicians who are non-compliant with the State Fund MPN Participation Agreement will be identified. If the provider does not improve after coaching, the physician is subject to removal from the State Fund MPN.

In addition, high performing physicians or medical groups may also be identified and invited to join the State Fund MPN. Continued membership in the State Fund MPN is contingent on these physicians and medical groups maintaining their high performance.