

administrator of all requests for independent medical review within five days of receipt of the request. The court administrator shall determine whether the claim of the injured worker seeking independent medical review is subject to any additional disputed issue over which the appeals board has jurisdiction. If such a dispute exists, the court administrator shall promptly notify the board that there is an independent medical review of medical issues in the claim.

(f) As used in this division, "permanent and stationary" means that, based on objective findings of medical evidence, no further material improvement would reasonably be expected from additional medical treatment or the passage of time. Notwithstanding any other provision of law, disputes regarding whether an employee is permanent and stationary shall be resolved by the independent medical review system created by this section.

SEC. 38. Section 4611.1 is added to the Labor Code, to read:

4611.1. (a) The administrative director may contract with one or more independent medical review organizations in the state to conduct reviews for purposes of Section 4611. The administrative director may establish additional requirements, including conflict-of-interest standards, consistent with the purposes of this article, that an organization shall be required to meet in order to qualify for participation in the Independent Medical Review System and to assist the department in carrying out its responsibilities.

(b) The independent medical review organizations and the medical professionals selected by these organizations to conduct reviews shall be deemed to be medical consultants for purposes of Section 43.98 of the Civil Code.

(c) An independent medical review organization shall conduct the review in accordance with any regulations or orders of the administrative director. The organization's review shall be limited to an examination of the medical necessity of the disputed medical treatment services and shall not include any consideration of compensability or other legal issues.

(d) Neither the independent medical review organization, nor any experts it designates to conduct a review, shall have any material professional, familial, or financial affiliation, as determined by the administrative director, with any of the following:

(1) The employer, the employer's workers' compensation insurer or third-party claims administrator, or any other entity contracting with the employer to provide utilization review services pursuant to Section 4610.

(2) Any officer, director, or employee of the employer's health care provider, workers' compensation insurer, or third-party claims administrator.

(3) A physician, the physician's medical group, or the independent practice association involved in the health care service in dispute.

(4) The facility or institution at which either the proposed health care service, or the alternative service, if any, recommended by the employer's health care provider, workers' compensation insurer, or third-party claims administrator, would be provided.

(5) The development or manufacture of the principal drug, device, procedure, or other therapy proposed by the employee or his or her treating physician whose treatment is under review, or the alternative therapy, if any, recommended by the employer or other entity.

(6) The employee or the employee's immediate family.

(7) The employee's or employer's legal representative or the legal representative's immediate family.

(e) In order to contract with the division for purposes of this section, an independent medical review organization shall meet all of the requirements of the administrative director and shall not be an affiliate, parent organization, or subsidiary of, nor in any way be owned or controlled by, a workers' compensation insurer or third-party claims administrator.

(f) Upon receipt of information and documents related to a case, the medical professional reviewer or reviewers selected to conduct the review by the independent medical review organization shall promptly review all pertinent medical records of the employee, medical provider reports, as well as any other information submitted to the organization as authorized by the division or requested by the reviewers from any of the parties to the dispute. If reviewers request information from any of the parties, a copy of the request and the response shall be provided to all of the parties. The reviewer or reviewers shall also review relevant information related to the criteria set forth in subdivision (g).

(g) Following its review, the reviewer or reviewers shall determine whether the disputed health care service was medically necessary based on peer-reviewed scientific and objective findings based on medical evidence regarding the effectiveness of the disputed service.

(h) The organization shall complete its review and make its determination in writing, and in layperson's terms to the maximum extent practicable, within 30 days of the receipt of the application for review and supporting documentation, or within less time as prescribed by the administrative director. If the disputed medical treatment service has not been provided and the employee's provider or the division certifies in writing that an imminent and serious threat to the health of the employee may exist, the analyses and determinations of the reviewers shall be expedited and rendered within three days of the receipt of the information. Subject to the approval of the administrative director, reviews may be extended for up to three days in extraordinary circumstances or for good cause. The administrative director shall adopt regulations specifying a standardized format for, and minimum required elements of, determinations made pursuant to this section.

(i) The medical professionals' analyses and determinations shall state whether the disputed health care service is medically necessary. Each analysis shall cite the employee's medical condition, the relevant documents in the record, and any relevant findings associated to support the determination.

(j) The independent medical review organization shall promptly serve the administrative director, the employer, the employee, and the employee's treating physician with the analyses and determinations of the medical professionals reviewing the case, and a description of the qualifications of the medical professionals. The determination shall be accompanied by a notice, in a form determined by the administrative director, informing the parties of their appeal rights. The independent medical review organization shall keep the names of the reviewers confidential in all communications with entities or individuals outside the independent medical review organization, except in response to orders of the