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THIRD READING

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Bill No: AB 1293  
Author: Wallis (R)  
Amended: 8/29/25 in Senate  
Vote: 21

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SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 6/18/25  
AYES: Smallwood-Cuevas, Strickland, Cortese, Durazo, Laird

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25  
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 78-0, 6/2/25 - See last page for vote

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**SUBJECT:** Workers' compensation: qualified medical evaluators

**SOURCE:** California Coalition on Workers Compensation

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**DIGEST:** This bill requires the administrative director (AD) of the Division of Workers' Compensation (DWC) to develop and make available 1) a template qualified medical evaluator (QME) report form, as specified, and 2) a medical evaluation request form for parties to communicate with a panel QME in advance of a medical-legal evaluation, and 3) requires DWC to adopt regulations to implement these provisions by January 1, 2027.

**ANALYSIS:**

Existing law:

- 1) Establishes a comprehensive system of workers' compensation, administered by the AD of the DWC, that provides a range of benefits for an employee who suffers from an injury or illness that arises out of and in the course of employment, regardless of fault. This system requires all employers to insure payment of benefits by either securing the consent of the Department of Industrial Relations to self-insure or by obtaining insurance from a company authorized by the state. (Labor Code §§3200-6002)

- 2) Tasks the AD with appointing QMEs, for two-year terms, in each of the respective specialties required for the evaluation of medical-legal issues, and requires that a QME be a physician licensed to practice in California, spend at least one-third of their time providing direct medical treatment, report specified financial interests, take at least one 12-hour course on writing medical-legal reports, pass a competency exam, and pay an annual fee. (Labor Code §139.2)
- 3) Requires that, if a workers' compensation judge or Appeals Board rejects a QME's report on the basis that it fails to meet the minimum standards for those reports, the workers' compensation or Appeals Board make a specific finding to that effect and give notice to the QME and to the AD. (Labor Code §139.2(d)(2))
- 4) Requires that the medical director of DWC continuously review the quality of comprehensive medical evaluations and reports prepared by QMEs and the timeliness with which evaluation reports are prepared and submitted. (Labor Code §139.2(i))
- 5) Prescribes specific procedures and timelines for QME selection and evaluation for injured workers that are and are not represented by an attorney. (Labor Code §§4061, 4062.1, and 4062.2)
- 6) Prescribes specific procedures and timelines for parties to provide information to the QME regarding records prepared or maintained by the employee's treating physician(s) and/or medical and nonmedical records relevant to determination of the medical issue; requires that any communication with the QME be in writing and served upon the opposing party 20 days in advance of the evaluation; and prohibits ex parte communication with a QME by either party. (Labor Code §§4062.3(a)-(i))
- 7) Requires that, upon completing a determination of the disputed medical issue, the QME summarize the medical findings on a form prescribed by the AD and serve the formal medical evaluation and the summary form on the employee and employer; and requires that the medical evaluation address all contested medical issues arising from all injuries reported on claim forms prior to the employee's initial appointment with the QME. (Labor Code §4062.3(j))

This bill:

- 1) Requires AD to develop and make available a template QME form, which will include all necessary statutory and regulatory requirements for a QME report.

- a) Specifies that the use of a template QME report form does not constitute prima facie evidence that a report is complete, accurate, or compliant with applicable statutory or regulatory requirements.
- 2) Requires the AD to develop and make available a medical evaluation request form for communicating with a panel QME, as specified, in advance of a medical-legal evaluation.
  - a) Specifies that this does not limit a party's right to submit relevant information to a QME, as specified.
- 3) Requires DWC to adopt regulations to implement these changes by January 1, 2027.

## Background

*Workers' Compensation.* Under the California workers' compensation system, if a worker is injured on a job, the employer must pay for the worker's medical treatment, and provide monetary benefits if the injury is permanent. In return for receiving free medical treatment, the worker surrenders the right to sue the employer for monetary damages in civil court. To receive this care and workers' compensation benefits, the worker must be able to demonstrate that the injury arose out of and in the course of employment.

*QME Process.* If a dispute occurs between the injured worker and the employer over whether an injury is work-related, a worker's capacity to return to work, the existence or extent of a permanent disability, the ability to engage in the worker's usual occupation, or the need for specific or future medical treatment, the injured worker may request a QME.

A QME is a physician who is certified by the DWC Medical Unit and examines injured workers, evaluates disability, and writes medical-legal reports. These reports are used to determine an injured worker's eligibility for workers' compensation benefits. QMEs must meet educational and licensing requirements to qualify, and must also pass a test and participate in ongoing education on the workers' compensation evaluation process. QMEs include medical doctors, osteopaths, chiropractors, dentists, optometrists, podiatrists, psychologists, and acupuncturists.

As the Assembly Committee on Insurance describes, when a QME is requested, DWC uses a computer program to randomly generate a "panel" (i.e. a list of three QMEs) based on the requested medical specialty and the proximity to the worker's residence. The next step in the QME process differs depending on whether or not

the injured worker is represented by an attorney. If unrepresented, the injured worker selects a QME from the panel and makes an appointment within 10 days. If represented, the injured worker and the employer each eliminate one QME from the panel, and the injured worker makes an appointment with the remaining QME within 10 days. At this point, the QME reviews medical records and evaluates the injured worker, and, within 30 days of the evaluation, writes and distributes to the parties a “medical-legal report,” which addresses the issues of the dispute and includes findings by the QME that a WCJ may need to resolve the dispute.

*2019 State Auditor Report on QME Reporting and Review.* In 2019, the California State Auditor released an audit of the DWC related to its oversight and regulation of QMEs in response to a request by the Joint Legislative Audit Committee. The audit found, in part that “DWC [had] not continuously reviewed medical-legal reports for quality and [had] not tracked when workers’ compensation judges have rejected medical-legal reports that failed to meet minimum standards.” Medical-legal reports must provide medical evidence that can help judges resolve disputes related to workers’ compensation claims, which makes the quality of these reports especially important. Inaccurate or incomplete reports can potentially delay resolution of disputes and workers’ receipt of benefits, and they can increase costs for employers involved in the disputes.<sup>1</sup>

To resolve some of the issues that were identified, the audit recommended DWC to take the following actions by April 2020 in order to ensure that DWC monitors and reviews QME report quality and timeliness and to ensure the efficient resolution of workers’ compensation claims:

- Create and implement a plan to continuously review the quality and timeliness of QME reports, including time frames for review, methodology for selecting reports to review, and the minimum number of reports to be reviewed annually.
- Develop and implement a process for annually reporting to DWC’s AD its findings on the quality and timeliness of QME reports and recommended improvements to the QME system.
- Create written policies and implement a consistent process for ensuring that workers’ compensation judges and the Workers’ Compensation Appeals

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<sup>1</sup>California State Auditor, “Department of Industrial Relations - Department of Industrial Relations Its Failure to Adequately Administer the Qualified Medical Evaluator Process May Delay Injured Workers’ Access to Benefits”, <https://information.auditor.ca.gov/reports/2019-102/auditresults.html>

Board (Appeals Board) inform DWC of QME reports they rejected for not meeting minimum standards.

- Create written policies and implement a process for tracking QME reports rejected by workers' compensation judges and the Appeals Board for not meeting minimum standards. DWC should consider and include these reports in its annual review of report quality and recommend improvements to the QME system.

This bill, AB 1293, seeks to improve the quality of QME reports by requiring the AD to develop a template QME report form that includes all necessary statutory and regulatory requirements for a QME report. The bill clarifies, however, that use of the template alone is not sufficient to establish a report as substantial evidence that is complete, accurate, and compliant with existing law. Finally, the bill seeks to streamline the QME process by requiring the AD to develop a medical evaluation request form designed to facilitate communication of relevant information with a QME to produce a substantive report.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee, DIR indicates that it would incur annual costs of about \$1 million to implement the provisions of the bill (Workers' Compensation Administration Revolving Fund).

**SUPPORT:** (Verified 8/29/25)

California Coalition on Workers Compensation (Source)

Acclamation Insurance Management Services

Agile Occupational Medicine

Allied Managed Care

Association of California Healthcare Districts

Association of California Water Agencies Joint Powers Insurance Authority

California Alliance of Self-insured Groups

California Association of Joint Powers Authorities

California Association of Joint Powers Authorities

California Attractions and Parks Association

California Chamber of Commerce

California Joint Powers Insurance Authority

California League of Food Producers

California Restaurant Association

California State Association of Counties

Coalition for Small and Disabled Veteran Businesses

Coalition of Small and Disabled Veteran Businesses  
Flasher Barricade Association  
Keenan  
Public Risk Innovation, Solutions, and Management  
Rural County Representatives of California  
Rural County Representatives of California  
Rural County Representatives of California  
Self-insured Schools of California  
The Greater Coachella Valley Chamber of Commerce  
Urban Counties of California

**OPPOSITION:** (Verified 8/29/25)

None received

**ARGUMENTS IN SUPPORT:**

According to the sponsors, the California Coalition on Workers' Compensation (CCWC):

“The various parties in the [workers' compensation] system – claims administrators, doctors, injured workers, attorneys – experience a wide range of disputes that need to be resolved quickly and effectively to avoid delays. Some disputes require the use of the state-administered Panel QME Process, whereby the Division of Workers' Compensation sends a panel of three independent doctors who are available to complete a medical legal report to resolve the dispute. In 2022 the state received 192,600 requests for QME Panels and assigned 141,239 Panels<sup>2</sup>. These are not minor disputes being resolved – these reports determine whether temporary disability continues, whether a requested medical treatment is appropriate, or how much permanent impairment a worker has suffered from the injury.

Unfortunately, the Panel QME reports are frequently inadequate for the purpose of resolving disputes in the system. Resolution of disputes is frequently delayed so a supplemental report can be prepared or so the parties can depose the Panel QME. These delays harm injured workers and increase costs for employers. AB 1293 seeks to improve the quality of Panel QME reports with the aim of resolving disputes faster. ”

ASSEMBLY FLOOR: 78-0, 6/2/25

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<sup>2</sup> [CHSWC 2023 Annual Report, Page 117](#)

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Lee

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9/2/25 18:19:14

\*\*\*\* END \*\*\*\*