



# ALASKA STATE LEGISLATURE

## HOUSE LABOR & COMMERCE COMMITTEE

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### **Sponsor Statement** **House Bill 104**

*"An Act adjusting certain fees for treatment or services under the Alaska Workers' Compensation Act to reflect changes in the Consumer Price Index; and providing for an effective date."*

At the time of passage in 2005 of the revisions to the workers' compensation system, it was contemplated that the interested stakeholders, including the Workers' Compensation Legislative Task Force and the Medical Services Review Committee, would propose legislation acceptable to the various stakeholders before August 1, 2007. This proposal was to replace the repealed Usual, Customary and Reasonable (UCR) methodology for setting maximum fees for medical treatment and services under the Alaska Workers' Compensation Act. A replacement methodology was not proposed and thus in 2007, the Alaska Workers' Compensation Act was amended to prevent the existing system of controlling fees for medical treatment and services from being repealed. Repeal would have resulted in fees for medical treatment and services in workers' compensation matters going uncontrolled until such time as the law was changed to remedy the situation.

HB 104 would again amend existing law to allow additional time to adopt permanent methods for establishing medical fees. This bill would extend the time period for using nationally recognized inflationary indices (United States Department of Labor, Bureau of Labor Statistics' Medical Care Component of the

Consumer Price Index) for adjusting workers' compensation fees for medical treatment and services until December 31, 2010.

The existing medical fee schedule will expire on March 31, 2009. The National Council on Compensation Insurance estimated that the elimination of the fee schedule would result in an overall workers' compensation system cost increase in Alaska. HB 104 will provide for an extension of the medical fee schedule on the same terms as the 2007 extension and ceiling on medical fees.