

ALASKA SURGERY CENTER

March 5, 2014

I'm sure we all agree there is a need to address the Worker Compensation healthcare costs in Alaska. There is also a need to create a basis for fair reimbursement for services rendered, but this does not get accomplished by giving the Worker Compensation Board full authority over the decisions to set the fee schedule.

While listening to the Worker Compensation Board discussions, it was stated that approximately 10% of the total Worker Compensation Healthcare spend is due to physician re-dispensing of medications to patients at an extremely high dollar value as compared to other retail chains that provide the same medications at a much lower cost. I believe the state would benefit by establishing a network with pharmacies. This would offer several low cost options for patient's prescriptions, but would only be beneficial, if the patient was held accountable to be part of the solution and it was mandatory to use the designated pharmacies.

Another area of opportunity to reduce the cost of healthcare for Worker Compensation beneficiaries is to **not** pay the Alaska Worker Compensation fee schedule rates to physicians providing care in other states. They should be reimbursed at the local rate where the services are provided.

As the Administrator of an Ambulatory Surgery Center, I see many Worker Compensation claims and understand the cost can be significant. Ambulatory Surgery Centers provide a cost effective option to bigger facilities and the specialized care allows the patient greater access, thus returning the patient back to work sooner.

Allowing those who are responsible for paying for the services provided, to decide what the reimbursement should be is unacceptable and no other industry allows the payer to set the prices. Imagine a board of physicians being given the full authority to set the cost for construction projects, or wages for workers, or the price of a new vehicle.

I am sure there are many more options, all of which, can easily be implemented and immediately create a significant savings for the healthcare services rendered to injured Alaskan workers. Our goal is to continue providing the best and most cost effective care to all Alaskans, and we want to be part of the solution.

Sincerely,

Kevin Barry, MHA
Administrator / CEO- Alaska Surgery Center