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Wallace
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CS FOR HOUSE BILL NO. 316(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to workers' compensation fees for medical treatment and services;**
2 **relating to workers' compensation regulations; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 23.30.097(a) is amended to read:

5 (a) All fees and other charges for medical treatment or service are subject to
6 regulation by the board consistent with this section. A fee or other charge for medical
7 treatment or service rendered in the state may not exceed the lowest of

8 (1) the usual, customary, and reasonable fees for the treatment or
9 service in the community in which it is rendered, for treatment or service provided on
10 or after December 31, 2010, not to exceed the fees or other charges as specified in the
11 [A] fee schedules [SCHEDULE] established by the board and adopted by reference in
12 regulation; the fee schedules [SCHEDULE] must include [BE BASED ON
13 STATISTICALLY CREDIBLE DATA, INCLUDING CHARGES FOR THE MOST
14 RECENT CATEGORY I, II, AND III MEDICAL SERVICES MAINTAINED BY

1 THE AMERICAN MEDICAL ASSOCIATION AND THE HEALTH CARE
2 PROCEDURE CODING SYSTEM FOR MEDICAL SUPPLIES, INJECTIONS,
3 EMERGENCY TRANSPORTATION, AND OTHER MEDICALLY RELATED
4 SERVICES, AND MUST RESULT IN A SCHEDULE THAT]

5 (A) a physician fee schedule based on the federal Centers
6 for Medicare and Medicaid Services' resource-based relative value scale;
7 [REFLECTS THE COST IN THE GEOGRAPHICAL AREA WHERE
8 SERVICES ARE PROVIDED; AND]

9 (B) an outpatient and ambulatory surgical center fee
10 schedule based on the federal Centers for Medicare and Medicaid
11 Services' ambulatory payment classification; and

12 (C) an inpatient hospital fee schedule based on the federal
13 Centers for Medicare and Medicaid Services' Medicare severity diagnosis
14 related group [IS AT THE 90TH PERCENTILE];

15 (2) the fee or charge for the treatment or service when provided to the
16 general public; or

17 (3) the fee or charge for the treatment or service negotiated by the
18 provider and the employer under (c) of this section.

19 * Sec. 2. AS 23.30.097 is amended by adding new subsections to read:

20 (h) The board shall annually

21 (1) renew and adjust fees on the fee schedules established by the board
22 under (a)(1) of this section by a conversion factor established by the board and
23 adopted in regulation;

24 (2) request and consider recommendations from the medical services
25 review committee established under AS 23.30.095(j) on setting the conversion factors
26 and rates specified in (1) of this subsection; and

27 (3) after consulting with the medical services review committee
28 established under AS 23.30.095(j), evaluate and revise by regulation the conversion
29 factors and rates specified in (1) of this subsection.

30 (i) A fee or other charge for medical treatment or service rendered in another
31 state may not exceed the lowest of

(1) the fee or charge for a treatment or service set by the workers' compensation statutes of the state where the service is rendered; or

(2) the fees specified in a fee schedule under (a)(1) of this section.

(j) A fee or other charge for air ambulance services rendered under this chapter shall be reimbursed at a rate established by the board and adopted in regulation.

(k) A fee or other charge for durable medical equipment not otherwise included in a covered medical procedure under this section may not exceed the amount of the manufacturer's invoice, plus a markup specified by the board and adopted in regulation.

(l) Reimbursement for prescription drugs under this chapter may not exceed the amount of the manufacturer's invoice, plus a dispensing fee and markup specified by the board and adopted in regulation.

(m) A prescription drug dispensed by a physician under this chapter shall include in a bill or invoice the code for the drug from the national drug code directory published by the United States Food and Drug Administration.

(n) A fee or other charge for medical treatment or service provided by a hospital licensed by the Department of Health and Social Services to operate as a critical access hospital is exempt from the fee schedules established under (a)(1) of this section.

(o) The board may adjust the fee schedules established under (a)(1) of this section to reflect the cost in the geographical area where the services are provided.

* **Sec. 3.** AS 23.30 is amended by adding a new section to article 2 to read:

Sec. 23.30.098. Regulations. Under AS 44.62.245(a)(2), in adopting or amending regulations under this chapter, the department may incorporate future amended versions of a document or reference material incorporated by reference if the document or reference material is one of the following:

(1) Current Procedural Terminology Codes, produced by the American Medical Association;

(2) Healthcare Common Procedure Coding System, produced by the American Medical Association;

1 (3) International Classification of Diseases, published by the American
2 Medical Association;

3 (4) Relative Value Guide, produced by the American Society of
4 Anesthesiologists;

5 (5) Diagnostic and Statistical Manual of Mental Disorders, produced
6 by the American Psychiatric Association;

7 (6) Current Dental Terminology, published by the American Dental
8 Association;

9 (7) Resource-Based Relative Value Scale, produced by the federal
10 Centers for Medicare and Medicaid Services;

11 (8) Ambulatory Payment Classifications, produced by the federal
12 Centers for Medicare and Medicaid Services; or

13 (9) Medicare Severity Diagnosis Related Groups, produced by the
14 federal Centers for Medicare and Medicaid Services.

15 * **Sec. 4.** Section 1 of this Act and AS 23.30.097(j) - (o), added by sec. 2 of this Act, take
16 effect January 1, 2015.

17 * **Sec. 5.** Except as provided in sec. 4 of this Act, this Act takes effect July 1, 2014.