schedule conversion factor and the education and promotion of EBM as defined by Sackett and the ultimate adoption of EBM treatment guidelines are necessary to effectively control medical costs.

The committee also finds, however, the adoption of EBM treatment guideline requires greater study and public involvement than this committee has managed to garner. It may be wise to view this as a public health intervention since it will affect thousands of people, thus requiring careful thought, planning and attention to public perception and buy-in. Selection and adoption of treatment guidelines with over-emphasis on cost control without explicit focus on the benefits of changes to workers, coupled with overly-hasty and poorly-planned implementation can cause widespread confusion, needless system disruption and delays, and resistance by system participants who might otherwise cooperate as occurred in California. Further study with more public involvement and discussion of the purpose, anticipated benefits and intended outcomes of guidelines adoption is likely needed before practice guidelines can be implemented.

D. Other Methods for Improving Workers' Compensation. During its study of various medical cost control methods employed in other jurisdictions, the committee has realized the vital role advisory councils play in the development and improvement of workers' compensation systems throughout North America. Although Alaska has attempted to promote change through the efforts of an informal *ad hoc* group, the committee believes that a formal advisory council should be statutorily created to monitor the performance of the Alaska workers' compensation system and, on an on-going basis, make recommendations to reduce injuries and improve the effectiveness of care delivered to injured workers and the overall outcomes produced for injured workers, their employers and the state's overall economic and social well-being. The establishment of such a council would not only assist in providing the public involvement necessary to implement treatment guidelines but could play a central role in the improvement of Alaska's workers' compensation system as a whole through adoption of the framework, model, and process offered by The 60 Summits Project. The minority while in favor of creating an advisory council believes that a medical services review committee that is more medically dominated is important to maintain to address areas requiring more specialized knowledge and medical consensus. The minority suggests that joint meetings could be utilized where needed as in a 60 Summits process.

IX. RECOMMENDATIONS. Based on the above, the committee recommends as follows:

A. Medical Costs. The committee was not unanimous on all sections listed below. One member abstained from the fee schedule language in (b) below and although all members agree with the concept of evidence-based medicine and treatment guidelines, two believed the language contained in section (c) should be eliminated.

Amend AS 23.30.097 to take effect January 1, 2011 to read as follows:

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

(1) the fee schedule as published by the department under (b) of this section; [THE USUAL, CUSTOMARY, AND REASONABLE FEES FOR THE TREATMENT OR SERVICE IN THE COMMUNITY IN WHICH IT IS RENDERED, FOR TREATMENT OR SERVICE, (A) PROVIDED BEFORE AUGUST 1, 2007, NOT TO EXCEED THE FEES IN THE FEE

SCHEDULE SPECIFIED BY THE BOARD IN ITS PUBLISHED BULLETIN DATED DECEMBER 1, 2004; (B) PROVIDED ON OR AFTER AUGUST 1, 2007, BUT BEFORE MARCH 31, 2009, NOT TO EXCEED THE FEES OTHERWISE APPLICABLE IN (A) OF THIS PARAGRAPH ADJUSTED BY THE PERCENTAGE CHANGE FROM 2004 TO 2006 IN THE MEDICAL CARE COMPONENT OF THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS COMPILED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS]

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

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

(b) **The department shall annually establish a schedule of fees by bulletin on or before December 1 of each year to take effect on January 1 the following year. The fee schedule rates shall be established in consultation with the Medical Services Review Committee or its successor as a subcommittee of the advisory council and be based on the following standards as adopted by the Centers for Medicare and Medicaid services in effect at the time the services are provided, regardless of where services are provided:**

(1) The American Medical Association Current Procedural Terminology Codes (CPT);
(2) the Healthcare Common Procedure Coding System (HCPCS);
(3) the Medicare Severity Diagnosis-Related Groups (MS-DRG);
(4) the Ambulatory Payment Classifications;
(5) the Relative Value Units as adjusted annually using the most recently published resource-based relative value scale;
(6) The Average Wholesale Price as obtained from the current Medispan, Drug Topics Red Book or other national publication as determined by the department.

(c) **The department may establish by regulation in consultation with the Medical Services Review Committee or its successor as a subcommittee of the advisory council evidence based utilization and treatment guidelines for medical services. There is a rebuttable presumption that the utilization and treatment guidelines established by the department are correct medical treatment for injured workers.**

(d) An employer or group of employers may establish a list of preferred physicians and treatment service providers to provide medical, surgical, and other attendance or treatment services to the employer's employees under this chapter; however,

(1) the employee's right to chose the employee's attending physician under AS 23.30.095 (a) is not impaired;

(2) when given to the employee, the employer's preferred physician list must clearly state that the list is voluntary, that the employee's choice is not restricted to the list, that the employee's rights under this chapter are not impaired by choosing an attending physician from the list, and that, if the employee chooses an attending physician from the list, the employee may, in the manner provided in AS 23.30.095 , make one change of attending physician, from the list or otherwise; and