

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: 3/31/14

Referred: Finance

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

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

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

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

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

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

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

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

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

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

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

31 (2) Healthcare Common Procedure Coding System, produced by the

1 American Medical Association;

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

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

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

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

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

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

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

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

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