

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSHB 316(FIN)
Fiscal Note Number: 3
(H) Publish Date: 4/15/14

Identifier: HB316CS(L&C)-DOA-RM-03-29-14
Title: WORKERS' COMPENSATION MEDICAL FEES
Sponsor: LABOR & COMMERCE
Requester: House Labor and Commerce

Department: Department of Administration
Appropriation: Risk Management
Allocation: Risk Management
OMB Component Number: 71

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	0.0	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version:

Updated to CS removes the sunset language.

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Division: <u>Risk Management</u>	Date: <u>03/28/2014 11:15 PM</u>
Approved By: <u>Curtis Thayer, Commissioner</u>	Date: <u>03/29/2014</u>
Agency: <u>Department of Administration</u>	

FISCAL NOTE ANALYSIS #3

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 316(FIN)

Analysis

This bill amends AS 23.30.097 to recalculate how the medical fee schedule is currently calculated. Section 1, (A)(B)(C), states the fee schedule is based on Medicare and Medicaid Services, using the resource-based relative value (RBRV) scale. This new language should give the Alaska Worker's Compensation Board (AWCB) the authority to adjust medical costs for workers' compensation claims to be more in line with medical costs associated with health care providers.

Section 2 sets out that the AWCB will establish a conversion factor to be applied to the resource-based relative value scale and request and consider recommendations from the medical services review committee already established in AS 23.30.095(j). Currently there are no conversion factors set, therefore any decrease/increase in medical costs would be determined by setting a conversion factor. Cost decrease/increase would be based on the set conversion factor applied to the RBRV.

Section 3 allows AWCB to adopt or amend regulations based on reference material incorporated from items 1-9 in the section.

Section 4 adopts an effective date of July 1, 2015 for Section 1 and AS 23.30.097 (j)-(o), with Section 5 adopting an effective date for all other sections of July 1, 2014.

RM is unable to determine the fiscal impact as the conversion factor applied to medical fee schedule has not been established and therefore submits an indeterminate fiscal note.