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STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 29, 1984

SUBJECT: Sectional analysis of Work Order 13-1907

TO: Senator Dick Eliason
Chairman, Senate Labor & Commerce

FROM: Thomas A. Sofo *TAS*
Legislative Counsel

You have asked for a sectional analysis of Work Order 13-1907, a bill draft which makes amendments to the workers compensation law.

Section 1 This section merely decreases from 20 to 14 days the time within which a doctor or employee must notify the workers compensation board of the giving or receiving of medical treatment. Section 1 also standardizes the 14 day notice time limit for the first and subsequent medical treatments.

Section 2 Increases from 14 to 21 days the time within which the employer must file with the board a notice of controversion if the employer wishes to contest the right of the employee to workers compensation. The same section allows for the employer to also file a notice of controversion within seven days after a payment of compensation is due even after the employer has already begun the payment of compensation.

Section 3 Decreases from 14 to 7 days the time after which a 20 percent penalty is to be added to an unpaid installment of compensation.

Section 4 Immediate effective date.

TAS:ojb
J4/026

STATE OF ALASKA

Bill Sheffield, Governor

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

November 21, 1983

M E M O R A N D U M

TO: Honorable Bill Sheffield
Governor

Norman C. Gorsuch

FROM: Norman C. Gorsuch
Attorney General

RE: Attached bill on workers' compensation
Our file: 377-044-84

Attached is a bill, requested by the Department of Labor, amending the workers' compensation law. The bill coordinates the maximum time periods for filing of the physician's notice of treatment, for the employer's notice of controversion, and for commencement of compensation payments to an injured worker. This will enable an employer to make an informed decision of whether to pay or contest a workers' compensation claim.

A draft transmittal letter to the legislature is also attached.

NCG:LS:jca

cc w/enc.: Honorable James Robison
Commissioner
Department of Labaor

Under current law, an employer has 28 days to pay a compensation claim but only 14 days in which to controvert it. Ideally, the decision to pay a claim should be made after receipt of a physician's notice which verifies that the worker's injury is in fact work-related and that the worker is disabled. Under current law, however, a physician has 20 days to file the notice. This often results in employers controverting claims needlessly, and payments thus being unduly delayed.

The proposed legislation would require a physician's notice to be filed within 14 days of treatment instead of 20, would allow an employer 21 days instead of 14 to controvert a claim, and would shorten the time for payment from 28 to 21 days. These changes would enable an employer to make an informed decision on whether to pay or controvert a worker's compensation claim; they thus inure to the benefit of employers, workers, and insurers.



Scott Wetzel Services Incorporated

An Affiliate of The Home Group Inc

741 Sesame Street • Suite 1A • Anchorage, Alaska 99503

Phone (907) 561-1725

March 14, 1984

RECEIVED

MAR 19 1984

Josephson,

Senator Joe Josephson
Chairman
Health, Education and Social
Services Committee
Pouch V
Juneau, AK. 99811

Re: Senate Bill No. 517 "An Act relating to workers' compensation and providing for an effective date."

Dear Senator Josephson:

As a member of the insurance claims community, on behalf of our firm and the other firms in our industry, I would like to voice our opposition to enactment of the above bill, which will require one more reporting procedure and another penalty for an already much maligned industry.

I cannot begin to tell you the additional workload this will place on all our staffs; not so much so for having to pay medical bills within 14 days or pay a 20% penalty but due to the time and effort that will be spent in reporting to the Worker's Compensation Division, writing letters of explanation on why bills could not be paid in 14 days (i.e. such as; no physician's report received, no chart notes, claim has been controverted, no report of injury and hundreds of other reasons that occur daily that require we seek additional information before having to pay a bill that we may, or may not owe.)

This "cause celebre", i.e. - late payment of medical bills, has been grossly overrated, mainly by the chiropractic community and our firm was one that was singled out by the chiropractic community as a prime offender. Therefore, I did an in depth survey of all the chiropractors in our community and the results of this survey are attached hereto, along with my cover letter. You will note that the accusations were totally false and I now firmly believe that this is being used as a smokescreen by the chiropractic association in order to gain passage of Senate Bill No. 517.

I ask you to consider the added costs, which I can assure you will be monumental and weigh that against the small benefit, if any, that would be gained by passage of this bill. As in all businesses, the cost must eventually be passed on to the consumer and as you know, the cost of worker's compensation coverage is already very costly.

Thank you for your time and for your consideration of an issue that is very important to the insurance claims community.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Renee Murray". The signature is written in dark ink and is positioned above the typed name and title.

Renee Murray
Vice President

rm/ss

Encls.



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Phone: (907) 561-1725

March 9, 1984

TO WHOM IT MAY CONCERN:

Recently I have been told by several different and reliable sources that Scott Wetzel Services is really in trouble for late payment of chiropractic bills and that the chiropractors were really out to get us and we had "better clean up our act".

Since I have never been willing to accept generalized statements and innuendos and prefer dealing only in facts, I decided to research this problem personally.

I called approximately 80% of all the chiropractic clinics in Southcentral Alaska (including all of the larger and well known clinics) and I am attaching hereto the results of that survey.

The list of clients were provided to me by the individual chiropractic clinics and I researched each case to obtain the current status. You will find this list self explanatory, I believe.

It should be obvious to anyone who reviews these statistics that the chiropractic bills received in this office are not only being paid in a reasonable period of time, they are being paid in a very timely manner, with very few exceptions.

In fact, included in the packet attached, you will find a letter from the Ireland Clinic of Chiropractic, which was received in response to my request for a list of all accounts they currently have with SWS, which states, "We have no problem with timely payments from Scott Wetzel. You are the only insurance company which sends prompt payments." In view of the rumors "on the street", I found this statement to be astounding, as I'm sure you will.

I must admit that even I was surprised to find our situation as favorable as it is and in view of the many negative comments I have heard about our firm from several sources in the community, including the worker's compensation division, I must conclude that everyone assumed that the innuendos were fact.

Therefore, I wish it to be known by all interested parties that there is no truth in any of the rumors you have heard about Scott Wetzel Services and the chiropractic association and it would appear there is an effort to discredit our firm.

If this situation continues, we plan to take action appropriate to the damage it has caused to the reputation of this firm.

All of us in the insurance industry are having serious problems keeping on top of our bill payments since the Division of Worker's Compensation instituted the filing of so many forms, which carry huge penalties for late reporting. The time

we used to be able to use paying bills is now being used on a priority basis to file the reports required by the Worker's Compensation Division, because none of us can afford the huge penalties that are assessed for late reporting to the the division; which added to the additional workload of approximately 25%, or more, created by the excessive reporting requirements, has caused all our overheads to skyrocket and profits to be decreased. I realize this is of absolutely no concern to the Worker's Compensation Division, but whether they are interested or not, private industry certainly should be because the bottom line is, someone has to pay the costs involved.

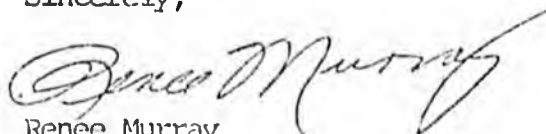
If the Worker's Compensation Division now starts imposing further penalties for late payment of medical bills, it can only create more havoc, more expense and once again, these costs will have to be borne by private industry and ultimately by the consumer.

The worker's compensation industry in Alaska presently has some very serious problems, mostly created by the state bureaucracy and we are doing the best we can with a very bad situation.

I certainly do not have the answers to these very serious problems, but I will be happy to work with any group that would like to address any of these issues and attempt to resolve these problems before we are all buried under a sea of forms, paperwork, penalties and red ink.

I feel that situation is critical and one we cannot afford to ignore further.

Sincerely,



Renee Murray
Vice President



IRELAND CLINIC OF CHIROPRACTIC

A Professional Corporation

541 WEST 36TH AVENUE • ANCHORAGE, ALASKA 99503-5899
(907) 561-1222 APPOINTMENTS • (907) 562-2734 BUSINESS

March 8, 1984

SCOTT WETZEL
SERVICES, INC.

Renee Murray
Scott Wetzel
741 Sesame Street
Suite 1A
Anchorage, Alaska 99503

ANCHORAGE, ALASKA

Dear Renee,

This letter is per your telephone request for a list of outstanding accounts that your company has with the Ireland Clinic as of March 2, 1984.

We have no problems with timely payments from Scott Wetzel. You are the only insurance company which sends prompt payments. The only difficulty is with Thermography payments and as you are aware the board is in the process of making a decision on insurance payments and Thermography.

Per your request is the following information:

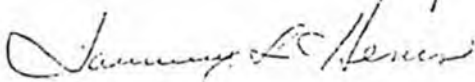
-#5004	Bernard, Andrew	Balance \$ 415.00	<i>No record of claim. Not reported To date</i>
#4846	Culp, Donald	Balance \$ 44.00	<i>Pd. in full 2/18/84</i>
#4076	Hatcher, Jerry	Balance \$ 375.00	<i>(over 120 \$375.00) Contracted</i>
#3667	Henry, Paul	<i>Ad. to date - 3566.00 Bal. 6231.00</i> Balance \$ 375.00	<i>(over 120 \$375.00) Contracted</i>
#4882	Jingco, Mario	Balance \$ 44.00	<i>Pd. in full. Bill added incorrectly</i>
-#4177	Linnell, Jodie	Balance \$ 198.00	<i>Pd. in full 11/23/83 - \$3626.00</i>
-#4942	Lyda, Edward	Balance \$ 154.00	<i>(over 30 \$154.00) No record of claim. Not reported</i>
-#3136	McKibben, Baird	Balance \$ 77.00	<i>(over 90 \$ 77.00) Contracted</i>
#4954	Medearis, Robert	Balance \$1864.00	<i>Pd. in full 2/17/84. These charges insured since 1/20/84. Not billed yet.</i>
#4897	Rodgers, Mike	Balance \$2124.00	<i>(over 30 \$873.00) correct Bill submitted. OK'd for payment.</i>
#4841	Stoltenberg, Edwin	Balance \$ 66.00	<i>Pd. in full 2/13/84</i>
#4815	Warren, Beulah	Balance \$ 335.00	<i>Pd. in full 2/15/84</i>
#4991	Wilder, Robert	Balance \$1537.00	<i>Pd. in full 3/7/84</i>

The balance shown is reflective of care to March 7, 1984. The comments in parenthesis is just the aging and amount overdue.

Please feel free to contact me if you should need any further information. Thank you.

Sincerely,

IRELAND CLINIC OF CHIROPRACTIC, A.P.C.



Tammy L. Henin
Assistant Business Director

TLH/clc

cc: Jacquelyn Mc Clintock
cc: Rebecca Reese
cc: W C C A Committee

SCOTT WETZEL
SERVICES, INC.

ANCHORAGE, AK.

As of 3/9/84

TURNAGAIN CHIROPRACTIC CLINIC

No outstanding accounts. One new patient and bill mailed 3/5/84.

COMMUNITY CHIROPRACTIC CLINIC - Dr. Adrian Barber

Only two accounts. None overdue.

Robert Gray vs. Municipality of Anchorage	\$33.00
Janet Lyons vs. Anchorage School District	\$33.00

PALMER CHIROPRACTIC CLINIC

Shirley Mendt	Last bill received 3/2/84	-	Paid 3/8/84
	Previous bill "	2/6/84	" 2/23/84

WEST CHIROPRACTIC - SOLDOTNA

Kimberley Rudge	Last bill received 3/2/84	Paid 3/8/84
	Previous bill "	2/7/84 " 2/23/84

TEAGUE CHIROPRACTIC CENTER

Dale Miller vs. Anchorage School District

	Last bill received 3/2/84	Paid 3/8/84
	Previous bill "	12/19/84 " 12/28/83
	" "	" 11/29/83 " 12/12/83

No other outstanding accounts

FAMILY CHIROPRACTIC CLINIC - ANCHORAGE

Did not return my phone call

KREMER CHIROPRACTIC CLINIC

Castleberry, James vs. Spenard Builders CONTROVERTED

Blatchford, Sidney vs. Kodiak Oilfield Haulers Bal. \$32.00

(This file was closed in Sept. and is being reopened for this new charge.)

No other accounts

DIMOND CHIROPRACTIC CLINIC

F. D. Schrenknegost. V.s. Municipality of Anchorage

Bill received 2/6/84 Paid 3/6/84

No other accounts

Dr. GODFREY

Siggi Hein vs. Municipality of Anch. Bill received 2/6/84 Paid 2/21/84

Current billing received 3/6/84

Eugene Parmenter vs. Muni. of Anch. Bill rec'd 9/29/83 Paid 10/2/83

Bill rec'd 2/3/84 " 3/6/84

No other outstanding accounts from either of the Dr.'s Godfrey

ALASKA CHIROPRACTIC CLINIC

Kevin Jones vs. Carr-Gottstein Bill rec'd 3/5/84 Paid 3/8/84

Prev. " " 2/6/84 " 3/1/84

DR. CECIL McLEOD

Sam Turner vs. Muni. of Anchor Bill rec'd 2/9/84 Paid 2/29/84

Current bill rec'd 3/5/84

Shannon Mays vs. Kodiak Oilfield Bill rec'd 2/9/84 Overdue

John Alexander vs. St. of Ak. Bill rec'd 1/25/84 Pd. 2/9/84

Current bill rec'd 2/29/84

DR. CECIL MC LEOD (CONTINUED)

T- J. (TED) JOHNSON VS. Muni of Anchor.	Bill rec'd 2/9/84	Pd. 3/6/84
	Prev. " " 1/11/84	" 2/11/84
Chris Smith vs. Muni of Anchorage	Unable to locate file	

IRELAND CLINIC OF CHIROPRACTIC

See Dr. Ireland's attached letter, which is self explanatory.

You will note there is one legitimate overdue bill. This was a clerical error on our part. The bill was put in the file without having been paid.

ANCHORAGE CENTER FOR CHIROPRACTIC

Barbara Agnew vs. St. of Ak.	- Kenneth O. Ketz, D. C.	
	Bill rec'd 2/6/84	Paid 2/27/84
	Current bill rec'd 3/1/84	
Diane Boyer, vs. AK Airlines	Paid to date - \$1169.00	
	Last bill rec'd 3/1/84	Paid 3/8/84
Gerald Conn. vs. Carr-Gottstein	Bill rec'd 2/9/84	Paid 3/9/84
	No bill rec'd for \$951.00 charge outstanding.	
Paul Denyer vs. Wien	Unable to locate file. Clinic indicates balance of \$1350.00.	
Eleanor Frisby vs. St. of Ak.	Paid to date - \$5087.00. Statement rec'd 3/6/84 shows balance of \$114.00 - not \$443.00 as indicated by clinic.	
Kirk Garoutte vs. Seaalaska	Paid \$2200.00 to date. Awaiting chart notes before payment of current bill of \$364.00.	
Ann Hill vs. Muni of Anchorage	Paid to date \$3265.00. \$430.00 bill rec'd 3/1.	
Mike Johnson vs. Wien	Bill rec'd 2/21/84. Payment overdue - \$650.00.	
Suzanne Kennell vs. Muni. of Anch.	CONTROVERTED.	
Harriet Kersick vs. St. of Ak.	Paid to date - \$1144.00	
	Bill rec'd 2/6/84	Pd. 3/6/84
	Bill rec'd 11/4/83	Pd. 11/11/83
	Bill rec'd 10/13/83	Pd. 10/19/83
David Meeks vs. Muni of Anch.	Paid to date \$2982.00. File closed.	
	Current bill of 114.00 received 3/6/84	
Melvin Main vs. Kodiak Oilfield	Bill re cd 3/1/84	Pd. 3/8/84
	Prev. bill rec'd 2/2/84	Pd. 2/9/84
	" " " 1/9/84	Pd. 1/13/84

ANCHORAGE CENTER FOR CHIROPRACTIC - Kenneth O. Ketz (continued)

Gerry Reed vs. State of Alaska - Injury of 6/5/78 - Unable to locate file.
 Mike Serra vs. Carr-Gottstein Bill for \$900.00 rec'd 3/6/84. No previous bills on this claim.
 Marvin Sexton vs. Wien Paid to date \$1786.00. \$785.00 bill outstanding and overdue for payment.
 Kitty Von Kreybig vs. St. of Ak. Bill rec'd 3/1/84 Pd. 3/8/84
 Charles Wellong, vs. Muni of Anch. Paid to date - \$1144.00. Further treatment
 CONTROVERTED

 CHERIER CHIROPRACTIC CLINIC

Darrel Painter vs. Safeway	Bill rec'd 3/5/84	Paid 3/8/84
	Prev. bill rec'd 12/19/83	" 12/28/83
	" bill rec'd 11/29/83	" 12/12/83

No other outstanding accounts

 KENT CHIROPRACTIC CLINIC

Joe Bard vs. Anchorage School Dist.	Bill rec'd 3/6/84	Paid 3/8/84
	Prev. bill rec'd 21/21/84	" 2/27/84

Gary Haase - Muni of Anchorage New claim. Bill sent to us 3/5/84 - not rec'd yet
 Eldon Hinckley vs. Anch. School Cost to date - \$1627.00. Treatment for Jan. not paid until 3/5/84.
 Christine Thomas vs. St. of Ak. New claim. Bill sent to us 3/5/84. No rec'd yet.

No other accounts



Scott Wetzel Services Incorporated

An Affiliate of The Home Group, Inc.

741 Sesame Street • Suite 1A • Anchorage, Alaska 99503

Phone: (907) 561-1725

September 26, 1983

Kenneth O. Ketz, D. C.
Anchorage Center for Chiropractic
3330 "C" Street
Anchorage, AK 99503

RE: Employer: STATE OF ALASKA
 Employee: KERKSICK, HARRIET A.
 Date of Injury: 7/4/83
 Claim Number: 1072

Dear Chiropractor Ketz:

Thank you for sending the code for diagnosis as used by Blue Cross-Blue Shield of Alaska and by your office. This code does not meet our requirements, however, as there are several different diagnosis for one code (i.e. for 839.20 there are 5; for 847.0 there are 3; for 839.2 there are 12 and for 847.1 there are 2 diagnosis--while for 839.08 there is no diagnosis shown). Although many of these diagnosis may be similar (i.e. sprain/strain), we require a more definite diagnosis.

I would also like to bring to your attention that we have requested chartnotes for services rendered 8/3 - 8/29/83 which have not as yet been supplied. We cannot pay for these services until we have received these chartnotes and a diagnosis. Thank you.

Sincerely,

SCOTT WETZEL SERVICES, INC.

Veryl Purbaugh
Medical Only Examiner

/vp



Scott Wetzel Services Incorporated

An Affiliate of The Home Group, Inc.

741 Sesame Street • Suite 1A • Anchorage, Alaska 99503

Phone: (907) 561-1725

March 11, 1984

Douglas J. Mosher, D. C.
Ireland Clinic of Chiropractic
541 West 36th Avenue
Anchorage, AK. 99503

Re: Marion M. Jingco #4882
vs. Carr-Gottstein
D/Inj: 12/14/83
State Claim No. 328869

Dear Dr. Mosher:

In reviewing your statement on the above account, we note that on 12/15/83, the first day of treatment of Mr. Jingco, you incurred charges of \$427.00.

Included in this sum is a charge of \$111.00 for an intermediate history and exam. Will you please explain why this charge is so excessive; what this consisted of and provide us with a copy of the intermediate history.

In addition, you have charged you have charged \$244.00 for x-rays and another \$66.00 for actual treatment. Also, why are we being charged for a urinalysis for a back strain?

Your charges appear excessive and unreasonable and we would suggest you review your fee schedule and consider a reduction.

We are willing to pay any fair and reasonable charge, but this is ridiculous.

Very truly yours,

Renee Murray
Vice President

rm/ss

cc: Alaska Worker's Compensation Board
cc: Mario M. Jingco



Scott Wetzel Services Incorporated

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Phone (907) 561-1725

March 9, 1984

Ireland Clinic of Chiropractic
541 West 36th Ave.
Anchorage, AK. 99503

Attn: Douglas J. Mosher, D. C.

Re: Robert Medearis vs.
Anchoorage School District

Dear Dr. Mosher:

In reviewing your statement on the above account, we note that on 1/24/84, the second day of your treatment of Mr. Medearis, you incurred charges of \$427.00.

Included in this sum is a charge of \$111.00 for and intermediate history and exam. Will you please explain why this charge is so excessive; what this consisted of and provide us with a copy of the intermediate history.

In addition, you have charged \$133.00 for "Full Spine A-P/Lat (Comprehensive) and another \$111.00 for Lumbosacral (Comprehensive).

I assume all of this is for x-rays. Please correct me if I am wrong, but assuming that to be the case, I consider \$243.00 for x-rays to be totally outrageous. These x-rays could be taken at any clinic or hospital in Anchorage for a much lesser charge and in the future, I would suggest you utilize other facilities if you cannot perform this service for a reasonable charge.

Perhaps this statement was in error. If so, please provide us with a corrected billing.

Very truly yours,

Renee Murray
Vice President

rm/s

cc: Robert L. Medearis
cc: Alaska Worker's Compensation Board

POSITION PAPER
Senate Bill No. 510

"An act related to provision of chiropractic services under the Medicaid program."

I. Background

The Alaska Medicaid program was created by the Legislature in 1972 and sections in the statutes were created to list all categories of service and groups of eligibles. The original legislation created a program providing basic medical coverage for individuals eligible for cash payments under the Aid to Families with Dependent Children (AFDC) and Adult Public Assistance (APA) programs, individuals in long term care facilities, and children under the supervision of the Department in foster homes and private child-caring facilities.

Since 1972, the Legislature has amended the statutes several times to add new groups of eligibles or categories of service.

The new groups of eligibles added to AS 47.07.020 since 1972 have been institutionalized individuals for whom the State had previously paid all of their cost of care, needy children not in AFDC households, and pregnant women. By adding these groups to the Medicaid program, the State was able to receive federal funds to partially offset state funds.

The new categories of services added to AS 47.07.030 since 1972 have been fairly low cost services when compared to the total Medicaid program. Several of the new categories of service had the effect of permitting the State to receive federal funds to partially offset state funds being used to provide services.

The trend has clearly been toward maximizing federal financial participation in medical assistance.

II. Need for Chiropractic Services:

Currently, 29 states recognize the value of chiropractic services by including them in their Medicaid program. In addition, the major private insurance programs also include chiropractic coverage.

Generally, chiropractors and advocates of their services contend that chiropractic services are an alternative to other, potentially more costly medical treatments.

III. Effect of Senate Bill No. 510:

Section 1 of the bill amends AS 47.07.030 by adding chiropractic services as covered services under Medicaid.

Section 2 of the bill amends AS 47.07.035 by adding chiropractic services as the first services to be eliminated in the event of a funding shortfall in the Medicaid program.

Section 3 of the bill amends AS 47.07.900 by defining chiropractic as it is defined in AS 08.20.220.

AS 08.20.220 defines chiropractic as follows:

"Chiropractic is the science of locating and correcting interference with nerve energy transmission and expression within the human body, and the employment and practice of drugless therapeutics, including physiotherapy, hydrotherapy, mechanotherapy, phytotherapy, electrotherapy, chromotherapy, thermotherapy, thalmotherapy, correcting and orthopedic gymnastics, and dietetics which includes the use of foods and those biochemical tissue building products and cell salts found within the normal human body, without the use of drugs or surgery."

Regardless of what services chiropractors are licensed to perform according to the laws of individual states, the federal government will only provide reimbursement under Medicaid for manual manipulation of subluxation of the spine and x-rays. Therefore, if the State extends coverage to include the other services listed in SB 510, the State must provide 100 percent of the reimbursement for these services. Currently, many of these services such as laboratory tests are already provided under the Medicaid program through medical providers for whose services the state receives federal reimbursement.

Approximately 29 states cover chiropractic services as an option under Medicaid. Almost all of them limit reimbursement to manual manipulation of subluxation of the spine. As a necessary adjunct to this treatment, some states also cover x-rays necessary to identify the need for manual manipulation.

IV. The Department's Position:

The Department of Health and Social Services would support the addition of chiropractic services with a more limited definition than that currently contained in SB 510. Specifically, we would support coverage for manual manipulation of the spine and the x-rays services necessary to identify the need for this treatment. We believe that this would provide needy Alaskans with medical coverage that is comparable to that of their privately insured neighbors while minimizing the expenditure of state funds that are unmatched by federal dollars.

Recommended By: for Jim R. Poy
Rod Betit, Director
Division of Public Assistance

Date: 3/9/84

Approved By: Robert London Smith
Robert London Smith, Ph.D.
Commissioner
Department of Health & Social Services

Date: 3/19/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB #510
 Title: An Act related to provision of chiropractic services under the
 Sponsor: _____
 Requestor: Senate HESS Committee
 Date of Request: March 2, 1984

FISCAL DETAIL

Agency Affected: DHSS - DPA
 Program Category Affected: Medical Assistance
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		20.0				
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		154.0	165.6	178.0	191.4	205.8
800 MISCELLANEOUS						
TOTAL OPERATING		174.0	165.6	178.0	191.4	205.8
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		87.0	82.8	89.0	95.7	102.9
FEDERAL FUNDS		87.0	82.8	89.0	95.7	102.9
OTHER						
TOTAL		174.0	165.6	178.0	191.4	205.8

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Funding for this service is not currently included in the Governor's budget. Therefore, additional funds would have to be appropriated.

ANALYSIS: Attach a separate page for analysis

Prepared By: Kim Busch Phone: 465-3347
 Division: Public Assistance Date: 3/19/84

Approved by Commissioner: [Signature] Date: 3/19/84
 Agency: Dept. of Health & Social Services

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

12/1/83

Analysis

Contractual

Chiropractors will need to be added to the Alaska Medical Payments System (AMPS). The contractual costs include the following: provider manuals, training, a new claims form, tables included in the system for chiropractic services, computer programming, computer reports, the addition of collocation codes, the provision of notice to providers, provider relations, and a computer system test.

Grants/Claims

These figures were adjusted by an inflation factor of 7.5%. This is the average percent increase experienced during the past two years in chiropractic services. These costs are for only manual manipulation of the spine and the x-rays necessary for diagnosis. Again, these are the only chiropractic services for which federal reimbursement is available. The federal match for Medicaid is 50%.

We did not develop a fiscal note for the full range of chiropractic services included in SB 510 as we did not have sufficient data to accurately determine the cost. This data is not available from other states primarily because the states that cover chiropractic services have limited the coverage to services for which federal reimbursement is available. We used the following formula to develop our cost estimates:

#Recipients X #Services X Cost Per Service + #X-Rays X Cost Per X-Ray X 12 Months
per/month per/month per/month per/month

$$50[(\$30 \times 2) + (\$65.55 \times 3)]12 = \$154.0$$

Assumption #1:

That the ratio of recipients to eligibles is similar to the ratio of recipients to eligibles in Idaho.

Idaho averaged 75 chiropractic recipients and 30,000 eligibles per month. We would average 50 chiropractic recipients out of 20,000 eligibles per month.

Assumption #2:

Services would be limited to 2 visits per month per recipient.

Assumption #3:

X-rays would be limited to three x-rays per month per recipient.

Assumption #4:

Manual manipulation of the spine costs \$30. An x-ray costs \$65.55.



AWCB
JUNEAU MAR 19 1984

Scott Wetzel Services Incorporated

An Affiliate of The Home Group Inc

741 Sesame Street • Suite 1A • Anchorage, Alaska 99503

Phone (907) 561-1725

March 15, 1984

Senator Joe Josephson
Chairman
Health, Education and Social
Services Committee
Pouch V
Juneau, AK. 99811

Re: Senate Bill No. 517 "An Act relating to worker's compensation and providing for an effective date".

Dear Senator Josephson:

Yesterday I wrote to you relative to my opposition to the above referred bill.

Last night I had the opportunity to meet with some of my constituents and also with the sponsors of the bill. I find that I interpreted this bill incorrectly and, in fact, it does not assess a penalty on medical bills as I had initially thought. Therefore, I am withdrawing my opposition to this bill.

In addition, the bill is going to be amended by the sponsors^{LO} to include a clause which will be most beneficial to the insurance claims community and at that point, it will have my full support.

I apologize for any confusion and misunderstanding that I have caused.

When you spoke before the Alaska Adjuster's Association recently, there was a discussion relative to the mandatory insurance bill which is being considered this session.

I am attaching hereto a letter which was printed in the Anchorage Times on 3/14/84. Mr. Clements is a very knowledgeable insurance man and I am in agreement with his comments. I believe he has some valid points which bear consideration.

Sincerely,

Renee Murray
Vice President

mr/ss

Enc.

Joe, Paul, Pappy

April 4, 1984

Senate HESS

SB 517 - (Workers' Compensation)

Jacquelyn McClintock - D.O.L. (Work. Comp. Division)

physician file 14 days instead of 20
~~#~~ Employers cut reverse time from ~~#4~~ to 21
time to pay 28 to 20 days.

Div of Insurance did an audit 6 mos.
ago. Don Koch found this to be a
major problem.

Does something for everyone.

Met with Ms. Murray - Scott Wetzel -
said she had misinterpreted the
bill. Has withdrawn opposition to bill

SB 510

ALASKA STATE SENATE

PATRICK RODEY
SENATOR

POUCH V
JUNEAU, ALASKA 99811
(907) 465-3793
(907) 475-3754



Senator Dick Eliason, Chair
Senate Labor & Commerce Committee
Capitol Building Room 417
Juneau, Alaska

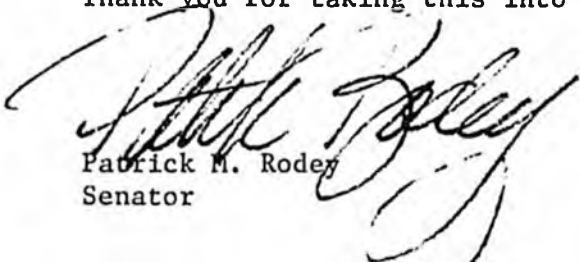
March 5, 1984

Dear Dick:

I would like to request that the Senate Labor & Commerce Committee introduce a proposed draft of the attached worker's compensation bill. I would be happy to sponsor this legislation but as you know the deadline for individual sponsors has passed.

Please keep this letter on file as proof that I specifically requested this legislation to be introduced through the committee.

Thank you for taking this into consideration.


Patrick M. Rodey
Senator

STATE OF ALASKA

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

P.O. BOX 1149
JUNEAU, ALASKA 99802
PHONE: (907) 465-2700

January 18, 1984

The Honorable Patrick M. Rodey
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Rodey:

Enclosed are the section-by-section analyses for the workers' compensation and unemployment insurance bills Commissioner Robison and I talked with you about yesterday.

Thanks for your help with this.

Sincerely,



Eileen Plate
Special Assistant

Enclosures

EP:gs
A:26

Section-By-Section Analysis

Section 1. This section requires the physician rendering treatment to file a medical report within 14 days following treatment instead of 20 days.

Section 2. This section extends the maximum time period for an employer to file a controversion from 14 days to 21 days from date of knowledge of the alleged injury or death, or, if payments have begun, within 7 days after an installment or compensation payable without an award is due.

Section 3. This section shortens the maximum time period for an employer to pay compensation to an injured worker from 28 days to 21 days.

Section 4. Provides for an effective date of July 1, 1984.

1 IN THE SENATE

BY THE RULES COMMITTEE
REQUEST OF THE GOVERNOR

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to workers' compensation;
7 providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 23.30.095(c) is amended to read:

10 (c) No claim for medical or surgical treatment is valid
11 enforceable [AS] against the employer unless, within 14 [20] d
12 following [THE FIRST] treatment [AND FOLLOWING THE TIME SET BY
13 BOARD FOR NOTICE OF SUBSEQUENT TREATMENTS], the physician giving
14 treatment or the employee receiving it furnishes to the employer
15 the board notice of the injury and treatment, preferably on a f
16 prescribed by the board. The board shall, however, excuse the fail
17 to furnish notice within 14 [20] days when it finds it to be in
18 interest of justice to do so, and it may, upon application by a pa
19 of interest, make an award for the reasonable value of the medical
20 surgical treatment so obtained by the employee.

21 * Sec. 2. AS 23.30.155(d) is amended to read:

22 (d) If the employer controverts the right to compensation
23 shall file with the board a notice of controversion on or before
24 21st [14th] day after he has knowledge of the alleged injury or death.
25 If the employer controverts the right to compensation after payment
26 have begun, he shall file with the board a notice of controversion
27 within seven days after [OR ON OR BEFORE] an installment of compen
28 sation payable without an award is due[, A NOTICE OF CONTROVERSION
29 A FORM PRESCRIBED BY THE BOARD].

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* Sec. 3. AS 23.30.155(e) is amended to read:

(e) If any installment of compensation payable without an award is not paid within seven [14] days after it becomes due, as provided in (b) of this section, there shall be added to the unpaid installment an amount equal to 20 percent of it. This additional amount [WHICH] shall be paid at the same time as, and in addition to, the installment, unless notice is filed under (d) of this section or unless the nonpayment is excused by the board after a showing by the employer that owing to conditions over which the employer [HE] had no control the installment could not be paid within the period prescribed for the payment.

* Sec. 4. This Act takes effect July 1, 1984.

D R A F T

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to workers' compensation. The bill brings into harmony the periods of time allowed for several related acts, and should result in a system in which claims are handled more efficiently.

Under current law, an employer has 28 days to pay a compensation claim but only 14 days in which to controvert it. Ideally, the decision to pay a claim should be "made after receipt of a physician's notice which verifies that the worker's injury is in fact work-related and that the worker is disabled. Under current law, however, a physician has 20 days to file the notice. This often results in employers controverting claims needlessly, and payments thus being unduly delayed.

The proposed legislation would require a physician's notice to be filed within 14 days of treatment instead of 20, would allow an employer 21 days instead of 14 to controvert a claim, and would shorten the time for payment from 28 to 21 days. These changes would enable an employer to make an informed decision on whether to pay or controvert a worker's compensation claim; they thus inure to the benefit of employers, workers, and insurers.

Sincerely,

Bill Sheffield
Governor

