

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on February 25, 2014, at 10:30 a.m. (EST) at the offices of the Department of Workers' Claims, Prevention Park, 657 Chamberlin Avenue, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until the end of the calendar day on Friday, February 28, 2014. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Charles E. Lowther, General Counsel
Department of Worker's Claims
Prevention Park
657 Chamberlin Avenue
Frankfort, Kentucky 40601
Telephone Number: (502) 782-4464
Fax Number: (502) 564-0681

803 KAR 25:089

**WORKERS' COMPENSATION MEDICAL FEE SCHEDULE FOR PHYSICIANS
SUMMARY OF INCORPORATED MATERIAL
FILED WITH LRC JANUARY 14, 2014**

1.2013 Kentucky Workers' Compensation Schedule of Fees for Physicians

Pursuant to KRS 342.035 (1), the commissioner of the Department of Workers' Claims is to promulgate administrative regulations to keep fees and charges and reimbursements for medical services limited to charges that are fair, current, and reasonable for similar treatment of injured persons in the same community for like services, where treatment is paid for by general health insurers. The commissioner is required pursuant to KRS 342.035(4) to promulgate administrative regulations establishing the workers' compensation medical fee schedule. The CPT codes were updated to 2013 standards. The relative values (RV) used to create the Fee Schedule are based on historic data, Fair Health Commercial Database Values and comparisons to Centers for Medicare & Medicaid Services (CMS). New relative values were created for those codes added to the schedule using Fair Health, Inc. benchmark values. Changes reflect a level of reimbursement for all services listed in the fee schedule to comply with the requirements of KRS 342.035. Fees are to be fair, current and reasonable taking into consideration treatment paid for by general health insurers. Reimbursement amounts were increased to meet commercial levels. There are currently nine service areas in the fee schedule due to the inclusion of dentistry codes.

The dental procedure codes were added to the Fee Schedule. The codes were obtained from the Code on Dental Procedures and Nomenclature 2012 which is published in Current Dental Terminology (CDT), American Dental Association (ADA).

Conversion factors for eight service areas were created by the aggregation of relative values and billed charge data (capped at 150%) provided by Fair Health (FH). Conversion factors increased to \$60.88 for the following six services areas: Evaluation and Management, Surgery, Radiology, Pathology/Lab, General Medicine and Physical Medicine. The conversion factor for Anesthesia changed to \$77.00 and Healthcare Common Procedure Coding System (HCPCS) changed to \$64.22. Accordingly, in comparison to the 2010 Fee Schedule, the most significant increases were to Pathology/Lab at 30%; Physical Medicine at 39% and Evaluation/Management at 29%. The dental codes are currently at the 40th percentile of Fair Health Commercial Database Values as are the Anesthesia Codes.

Also, based on the recommendation of Fair Health, there has been an addition of 38 temporary codes 0019T – 0309T. These codes are located in the surgery section and descriptions include treatment for disc arthroplasty, injections, implants and etc.

All of the 10,086 CPT codes from the 2010 Workers' Compensation Medical Fee Schedule were reviewed to determine if they were related to a workers' compensation injury or illness. Codes that were unrelated/outdated were deleted and new codes added. There are currently 6,111 codes in the 2013 Kentucky Workers' Compensation Schedule of Fees for Physicians.

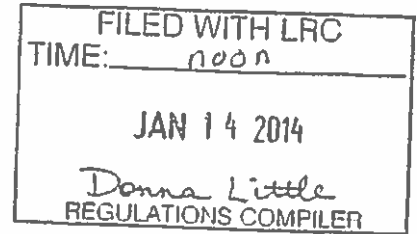
Clarification has been included to address repackaging of medications and drug screening in a physician's office.

Other significant changes include updates to the transportation fees. The Ground Transportation Fee Schedule is calculated at 145% of Centers for Medicare Services (CMS) and Air Transportation Fee Schedule is at 180% of CMS. A reference chart has been designed and included in the fee schedule for easier review. It includes each Kentucky Zip Code along with geographic regions designated as either rural, urban, or super rural, and the procedure codes.

Definitions and clarifications HCPCS, usual and customary charges, billing of custom made equipment were addressed. The 2013 Fee Schedule provides values appropriate for new, used and rented Durable Medical Equipment (DME). The costs for sales tax, shipping and handling were addressed. Additionally, patient instruction booklets, pamphlets, videos and/or tapes are separately reimbursable in the 2013 Fee Schedule.

These are the significant changes to the fee schedule completed in 2013.

The form is 319 pages.



1 LABOR CABINET

2 DEPARTMENT OF WORKERS' CLAIMS

3 (Amendment)

4 803 KAR 25:089. Workers' compensation medical fee schedule for physicians.

5 RELATES TO: KRS 342.0011(32), 342.019, 342.020, 342.035

6 STATUTORY AUTHORITY: KRS 342.020, 342.035(1), (4)

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 342.035(1) requires the com-
8 missioner of the Department of Workers' Claims to promulgate administrative regula-
9 tions to ensure that all fees, charges and reimbursements for medical services under
10 KRS Chapter 342 are limited to charges that are fair, current, and reasonable for similar
11 treatment of injured persons in the same community for like services, where treatment is
12 paid for by general health insurers. KRS 342.035(4) requires the commissioner to
13 promulgate an administrative regulation establishing the workers' compensation medical
14 fee schedule for physicians. Pursuant to KRS 342.035, a schedule of fees is to be re-
15 viewed and updated, if appropriate, every two (2) years on July 1. This administrative
16 regulation establishes the medical fee schedule for physicians.

17 Section 1. Definitions. (1) "Medical fee schedule" means the 2013 Kentucky Workers'
18 Compensation Schedule of Fees [~~Kentucky Workers' Compensation Medical Fee~~
19 ~~Schedule~~] for Physicians.

20 (2) "Physician" is defined by KRS 342.0011(32).

21 Section 2. Services Covered. (1) The medical fee schedule shall govern all medi-

1 cal services provided to injured employees by physicians under KRS Chapter 342.

2 (2) The medical fee schedule shall also apply to other health care or medical services
3 providers to whom a listed CPT code is applicable unless:

4 (a) Another fee schedule of the Department of Workers' Claims applies;

5 (b) A lower fee is required by KRS 342.035 or a managed care plan approved by the
6 commissioner pursuant to 803 KAR 25:110; or

7 (c) An insurance carrier, self-insured group, or self-insured employer has an agree-
8 ment with a physician, medical bill vendor, or other medical provider to provide reim-
9 bursement of a medical bill at an amount lower than the medical fee schedule.

10 Section 3. Fee Computation. (1) The appropriate fee for a procedure covered by the
11 medical fee schedule shall be obtained by multiplying a relative value unit for the medi-
12 cal procedure by the applicable conversion factor; and

13 (2) The resulting fee shall be the maximum fee allowed for the service provided.

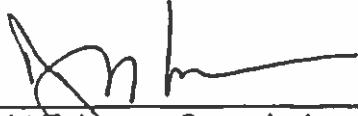
14 Section 4. (1) A physician or healthcare or medical services provider located outside
15 the boundaries of Kentucky shall be deemed to have agreed to be subject to this admin-
16 istrative regulation if it accepts a patient for treatment who is covered under KRS Chap-
17 ter 342.

18 (2) Pursuant to KRS 342.035, medical fees due to an out-of-state physician or
19 healthcare or medical services provider shall be calculated under the fee schedule in
20 the same manner as for an in-state physician.

21 Section 5. Incorporation by Reference. (1) "2013 Kentucky Workers' Compensation
22 Schedule of Fees for Physicians", December 2013 [~~The Kentucky Workers' Compensa-~~
23 ~~tion Medical Fee Schedule for Physicians, November, 2010~~] edition, is incorporated by

1 reference.

2 (2) This material may be inspected, copied, or obtained, subject to applicable copy-
3 right law, at the Department of Workers' Claims, Prevention Park, 657 Chamberlin Ave-
4 nue, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.



Dwight T. Lovan, Commissioner
Department of Workers' Claims

1-14-2014

Date