

# Compliance and Regulations Newsletter

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## CALIFORNIA

### **CA DWC Released Fourth Edition of the Physician's Guide**

The Division of Workers' Compensation released the fourth edition of the Physician's Guide to Medical Practice in the California Workers' Compensation System.

Along with revised material from the third edition, the guide also includes new chapters on the following:

- Parties to the system
- Benefits and payments to employees
- Reports and timelines in the system
- Evidence-based medicine and the Medical Treatment Utilization Schedule (MTUS)
- Utilization Review and Independent Medical Review (IMR)
- Physician payment and the Official Medical Fee Schedule (OMFS)

The physician's guide, last revised in 2001, is intended as an educational and reference tool to supplement the provider's professional experience according to DWC. Although the guide is intended primarily for treating providers, other medical providers may also find it useful.

#### **Potential Impact**

The guide provides current information physicians can use to apply reforms from SB 863. Understanding how the workers' compensation system functions is crucial for physicians to provide the appropriate care.

[Source](#)

## ***Senate Approves MPN Change***

On April 11<sup>th</sup>, the Senate voted 36-0 to pass Senate Bill 914, by Sen. Tony Mendoza (D). This bill deletes the authorization to use the American College of Occupational and Environmental Medicine's Occupational Medicine Practice Guidelines as standards for Medical Provider Network independent medical reviews.

SB 914 addresses MPN independent medical reviews which are governed by Section 4616.4 of the Labor Code. No changes were made related to the independent medical review process created by SB 863.

### **Potential Impact**

Instead of utilizing the Medical Treatment Utilization Schedule (MTUS) or the American College of Occupational and Environmental Medicine's Occupational Medicine Practice Guidelines, only the MTUS will be used.

[Source](#)

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## ***Bills Passed as Clean Up Efforts***

The Senate Labor and Industrial Relations Committee passed two bills on April 13<sup>th</sup> in efforts to improve upon the success of Senate Bill 863.

Senate Bill 1175, by Sen. Tony Mendoza (D), would require medical providers to submit bills including those for medical-legal evaluation or medical-legal expense, within 12 months of the date of service or within 12 months of the date of discharge for inpatient facility services provided on or after January 1, 2017. SB 1175 would provide requests for payment and bills for medical-legal charges to be barred unless submitted timely. The bill would require the administrative director to adopt rules to implement the 12-month limitation period, as specified.

A hearing has been scheduled for May 2nd with the Appropriations Committee. The Committee will need to pass SB 1175 before being presented to the full Senate for a vote.

Senate Bill 1379, by Sen. Tony Mendoza (D), would require interpreters at depositions to state on the record their name as listed on his or her court certification or registration and their current certification or registration number. This would be an attempt to prevent a growing problem of abuse said supporters. This information will be verified by the board or judge ordering the deposition, the party giving the deposition testimony, or his or her representative.

“Angie Birchfield, a member of the Interpreters Guild of America, which is sponsoring the bill, said her members have witnessed non-certified interpreters providing false credentials or posing as certified interpreters,” states Greg Jones of WorkCompCentral.

At a hearing held on April 25<sup>th</sup>, SB 1379 was placed on the Senate Appropriations Committee’s suspense file.

### **Potential Impact**

#### **SB1175**

The 12-month limitation to submit bills is more than fair and gives providers an adequate amount of time to submit bills.

#### **SB1379**

Verifying the identification and certification should reduce if not eliminate possible cases of abuse.

[Source 1](#)

[Source 2](#)

## COLORADO

### ***House Bill Prohibits Denial of Psych Claims Based on Occupation***

House Bill 1399, sponsored by Rep. Jonathan Singer (D), will prohibit denying a claim for mental impairment benefit based on the injured worker's occupation. HB1399 will require claimants on all psychological claims to be evaluated by a Colorado-licensed Level II fully accredited physician, licensed psychiatrist, or licensed psychologist before the claim could be denied.

The House voted 37-27 on April 18<sup>th</sup> to pass the bill to the Senate for a hearing scheduled for April 27<sup>th</sup>.

A Legislative Council analysis of the measure says the DWC received approximately 250 mental stress claims a year, of which 168 are disputed. The bill would add two hours to the time needed to resolve each disputed case, according to the analysis. And the increased workload would cost the state \$28,865 in the upcoming fiscal year, and \$31,869 in the fiscal year beginning in 2017, according to the analysis.

The bill would become effective August 10, 2017, if passed by the Senate before the Colorado General Assembly adjourns on May 11<sup>th</sup>.

#### **Potential Impact**

Having an accredited provider evaluate the injured worker allows for thorough examination before dismissing payment of mental impairment benefits. This could lead to a decreased number of disputes presented to the DWC.

[Source 1](#)

[Source 2](#)

## LOUISIANA

### ***States Takes First Step Towards Drug Formulary***

Louisiana took the first step in pursuit of a drug formulary in March. The state has considered a closed formulary for quite some time for workers' compensation and hopes to pass a bill that will be adopted by July 1, 2017.

House Bill 725 would mandate drug formularies in an effort to reduce significantly pharmacy costs. The bill would require prescriptions to be based on the most recent version of the Workers' Compensation Formulary of the Official Disability Guidelines published by Work Loss Data Institute.

Those regulations are currently in place in Texas, Oklahoma, Washington, and Ohio. Texas, the first state to implement a closed formulary for workers' compensation, is used as a model for other states considering a formulary.

HB725 was referred to the Committee on Labor and Industrial Relations on March 14<sup>th</sup> where no action has been taken since that time.

#### **Potential Impact**

Passage of this bill would lead to a significant reduction in pharmacy costs for employers.

[Source](#)

## MONTANA

### ***Department Proposes Change to Fee Schedule***

The Montana Department of Labor and Industry has proposed to amend rules related to the workers' compensation medical service fee schedules.

The proposed amendments to become effective July 1, 2016, are as follows:

- Inpatient acute care hospital services base rate increase from \$8,076 to \$8,120.
- Outpatient acute care hospital services base rate remains unchanged at \$111.
- ASC base rate also remains unchanged at \$83.
- Conversion factor for services other than anesthesia increase from \$61.49 to \$62.91.
- Conversion factor for anesthesia services decrease from \$65.63 to \$63.86.

The Department will hold a public hearing on May 13<sup>th</sup> to consider the proposed changes. Written comments will be accepted until 5:00pm on May 20<sup>th</sup>.

#### **Potential Impact**

No significant changes were noted. The proposed amendments are consistent with previous fee schedule updates.

[Source](#)

## OREGON

### ***Advisory Committee to Review Rules Governing Interpreters***

Oregon's Workers' Compensation Division Advisory Committee will consider changes to reimbursement for interpreter services provided during medical examinations.

The Committee will discuss possible changes to billing and payment rules for interpreters in a meeting scheduled for June 21<sup>st</sup>. Proposed changes are not available as a meeting agenda has not been posted.

Approved changes would most likely be effective April 1, 2017, which is the anticipated effective date of the next version of the Oregon Medical Fee and Payment Rules.

#### **Potential Impact**

The impact cannot be determined at this time as the proposed changes are not posted on the state website.

[Source](#)

## UTAH

### ***Bill to Allow Payers to Contract with Hospitals***

Senator Karen Mayne (D) sponsored Senate Bill 216 which allows self-insured employers and insurance carriers to contract, in writing or by mutual oral agreement, with hospitals to establish reimbursement rates.

SB 216 requires self-insured employers and insurance carriers to reimburse hospitals for covered medical services at 85% of the hospitals' billed fees if they have not entered into a contract for the time period of May 10, 2016 to July 1, 2018.

This bill also requires the Advisory Council to study how hospital costs may be reduced for workers' compensation and prohibits balance billing by hospitals. The Council shall report its recommendations to the Business and Labor Interim Committee by November 30, 2017.

The Senate passed the bill 21-0, and the House passed the bill 69-0. Governor Gary Herbert signed this bill into law on March 23<sup>rd</sup>.

#### **Potential Impact**

Utah does not currently have a facility fee schedule. The option of contracting with hospitals will result in savings for employers and carriers.

[Source](#)

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### ***Governor Signs Work Comp Bill for Volunteers***

Governor Gary Herbert signed a bill on March 29<sup>th</sup> to modify the Workers' Compensation Act to address volunteers.

Senate Bill 0076, by Sen. Karen Mayne (D), states a non-government entity may secure coverage for all of the non-government entity's volunteers under the same policy that covers the non-government entity's employees.

If this coverage is secured, for purposes of receiving benefits under the Utah Occupational Disease Act, a volunteer is considered an employee of the non-government entity, and these benefits are the exclusive remedy of the volunteer for an industrial injury or disease.

#### **Potential Impact**

Non-government entities opting to cover volunteers under the same policy as employees will be impacted with increased insurance costs as well as costs incurred in providing medical care for injured volunteers.

[Source](#)