

Approved February 27, 1992
Date

MINUTES OF THE Senate COMMITTEE ON Labor, Industry and Small Business

The meeting was called to order by Alicia L. Salisbury at
Chairperson

1:30 ~~am~~ p.m. on February 20, 1992 in room 254-E of the Capitol.

All members were present except:

Members present: Senators Ehrlich, Feleciano, Martin, Morris, Oleen, Petty, Salisbury, Sallee, Strick and Thiessen

Committee staff present:

Jerry Donaldson, Legislative Research Department
Gordon Self, Revisor of Statutes Office
Mary Jane Holt, Committee Secretary

Conferees appearing before the committee:

Senator Bud Burke
Terry Leatherman, KCCI
William F. Morrissey, Director, Workers Compensation

Senator Bud Burke requested the Committee introduce a bill prescribing minimum wages for public works projects of agencies. He suggested SB 652 introduced by Senator Yost which would give a percentage preference to Kansas contractors who bid against out of state contractors could be considered at the same time as minimum wage legislation. The bill is in Ways and Means Committee but would be referred to Labor, Industry and Small Business.

Senator Morris moved and Senator Sallee seconded to introduce the bill requested by Senator Burke. The motion passed.

Terry Leatherman, KCCI, explained in 1990 the Kansas Legislature passed HB 2541. The bill established for Kansas the provisions of the Americans with Disabilities Act. The bill included an employer threshold of 4 or more employees to be responsible for maintaining the provisions of the new Kansas Act Against Discrimination. He requested the Committee introduce a bill that would change the threshold to what is in the Federal Americans With Disabilities Act, and add definitions that are in the federal act and not in the Kansas Act.

A motion was made by Senator Morris to introduce the bill requested by the Kansas Chamber of Commerce and Industry. Senator Strick seconded the motion. The motion passed.

Medical Fee Schedules:

William F. Morrissey, Director, Workers Compensation reviewed the 1990 legislation which authorized a Workers Compensation Maximum Medical Fee Schedule Advisory Panel and directed the Director of Workers Compensation to adopt a medical fee schedule by July 1, 1991. The Advisory Panel determined medical charges should be limited, based on a numbering system known as a Current Procedural Terminology (CPT) code. A maximum fee was established for each of the codes. The provider would charge either his usual fee or the maximum on the schedule. The maximum allowable fee for medical services, other than anesthesia, was to be set at the 85th percentile of the U&C charge as reflected by the results of a survey that was sent to health care providers on March 1, 1991. Any procedures/services not covered by the survey would be converted to the 85th percentile of the U&C charge by using Medicare's prevailing charges. The Director received the Advisory Panel's recommendation September 20, 1991.

Mr. Morrissey stated using the 85th percentile would cause drastic medical fee increases. He explained he still doesn't have figures he is comfortable with to prepare a medical fee schedule and he is continuing to gather information.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Labor, Industry and Small Business,
room 254-E, Statehouse, at 1:30 ~~xxx~~/p.m. on February 20, 1992

Mr. Morrissey responded to a Committee question that he has recommended four changes be made to the medical fee act in HB 3039 and HB 2023.

He distributed to the Committee the Advisory Panel's recommendations on the maximum fee schedule; percentage differential of state WC fees to medicare; IAIABC Central States Comparison of Maximum Allowable Charge for Various CPT Codes for States Having Medical Fee Schedule; and a claim form, see Attachment 1.

The Committee meeting was adjourned at 2:30 p.m.

Workers Compensation Maximum Medical Fee Schedule Advisory Panel



Kansas Medical Society
Larry K. Wilkinson, M.D.
2466 North Woodlawn
Wichita, Kansas 67202
(316) 685-5696

Kansas Association of
Osteopathic Medicine
Kenneth L. Duensing, D.O.
607 Lincoln Street
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(913) 226-7202

Kansas Hospital Association
S. James Blitz
Chief Executive Officer
HCA Wesley Medical Center
550 North Hillside
Wichita, Kansas 67214
(316) 888-2468

Kansas Chiropractic
Association
Timothy Bolz, D.C.
5000 S.W. 21st Street
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Kansas Chamber of
Commerce & Industry
Gary M. Korte, Esq.
Senior Litigation Attorney
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Kansas AFL-CIO
George McCullough, Esq.
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Vocational Rehabilitation Vendors
Judy Shorman, M.A., O.T.R., C.I.R.S.
Regional Director
FORTIS
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(913) 469-0712

Commissioner of Insurance
Ron Todd
Commissioner of Insurance
Kansas Insurance Department
420 S.W. Ninth Street
Topeka, Kansas 66612
(913) 296-3071

September 20, 1991

RECEIVED

SEP 25 1991

The Honorable William F. Morrissey
Acting Workers' Compensation Director
600 Merchants National Bank Tower
800 S.W. Jackson
Topeka, Kansas 66612-1277

Ms. St. Workers Compensation

Dear Director Morrissey:

Find enclosed your Committee's recommendations on the maximum fee schedule.

I am sorry that there has been a substantial delay in getting the approval to you. However, now that it is your hands, please promulgate the necessary rules.

If we can be of further assistance, please do not hesitate call.

Respectfully,

George E. McCullough
George E. McCullough
Chairman, Workers' Compensation
Maximum Medical Fee Schedule
Advisory Panel

GEM:kn
gemwm.1
Enclosure
cc: Timothy D. Bolz, D.C.
Gary Korte, Esq.
James K. Villamaria, Esq.
Mr. S. James Blitz
Kenneth L. Duensing, D.O.
Ms. Judy Shorman

P.S. Please give a copy of this to Kurtiss Carlson.

GEM

P.O. Box 1453

Topeka, KS 66601
S. J. B.
2/20/92

Attachment 1-1


The Kansas Workers' Compensation Maximum Medical Fee Schedule Advisory Panel met June 11-12, 1991 and adopted a Medical Fee Schedule as per the following:


- I. The Ground Rules contained within Oklahoma's Workers Compensation Medical Fee Schedule are to be used, with the exception that the definition of a health care provider will be in accordance with the Kansas Workers Compensation Act.
- II. The CPT Codes, as developed by the American Medical Association and set forth in their publication (CPT-1991) are to be used in conjunction with the Kansas Workers Compensation Medical Fee Schedule.
- III. For Anesthesia only, the Medical Fee Schedule is to reflect the use of Relative Value Units that have been developed by the American Society of Anesthesiologists.
- IV. The maximum allowable fee for medical services other than anesthesia is to be set at the 85th percentile of the U & C charge as reflected by the results of a survey that was sent to health care providers on March 1, 1991. Any procedures/services not covered by the survey would be converted to the 85th percentile of the U & C charge by using Medicare's prevailing charges.
- V. The maximum allowable fee for Vocational Rehabilitation Services is to be set at an hourly rate that is equivalent to the 80th percentile of the U & C charge. Upon the total charges reaching \$4,000.00, any further services are to be approved by the Workers Compensation Director.
- VI. The maximum allowable fee for the dispensing of any pharmaceutical goods and/or supplies are to be limited to the Average Wholesale Price (AWP) plus \$6.00.
- VII. Hospitals and Health Care Facilities providing In-Patient services are to be paid according to the U & C Charge less 5 percent. A pilot program is to be developed by surveying 20 hospitals located in Kansas and then taking the U & C charges and comparing it to the Oklahoma Fee Schedule to determine the effect of the two different systems.
- VIII. Medical Equipment and Supplies: Fees are to be paid according to the U & C charge until more data can be obtained.
- IX. The maximum allowable fee for Dental services is to be set at the 85th percentile of the U & C charge using the ADA Code on Dental Procedures and Nomenclature as developed by the American Dental Association.
- X. Depositions/Testimony and Reproduction of Medical Records
 - A. Deposition/Testimony: The maximum allowable fee is to be \$300.00 per hour plus an allowance of \$75.00 for 15 minute increments thereafter.


SLG + SB
2/20/92
Attachment 1-2

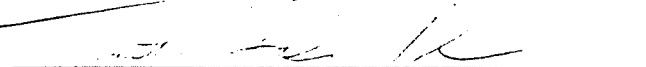
- B. Reproduction of Medical Records: The maximum allowable is to be \$25.00 plus \$.35 per page after 50 pages
 - C. Independent Medical Examinations (IME) and other Special Examinations and/or Reports: The maximum allowable fee is to be \$275.00 per hour plus an allowance of \$68.75 for 15 minute increments thereafter
 - D. Cancellation of Deposition/Testimony: More than 2 working days notice is required to avoid charge. If notice is less than 2 working days, \$150.00 charge is allowable.
- XI. Adoption of a uniform billing form (HCFA 1500) to be used by all health care providers who are providing services covered by the Workers Compensation System. Form will also be used in the collection of data by the Workers Compensation Director.
- XII. Promulgation of forms which are to be used by health care providers, Voc Rehab Vendors, Self-insured Employers or Insurance carriers 1) for resolving any occurring disputes and 2) for requesting approval of a greater fee because of an exceptional case involving extraordinary procedures.


As a member of the Kansas Workers' Compensation Medical Fee Schedule Advisory Panel, in attendance on above stated dates, I do affirm this summarization.

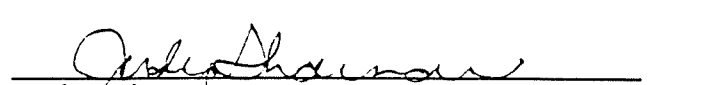

 George McCullough, Esq.
 Kansas AFL-CIO



 Kenneth L. Duensing, D.O.
 Kansas Association of
 Osteopathic Medicine

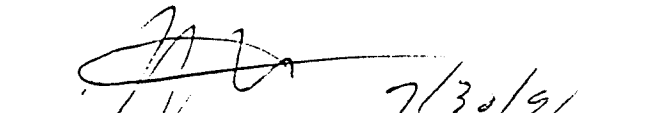

 S. James Biltz
 Kansas Hospital Association


 Timothy Bolz, D.C.
 Kansas Chiropractic Association


 Gary M. Korte, Esq.
 Kansas Chamber of Commerce
 and Industry


 Judy Shorman, M.A., O.T.R., C.I.R.S.
 Vocational Rehabilitation Vendors


 James Villamaria, Attorney
 Kansas Insurance Department

 7/30/91
 Larry K. Wilkinson, M.D.
 Kansas Medical Society

SLG & SB
 2/20/92

PERCENTAGE DIFFERENTIAL OF STATE WC FEES TO MEDICARE

STATE	STATE WC FEE TO MEDICARE
Arizona	+44.2%
California	+32.7%
Colorado	+57.8%
Florida	- 2.5%
Georgia	+42.6%
Hawaii	+75.8%
Kentucky	+60.6%
Massachusetts	+ 4.8%
Maryland	+22.1%
Maine	+65.4%
Michigan	- 4.1%
Minnesota	+36.1%
Montana	+30.8%
North Carolina	+87.8%
Nebraska	+49.6%
Nevada	+45.0%
New York	+44.0%
Oklahoma	+68.1%
Oregon	+50.9%
South Carolina	+55.1%
Texas	+95.2%
Utah	+17.3%
Washington	+ 6.3%
West Virginia	+39.5%
Kansas	+120.2%

ALD+LB
2/20/92

Attachment 1-4

IAIABC CENTRAL STATES
 Comparison of Maximum Allowable Charge for Various
 CPT Codes for States having Medical Fee Schedule

CPT CODE	KANSAS	NEBRASKA	MINNESOTA	MICHIGAN
12014	\$235.25	\$176.00	\$139.00	\$118.00
21800	\$121.00	\$ 64.00	\$ 75.00	\$ 68.00
49505	\$840.00	\$896.00	\$809.00	\$816.00
71100	\$ 87.00	\$ 51.00	\$ 50.00	\$ 55.75
73610	\$ 65.00	\$ 51.00	\$ 45.00	\$ 48.75
81000	\$ 15.00	\$ 12.00	\$ 14.00	\$ 9.00
85021	\$ 25.00	\$ 14.00	\$ 21.00	\$ 4.50
90015	\$ 65.00	\$ 63.00	\$ 55.00	\$ 35.50
95860	\$155.50	\$120.00	\$190.00	\$120.00
95864	\$462.00	\$312.00	\$337.10	\$325.00
95900	\$ 78.40	\$ 54.00	\$ 58.90	\$ 20.25
97010	\$ 25.00	\$ 23.00	\$ 19.00	\$ 12.00
97022	\$ 48.00	\$ 23.00	\$ 20.00	\$ 15.50
Average Amount For Above CPT Codes	\$170.94	\$143.00	\$141.00	\$126.79

*IAIABC
2/20/92*

Attachment 1-5

CALL FOR DETAILED CLAIM INFORMATION

(A)

ADM. NO.

CLAIM INFORMATION							
INSURER NAME				1. CARRIER CODE	2. POLICY NUMBER		
3. POLICY EFFECTIVE DATE		4. CLAIM NUMBER			5. REPORT TYPE	6. TRANSACTION CODE	
7. STATE OF JURISDICTION		8. STATE OF ACCIDENT	9. DATE REPORTED TO INSURER		10. EMPLOYEE SOCIAL SECURITY NUMBER		
					1 - Original Report 2 - Revised Report		

CLAIMANT AND EMPLOYER INFORMATION							
11. EMPLOYER FEDERAL TAX NUMBER		12. EMPLOYER SIC CODE	13. EMPLOYER PAYROLL		14. ZIP CODE OF INJURY SITE		15. EMPLOYEE NAME
			1 - \$0 2 - \$1 - \$100,000 3 - \$100,001 - \$1,000,000		4 - \$1,000,001 - \$10,000,000 5 - OVER \$10,000,000		LAST FIRST
16. SEX	17. MARITAL STATUS		18. DATE OF BIRTH		19. DATE OF HIRE		20. OCC. CODE
1 - Male 2 - Female 3 - Unknown	1 - Single 3 - Separated 2 - Married 4 - Unknown						21. EMPLOYMENT STATUS
22. DATE OF INJURY		23. CLASS CODE	24. PART OF BODY	25. NATURE OF INJURY	26. CAUSE OF INJURY	27. LOSS COVERAGE CODE	28. NO. OF DEPENDENTS
							1 - Regular Employee 2 - Part Time Employee 3 - Unemployed 4 - On Strike 5 - Disabled 6 - Retired 7 - Other
29. PRE-INJURY WEEKLY WAGE		30. METHOD OF DETERMINING PRE-INJURY WAGE		31. OTHER WEEKLY PAYMENTS		32. DATE REPORTED TO EMPLOYER	
		1 - Actual 2 - Estimated		3 - Min. Wkly. Ben. 4 - Max. Wkly. Ben.		33. SURGERY	
						1 - YES 2 - NO	
35. DATE OF CLOSING		38. DATE OF FIRST PAYMENT		37. DATE DISABILITY BEGAN		38. DATE OF RETURN TO WORK	
						34. CLAIM STATUS	
						1 - Open 2 - Open (Med. Only) 3 - Reopened 4 - Closed 5 - Became Med. Only 6 - Reopened, Closed	

BENEFITS AND PAYMENTS							
39. TOTAL INCURRED (INCL. VOC. REH.)							
INDEMNITY BENEFITS				VOCATIONAL REHABILITATION		MEDICAL BENEFITS	
40. BENEFIT TYPE	41. BENEFITS PAID TO DATE	42. WEEKLY BENEFIT	43. BENEFIT TYPE	44. BENEFITS PAID TO DATE	45. WEEKLY BENEFIT	55. TOTAL INCURRED VOC. REH.	60. TOTAL INCURRED MEDICAL
						56. VOC. REH. EVALUATION EXPENSE PAID TO DATE	61. HOSPITAL COSTS PAID TO DATE
						57. VOC. REH. MAINTENANCE BENEFIT PAID TO DATE	62. TOTAL PAYMENTS TO PHYSICIANS
						58. VOC. REH. EDUCATION EXPENSE PAID TO DATE	63. OTHER MEDICAL PAID TO DATE
						59. OTHER VOC. REH. EXPENSES PAID TO DATE	

MISCELLANEOUS INFORMATION				OTHER BENEFITS AND PAYMENTS			
64. POST INJURY WEEKLY WAGE	65. PERCENTAGE IMPAIRMENT	66. DATE OF MAXIMUM MEDICAL IMPROVEMENT	67. FUNERAL EXPENSES PAID TO DATE	68. LUMP SUM SETTLEMENT AMOUNT	69. EMPLOYERS LIABILITY PAID TO DATE		

CLAIM ADMINISTRATION DETAILS							
70. ATTORNEY OR AUTHOR. REP.		71. CONTROVERTED CASE	72. DEDUCTIBLE	SUBROGATION			
1 - YES 2 - NO		1 - YES 2 - NO	1 - YES 2 - NO	73. PRODUCT LIABILITY	74. AUTO LIABILITY	75. OTHER	
78. EMPLOYER LEGAL EXPENSE PAID TO DATE		77. CLAIMANT LEGAL EXPENSE PAID TO DATE		78. EXPERT WITNESS FEES PAID TO DATE	79. PENALTIES PAID TO DATE		80. ALLOCATED LOSS ADJUST. EXPENSE PAID TO DATE
81. SOCIAL SECURITY		82. UNEMPLOYMENT		83. PENSION PLAN		84. SPECIAL FUND	
1 - YES 2 - NO		1 - YES 2 - NO		1 - YES 2 - NO		1 - YES 2 - NO	
						85. OTHER	
						1 - YES 2 - NO	

Attachment 1-6

2/20/92