

Heidi Drygas
Commissioner

www.labor.alaska.gov



P.O. Box 111149
Juneau, AK 99811-1149
907.465.2700
commissioner.labor@alaska.gov

Press Release

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For more information: Marie Marx, Director, Workers' Compensation Division
907-465-2790, Marie.Marx@alaska.gov

Workers' Compensation Board Approves New Medical Fee Schedule *Alaska continues work to strengthen workers' compensation system*

ANCHORAGE: The Alaska Workers' Compensation Board met on October 29, to approve emergency regulations for a new medical fee schedule for workers' compensation claims. The Board approved new regulations that had been developed by the Medical Services Review Committee and reviewed by the Commissioner of Labor. A wide range of stakeholders from the Alaska Chamber of Commerce to the State Hospital and Nursing Home Association endorsed adoption of the updated fee schedule.

Legislation passed in 2014 required a change in the fee schedule methodology from a Usual, Customary and Reasonable (UCR) schedule to a Resource-Based-Relative Value Scale (RBRVS). The Medical Services Review Committee was tasked with formulating the conversion factors, which then required the Commissioner of Labor's approval, before being adopted by the Workers' Compensation Board in regulation. The goal of legislation and associated regulatory reform is to reduce costs while protecting injured workers' ability to access medical services.

Commissioner Drygas thanked the Workers' Compensation Board and the Medical Services Review Committee for crafting reforms based on numerous and detailed public comments from workers, medical providers, and businesses. "This was a long and arduous process, and I would like to thank the Medical Services Review Committee and Workers' Compensation Board for extensive public engagement to develop these regulatory reforms."

Alaska has had the highest workers' compensation rates in the nation over the past decade even though Alaska workplace injuries have declined significantly. The new fee schedule, which should further reduce workers' compensation costs, is based on updated methodology, which accounts for physician work, practice expense, and profession liability for each service rendered. Payments are calculated by multiplying the combined costs of a service by a conversion factor. This new schedule is subject to annual review and adjustment.

Workers' compensation has been the subject of intense debate in many states. Some states have allowed companies to opt out of workers' compensation, [leaving workers without vital medical services](#). Other states have [gutted their workers' compensation systems](#), shifting cost burdens to taxpayers while making it increasingly difficult for injured workers to obtain care. In contrast, Alaska has sought to maintain and strengthen its workers' compensation system while reducing costs for businesses that pay premiums. This fee schedule update, and a [state-federal partnership](#) to crack down on businesses that misclassify employees to avoid workers' compensation, as well as [partnerships with industry](#) to reduce the incidence of workplace injuries, is part of that comprehensive effort to strengthen the workers' compensation system.

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