

State of Alaska Sarah Palin Governor	Alaska Workers' Compensation Division PO Box 115512 Juneau, Alaska 99811-5512		
Department of Labor and Workforce Development	BULLETIN	Number 09-06	Date 03/31/2009
Click Bishop Commissioner	SUBJECT	Fees for Medical Treatment or Service; Statute Change	
	REFERENCES	AS 23.30.097; 8 AAC 45.082	

On March 30, 2009 Governor Palin signed HB 104 into law. HB 104 extends the use of the Alaska Workers' Compensation Board's December 1, 2004 Medical Fee Schedule through December 30, 2010.

How the December 1, 2004 Medical Fee Schedule is applied depends upon the date of service, as outlined below. **NOTE:** *As always, if the treatment/services are not covered by a code in the Medical Fee Schedule, then payment in the full amount billed must be made unless the payer has sufficient evidence that the billed amount exceeds the 90th percentile usual, customary, and reasonable fee. In that case the 90th percentile amount may be paid but the provider may challenge the payer's calculations at a Board hearing. 8 AAC 45.084(i); 2004 Medical Fee Schedule "Guidelines" at p.9, "Unlisted Services or Procedures."*

- For payment of services provided before August 1, 2007, the fee caps contained in the Fee Schedule continue to apply without modification.
- For payment of services that are provided on or after August 1, 2007, but before March 31, 2009, the fee caps contained in the Fee Schedule are calculated by multiplying the published 2004 cap amount by 1.08416.
- For payment of services that are provided on or after March 31, 2009, but before December 31, 2010, the fee caps contained in the Fee Schedule are calculated by multiplying the published 2004 cap amount by 1.17402.

EXAMPLE: A bill in the amount of \$160.00 is received for CPT Code 99202, "New Office Outpatient Visit, Evaluation and Management, Low-Moderate Severity – 20 Minutes."

1. If the services were provided before August 1, 2007 then the 12/1/04 fee cap of \$146.42 would apply without modification and only \$146.42 is payable.
2. If the services were provided on or after August 1, 2007, but before March 31, 2009, then the 12/1/04 fee cap of \$146.42 is multiplied by 1.08416 to calculate a new fee cap of \$158.74, which is the maximum amount that is allowed.
3. If the services were provided on or after March 31, 2009, but before December 31, 2010, then the 12/1/04 fee cap of \$146.42 is multiplied by 1.17402 to calculate a new fee cap of \$171.90. Since the amount submitted is lower than the adjusted fee cap, the \$160.00 billed is payable.

Statute Change: Effective March 30, 2009, AS 23.30.097(a) as amended provides that a fee or other charge for medical treatment or service “may not exceed the lowest of”

(1) the usual, customary, and reasonable fees for the treatment or service in the community in which it is rendered, for treatment or service

(A) provided before August 1, 2007, not to exceed the fees in the board's fee schedule dated December 1, 2004;

(B) provided on or after August 1, 2007, but before March 31, 2009, not to exceed the fees otherwise applicable in (A) of this paragraph adjusted by the percentage change from 2004 to 2006 in the medical care component of the Consumer Price Index for all urban consumers compiled by the United States Department of Labor, Bureau of Labor Statistics;

(C) provided on or after March 31, 2009, but before December 31, 2010, not to exceed the fees otherwise applicable in (A) of this paragraph adjusted by the percentage change from 2004 to 2008 in the medical care component of the Consumer Price Index for all urban consumers compiled by the United States Department of Labor, Bureau of Labor Statistics;

(2) the fee or charge for the treatment or service when provided to the general public; or

(3) the fee or charge for the treatment or service negotiated by the provider and the employer under (c) of this section.