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# WORKERS' COMPENSATION FUND

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SECRETARY OF STATE

601 MORRIS STREET
CHARLESTON, WEST VIRGINIA 25301

ARCH A. MOORE, JR.
Governor

JOHN F. LEABERRY
Commissioner

June 29, 1987

## NOTICE OF COMMENT PERIOD ON PROPOSED RULE

AGENCY: Workers' Compensation Fund

RULE TYPE: Legislative

RULE TITLE: Medical Fee Schedule

A Comment Period on the above Proposed Rule has been scheduled. The period begins this date and will end on July 31, 1987 at 5:00 p.m. Only written comments will be received. Comments are to be mailed or delivered to the following address:

Workers' Compensation Fund
601 Morris Street
Charleston, WV 25301

John F. Leaberry
Commissioner

KEN HECHLER
Secretary of State

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# STATE OF WEST VIRGINIA
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Director Corporations

VIRGINIA SKEEN
Special Assistant

(Plus all the volunteer help we can get)

June 29, 1987

PROPOSED RULES

STATE REGISTER FILING

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AGENCY Workers' Compensation Fund

CONTACT PERSON William Mitchell PHONE 348-2580

TYPE OF RULE Legislative

TITLE OF RULE Medical Fee Schedule

CHAPTER 23 ARTICLE 4 SERIES VIII

AUTHORITY 23-1-13, 23-1-15, and 23-4-3

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CHECK APPLICABLE ITEMS BELOW TO SHOW KIND OF ACTION BEING TAKEN

[X] NEW RULE

[ ] AMENDMENTS TO EXISTING RULE

[ ] REPEAL OF EXISTING RULE

NOTE: ALL FILINGS REQUIRE ONLY ONE COPY, EXCEPT FINAL FILING OF RULES WHICH REQUIRES AN ORIGINAL AND A COPY.

[X] NOTICE OF COMMENT PERIOD ~~XXXXXXX~~

[ ] NOTICE OF AGENCY APPROVAL (legislative rules only)

[ ] NOTICE OF AGENCY ADOPTION (interpretive & procedural rules only)

[ ] FINAL FILING

[ ] FIRST EMERGENCY FILING

[ ] SECOND EMERGENCY FILING

WEST VIRGINIA PROPOSED LEGISLATIVE RULES
WORKERS' COMPENSATION COMMISSIONER
Chapter 23-4
Series VIII



Title: Medical Fee Schedule

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Section 1. General

1.1 Scope - These Proposed Legislative Rules shall govern the schedule of maximum reasonable amounts to be paid to physicians, surgeons, hospitals, or other persons, firms or corporations for the rendering of treatment to injured employees.

1.2 Authority - W.Va. Code, 23-1-13, 23-1-15, and 23-4-3.

1.3 Filing Date - June 29, 1987.

1.4 Effective Date -

1.5 Repeal of Former Rule - These Legislative Rules repeal "Section 14. Reports of Examination, Treatment and Payment of Bills" of West Virginia Legislative Rules, Workers' Compensation Commissioner, Chapter 23-1, Series I, Administration of the Workers' Compensation Fund, effective July 1, 1986.

Section 2. Medical Cost Containment System Manual

The Workers' Compensation Fund Medical Cost Containment System Manual is hereby incorporated by reference into these rules. A copy of the manual is enclosed herewith and identified as Appendix A.

Section 3. Periodic Revision

The Workers' Compensation Commissioner may by order add or delete medical procedures, services, supplies, and medications, and may increase or decrease unit values, conversion factors, and maximum allowable fee amounts when and as deemed necessary.

FIRST PAGE OF SERIES CONTAINING SECTION TO BE REPEALED.

WEST VIRGINIA LEGISLATIVE RULES
WORKERS' COMPENSATION COMMISSIONER
Chapter 23-1
Series I

Title: Administration of the Workers' Compensation Fund

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Section 1. General

1.1 Scope - These Legislative Rules provide for the general administration of the West Virginia Workers' Compensation Fund.

1.2 Authority and Related Code - 23-1-13, 23-2-9, 23-3-1.

1.3 Filing Date - April 15, 1986.

1.4 Effective Date - July 1, 1986.

1.5 Definitions - As used in these regulations:

A. "Claimant" shall mean any individual who files an application for Workers' Compensation benefits.

B. "Filing" shall mean actual receipt in the office of the Commissioner.

C. "Paid" shall mean the time the check is deposited in the mail or presented in person to the claimant, claimant's attorney or anyone acting in his behalf.

D. "Receipt of . . . notice" shall be presumed to have occurred on the third day following the date of the notice. The next day (or the fourth day following the date of the notice) will be treated as the first day of the period during which a protest or appeal may be filed. Should the final day of such period be a Saturday, Sunday or legal holiday (State or Federal), the period shall expire on the next business day immediately following such Saturday, Sunday or legal holiday.

E. "Subscriber" shall mean an employer for whom Workers' Compensation coverage has been effected.

F. "Within fifteen days of the mailing of such copy" shall mean within a fifteen day period beginning with the day immediately following the date of such copy. Should the fifteenth day be a Saturday, Sunday or legal holiday (State or Federal), the fifteen day period shall expire on the next business day immediately following such Saturday, Sunday or legal holiday.

FIRST PAGE OF SECTION TO BE REPEALED.



B. The Commissioner, after determining that the claimant has a means of support and the non-accrued benefits are for a period not exceeding 100 weeks, may commute an award of permanent partial disability benefits.

C. Any lump sum payment shall be subject to discount at the rate of 4%, provided, however, that the first 100 weeks of benefits shall not be discounted. The charge to the employer's account shall not be discounted.

Section 14. Reports of Examination, Treatment and Payment of Bills

14.1 Obligation For Submitting Reports

All medical vendors, upon accepting a claimant as a patient, assume an obligation to submit a report of such case to the Commissioner immediately and to make continuing reports. The preliminary report must be made by the medical vendor on a form prescribed by the Commissioner and completed in its entirety. Inasmuch as an attending physician's reports (Form WC-219) of disability are an essential part of each claim, it is extremely important that they be submitted to the Commissioner promptly in order that the claimant may receive his compensation payments regularly during the period of disability. Failure to make reports promptly may result in the delay of payments of benefits to the claimant and payment to the medical vendors for services rendered.

14.2 Periodic Reports

In case of any medical or similar service being rendered during a period longer than a month, the attending medical vendor must file with the Commissioner a narrative report upon request indicating the progress of the injured employee. Completion of Form WC-219 (Attending Physician's Report) will not satisfy the requirement of a narrative report. If such reports are not made when requested by the Commissioner, payment for services may be withheld until such report is submitted.

14.3 Signature of Medical Vendor is Required

Medical reports and fee bills must be signed by the medical vendor rendering the services or his authorized representative with the name in legible printing or typing beneath the signature.

14.4 Payment for Appearance at Hearings

A medical vendor appearing at a hearing to give testimony

FISCAL NOTE FOR PROPOSED RULE

Rule Title: Medical Fee Schedule

Type of Rule: X Legislative ____ Interpretive ____ Procedural

Agency Workers' Compensation Fund Address 601 Morris Street

Charleston, WV 25301

| 1. Effect of Proposed Rule | ANNUAL Increase | ANNUAL Decrease | FISCAL YEAR Current | FISCAL YEAR Next | FISCAL YEAR Thereafter |
|---|---|---|---|---|---|
| Estimated Total Cost | $ | $6,800,000 | $87,000,000 | $80,200,000 | $78,420,000 |
| Personal Services | $ 50,000 | | | | |
| Current Expense | $ 25,000 | | | | |
| Equipment | $ 25,000 | | | | |
| Consulting & Contractual Services | $1,800,000 | | | | |
| Savings in Cost of Medical Services | | $8,700,000 | | | |

2. Explanation of above estimates:

1. COSTS: Initial cost of professional consulting services, computer software programs, systems design, training, implementation, and program maintenance.

2. SAVINGS: Ten per cent of the current total annual expenditures for medical services.

3. Objectives of these rules:

To provide for a modern, on-line computerized capacity for processing and payment of bills for medical services.

4. Explanation of Overall Economic Impact of Proposed Rule:

A. Economic Impact on State Government:

Substantial initial outlay of financial and personnel resources, particularly in areas of management and electronic data processing, to be followed by substantial savings and efficiency.

B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of citizens:

1. All injured employees in the state will benefit from improved monitoring of authorization for treatment, utilization and delivery of medical services, and reasonableness of the cost thereof.

2. All providers of medical services in the state will benefit from more efficient and more consistent processing and payment of medical bills.

3. All employers in the state will benefit from the economic efficiencies and savings that will be realized and ultimately reflected in the overall cost of workers' compensation coverage.

C. Economic Impact on Citizens/Public at Large:

All citizens will derive the indirect benefit of a more efficient, cost effective statewide benefit program operated in the interest of the health and well-being of the citizens of West Virginia.

Date: June 29, 1987

Signature of Agency Head or Authorized Representative

John F. Leckrone