STATE OF KANSAS

DEPARTMENT OF LABOR

DIVISION OF WORKERS COMPENSATION

NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATION

A public hearing will be conducted at 2:00 p.m. November 7, 2014 in the 3rd floor conference room A, 401 SW Topeka Blvd., Topeka, Kansas, to consider the adoption of an amendment to a permanent regulation of the Division of Workers Compensation.

The 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rule and regulation. All interested parties may submit written comments prior to the hearing to the Director of the Division of Workers Compensation, 401 SW Topeka Blvd., Suite 2, Topeka, KS 66603-3105 or by e-mail to Anne Haught at <u>anne.haught@dol.ks.gov</u>. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulation during the hearing. In order to give all parties an opportunity to present their views, it may be necessary to request that each participant limit oral presentation to 10 minutes.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulation and economic impact statement in an accessible format. Request for accommodation to participate in the hearing should be . made at least five working days in advance of the hearing by contacting Anne Haught, at

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(785) 296-4000 ext. 2155 or <u>anne.haught@dol.ks.gov</u>. Parking for individuals with disabilities is located behind the 401 SW Topeka Blvd. building. Also, the west entrance of the building is accessible to individuals with disabilities.

The following is a brief summary of the proposed regulation:

K.A.R. 51-9-7, Fees for medical and hospital services. The proposed change to this regulation is made in accordance with K.S.A. 44-510i(c)(2) which requires the schedule of maximum fees to be revised as necessary at least every two years by the Director of Workers Compensation to assure that the schedule is current, reasonable and fair. The fee schedule establishes the maximum fees for medical, surgical, hospital, dental, nursing, vocational rehabilitation or any other treatment or services provided or ordered by health care providers and rendered to employees under the Workers Compensation Act.

The following is a brief summary of the economic impact:

K.S.A. 44-510i requires the director to adopt rules and regulation to establish a schedule of maximum medical fees, and to revise the schedule at least every two years to ensure that it is current, reasonable and fair. The National Council on Compensation Insurance, Inc. (NCCI) predicts that the January 1, 2015 "Schedule of Medical Fees" will result in an overall decrease on workers compensations system costs of -\$2 million or a 0.5% decrease. This amendment will have no economic impact on the division of workers compensation or Kansas department of labor in terms of administering the schedule of fees under the workers compensation act.

RECEIVED AUG 1 4 2014 SECRETARY OF STATE Copies of the regulation and its economic impact statement may be obtained from the Division of Workers Compensation, 401 SW Topeka Blvd., Suite 2, Topeka, KS 66603-3105, (785) 296-4000 ext 2155 or through an e-mail request to Anne Haught at anne.haught@dol.ks.gov

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51-9-7. Fees for medical and hospital services. Fees for medical, surgical, hospital, dental, and nursing services, medical equipment, medical supplies, prescriptions, medical records, and medical testimony rendered pursuant to the Kansas workers compensation act shall be the lesser of the following:

(a) The usual and customary charge of the health care provider, hospital, or other entity providing the health care services; or

(b) the amount allowed by the "2015 schedule of medical fees" published by the Kansas department of labor, dated <u>effective on</u> January 1, 2014 2015, and approved by the director of workers compensation on April-30, 2013 April 21, 2014, including the ground rules incorporated in for each type of medical treatment or service within the schedule and the appendix, which is hereby adopted by reference.

This regulation shall be effective on and after January 1, 2014 2015. (Authorized by and implementing K.S.A. 2013 Supp. 44-510i; effective Jan. 1, 1966; amended Jan. 1, 1969; amended Jan. 1, 1973; amended May 1, 1976; amended May 1, 1978; amended, T-88-20, July 1, 1987; amended May 1, 1988; amended Nov. 1, 1993; amended April 5, 1996; amended Aug. 29, 1997; amended Oct. 1, 1999; amended Dec. 1, 2001; amended Dec. 1, 2003; amended Dec. 2, 2005; amended Jan. 1, 2008; amended Jan. 1, 2010; amended Jan. 1, 2011; amended Jan. 1, 2012; amended Jan. 1, 2014; amended P-

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KANSAS DEPARTMENT OF LABOR DIVISION OF WORKERS COMPENSATION ECONOMIC IMPACT STATEMENT K.A.R. 51-9-7

I. Summary of Proposed Regulation, Including Its Purpose.

K.A.R. 51-9-7 is amended to make reference to the latest version of the Kansas Department of Labor' "Workers Compensation Schedule of Medical Fees", dated January 1, 2015, and remove the previous version, dated January 1, 2014.

II. Reason the Proposed Regulation is Required, Including Whether or Not the Regulation is Mandated by Federal Law.

K.S.A. 44-510i requires the director to adopt rules and regulation to establish a schedule of maximum medical fees, and to revise the schedule at least every two years to ensure that it is current, reasonable and fair. Upon completion of the latest, revised fee schedule, expected January 1, 2015, the director's regulation implementing the fee schedule must be changed to implement the most recent schedule.

This regulation is not mandated by federal law, so the regulation does not exceed the requirements of federal law.

III. Anticipated Economic Impact on Private Individuals and Business and Self-Insured Governmental Units and School Districts.

The National Council on Compensation Insurance, Inc. (NCCI) predicts that the January 1, 2015 "Schedule of Medical Fees" will result in an overall decrease on workers compensations system costs of -\$2 million or a 0.5% decrease.

IV. Economic Impact on the Division of Workers Compensation.

This amendment will have no economic impact on the division of workers compensation or Kansas department of labor in terms of administering the schedule of fees under the workers compensation act. This amendment affects governmental units only in decreased medical costs for workers compensation claims by their employees.

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V. Less Costly or Intrusive Methods That Were Considered, but Rejected, and the Reason for Rejection.

The schedule of medical fees is limited by K.S.A. 44-510i to be reasonable, fair, and sufficient to ensure availability of treatment. Therefore, any less costly maximum fees than those in the January 1, 2015 schedule were rejected for failing to meet the requirements of K.S.A. 44-510i.

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