### A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION MEDICAL FEE SCHEDULES.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. Section 386-21, Hawaii Revised Statutes, is
- 2 amended by amending subsection (c) to read as follows:
- "(c) The liability of the employer for medical care,
- 4 services, and supplies shall be limited to the charges computed
- 5 as set forth in this section. The director shall make
- 6 determinations of the charges and adopt fee schedules based upon
- 7 those determinations. Effective January 1, [1997,] 2014, and
- 8 for each succeeding calendar year thereafter, the charges shall
- 9 not exceed one hundred [ten] thirty per cent of fees prescribed
- 10 in the Medicare Resource Based Relative Value Scale applicable
- 11 to Hawaii as prepared by the United States Department of Health
- 12 and Human Services, except as provided in this subsection. The
- 13 rates or fees provided for in this section shall be adequate to
- 14 ensure at all times the standard of services and care intended
- 15 by this chapter to injured employees.
- 16 If the director determines that an allowance under the
- 17 medicare program is not reasonable or if a medical treatment,
- 18 accommodation, product, or service existing as of June 29, 1995,

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1	is not co	vered under the medicare program, the director, at any
2	time, may	establish an additional fee schedule or schedules not
3	exceeding the prevalent charge for fees for services actually	
4	received by providers of health care services, to cover charges	
5	for that treatment, accommodation, product, or service. If no	
6	prevalent charge for a fee for service has been established for	
7	a given service or procedure, the director shall adopt a	
8	reasonable rate which shall be the same for all providers of	
9	health care services to be paid for that service or procedure.	
10	The	director shall update the schedules required by this
11	section every three years or annually, as required. The updates	
12	shall be based upon:	
13	(1)	Future charges or additions prescribed in the Medicare
14		Resource Based Relative Value Scale applicable to
15		Hawaii as prepared by the United States Department of
16		Health and Human Services; or
17	(2)	A statistically valid survey by the director of
18		prevalent charges for fees for services actually
19		received by providers of health care services or based
20		upon the information provided to the director by the
21		appropriate state agency having access to prevalent
22		charges for medical fee information.



1 When a dispute exists between an insurer or self-insured 2 employer and a medical services provider regarding the amount of 3 a fee for medical services, the director may resolve the dispute 4 in a summary manner as the director may prescribe; provided that 5 a provider shall not charge more than the provider's private 6 patient charge for the service rendered. When a dispute exists between an employee and the employer 8 or the employer's insurer regarding the proposed treatment plan 9 or whether medical services should be continued, the employee 10 shall continue to receive essential medical services prescribed 11 by the treating physician necessary to prevent deterioration of 12 the employee's condition or further injury until the director issues a decision on whether the employee's medical treatment 13 14 should be continued. The director shall make a decision within 15 thirty days of the filing of a dispute. If the director 16 determines that medical services pursuant to the treatment plan 17 should be or should have been discontinued, the director shall 18 designate the date after which medical services for that 19 treatment plan are denied. The employer or the employer's 20 insurer may recover from the employee's personal health care 21 provider qualified pursuant to section 386-27, or from any other appropriate occupational or non-occupational insurer, all the 22



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- 1 sums paid for medical services rendered after the date
- 2 designated by the director. Under no circumstances shall the
- 3 employee be charged for the disallowed services, unless the
- 4 services were obtained in violation of section 386-98. The
- 5 attending physician, employee, employer, or insurance carrier
- 6 may request in writing that the director review the denial of
- 7 the treatment plan or the continuation of medical services."
- 8 SECTION 2. Statutory material to be repealed is bracketed
- 9 and stricken. New statutory material is underscored.
- 10 SECTION 3. This Act shall take effect on July 1, 2013.

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INTRODUCED BY:

JAN 1 7 2013

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### Report Title:

Workers' Compensation; Medical Fee Schedules

### Description:

Increases maximum allowable medical fees under workers' compensation to 130% of the Medicare Resource Based Relative Value Scale.

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