

SB 71-FN – AS INTRODUCED

2011 SESSION

11-1002
01/09

SENATE BILL **71-FN**

AN ACT relative to health care fees in workers' compensation.

SPONSORS: Sen. Boutin, Dist 16

COMMITTEE: Commerce

ANALYSIS

This bill clarifies medical fees and reimbursement levels for health care services under workers' compensation law.

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Explanation: Matter added to current law appears in **bold italics**.
Matter removed from current law appears [~~in brackets and struck through.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Eleven

AN ACT relative to health care fees in workers' compensation.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Workers' Compensation; Medical Fees. RSA 281-A:24 is repealed and reenacted to read as
2 follows:

3 281-A:24 Medical Fees; Reimbursement Levels.

4 I. The commissioner shall adopt rules, pursuant to RSA 541-A, to establish a fee schedule,
5 including Medicare coding and reimbursement rules, for all medical services that is based on that
6 applicable to Medicare. The physician fee schedule shall apply a uniform conversion factor of up to
7 150 percent of Medicare base reimbursement rates in determining reimbursement levels. The fee
8 schedule applicable to in-patient and out-patient hospital services shall be based on Medicare's
9 prospective payment system Diagnostic Related Groups (DRG) and ambulatory surgical center fee
10 schedules, respectively, and shall provide a uniform conversion factor of up to 150 percent of
11 Medicare based reimbursement rates in determining reimbursement levels. Reimbursement for
12 durable medical equipment shall be limited to that reimbursed under Medicare.

13 II. Reimbursement rates shall be adjusted in accordance with adjustments to Medicare. In
14 the absence of a contract providing otherwise, the fee schedule reimbursement rates shall be the
15 maximum reimbursement permitted. The commissioner is authorized to conduct a study, no less
16 frequently than every 3 years, relative to access to medical services. If the commissioner finds
17 reimbursement levels have resulted in a systemic decline in access to medical treatment, he or she
18 shall recommend to the legislature to adjust the fee schedule accordingly.

19 2 Applicability. Rules adopted pursuant to RSA 541-A relative to the fee schedule as required
20 under section 1 of this act shall be effective January 1, 2012.

21 3 Effective Date. This act shall take effect upon its passage.

SB 71 FISCAL NOTE

AN ACT relative to health care fees in workers' compensation.

FISCAL IMPACT:

The Departments of Administrative Services states this bill will decrease state expenditures by an indeterminable amount in FY 2011 and in each year thereafter. The Department of Labor, the New Hampshire Association of Counties, and the New Hampshire Municipal Association state the bill will have an indeterminable fiscal impact on county and local revenue and expenditures. There will be no fiscal impact on state revenue.

METHODOLOGY:

The Department of Administrative Services states this bill will change workers compensation medical reimbursement from customary and reasonable rates to reimbursement based on Medicare coding and reimbursement rules. The Department indicated New Hampshire is one of the few remaining states that still reimburses based on usual and customary rates. The state self-funds workers compensation for wage replacement and medical costs and paid \$3,170,630 for medical costs in FY 2010. The Department assumes there would be cost savings but is not able to estimate the savings until the fee schedule is developed.

The New Hampshire Association of Counties is unable to estimate the decrease in costs that may result from a new a fee schedule or the possible increase in costs cost if access to providers becomes more difficult.

The New Hampshire Municipal Association is not able to determine the impact of the bill on municipal expenses.

The Department of Labor states the bill will have an indeterminable fiscal impact on state, county and local revenues and expenditures.