
Commerce & Labor Committee

HB 1816

Brief Description: Regarding medical aid fees.

Sponsors: Representatives Conway and Wood.

Brief Summary of Bill

- Requires the Department of Labor and Industries, when establishing unbundled fees for services related to providing and maintaining prosthetic devices for injured workers, to take into account the effect of the device's market price and costs of billing on the providers' reimbursement.

Hearing Date: 2/23/05

Staff: Chris Cordes (786-7103).

Background:

Industrial insurance is a no-fault state workers' compensation program that provides medical and partial wage replacement benefits to covered workers who are injured on the job or who develop an occupational disease. The program is administered by the Department of Labor and Industries (Department).

The Director of the Department is responsible for supervising, and adopting rules governing, the health services provided to injured workers. The Director is required to adopt rules establishing a schedule setting the maximum fees that the Department will pay to health services providers and other persons providing services to injured workers.

Effective September 1, 2004, the Department adopted a new method for purchasing hearing aids for injured workers. The new program added coverage for digital hearing aids when that is the best technology for the worker and established a fee schedule that pays a separate dispensing fee for professional services and for the acquisition costs of the hearing aids. The schedule allows reimbursement for future appointments for certain maintenance services. Under the previous method, the Department had paid a bundled fee for the device costs and the related dispensing services.

Under the new schedule, the dispensing fee for binaural hearing aids is \$1,278. This fee covers a 30-day trial period, up to four follow-up visits, one hearing aid cleaning kit, routine cleaning during the first year, and all handling and delivery fees. After the first year, providers may bill separately for up to four visits per year for routine cleaning.

Summary of Bill:

If the Director of the Department of Labor and Industries establishes fees for services related to providing and maintaining prosthetic devices that are separate from the services unrelated to device maintenance, the Director must take into account the effect of the following on the provider's ultimate reimbursement:

- the device's market price; and
- the costs of billing for future maintenance appointments.

Rules Authority: The bill modifies the Department of Labor and Industries' authority to adopt a medical fee schedule.

Appropriation: None.

Fiscal Note: Requested on February 16, 2005.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed, except for section 2, which reinstates prior law related to health services providers after a scheduled expiration, and takes effect June 30, 2007.