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INDUSTRIAL COMMISSION OF ARIZONA

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PUBLIC HEARING REGARDING THE 2024-2025  
ANNUAL FEE SCHEDULE

\* \* \* \* \*

March 7, 2024

1:00 p.m.

*Prepared by:*  
*Dorothy A. Schulte, RPR*  
*Certified Court Reporter*  
*Certificate No. 50459*

**PERFECTA REPORTING**  
**602-421-3602**

**(ORIGINAL)**

1 THE PUBLIC HEARING REGARDING THE 2024-2025  
2 ANNUAL PHYSICIANS' AND PHARMACEUTICAL FEE SCHEDULE was  
3 reported by Dorothy A. Schulte, CCR, RPR, Arizona  
4 Certified Court Reporter No. 50459, in and for the  
5 State of Arizona.

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10 TELEPHONIC APPEARANCES

11 DIRECTOR: Gaetano J. Testini

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13 IN-PERSON APPEARANCES

14 COMMISSIONERS: Chairman Dennis P. Kavanaugh  
15 Vice Chairman Joseph M. Hennelly, Jr.  
16 Commissioner Orion J. Godfrey  
17 Commissioner D. Alan Everett  
18 Commissioner Maria Cecilia

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25 STAFF:

Afshan Peimani, Chief Counsel  
Kara Dimas, Commission Secretary  
Charles Carpenter, MRO Manager

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SPEAKERS :

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CHARLES CARPENTER.....

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1 Phoenix, Arizona  
2 March 7, 2024  
3 1:00 p.m.

4 P R O C E E D I N G S

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7 THE CHAIRMAN: This public hearing is  
8 being held to give members of the public and Commission  
9 stakeholders an opportunity to comment on staff  
10 proposals regarding the 2024/2025 Arizona Physicians'  
11 and Pharmaceutical Fee Schedule and to make additional  
12 recommendations for changes to the Fee Schedule.

13 The staff proposal has been posted on the  
14 Commission's website for the last month.

15 So Charles Carpenter, on behalf of the  
16 Medical Resource Office, will provide a brief overview  
17 of the staff proposal that the Commissioners have  
18 received.

19 Mr. Carpenter.

20 MR. CARPENTER: Thank you, Chairman.  
21 Thank you all.

22 And good afternoon, Chairman, Commissioners,  
23 Executive Deputy Director Testini, colleagues and  
24 guests. I want to thank all of you for the opportunity  
25 to present the staff proposal for the 2024/2025

1 Physicians' and Pharmaceutical Fee Schedule.

2 I would like to begin by thanking all the  
3 stakeholders who have provided input that was used to  
4 improve and update the Fee Schedule this year. I wish  
5 to recognize and thank those who attended our  
6 stakeholder meeting two weeks ago and also those who  
7 attended the stakeholder meetings that we held in  
8 previous years.

9 The majority or almost all of the updates in  
10 our Fee Schedule this year were initiated by our  
11 stakeholders. And so, again, we thank everyone for  
12 participating and being part of that update.

13 This year the 2024/2025 Fee Schedule update  
14 is going to be effective on May 1st of this year.  
15 Previous updates used October 1st as the effective  
16 date. The change in effective dates allows healthcare  
17 providers and payers working within the Arizona  
18 Workers' Compensation System the opportunity to  
19 implement changes from both the AMA and CMS Guidelines  
20 earlier in the year and potentially avoid some of the  
21 pitfalls they experienced with a nine-month lag after  
22 those implements -- or after those changes were  
23 implemented, so staff intends to annually maintain the  
24 effective date in May -- on May 1st as long as  
25 circumstances permit.

1           So, first, staff proposes to include the  
2 updated service codes, relative value units and  
3 reimbursement values as presented in the tables  
4 accompanying the published proposal.

5           The methodology used in calculating the  
6 reimbursement values is outlined in detail in the  
7 proposal. The proposed 2024/2025 Fee Schedule will  
8 continue to use the Centers for Medicare and Medicaid  
9 services or CMS, their surgical global periods, assign  
10 RVUs to consultation services and delineate codes that  
11 are unique to Arizona.

12           Staff proposes to maintain the RBRVS  
13 conversion factors used in the 2024/2025 Fee Schedule  
14 for all service categories.

15           Second, staff proposes to adopt the service  
16 codes and reimbursement values as presented in the  
17 Healthcare Common Procedure Coding System or HCPCS --  
18 they also refer that as HCPCS -- table accompanying the  
19 proposed -- or the published proposal.

20           The reimbursement values are based on the  
21 reimbursement values published by CMS in the January  
22 2024 Medicare Durable Medical Equipment, Prosthetics,  
23 Orthotics, and Supplies Fee Schedule, also called the  
24 DMEPOS.

25           Staff proposes to maintain separate values

1 for rural and nonrural areas and utilize the  
2 methodology established by CMS to designate rural and  
3 nonrural areas in Arizona.

4 HCPCS codes that do not have a value assigned  
5 by CMS were assigned a reimbursement value based on  
6 data from FAIR Health. The values were then multiplied  
7 by a conversion factor of 1.4, resulting in the  
8 reimbursement values listed in the table.

9 Third, staff proposes to adopt the Arizona  
10 Specific Codes and the assigned reimbursement values in  
11 the accompanying tables.

12 Fourth, staff proposes to continue the  
13 designation of Medi-Span as the source to determine  
14 Average Wholesale Price.

15 Fifth, staff proposes to adopt the deletions  
16 and additions to the 2024 edition of the American  
17 Medical Association's Current Procedural Terminology  
18 publication, also known as the CPT.

19 Sixth, staff proposes revisions in each  
20 section of the Fee Schedule Guidelines by removing  
21 references to codes that are preceded with the delta  
22 symbol. These references are no longer used due to the  
23 adoption of the standardized language in the previously  
24 mentioned resources.

25 Seventh, staff proposes to amend the

1 Introduction Section of the Fee Schedule by removing  
2 the reference to the American Medical Association,  
3 Evaluations and Management Code and Guideline Changes.  
4 This document is no longer being published.

5 Staff also proposes to add Subsection A(2) to  
6 provide clarification on the manner healthcare  
7 providers should bill for services, equipment, and  
8 supplies along with an exception when billing for drug  
9 testing.

10 Staff proposes to add language in Subsection  
11 A(14) that details the billing codes and reimbursement  
12 guidelines for telehealth services.

13 Staff proposes to add Subsection B(5) to  
14 clarify appropriate practices when submitting and  
15 reviewing medical invoices for services and  
16 establishing documentation and procedural expectations  
17 for denials and appeals.

18 Staff proposes to remove Subsection E(1)  
19 since Arizona statutes indicate who is permitted to  
20 treat injured workers. Staff also proposes to remove  
21 Subsection J since the designation it describes is no  
22 longer in use.

23 Eighth, staff proposes to add a note at the  
24 end of the Anesthesia Guidelines that clarifies billing  
25 procedures for -- or billing -- how to bill for



1 specific procedures.

2 Ninth, staff proposes to update modifier "47"  
3 in the Surgery Guidelines to clarify that the  
4 reimbursement values listed in the Fee Schedule should  
5 be used.

6 Staff also proposes to add language to  
7 modifier "59" that clarifies how providers should bill  
8 for services that are reported on the same date of  
9 service as an anesthesia code.

10 Tenth, staff proposes to amend the language  
11 in Section C of the Radiology Guidelines to clarify the  
12 meaning and use of the technical and professional  
13 components when they are billed separately.

14 Eleventh, staff proposes to update the  
15 Evaluation and Management Guidelines to correspond with  
16 the updates to the Evaluation and Management Guidelines  
17 in the 2024 CPT publication.

18 Twelfth, staff proposes to amend unnecessary  
19 language in Subsection A(3), referring to Section J of  
20 the Introduction.

21 Staff also proposes to add a note to  
22 Section B that clarifies the appropriate use as well as  
23 non-use of modifiers when billing for services or  
24 supplies using a HCPCS code.

25 Thirteenth, staff proposes to add two new

1 sections to the Home Healthcare Guidelines that clarify  
2 billing and reimbursement practices.

3 And, finally, staff proposes to amend the  
4 title of the Special Services Guideline section to  
5 Arizona Specific Codes Guidelines.

6 The Medical Resource Office appreciates your  
7 time considering this proposal, and I am happy to take  
8 any questions from the Commission.

9 THE CHAIRMAN: Any questions for  
10 Mr. Carpenter from the Commissioners?

11 (No audible response.)

12 THE CHAIRMAN: Thank you.

13 MR. CARPENTER: Thank you, Chair.

14 THE CHAIRMAN: All right. And we now  
15 welcome those present or online to present your  
16 comments and recommendations regarding the 2024/2025  
17 Fee Schedule.

18 We'll start with a list of people that have  
19 already requested to speak, per the instructions you  
20 received a month ago with a copy of the proposed  
21 updates. Others wishing to speak will then also be  
22 given an opportunity.

23 You will have five minutes to speak. At the  
24 beginning of your comments, for the record and the  
25 court reporter, please state your name again and spell

1 it and state who you represent.

2 At the conclusion of your comments, the  
3 Commissioners and staff may ask you questions.

4 In the interest of time, please do not repeat  
5 what other speakers have stated. If you agree with  
6 what has been said, simply state as such.

7 Although the public hearing will end when  
8 oral comments have concluded, written comments will  
9 continue to be accepted through the close of business  
10 on Thursday, March 14, 2023(sic).

11 Once the record is closed, the Medical  
12 Resource Office and the Commission will carefully  
13 consider all comments and available information and  
14 data prior to taking formal action on the Fee Schedule.

15 And now, at least for our members present, I  
16 do not have any requests to speak.

17 Are there any members present here in the  
18 auditorium that wish to speak regarding the Fee  
19 Schedule recommendations?

20 (No audible response.)

21 THE CHAIRMAN: Okay. And now, for those  
22 who are online, does anyone online wish to speak?  
23 Please unmute your mic and let us know who you are.

24 (No audible response.)

25 THE CHAIRMAN: Well, hearing none, if

1 there's no -- no oral comments to us either from  
2 persons present in the auditorium or online. So,  
3 accordingly, this will conclude the Annual Fee Schedule  
4 Public Hearing.

5 And, again, as a reminder, although our  
6 proceeding has concluded, written comments will be  
7 accepted through the close of business on March 14th,  
8 2024.

9 Written comments may be submitted to the  
10 Medical Resource Office. Contact information is  
11 available on the Commission's Medical Resource Office  
12 webpage at [azica.gov](http://azica.gov).

13 All written comments, along with the  
14 transcript of this hearing, will be posted on the  
15 Medical Resource Office webpage.

16 So thank you all very much. And thank you to  
17 our Medical Resource Office staff for this very  
18 detailed work that they do annually.

19 They, I think, have more patience and  
20 attention to detail than I do. And so I truly  
21 appreciate what they do.

22 (WHEREUPON, the hearing was concluded at 1:20  
23 p.m.)

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C E R T I F I C A T E

BE IT KNOWN that the foregoing proceedings were reported by Dorothy A. Schulte, Certified Reporter, Certificate No. 50459, State of Arizona, and reduced to written form under my direction; that the foregoing 12 pages constitute a full, true, and accurate transcript; all done to the best of my skill and ability.

DATED at Phoenix, Arizona, this 25th day of March, 2024.

Dorothy A. Schulte

Dorothy A. Schulte, RPR  
Certified Court Reporter  
Certified No. 50459