

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA
Held at 800 West Washington Street
Phoenix, Arizona 85007
Thursday, March 6, 2025 – 1:00 p.m.

Present:	Dennis P. Kavanaugh	Chairman
	Joseph M. Hennelly, Jr.	Vice Chair
	D. Alan Everett	Commissioner
	Maria Cecilia Valdez	Commissioner
	Orion J. Godfrey	Commissioner
	Lisa Padgett	Deputy Director
	Afshan Peimani	Chief Legal Counsel
	Charles Carpenter	Legislative Affairs Chief/Public Information Officer
	Valerie Ruiz	MRO Manager
	Renee Pastor	Self-Insurance (Telephonic)
	Brian Hudson	ADOSH Director
	Victoria Medina	ADOSH Supervisor
	Brian Mason	ADOSH Compliance
	Bethany Votta	ADOSH Admin
	Kara Dimas	Commission Secretary

Chairman Kavanaugh convened the meeting at 1:02 p.m. In attendance, confirmed by roll call were Dorothy Schulte (Perfecta Reporting) and Brian Tassinari (WIP).

Public Hearing regarding the 2025-2026 Arizona Physicians' and Pharmaceutical Fee Schedule established under A.R.S. § 23-908(B).

Chairman Kavanaugh welcomed interested parties to the public hearing which gives stakeholders another opportunity to comment on staff proposals regarding the 2025/2026 Arizona Physicians' and Pharmaceutical Fee Schedule and the recommendations for changes to the Fee Schedule. He noted the staff proposal has been posted on the Commission's website for the last month.

Ms. Ruiz presented on behalf of the Medical Resource Office and thanked the stakeholders that provided input for the Fee Schedule this year and those that attended the stakeholder meeting. She reviewed the eleven items in the staff proposal.

Chairman Kavanaugh thanked Mr. Carpenter.

Chairman Kavanaugh asked if there were any comments as he did not have any request to speak. Hearing none.

Chairman Kavanaugh noted this will conclude the public hearing and reminded everyone that the record will remain open for written comments until the close of business on March 13, 2025. Comments received by the Commission will be placed on the Commission's website, along with the transcript from today.

A written transcript of the Public Hearing is attached hereto.

Chairman Kavanaugh concluded the public hearing at 1:11 p.m.

Approval of Minutes of February 27, 2025 Regular Meeting Minutes.

Commissioner Valdez moved to approve the Minutes of the January 27, 2025 regular session meeting and Commissioner Godfrey seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, Commissioner Valdez and Commissioner Godfrey voted in favor of the motion. The motion passed.

Consent Agenda:

All items following under this agenda item are consent matters and will be considered by a single motion with no discussion unless a Commissioner asks to remove an item on the consent agenda to be discussed and voted on separately. The Commission may move into Executive Session under A.R.S. § 38-431.03(A)(2) to discuss records exempt by law from public inspection. Legal action involving a final vote or decision shall not be taken in Executive Session. If such action is required, then it will be taken in General Session.

a. Approval of Proposed Civil Penalties Against Uninsured Employers.

1. 2C24/25-0238 Delta Security Services, LLC
2. 2C24/25-0355 Turnstyle JDM & Euro, LLC

b. Approval of Requests for Renewal of Self-Insurance Authority.

1. American Furniture Warehouse Co., Inc.
2. Dignity Health
3. McKee Foods Corporation

c. Approval of Arizona Division of Occupational Safety and Health Proposed Citations and Penalties Less Than \$15,000.

1. CP-2024-EG419-0084 Elite Pain and Spine Institute, PLC
2. UR-2025-TN246-0002 Gable Family Builders LLC

Commissioner Everett moved to approve the items on the Consent Agenda and Commissioner Godfrey seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett, Commissioner Valdez and Commissioner Godfrey voted in favor of the motion. The motion passed.

Announcements, Scheduling of Future Meetings and Retirement Resolutions.

Ms. Dimas confirmed Commission meeting dates through April 2025.

Mr. Carpenter updated the Commissioners noting that two bills have moved: bill 2032, which may impact the assigned risk plan and potentially have more uninsured employers, and bill 1159, which would increase the maximum amount for wage claims from \$5,000 to \$12,000 for unpaid wages.

Public Comment.

There was no public comment.

The meeting was adjourned at 1:15 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By

Lisa K. Padgett
Lisa K. Padgett, Deputy Director

ATTEST:

Kara Dimas
Kara Dimas, Commission Secretary

INDUSTRIAL COMMISSION OF ARIZONA

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PUBLIC HEARING REGARDING THE 2025-2026
ANNUAL FEE SCHEDULE

* * * * *

March 6, 2025

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 2025-2026
2 ARIZONA 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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12 APPEARANCES

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

18 STAFF: Lisa Padgett, Deputy Director
19 Afshan Peimani, Chief Counsel
20 Charles Carpenter, Legislative Affairs Chief
21 Renee Pastor, Self-Insurance (Telephonic)
22 Valerie Ruiz, MRO Manager
23 Kara Dimas, Commission Secretary
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VALERIE RUIZ.....

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Phoenix, Arizona
March 6, 2025
1:00 p.m.

P R O C E E D I N G S

THE CHAIRMAN: Our hearing is being held to give members of the public and Commission stakeholders an opportunity to comment on staff proposals regarding the 2025/2026 Arizona Physicians' and Pharmaceutical Fee Schedule and to make additional recommendations for changes to the Fee Schedule.

The staff proposal has been posted on the Commission's website for the past month.

And Valerie Ruiz, on behalf of the Medical Resource Office, will provide a brief overview of the Staff Proposal to the Commissioners.

MS. RUIZ: So good afternoon, Chairman, Commissioners, colleagues, and guests. Thank you for the opportunity to present the Staff Proposal for the 2025/2026 Physicians' and Pharmaceutical Fee Schedule.

I would like to begin by thanking the many stakeholders who provided input that improved and updated the Fee Schedule this year. I also want to recognize and thank those who attended our stakeholder

1 meeting three weeks ago and those who have participated
2 in stakeholder meetings in the previous years.

3 Out stakeholders initiated most of the
4 updates in this year's Fee Schedule Proposal. So,
5 again, thank you for expressing your thoughts, ideas
6 and concerns.

7 The 2025/2026 Fee Schedule update will be
8 effective on May 1st of this year.

9 First, the staff proposes to include the
10 updated service codes, relative value units, also known
11 as RVUs, and reimbursement values as presented in the
12 tables accompanying the published Proposal.

13 The methodology used in calculating
14 reimbursement values is outlined in detail in the
15 Proposal.

16 The proposed 2025/2026 Fee Schedule will
17 continue to use the Centers for Medicare and Medicaid
18 Services, or CMS's, surgical global periods, assign
19 RVUs to consultation services, and delineate codes that
20 are unique to Arizona.

21 Staff proposes to maintain the Resource Based
22 Relative Value Scale, also known as RBRVS, conversion
23 factors used in the 2025/2026 Fee Schedule for all
24 service categories.

25 Second, the staff proposes to adopt the

1 service codes and reimbursement values as presented in
2 the Healthcare Common Procedure Coding System, or
3 HCPCS, tables accompanying the published proposal. The
4 reimbursement values are based on the reimbursement
5 values published by CMS in the January 2025 Medicare
6 Durable Medical Equipment, Prosthetics, Orthotics, and
7 Supplies Fee Schedule.

8 Staff proposes to maintain separate values
9 for rural and nonrural areas and utilize the
10 methodology established by CMS to designate rural and
11 nonrural areas in Arizona.

12 HCPCS codes that did not -- that do not have
13 a value assigned by CMS were assigned a reimbursement
14 value based on data from FAIR Health. The values were
15 then multiplied by a conversion factor of 1.4,
16 resulting in the reimbursement values listed in the
17 table.

18 Third, the staff proposes to adopt the
19 Arizona Specific Codes and the assigned reimbursement
20 values in the accompanying table.

21 Fourth, the staff proposes to continue
22 designating Medi-Span® as the source for determining
23 the Average Wholesale Price.

24 Fifth, the staff proposes to adopt the
25 deletions and additions to the 2025 edition of the

1 American Medical Association's Current Procedural
2 Terminology publication, also known as the CPT.®

3 Sixth, the staff proposes to amend the
4 Introduction Guidelines by adding The Diagnostic and
5 Statistical Manual of Mental Disorders, Fifth Edition,
6 Text Revision, and International Classification of
7 Diseases, also known as ICD, 10 Version, 2019, to the
8 list of resources that are incorporated by reference.

9 Seventh, the staff proposes to add subsection
10 A(15), which provides additional guidance for mental
11 health providers when establishing a diagnosis for
12 injured workers. Mental health providers should use
13 the most current published edition of The Diagnostic
14 and Statistical Manual of Mental Disorders to define
15 and classify mental disorders when establishing the
16 appropriate ICD-10 Codes.

17 Eighth, the staff proposes to add additional
18 acronyms to the Introduction, Section K, for clarity.

19 Ninth, the staff proposes to amend the
20 Physical Medicine and Rehabilitation Guidelines by
21 updating the language to clarify appropriate
22 reimbursement practices.

23 Tenth, the staff proposes to amend the
24 Evaluation and Management Guidelines by updating the
25 language to correspond with the updates to the

1 Evaluation and Management Guidelines in the 2025 CPT®.

2 Eleventh, the staff proposes to amend the
3 HCPCS Guidelines to update the language to clarify
4 appropriate reimbursement.

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

8 THE CHAIRMAN: Any questions from the
9 Commissioners or staff present?

10 (No audible response.)

11 THE CHAIRMAN: Hearing none.

12 I have no requests to speak from the public.

13 I would note that once we close the record
14 that written comments will be accepted through the
15 close of business on Thursday, March 13th, 2025.

16 Once the record is closed, the Medical
17 Resource Office and the Commission will carefully
18 consider all comments and available information and
19 data prior to taking formal action on the 2025/2026 Fee
20 Schedule.

21 Again, written comments can be submitted to
22 the Medical Resource Office. Contact information is
23 available on the Commission's Medical Resource Office
24 webpage at azica.gov.

25 All written comments along with the

1 transcript of this hearing will be posted on the
2 Medical Resource Office webpage.

3 So I will now declare the Public Hearing
4 closed.

5 (WHEREUPON, the hearing was concluded at 1:12
6 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 9 pages constitute a full, true, and accurate transcript; all done to the best of my skill and ability.

DATED at Phoenix, Arizona, this 30th day of March, 2025.

Dorothy A. Schulte

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