

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA
Held at 800 West Washington Street
Phoenix, Arizona 85007
Thursday, February 26, 2026 – 1:00 p.m.

Present: Dennis P. Kavanaugh Chairman
 Joseph M. Hennelly, Jr. Vice Chair
 D. Alan Everett Commissioner
 Maria Cecilia Valdez Commissioner

 Gaetano J. Testini Director
 Afshan Peimani Chief Legal Counsel
 Lisa Padgett Deputy Director
 Brandt Smith Deputy Director
 Charles Carpenter Legislative Affairs Chief/Public Information Officer
 Charles Conner COOP Program Manager
 Bryce Rucker ADOSH Deputy Director
 Leland Wittman ADOSH Consultation Supervisor
 Christina Seidenkranz ADOSH Compliance
 Sean Spinney ADOSH Compliance
 Bethany Votta ADOSH Admin
 Debbie Rol ADOSH Admin
 Andy Campbell Chief Administrative Law Judge
 Marilyn Carter Human Resource Manager
 Kara Dimas Safety Program Manager
 Yvonne Borunda Legal
 Anniemarie Tisi Commission Secretary

Chairman Kavanaugh convened the meeting at 1:06 p.m. In attendance, confirmed by roll call were Dorthey Schulte (Perfecta Reporting); Geneva Haber, Paul Manley, Angel Cabera (Snell and Wilmer); Lindsey Wheeler (Premier Risk Management); Angie DiSciullo, Jackie Alcantara (TDP Bakery); Aric Smith (Achen Gardner); Sarah Fisher (High Country Fence); Lilly Roseburrough (KJZZ). Also, in attendance on the telephone, confirmed by roll call Isabelle Hernandez (Healthe Systems); Chad Blanchard (CalPortland); Jordan Selinger -General Counsel, Russell Wahl, Sarah Muth, Micheal Turney, Douglas Laqey (Fisher Sand & Gravel Co, dba Fisher Industries).

Public Hearing regarding the 2026-2027 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 2026/2027 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 asked if there were any comments as he did not have any requests 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 5, 2026. 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 1:22 p.m.

Approval of Minutes of February 12, 2026 Regular Meeting Minutes.

Commissioner Everett moved to approve the Minutes of the February 12, 2026 regular session meeting and Commissioner Valdez seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett and Commissioner Valdez 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 Arizona Division of Occupational Safety and Health Proposed Citations and Penalties Less Than \$15,000.

1. Economy Plumbing Service, LLC - RF-2026-JL680-0060
2. Mapes Real-estate Development LLC - UR-2026-VM508-0081

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

Discussion and Action of Arizona Division of Occupational Safety and Health Proposed Citations and Penalties.

Chairman Kavanaugh discussed the purpose of and process for the Commission's consideration of ADOSH citations and proposed penalties.

CalPortland Company
6601 N Casa Grande Hwy
Tucson, AZ 85743

Fatality/Catastrophe	
Years in Business:	32
Empl. Covered by Inspection:	24

Site Location: 9301 S Swan Rd
 Tucson, AZ 85756
 Inspection No: FC-2026-JL680-0055
 Inspection Date: October 7, 2025

SERIOUS – Citation 1 - Item 1 –

- a) 9301 S Swan Rd: One employee replaced a pusher valve on a 2024 Blue/White Kenworth Truck Co. T880 serial number 73097 using Standard Operating Procedures that lacked specific written steps in its lockout tagout to prevent the accidental release of energy while testing/removing parts. 29 CFR 1910.147(c)(4)(ii)(B)
 Div. Proposal - \$13,240.00 Formula Amt. - \$13,240.00
 TOTAL PENALTY - \$13,240.00 TOTAL FORMULA AMT. - \$13,240.00

Mr. Rucker discussed ADOSH’s inspection, summarized the citation and proposed penalty.

Chairman Kavanaugh checked if the Commissioners had any questions and Chair Hennelly inquired about the director's causal findings, noting that he did not observe a causal determination that would eliminate the reduction and asked whether there were reasons it did not apply in this matter. Mr. Rucker responded that when a contributing factor a fatality is identified, the Director’s causal determination removes the adjustment factor; however, he stated he was not certain how that analysis applied in this specific case. Ms. Votta (ADOSH Supervisor) stated that her understanding was that the determination was based on a combination of factors, including lack of specificity in the standard Operating procedures for the lockout/tagout program together with the employee’s failure to follow available procedures. She indicated that based on those findings shared responsibility was not established. Mr. Chad Blachard Vice President of CalPortland addressed the Commission and stated that the company disagrees with the proposed violation and intends to pursue the matter in accordance with Arizona Division procedures and established protocols.

Vice Chair Hennelly moved to approve the citation and proposed penalties as presented and Commissioner Valdez seconded the motion. Chairman Kavanaugh, Vice Chair Hennelly, Commissioner Everett and Commissioner Valdez voted in favor of the motion. The motion passed.

High Country Fence, LLC
 300 Lucius Gordon Drive
 West Henrietta, NY 14586

Fatality/Catastrophe
 Years in Business: 16
 Empl. Covered by Inspection: 4

Site Location: 1364 Territorial Rd
 Joseph City, AZ 86032
 Inspection No: FC-2025-TN976-0048
 Inspection Date: September 15, 2025

SERIOUS – Citation 1 - Item 1 –

- a) 1364 Territorial Rd, Joseph City, 86032: Two employees were required to spot for an operator operating a Dandy Digger Auger (Model #DD30-30T Turbo Diesel Serial number #DD2-3015499PU) were exposed to recognized hazards of struck-by and caught-in between of a rotating auger resulting in one employee receiving fatal injuries. A.R.S. 23-403.A *Per ADOSH director for causal factor
 Div. Proposal - \$16,550.00 Formula Amt. - \$9,348.00

Mr. Carpenter provided a legislative update to the commission. He reported that several bills are currently moving through the Senate; however, some measures did not reach committee early enough for consideration. He advised that staff are evaluating potential options moving forward. Mr. Carpenter further stated that the Commission's bill has stalled on the Senate side without explanation. He noted that this issue is not unique to the Commission's, as other bills that advance through committee with significant support are also experiencing similar delays. No action was taken.

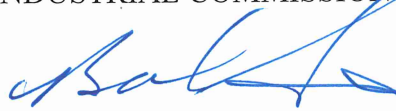
Public Comment.

There was no public comment.

The meeting was adjourned at 2:03 p.m.

THE INDUSTRIAL COMMISSION OF ARIZONA

By



Brandt Smith, Deputy Director

ATTEST:



Anniemarie Tisi, Commission Secretary

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INDUSTRIAL COMMISSION OF ARIZONA

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PUBLIC HEARING REGARDING THE 2026-2027
ANNUAL FEE SCHEDULE

* * * * *

February 26, 2026

1:10 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 2026-2027
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 D. Alan Everett
Commissioner Cecilia Valdez

16 STAFF: Gaetano Testini, Director
17 Lisa Padgett, Deputy Director
18 Brandt Smith, Deputy Director
19 Afshan Peimani, Chief Counsel
20 Charles Carpenter, Legislative Affairs Chief
21 Valerie Ruiz, MRO Manager
22 Kara Dimas, Safety Program Manager
23 Annemarie Tisi, Commission Secretary
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SPEAKERS:

PAGE:

VALERIE RUIZ.....

4

1 Phoenix, Arizona
2 February 26, 2026
3 1:10 p.m.

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

5
6
7 THE CHAIRMAN: Our hearing is being held
8 to give members of the public and Commission
9 stakeholders an opportunity to comment on staff
10 proposals regarding the 2026/2027 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 Valerie Ruiz, on behalf of the Medical
16 Resource Office, will provide a brief overview of the
17 Staff Proposal.

18 So, Valerie, you're up.

19 MS. RUIZ: Good afternoon, Chairman,
20 Commissioners, Director Testini, colleagues, and
21 guests. Thank you for this opportunity to present the
22 Staff Proposal for the 2026/2027 Physicians' and
23 Pharmaceutical Fee Schedule.

24 I would like to begin by thanking the many
25 stakeholders who provided input that improved and

1 updated the Fee Schedule this year. I also would like
2 to recognize and thank those who attended our
3 stakeholder meeting two weeks ago and for those who
4 participated in stakeholder meetings in previous years.

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

8 The 2026/2027 Fee Schedule will be effective
9 May 1st of this year.

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

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

17 The proposed 2026/2027 Fee Schedule will
18 continue to use the Centers for Medicare and Medicaid
19 Services, or CMS's, surgical global periods, assign
20 RVUs to consultation services, and delineate codes that
21 are unique to Arizona.

22 Staff proposes to maintain the Resource-Based
23 Relative Value Scale, also known as RBRVS, conversion
24 factors used in the '26/'27 Fee Schedule for all
25 service categories.

1 Second, the staff proposes to adopt the
2 service codes and reimbursement values as presented in
3 the Healthcare Common Procedure Coding System, also
4 known as HCPCS, table accompanying the published
5 proposal.

6 The reimbursement values are based on the
7 reimbursement values published by CMS in the January
8 2026 Medicare Durable Medical Equipment, Prosthetics,
9 Orthotics, and Supplies Fee Schedule.

10 Staff proposes to maintain separate values
11 for rural and nonrural areas in Arizona.

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

17 Third, the staff proposes the adoption of the
18 service codes and reimbursement values contained in
19 Table 11. This table provides the reimbursement values
20 assigned to the Current Dental Terminology, also known
21 as CDT®, codes that describes dental procedures.

22 The Staff Proposal is based upon stakeholder
23 feedback supporting the reimbursement values from FAIR
24 Health data, reflecting the 70th percentile of billed
25 charges, based on the analysis of millions of dental

1 invoices from Arizona providers during a recent
2 12-month period. The proposed reimbursement values in
3 the Dental Fee Schedule equal the 70th percentile of
4 billed charges.

5 Note: The licensing agreement between the
6 Industrial Commission of Arizona and the American
7 Dental Association does not allow public display of the
8 CDT® codes contained in Table 11. Stakeholders may
9 request a copy of the table by filling out a webform in
10 the 2026 CDT® code section.

11 Fourth, the staff proposes to adopt the
12 Arizona Specific Codes and the assigned reimbursement
13 values in the accompanying table.

14 Fifth, the staff proposes to continue
15 designating Medi-Span® as the source for determining
16 the Average Wholesale Price, also known as AWP.

17 Sixth, the staff proposes to adopt the
18 deletions and additions to the 2026 edition of the
19 American Medical Association's Current Procedural
20 Terminology publication, also known as CPT®.

21 Seventh, the staff proposes to amend the
22 Introduction Guidelines to accommodate the addition of
23 the Dental Guidelines and the CDT® codes to the
24 Introduction Section.

25 Add Dental Guidelines and Current Dental

1 Terminology, CDT®, Codes to the 2026/2027 Arizona
2 Physicians' and Pharmaceutical Fee Schedule Table of
3 Contents.

4 Add the sentence to the Introduction's first
5 paragraph. In 2025, the Act was amended to include the
6 setting of fees for durable medical equipment, DME, and
7 dental care required to treat an injured employee.

8 Add to the Introduction second paragraph,
9 second sentence, "doctors of dental surgery, doctors of
10 medical dentistry" to incorporate the Dental Fee
11 Schedule and Guidelines.

12 Add Current Dental Terminology, copyright,
13 2026 American Dental Association. All rights reserved
14 to the list of resources that are incorporated by
15 reference.

16 Add to the first paragraph, first sentence
17 under the reference section or the CDT® publication.

18 Add to the second paragraph, first sentence
19 under the reference section, the American Dental
20 Association.

21 Add subsection A(3) that provides guidance
22 for the resources healthcare providers should use when
23 billing a CDT® code.

24 The staff proposes to add the word "maximum"
25 to the first sentence of A(13), which provides the

1 allowance for the reproduction of medical records for
2 workers' compensation clerical costs for reproducing
3 documents.

4 Add language to Section B(12) to provide
5 guidance on disputes for contract reimbursement.

6 Eighth, the staff proposes to add additional
7 acronyms to the Introduction Section K for clarity.

8 Ninth, the staff proposes to amend the
9 Pharmaceutical Guidelines by updating the language in
10 A(4) to provide guidance on general provisions and the
11 applicability of the Pharmaceutical Fee Schedule.

12 Update the reimbursement amount in E(6) to
13 two hundred and forty dollars for a 30-day supply of
14 compound medications -- medication to incorporate
15 inflation into reimbursement practices.

16 Add language to Section G to improve clarity
17 on the reimbursement for medication dispensed by a
18 healthcare provider or in a pharmacy not accessible to
19 the general public.

20 Tenth, the staff proposes to amend the
21 Physical Medicine and Rehabilitation Guidelines by
22 adding Section A to provide guidance on the application
23 of NCCI edits.

24 Add Section B to provide guidance on
25 reimbursement for PT assistance.

1 Eleventh, the staff proposes the addition of
2 the dental guidelines.

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

6 THE CHAIRMAN: Thank you, Valerie.

7 Any questions for Valerie from the
8 Commissioners?

9 (No audible response.)

10 THE CHAIRMAN: You get off easy today.

11 MS. RUIZ: Thank you so much.

12 THE CHAIRMAN: Okay. Now is the time to
13 welcome oral comments from those present here today,
14 online, in person, regarding the Fee Schedule.

15 I will start with a list of people that had
16 previously indicated a request to speak. Others
17 wishing to speak will then be given an opportunity as
18 well.

19 You will have five minutes to speak. At the
20 beginning of your comments, for the record and for the
21 court reporter, please state your name again and spell
22 it, and state who you represent.

23 At the end of your comments, the
24 Commissioners and staff may ask you questions. Please
25 don't repeat what other speakers have stated. If you

1 agree what has been said and presented, simply state as
2 such.

3 Although the public hearing will end when
4 oral comments have concluded, written comments will be
5 accepted through close of business on Thursday, March
6 5th, 2026.

7 And once the record is closed, the Medical
8 Resource Office and the Commission will carefully
9 consider all comments, available information, and data
10 prior to taking formal action on the Fee Schedule.

11 And I just had one indication of a possible
12 speaker named Isabel Hernandez with Healthesystems.

13 Isabel, do you wish to comment on the Staff
14 Proposal?

15 MS. HERNANDEZ: No. Thank you. We'll
16 be submitting written comments at another time.

17 THE CHAIRMAN: Thank you, Isabel.

18 Is there anyone else online or in the
19 auditorium that has any desire to offer comments.

20 (No audible response.)

21 THE CHAIRMAN: If none, this will
22 conclude our annual Fee Schedule Public Hearing.

23 And, again, even though we're concluding our
24 oral proceeding, we will take written comments through
25 the close of business on March 5th, 2026. And comments

1 can be submitted, should be submitted to the Medical
2 Resource Office. And contact information is available
3 on our website.

4 All written comments along with the
5 transcript of this hearing will be posted on the
6 Medical Resource Office page -- webpage.

7 (WHEREUPON, the hearing was concluded at 1:22
8 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 24th day of March, 2026.

Dorothy A. Schulte

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