

MINUTES OF MEETING
OF THE INDUSTRIAL COMMISSION OF ARIZONA
Held at 800 West Washington Street
Phoenix, Arizona 85007
Thursday, April 2, 2026 – 1:00 p.m.

Present:	Dennis P. Kavanaugh	Chairman
	D. Alan Everett	Commissioner
	Maria Cecilia Valdez	Commissioner
	Orion J. Godfrey	Commissioner (Telephonic)
	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
	Renee Pastor	Self-Insurance (Telephonic)
	Brian Hudson	ADOSH Director
	Bryce Rucker	ADOSH Deputy Director
	Phil Murphy	ADOSH Deputy Director
	Cecilia Herrera	ADOSH Deputy Director
	Bethany Votta	ADOSH Admin
	Kara Dimas	Safety Program Manager
	Anniemarie Tisi	Commission Secretary

Chairman Kavanaugh convened the meeting at 1:05 p.m. In attendance, confirmed by roll call were Angel Cabrera, Regina Cobian, and Carmina Gregorio Rodas (Snell and Wilmer); Maria Leyva, and Jorge Bastidas (B Building Construction LLC); Robert Singh (Madera Component Systems, Inc). Also, in attendance on the telephone, confirmed by roll call Susan Strickler (Arizona Counties Pool); Pauline Williams, and Christine O'Donnell (Fairhealth); and Adam Fowler (Mymatrixx).

Commissioner Godfrey participated in the meeting telephonically via Google Meet and was not present for roll call. At 1:06 p.m., he departed the meeting due to technical difficulties. The remaining Commissioners continued with a quorum present.

Approval of Minutes of March 26, 2026, Regular Meeting Minutes.

Commissioner Valdez moved to approve the Minutes of March 26, 2026, regular session meeting and Commissioner Everett seconded the motion. Chairman Kavanaugh, 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. 72 Fins, LLC

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

1. Arizona Counties Pool

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

1. Arizona State University – RF-2026-LB058-0011

Chairman Kavanaugh asked if any Commissioner wished to remove any item for separate consideration. Hearing none, he called for motion to approve the Consent Agenda. Commissioner Everett commented that he was surprised that Arizona State University had been fined and had made a mistake but would go along with the motion,

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

Discussion and Action regarding the 2026/2027 Arizona Physicians' and Pharmaceutical Fee Schedule.

Chairman Kavanaugh asked if there were any questions or comments, hearing none.

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

First, the staff recommends including the updated service codes, relative value units (also known as RVUs), and reimbursement values as presented in the tables accompanying the published recommendation. The methodology used in calculating reimbursement values is outlined in detail in the recommendation. The recommended 2026/2027 Fee Schedule will continue to use the Centers for Medicare and Medicaid Services, or CMS's, surgical global periods, assign RVUs to consultation services, and delineate codes that are unique to Arizona. Staff recommends maintaining the Resource-Based Relative Value Scale, also known as RBRVS, conversion factors used in the 2026/2027 Fee Schedule for all service categories.

Second, the staff recommends adopting the service codes and reimbursement values as presented in the Healthcare Common Procedure Coding System, also known as HCPCS, table accompanying the published recommendation. The reimbursement values are based on the reimbursement values published by CMS in the January 2026 Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Fee Schedule. Staff recommends maintaining separate values for rural and nonrural areas and utilizing the methodology established by CMS to designate rural and nonrural areas in Arizona. HCPCS codes that did not have a value assigned by

CMS were assigned a reimbursement value based on data from FAIR Health. The values were then multiplied by a conversion factor of 1.4, resulting in the reimbursement values listed in the table.

Third, the staff recommends adopting the service codes and reimbursement values contained in Table 11. This table provides the reimbursement values assigned to Current Dental Terminology (CDT©) codes that describe dental procedures. The Staff Recommendation is based upon stakeholder feedback supporting the reimbursement values from FAIR Health data, reflecting the 70th percentile of billed charges, based on the analysis of millions of dental invoices from Arizona providers during a recent 12-month period. The recommended reimbursement values in the Dental Fee Schedule equal the 70th percentile of billed charges. Note: The licensing agreement between the Industrial Commission of Arizona and the American Dental Association (ADA) does not allow public display of the CDT© codes contained in Table 11. Stakeholders may request a copy of the table by filling out a web form in the 2026 CDT© codes section.

Fourth, the staff recommends adopting the Arizona Specific Codes and the assigned reimbursement values in the accompanying table.

Fifth, the staff recommends to continue designating Medi-Span® as the source for determining the Average Wholesale Price (AWP).

Sixth, the staff recommends adopting the deletions and additions to the 2026 edition of the American Medical Association's Current Procedural Terminology publication, also known as the CPT®.

Seventh, the staff recommends amending the Introduction Guidelines to accommodate the addition of the Dental Guidelines and the CDT codes to the Introduction Section:

Add Dental Guidelines and Current Dental Terminology (CDT©) Codes to 2026/2027 Arizona Physicians' & Pharmaceutical Fee Schedule Table of Contents.

Add the sentence to the Introduction's first paragraph. In 2025, the Act was amended to include the setting of fees for durable medical equipment (DME) and dental care required to treat an injured employee. Add to the Introduction second paragraph, second sentence, "doctors of dental surgery, doctors of medical dentistry" to incorporate the Dental Fee Schedule and Guidelines. Add Current Dental Terminology © 2026 American Dental Association. All rights reserved to the list of resources that are incorporated by reference. Add to the first paragraph, first sentence under the reference section, or the CDT ©publication. Add to the second paragraph, first sentence under the reference section, the American Dental Association. Add subsection A(3) that provides guidance for the resources healthcare providers should use when billing a CDT© code. The staff recommends adding the word "maximum" to the first sentence of A (13), which provides the allowance for the reproduction of medical records for workers' compensation clerical costs for reproducing documents. Add language to Section B (12) to provide guidance on disputes for contract reimbursement.

Eighth, the staff recommends adding additional acronyms to the Introduction Section K for clarity.

Ninth, the staff recommends amending the Pharmaceutical Guidelines by updating the language in A (4) to provide guidance on general provisions and the applicability of the Pharmaceutical Fee Schedule Update the reimbursement amount in E (6) to two hundred and forty

dollars (\$240.00) for a 30-day supply of compound medication to incorporate inflation into reimbursement practices. Add language to section G to improve clarity on the reimbursement for medication dispensed by a healthcare provider or in a pharmacy not accessible to the general public.

Tenth, the staff recommends amending the Physical Medicine and Rehabilitation Guidelines by adding section A to provide guidance on the application of NCCI edits. Add section B to provide guidance on reimbursement and billing practices for Physical Therapist assistants and Occupational Therapy assistants. This section was updated after the original proposal to include occupational therapy assistants and guidance specific to the need for modifiers required by CMS.

Eleventh, the staff recommends the addition of the dental guidelines.

Commissioner Valdez moved to approve staff recommendations to approve the 2026/2027 Fee Schedule as presented and approve the Resolution of Authorization, and Commissioner Everett seconded the motion. Chairman Kavanaugh expressed appreciation to stakeholders who provided comments regarding the fee schedule and acknowledged the ongoing efforts of Medical Records Office in maintaining and updating the schedule. Commissioner Godfrey was not present for this vote. Chairman Kavanaugh, 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. The record reflects that Commissioner Godfrey has rejoined the meeting telephonically via Google Meet, and that Mr. Carpenter is present in person. The time is 1:15 p.m. Chairman Kavanaugh noted that translation services are available for any individuals who might require assistance.

B Builders Construction LLC	Fatality/Catastrophe	
12900 Yorkridge Drive	Years in Business:	4
<u>Charlotte, NC 28273</u>	Empl. Covered by Inspection:	1
Site Location:	5301 W Bethany Home Road	
	Glendale, AZ 85301	
Inspection No:	FC-2026-TN246-0058	
Inspection Date:	October 2, 2025	

NON-SERIOUS – Citation 1

- a) 12900 Yorkridge Drive, Charlotte, NC: One employee passed away on October 2, 2025 after falling from a roof approximately 35 feet high and the fatality was not reported to ADOSH within eight hours. 29 CFR1904.39(a)(1)

Div. Proposal - \$1,000.00	Formula Amt.- \$1,000.00
TOTAL PENALTY - \$1,000.00	TOTAL FORMULA AMT. - \$1,000.00

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

Chairman Kavanaugh checked if the Commissioners had any question and noted he did not have a request to speak. Chairman Kavanaugh noted that based on the information provided, there

Anniemarie Tisi

Anniemarie Tisi, Commission Secretary