



May 10, 2017

Jacqueline Kurth, Medical Resource Officer  
The Industrial Commission of Arizona  
P.O. Box 19070  
Phoenix, AZ 85005-9070

**RE: Staff Recommendations and Request for Public Comment for 2017/2018 Arizona Physicians' and Pharmaceutical Fee Schedule.**

Dear Ms. Kurth,

CopperPoint appreciates the efforts of the Commission staff to develop and maintain a fair and reasonable Fee Schedule. In response to the request for comment, CopperPoint submits the following:

**1. Methodology to Determine the Values of Codes Under Review.**

CopperPoint recognizes the vast efforts undertaken by Commission staff to prepare for the move to an RBRVS based reimbursement system. They are applauded for their diligence to the process. CopperPoint remains supportive of this effort as it will align AZ workers' compensation to standards used in general healthcare while maintaining AZ specific reimbursement rates. The annual update process will be more simple to administer.

We are supportive of the conversion factors set forth in the Staff Recommendations. We recognized that the transition in some areas may be considered by some to be significant. CopperPoint would be supportive of a 2-year transition process to phase in those reimbursement changes considered most significant from both an increase and decrease perspective. A phased approach has been used successfully in prior years. We would encourage the Commission to not consider any exceptions, or AZ specific variances, to the RBRVS values as this would degrade the intent of the overall transformation. There are several existing codes within the Fee Schedule that can be billed by physicians to address their concerns regarding the "administrative burden" in the treatment of a workers' compensation patient.

**2. Methodology to Update the Values of Codes.**

CopperPoint supports the Staff Recommendations.

**3. Adoption of Physicians as Assistants at Surgery.**

CopperPoint is appreciative of the Commission's adoption of this recommendation put forth last year.

**4. Designation of Medi-Span.**

CopperPoint supports the continued utilization of Medi-Span as the source for determination of average wholesale price. The Commission is encouraged to undertake evaluation of the dispensing fee allowed by the Fee Schedule as it has been several years since this has been evaluated.

**5. Payment to Treating Providers who participate in healthcare, preferred provider organization, outcome based network, or specialty networks.**

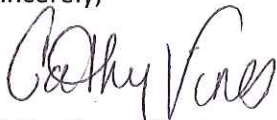
Based on testimony offered at the Hearing, CopperPoint is sympathetic to concerns raised by the physical therapy community. However, we do share some concerns with the self-insureds and other stakeholders regarding the proposed language. We are concerned that the proposal might inadvertently constrain legitimate efforts to contain medical costs.

We are concerned that some legitimate networks might be driven out of the AZ market given the proposed administrative contracting burdens. Given the substantial portion of the medical dollar spent on drugs, and the well documented opioid epidemic in AZ, we are concerned how this proposed regulation might impact availability of Pharmacy Benefit Managers who successfully partner with payers and pharmacies to manage medications. This partnership is especially important given the adoption of ODG Treatment Guidelines and Formulary.

To better understand the issues, CopperPoint proposes the assembly of a Commission Advisory Committee to allow all stakeholders the opportunity to hear the concerns and work towards a consensus solution and alternate recommendation to the Commission for consideration.

Again, CopperPoint is much appreciative of the substantial changes being made to the Fee Schedule. These enhancements will bring Arizona's workers compensation medical Fee Schedule to a methodology commonly known and accepted within the medical billing industry while continuing to allow the Commission to control payable fees. We welcome any opportunity to collaborate on further improvements to the Arizona process.

Sincerely,



Cathy Vines, Director  
CopperPoint Insurance Companies