

PHYSICIANS' AND PHARMACEUTICAL
FEE SCHEDULE

ADOPTED BY
THE INDUSTRIAL COMMISSION OF ARIZONA

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2008 PHYSICIAN'S FEE SCHEDULE
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INTRODUCTION

Since 1925, when the Arizona Legislature passed the State's first Workers' Compensation Act, the Industrial Commission of Arizona, hereinafter referred to as the Commission, was established to administer that compensation law.

The Commission, by statute, is responsible for establishing a schedule of fees to be charged by physicians, physical therapists, or occupational therapists attending injured employees. Any reference to physicians in applicable sections shall include the term physical therapists or occupational therapists.

In 2004, A.R.S. §23-908 was amended to include a pharmaceutical fee schedule.

Physicians attending employees under industrial coverage are obligated by law to charge according to the schedule of fees herein adopted. Accurate calculation of fees based upon this schedule, the monthly filing of reports and bills for payment, and the use of forms prescribed are essential to early and correct remuneration for a physician's services and can be vital in the award of benefits to the working person and their dependent children.

This Fee Schedule has been updated by incorporating portions of the American Medical Association's 2007 *Physicians' Current Procedural Terminology*, Fourth Edition (CPT®-4), and the American Society of Anesthesiologists Association's 2007 *Relative Value Guide*. For specific details regarding those portions that were adopted by the Industrial Commission, please refer to Fee Study 2008 Summary of Changes, effective October 1, 2008 on the Industrial Commission website (www.ica.state.az.us).

In accordance with copyright requirements of the American Medical Association, the Industrial Commission of Arizona has updated their procedure codes to be in conformance with the American Medical Association's *Physician's Current Procedural Terminology*, Fourth Edition (CPT®-4). The general guidelines found in the 2007 CPT-4 were adopted by reference by the Industrial Commission and are applicable when utilizing Arizona's Fee Schedule. The Industrial Commission of Arizona has retained unique codes that deal with the Arizona workers' compensation program. These services involve administrative and billing procedures and are identified by a "Δ".

Please note that the unit values assigned to the procedure codes listed in this document are the product of the Industrial Commission or Arizona and not associated in any way with the American Medical Association or any other entity or organization.

A. General Guidance Regarding Application of Physicians' and Pharmaceutical Fee Schedule

- 1. PHARMACY FEE SCHEDULE:** Reimbursements associated with Pharmaceuticals are found in the Pharmaceutical Fee Schedule Section of this document.

2. This Fee Schedule establishes the fees that can be charged by physicians to insurance carriers or self-insured employers for services performed for employees under Arizona's workers' compensation law.

If a physician or insurance carrier is referring an injured worker to a medical specialist for evaluation and/or treatment, the medical specialist's diagnosis becomes the foundational diagnosis for billing purposes.

3. Under Arizona workers' compensation law, an insurance carrier, self-insured employer or their representative is not responsible for payment of a billing for medical, surgical, and hospital benefits that the insurance carrier, employer or representative receives more than 24 months from the date that the medical service was rendered, or from the date on which the provider knew or should have known that the service was rendered, whichever occurs later (See A.R.S. § 23-1062.01).

It is incumbent upon the insurance carriers, self-insured employers and third party processing services to inform all parties, including the Industrial Commission, regarding changes in addresses for bill processing locations.

4. Under workers' compensation law, a physician is entitled to timely payment for services rendered. To ensure timely payment of a medical billing, a billing must contain the information required under A.R.S. §23-1062.01. Billings must contain at least the following information: correct demographic patient information including claim number, if known; correct provider information, including name, address, telephone number, and federal taxpayer identification number; appropriate medical coding with dollar amounts and units clearly stated with all descriptions and dates of services clearly printed; legible medical reports required for each date of service if the billing is for direct treatment of the injured worker.

5. Payment of medical billings under workers' compensation is governed by A.R.S. §23-1062.01, which includes:

- a. Timeframes for processing and payment of medical bills;
- b. Criteria for billing denials;
- c. A provision that the injured worker is not responsible for payment of any portion of a medical bill on an accepted claim or payment of any portion of a medical billing that is being disputed.
- d. A provision that the insurance carrier or self-insured employer may establish an internal system for resolving payment disputes.
- e. A provision that A.R.S. §23-1062.01 does not apply to written contracts entered into between medical providers and insurance carriers and self-insured employers or their representatives that specify payment periods or contractual remedies for untimely payments.

- f. A provision that the Industrial Commission does not have jurisdiction over contract disputes between the parties.
6. “Reasonable justification” to deny a bill does not include that the payment/billing policies of other private or public entities (publications) do not allow it unless the publication has been adopted by reference in the Fee Schedule. The Commission adopted by reference the latest version of the Academy of Orthopedic Surgeons Complete Global Service Data.

Excluding bundling and unbundling issues, it is not the Commission’s intent to restrict an insurance carrier’s, self-insured employer’s or third party processing service’s ability to address issues not addressed by the Fee Schedule. This includes evaluating unlisted procedures, establishment of values for unlisted procedures, establishing values for codes that are listed as “BR” or “RNE”, new CPT® codes that have not been adopted by the Industrial Commission, or issues outside the jurisdiction of the Fee Schedule, such as hospital billings.

7. Even though, with the exception of the Anesthesia section, values are shown in dollar amounts, the following is a list of current conversion factors so that providers or payors who may want to convert to a unit value may do so by simply dividing the appropriate conversion factor into the dollar value:

a) Anesthesia	\$ 40.50
b) Surgery	142.24
c) Radiology (Total Services)	17.46
d) Radiology (Professional Components)	3.43
e) Pathology	1.21
f) Medicine	6.10
g) Physical Medicine	5.46
h) Evaluation & Management	6.10

- 8. Routine progress and routine final reports filed by the attending physician do not ordinarily command a fee.
- 9. Payment will be made for only one professional visit in any one day except when the submitted report clearly demonstrates the need for the additional visit and fee.
- 10. Fees for hospital, office or home visits, subsequent to the initial visit, are not to be added to coded surgical procedures performed in the same day.
- 11. Routine office treatment principally by injection of drugs, other than antibiotics, requires authorization by the carrier or self-insured employer for each series of 10 after the first series of 10.
- 12. A carrier must be given notice, except in emergencies, regarding a consultation and the consultant must provide his/her report to the carrier

and the attending physician within a reasonable period of time to facilitate processing of claims. The Commission requests that carriers notify attending physicians at the same time the claimant is notified that their claim is closed with or without supportive care. If a claim is approved for reopening, the carrier should notify the attending physician of that approval.

13. An attending physician may submit a claim for consultant's fee only when such service is requested by carrier or self-insured employer.
14. Missed individual appointments for consultants, without prior notification, will be compensated at 50% of consultation fee.
15. No fees may be charged for services not personally rendered by the physician, unless otherwise specified.
16. Physicians and physical therapists shall provide legible medical documentation and reports which will be sufficient for insurance carriers/self-insured employers to determine if treatment is being directed towards injuries sustained in an industrial accident or incident. The physician and physical therapist shall ensure that their patients' medical files include the information required by A.R.S. §32-1401.2. The medical provider is not required to provide copies of documents or reports that they did not author and that are not in their possession (i.e. Employers' First Report of Injury).
17. As authorized under A.A.C. R20-5-128, the fee for the reproduction of medical records for workers' compensation purposes shall be 25¢ per page and \$10.00 per hour per person for reasonable clerical costs associated with locating and reproducing the documents.

B. Treatment of Industrial Injuries and Diseases

1. The term "Physician" in relation to workers' compensation cases includes the following: doctors of medicine, doctors of osteopathy, doctors of chiropractic, and doctors of naturopathic medicine.
2. Only physicians and surgeons licensed in the State of Arizona are permitted to treat injured or disabled employees under the jurisdiction of the Commission, unless others are specifically authorized.
3. An employee who sustains an injury arising out of or in the course of his employment is entitled, by Arizona law, to select a physician of his own choice unless that employee is employed by an employer as described in A.R.S. §23-1070. Employers described in A.R.S. §23-1070, excluding the State or Political Subdivisions thereof, are allowed to direct medical care.
4. The attending physician's promptness and professional exactness in the completion and filing of workers' compensation forms are extremely

important to the employee being treated. The injured or disabled employee's claim to medical benefits and compensation can rest on the conscientious attention of the physician in processing the required reports.

5. The Commission, the employer and the insurance carrier may, at any time, designate a physician or physicians to examine an employee. Upon application of the employer or employee or insurance carrier, the Commission may order a change of physician or a change of conditions of treatment when there are reasonable grounds for belief that the employee's health or progress can thus be improved.
6. A claimant may not change doctors without the written authorization of the insurance carrier, the Commission or the attending physician. A claimant may not transfer from one hospital to another without the written authorization of the insurance carrier or the Commission. If the patient's employment requires leaving the locale in which he/she is receiving treatment, the attending physician should arrange for continued treatment and notify the carrier of such arrangement. It is the responsibility of the physician or the hospital to which a patient has transferred to ascertain whether such a change has been authorized.
7. Treatment of conditions unrelated to the injuries sustained in the industrial accident may be denied as unauthorized if the treatment seems directed principally toward the non-industrial condition or if the treatment does not seem necessary for the patient's physical rehabilitation from the industrial injury.
8. If the patient refuses to submit to medical examination or to cooperate with the physician's treatments, the carrier or self-insured employer should be notified.
9. If an employee is capable of some form of gainful employment, it is proper for the physician to release the employee to light work and make a specific report to the carrier or self-insured employer as to the date of such release. It can be to the employee's economic advantage to be released to light work, since he/she can thus receive compensation based on 66 2/3% of the difference between one's earnings and one's established wage. On the other hand, it would not be to the employee's economic advantage to be released to light work if, in fact, the employee is not capable of performing such work. The physician's judgment in such matters is extremely important.
10. If the employee no longer requires medical care for the industrial injury, the physician should submit the report with the date of discharge to the carrier or self-insured employer, even though as a private patient the employee may require further medical care for conditions unrelated to the industrial accident. This final report and discharge date are necessary for closing the claim file.

11. If the physician determines that the employee has suffered permanent disability or measurable impairment in function or disfigurement about the head or face, including injury to or loss of teeth, the physician is to report the abnormal findings in detail and estimate the degree of permanent disability. The Rules of Procedure Before The Industrial Commission of Arizona require that any rating of the percentage of functional impairment should be made in accordance with the standards of evaluation published in Guides to the Evaluation of Permanent Impairment by the American Medical Association.
12. Once an exposure to blood-borne pathogen occurs, the workers' compensation insurance carrier/self-insured employer is responsible for payment of the accepted treatment protocol which includes the HBIG vaccination (Hepatitis B Immune Globulin), and, if necessary, the three (3) Hepatitis B vaccinations.

When a work-related incident occurs that may have exposed an employee to Hepatitis, the insurance carrier/self-insured employer is responsible for paying for the testing and/or treatment of Hepatitis B or C. As to treatment of HIV, if a bona fide claim exists under A.R.S. §23-1043.02, then the insurance carrier/self-insured employer is responsible for paying for the treatment.

13. It is the employer's responsibility, in accordance with existing OSHA standards, to pay for HIV testing. The insurance carrier may seek reimbursement from the employer for the costs associated with providing the series of three (3) Hepatitis B vaccinations if the employer failed to provide them in violation of federal and state laws.

C. Reopening of Claims

1. Whether or not the employee has suffered a permanent disability, the claim may be reopened on the basis of a new, additional or previously undiscovered disability or condition, but:
 - a) The claimant should use the form of petition prescribed by the Commission;
 - b) The petition must be personally signed by the worker or his authorized representative and must be filed at any office of the Industrial Commission of Arizona;
 - c) The petition, in order to be considered, must be accompanied by the physician's medical report. (See Rules of Procedure)
2. If the claim is reopened, the payment for such reasonable and necessary medical, hospital and laboratory work expense shall be paid by the insurance carrier if such expenses are incurred within 15 days of the filing of the petition to reopen.

3. No monetary compensation is payable for any period prior to the date of filing of the petition to reopen. Surgical benefits are not payable for any period prior to the date of filing of a petition to reopen, except that surgical benefits are payable for a period prior to the date of filing not to exceed seven (7) days if a bona fide medical emergency precludes the employee from filing a petition to reopen prior to the surgery.
4. If a claim is approved for reopening, the carrier must notify the attending physician of that approval.

D. No-Insurance Claims

1. “No-Insurance” claims are those claims involving injuries to employees of employers who apparently have not obtained workers’ compensation insurance coverage as obligated by Arizona law. In such cases, all claims and reports are to be addressed to the No-Insurance Section of the Special Fund of The Industrial Commission of Arizona.

E. Consultations

1. The Commission’s medical advisor’s role is to assist the Commission in resolving medical questions related to the Fee Schedule and to assist the Commission Claims and Special Fund Divisions in understanding medical procedures, reaching decisions regarding relationship of the injury or disease to employment, work status of the patient, most suitable medical protocols, and evaluation of permanent impairment.
2. Workers’ compensation cases present additional medical and legal problems which justify consultation sooner and more frequently than for the average private patient. In difficult problems and in cases requiring an estimate of general or unscheduled disability, consultation with specialists in the appropriate field may be requested by any interested party.

F. Unit Values

1. BY REPORT “BR” ITEMS: “BR” in the value column indicates that the value of this service is to be determined “by report”, because the service is too unusual or variable to be assigned a unit relativity. Pertinent information concerning the nature, intent and need for the procedure or service, the time, the skill and equipment necessary, etc., is to be furnished. A detailed clinical record is not necessary.
2. RELATIVITY NOT ESTABLISHED “RNE” ITEMS: “RNE” in the value column indicates new or infrequently performed services for which sufficient data has not been collected to allow establishment of a relativity. “RNE” items are clearly definable and not inherently variable as are BR procedures. A report may be necessary.

3. SERVICE “SV” ITEMS: “SV” in the value column indicates the value is to be calculated as the sum of the various services rendered (e.g., office, home, nursing home or hospital visits, consultation or detention, etc.), according to the ground rules covering those services. Identify by using the code number of the “SV” item. The Value is established by identifying each individual service, listing the code number and its value.

4. MATERIALS AND SUPPLIES: A physician is not entitled to be reimbursed for supplies and materials normally necessary to perform the service. A physician may charge for other supplies and materials using code 99070¹. Examples of those items that are and are not reimbursable are listed below. Documentation showing actual costs associated with providing supplies and materials plus fifteen percent (15%) to cover overhead costs will be adequate justification for payment. This provision does not apply to retail operations involving drugs or supplies. Administration of drugs to patients in a clinical setting are covered under code 99070. Prescription drugs provided to patients as a part of the overall treatment regimen but outside of the clinical setting are not included under this code.

Example of supplies that are usually not separately reimbursable:

Applied hot or cold packs
Eye patches, injections or debridement trays
Steristrips
Needles
Syringes
Eye/ear trays
Drapes
Sterile gloves
Applied eye wash or eye drops
Creams (massage)
Fluoroscein
Ultrasound pads and gel
Tissues
Urine collection kits
Gauze
Cotton balls/fluff
Sterile water
Band-Aids and dressings for simple wound occlusion
Head sheets
Aspiration trays
Tape for dressings

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Examples of material and supplies that are generally reimbursable include:

Cast and strapping materials

Sterile trays for laceration repair and more complex surgeries

Applied dressings beyond simple wound occlusion

Taping supplies for sprains

Iontophoresis electrodes

Reusable patient specific electrodes

Dispensed items, such as, but not limited to the following:

Canes

Braces

Slings

Ace wraps

TENS electrodes

Crutches

Splints

Back support

Dressings

Hot or cold packs

- 5.** In the text of the Fee Schedule, we utilize * and ** to denote “add-on” codes and those codes that are exempt from the multiple procedure rule.

a. * Denotes Add-On Codes

(List separately in addition to code for primary procedure)

Note: This code is an add-on procedure and as such is valued appropriately. Multiple procedure guidelines for reduction of value are not applicable.

b. ** Denotes Codes Exempt from Modifier “-51”

Note: Multiple procedure guidelines for reduction of value are not applicable for this code.