

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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Representative Ross offered the following:

Amendment

Remove line(s) 2466-2528, and insert:

(12) CREATION OF THREE-MEMBER PANEL; GUIDES OF MAXIMUM REIMBURSEMENT ALLOWANCES.--

(a) A three-member panel is created, consisting of the Insurance Commissioner, or the Insurance Commissioner's designee, and two members to be appointed by the Governor, subject to confirmation by the Senate, one member who, on account of present or previous vocation, employment, or affiliation, shall be classified as a representative of employers, the other member who, on account of previous vocation, employment, or affiliation, shall be classified as a representative of employees. The panel shall determine statewide schedules of maximum reimbursement allowances for medically necessary treatment, care, and attendance provided by

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28 physicians, hospitals, ambulatory surgical centers, work-
29 hardening programs, pain programs, and durable medical
30 equipment. The maximum reimbursement allowances for inpatient
31 hospital care shall be based on a schedule of per diem rates, to
32 be approved by the three-member panel no later than March 1,
33 1994, to be used in conjunction with a precertification manual
34 as determined by the department, including maximum hours in
35 which an outpatient may remain in observation status, which
36 shall not exceed 23 hours agency. All compensable charges for
37 hospital outpatient care shall be reimbursed at 75 percent of
38 usual and customary charges, except as otherwise provided by
39 this subsection. ~~Until the three-member panel approves a~~
40 ~~schedule of per diem rates for inpatient hospital care and it~~
41 ~~becomes effective, all compensable charges for hospital~~
42 ~~inpatient care must be reimbursed at 75 percent of their usual~~
43 ~~and customary charges.~~ Annually, the three-member panel shall
44 adopt schedules of maximum reimbursement allowances for
45 physicians, hospital inpatient care, hospital outpatient care,
46 ambulatory surgical centers, work-hardening programs, and pain
47 programs. ~~However, the maximum percentage of increase in the~~
48 ~~individual reimbursement allowance may not exceed the percentage~~
49 ~~of increase in the Consumer Price Index for the previous year.~~
50 An individual physician, hospital, ambulatory surgical center,
51 pain program, or work-hardening program shall be reimbursed
52 either ~~the usual and customary charge for treatment, care, and~~
53 ~~attendance,~~ the agreed-upon contract price, or the maximum
54 reimbursement allowance in the appropriate schedule, ~~whichever~~
55 ~~is less.~~

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56 (b) It is the intent of the Legislature to increase the
57 schedule of maximum reimbursement allowances for selected
58 physicians effective January 1, 2004, and to pay for the
59 increases through reductions in payments to hospitals. Revisions
60 developed pursuant to this subsection are limited to the
61 following:

62 1. Payments for outpatient physical, occupational, and
63 speech therapy provided by hospitals shall be reduced to the
64 schedule of maximum reimbursement allowances for these services
65 which applies to nonhospital providers.

66 2. Payments for scheduled outpatient nonemergency
67 radiological and clinical laboratory services that are not
68 provided in conjunction with a surgical procedure shall be
69 reduced to the schedule of maximum reimbursement allowances for
70 these services which applies to nonhospital providers.

71 3. Outpatient reimbursement for scheduled surgeries shall
72 be reduced from 75 percent of charges to 60 percent of charges.

73 4. Maximum reimbursement for a physician licensed under
74 chapter 458 or chapter 459 shall be increased to 110 percent of
75 the reimbursement allowed by Medicare, using appropriate codes
76 and modifiers or the medical reimbursement level adopted by the
77 three-member panel as of January 1, 2003, whichever is greater.
78 Effective January 1, 2005, the maximum reimbursement for
79 professional services rendered by a physician licensed under
80 chapter 458 or chapter 459 shall be increased by 5 percent per
81 year for 5 consecutive years, unless the three-member panel
82 determines that the 5 percent annual increase would result in a
83 rate increase for carriers.

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84 5. Maximum reimbursement for surgical procedures shall be
85 increased to 140 percent of the reimbursement allowed by
86 Medicare or the medical reimbursement level adopted by the
87 three-member panel as of January 1, 2003, whichever is greater.