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Friday, February 24, 2012

## SPECIAL PENNSYLVANIA WORKERS' COMPENSATION ALERT

### PENNSYLVANIA CHAMBER OF BUSINESS AND INDUSTRY PROPOSES REFORMS TO THE PENNSYLVANIA WORKERS COMPENSATION ACT

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The Workers' Compensation Executive Committee of the Pennsylvania Chamber of Business and Industry is proposing comprehensive reforms to the Pennsylvania Workers' Compensation Act. The proposals made are aimed squarely at the high cost of medical expenses that seem to be ever increasing at a profoundly rapid rate. The Chamber believes that their legislative reforms will help control medical costs and, at the same time, enhance the quality of care and abolish waste and abuse.

The Chamber has outlined five major areas for reform.

**1. Prescription Drugs** – In an effort to reduce the high cost of prescription drugs, and to eliminate abuse, the Chamber is proposing mandatory drug testing at set intervals when Schedule II narcotics are being prescribed. According to the Chamber, this will

ensure that usage of the drug is not causing additional harm, will help verify that the drugs are not being sold, and allow for closer monitoring by the physician. The Chamber also suggests allowing employers to specify the use of one or more Prescription Benefit Managers (PBMs) to provide prescription drugs. This, according to the Chamber, will help curb drug abuse, allow for better coordination of drugs, and permit the most cost-effective method for delivery of care. Finally, the Chamber is recommending that physician offices be prohibited from dispensing more than first fill of any drug.

**2. Utilization Review** – In the Chamber's view, the Utilization Review process, which was originally intended to be a cost containment tool, has become ineffective. They, therefore, propose that Workers' Compensation Judges be required to use an

impartial peer review physician if the UR Determination is not consistent with medical guidelines, or if the Judge does not agree with the Determination issued by the Utilization Review Organization. The Judge would be bound by the Peer Review Determination. Peer review providers would be required to meet certain standards to obtain certification by the Bureau of Workers' Compensation, and the parties would participate in the selection of a provider to perform the peer review.

**3. Fee Schedule** – Because the current fee schedule is based on Medicare rates from 1995 and does not provide for procedure codes added since then, the Chamber suggests adopting a Medicare fee schedule modified to reflect current fee levels by specialty. The Chamber proposes that all physician bills be paid at intermediate care rates to eliminate the practice of down-coding. The Chamber further recommends requiring the Bureau of Workers' Compensation to update the fee schedule annually for new procedures and to provide that employers will only be required to pay for bills if received within 180 days of the treatment.

**4. Managed Care** – The Chamber is proposing extending the panel period of medical treatment

from 90 to 180 days and use of Coordinated Care Organizations (CCOs) for the life of the claim.

**5. Administrative** – The Chamber suggests consolidating and /or eliminating extraneous and redundant Bureau forms in order to reduce costs and improve efficiency. The Chamber additionally proposes giving employers the option of making payments and sending forms electronically. Finally, the Chamber recommends streamlining the process for independent medical exams (IMEs) and setting fees for certain services.

Taken as a whole, the Chamber's reform package focuses on cutting costs and improving efficiency in the Pennsylvania workers' compensation system. Their recommendations, however, are being met with heavy resistance from the claimant's bar, who view them as reforms intended to further limit the rights of injured workers. The proponents of reform will no doubt have a fight on their hands as the legislative process moves forward.

Visit the Pennsylvania Chamber of Business and Industry's web site at [www.pachamber.org](http://www.pachamber.org).

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