ARIZONA PHYSICIANS' AND PHARMACEUTICAL FEE SCHEDULE 2024/2025



Adopted by The Industrial Commission of Arizona

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2024/2025 ARIZONA PHYSICIANS' & PHARMACEUTICAL FEE SCHEDULE TABLE OF CONTENTS

A.	General Guidance
B.	Payment and Review of Billings
C.	Reimbursement of Mid-Level Providers
D.	Directed Care and Use of Networks
E.	Treatment of Industrial Injuries and Diseases
F.	Reopening of Claims
G.	No-Insurance Claims
Н.	Consultations
I.	Witness Fees.
J.	Definitions of Select Unit Values.
K.	List of Acronyms
harma	ceutical Fee Schedule
A.	General Provisions and Applicability of Pharmaceutical Fee
B.	Definitions.
C.	General Guidelines for Billing and Reimbursement of Prescription Medications
D.	Billing and Reimbursement for Repackaged Medications
E.	Billing and Reimbursement for Compound Medications
F.	Billing and Reimbursement for Medications Administered by a Medical Practitioner
G.	Reimbursement for Medications Dispensed by a Medical Practitioner or in a Pharmac Not Accessible to the General Public
H.	Dispensing Fee
I.	Additional Billing Guidelines
J.	Severability Clause.
Anesthe	sia Guidelines
anesthes	ia Codes
Surgery	Guidelines
Surgery	Codes
Radiolog	gy Guidelines
Radiolog	y Codes
Patholog	ry and Laboratory Guidelines

Pathology and Laboratory Codes	226
Medicine Guidelines	271
Medicine Codes	272
Physical Medicine and Rehabilitation Guidelines	309
Physical Medicine and Rehabilitation Codes.	314
Evaluation and Management Guidelines	318
Evaluation and Management Codes.	335
Category III Guidelines	339
Category III Codes.	340
HCPCS Guidelines	354
HCPCS Codes	357
Home Health Guidelines	429
Arizona Specific Services Guidelines	430
Arizona Specific Services Codes	432

INTRODUCTION

Since 1925, when the Arizona Legislature passed the state's first Workers' Compensation Act ("Act"), the Industrial Commission of Arizona ("Commission") has administered the workers' compensation laws of that Act. The Act includes the authority of the Commission to set a schedule of fees to be charged by healthcare providers attending injured employees (also referred to in this document as "injured worker" or "claimant." A.R.S. § 23-908(B). In 2004, the Act was amended to include the setting of fees for prescription medicines required to treat an injured employee. A.R.S. § 23-908(C). This fee schedule is referred to as the Arizona Physicians' and Pharmaceutical Fee Schedule (Fee Schedule).

Any reference to "healthcare providers" in the Fee Schedule is intended to include all licensed professionals whose scope of practice allows them to legally provide services to injured workers. Any reference to "physician" in relation to workers' compensation cases includes the following: doctors of medicine, doctors of osteopathy, doctors of podiatric medicine, doctors of chiropractic, doctors of naturopathic medicine, certified registered nurse anesthesiologists, physician assistants and nurse practitioners. Healthcare providers treating employees under industrial coverage are entitled by law to charge according to the schedule of fees adopted by the Commission. Accurate calculation of fees based upon this schedule, the filing of reports and bills for payment, and the use of forms prescribed are essential to timely and correct payment for a provider's services and can be vital in the award of benefits to the injured worker and their dependents.

This Fee Schedule has been updated to incorporate by reference the following:

- 1. The 2024 Edition of the American Medical Association's *Current Procedural Terminology* (CPT®) publication, including the general guidelines, identifiers, modifiers, and terminology associated with the incorporated codes.
- 2. The 2024 Healthcare Common Procedure Coding System (HCPCS) codes that include procedures, supplies, products, and services published by the Centers for Medicare & Medicaid Services (CMS).
- 3. The unit values and guidance for consultative, diagnostic, and therapeutic services published in the most recent edition of *Relative Value Guide*, American Society of Anesthesiologists (ASA) https://www.asahq.org.
- 4. The 2024 Clinical Diagnostic Laboratory Fee Schedule, CMS Clinical Laboratory Fee Schedule https://www.cms.gov.
- The National Correct Coding Initiative Edits, CMS; https://www.cms.gov/ncci-medicare/medicare-ncci-policy-manual
- Physicians as Assistants at Surgery: 2023 Update https://www.facs.org/for-medical-professionals/practice-management/coding-and-billing/physicians-as-assistants-at-surgery-report/
- 7. Surgical global periods published by CMS, 2024 Update
- 8. FAIR Health data, copyright 2024, FAIR Health, Inc.

Codes that are unique to Arizona are preceded by an AZ identifier and numbered in the following format: AZxxx. To the extent that a conflict may exist between an incorporated portion of the CPT® publication or HCPCS codes and a code, guideline, identifier, or modifier unique to Arizona, then the Arizona code, guideline, identifier, or modifier shall control.

Except as otherwise noted, unit values assigned to the service codes listed in this document are the product of the Industrial Commission of Arizona and are not associated in any way with the American Medical Association, the American Society of Anesthesiologists, the Centers for Medicare and Medicaid Services, or any other entity or organization.

A. GENERAL GUIDANCE

- 1. Reimbursements and billing associated with Pharmaceuticals are found in the Pharmaceutical Fee Schedule Section and HCPCS Guidelines of this document.
- 2. A CPT code shall be billed when a CPT code exists that accurately describes the service provided. If no CPT code exists that accurately describes the service, a HCPCS code shall be billed. A miscellaneous or unlisted code shall not be used when a specific CPT or HCPCS code exists that describes the service. Reimbursement values for unlisted codes are By Report and the bill must be accompanied by documentation to support the amount billed. Exceptions apply to the following services for which HCPCS codes should be used in place of CPT codes:
 - Drug testing: CPT codes 80320-80377 may not be used to bill for drug testing. HCPCS codes G0480 G0483 shall be used for definitive drug testing.
- 3. Except when governed by a separate contract or network that governs fees pursuant to A.R.S. § 23-908(J)(1), this Fee Schedule establishes the maximum reimbursement values for services performed by healthcare providers to injured workers under Arizona's workers' compensation law.
- 4. If a healthcare provider 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.
- 5. Routine progress and routine final reports filed by the attending healthcare provider do not ordinarily command a fee.
- 6. 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.
- 7. Fees for hospital, office, or home visits, subsequent to the initial visit, are not to be added to coded surgical procedures performed on the same day.
- 8. 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.

- 9. Except in emergencies, a carrier must be given notice regarding a consultation and the consultant must provide his/her report to the carrier and the attending healthcare provider within a reasonable period of time to facilitate processing of the claim.
- 10. The Commission requests that carriers notify attending healthcare providers 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 also notify the attending healthcare provider of that approval.
- 11. Missed individual appointments for consultants, without prior notification, will be compensated at 50% of the consultation fee.
- 12. The Commission will investigate an injured worker's complaint of bad faith/unfair claims processing practices, and if appropriate, impose penalties under A.R.S. § 23-930, in those circumstances where a "peer to peer" review was not conducted by a healthcare provider with appropriate skill, training, and knowledge or where the individual performing the "peer to peer" review was not licensed. The Commission will also investigate an injured workers' complaint of bad faith/unfair claims processing practice, and if appropriate, impose penalties under A.R.S. § 23- 930, for a denial of treatment based on the failure of the treating doctor to participate in a "peer to peer" review, when the treating doctor has not been given reasonable time or opportunity to participate in the "peer to peer" review.
- 13. 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.
- 14. Reimbursement values for telehealth services are governed by the Fee Schedule and no reductions are justified unless specified by the Fee Schedule. The performance of telehealth services is governed by Arizona Revised Statutes, Title 36, Chapter 36. Bills for telehealth services shall include modifier -95 and place of service (POS) code according to the incorporated AMA/CMS guidelines. Reimbursement for telehealth services shall be based on the non-facility (NF) rate regardless of the POS code.

B. PAYMENT AND REVIEW OF BILLINGS

- 1. 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 received 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. A subsequent billing or corrective billing does not restart the limitations period. *See* A.R.S. § 23-1062.01.
- 2. It is incumbent upon the insurance carrier, self-insured employer, and third party processing service to inform all parties, including the Commission, regarding changes in addresses for bill processing locations.
- 3. Under Arizona workers' compensation law, a healthcare provider is entitled to timely payment for services rendered. An insurance carrier, self-insured employer, or claims processing representative shall make a

determination whether to deny or pay a medical bill on an accepted claim, in whole or in part, including the decision as to the amount to pay, within thirty days from the date the claim is accepted, if the billing is received before the date of acceptance, or within thirty days from the date of the receipt of the billing if the billing is received after the date of acceptance. All billing denials shall be based on reasonable justification. The insurance carrier, self-insured employer, or claims processing representative shall pay the approved portion of the billing within thirty days after the determination for payment is made. If the billing is not paid within the applicable time period, the insurance carrier, self-insured employer, or claims processing representative shall pay interest to the health provider on the billing at a rate that is equal to the legal rate. Interest shall be calculated beginning on the date that the payment to the healthcare provider is due. See A.R.S. § 23-1062.01.

To ensure timely and accurate payment of a medical billing, a billing must contain the information required under A.R.S. § 23- 1062.01. A billing 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; and legible medical reports required for each date of service if the billing is for direct treatment of the injured worker.

- 4. Payment of a workers' compensation medical billing 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; and
 - f. A provision that the Industrial Commission does not have jurisdiction over contract disputes between the parties.
- 5. Health care providers shall bill the code that most accurately describes the service performed. If an insurance carrier, self-insured employer, or claims processing representative determines that the documentation submitted does not support the procedure code billed, the payment to the health care provider may be appropriately adjusted based on Fee Schedule reimbursement values. See A.R.S. § 23-1062.01. The payer shall provide documentation justifying the adjustment and clearly outline the process a health care provider may follow to appeal the determination. Payers shall not downcode medical billings under the Arizona Physicians' & Pharmaceutical Fee Schedule. Downcoding is defined as a payer changing a code in a payment remittance to a code at a lower service

level than was billed by the healthcare provider. As applicable, the health care provider may resubmit the bill with documentation that addresses the reason for the adjustment.

- 6. "Reasonable justification" to deny a bill does not include the payment/billing policies of other private or public entities (publications) unless the publication has been incorporated by reference in the Fee Schedule.
- 7. 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, establishing values for unlisted procedures, establishing values for codes that are listed as "BR" or "RNE", or new CPT® codes that have not been incorporated by the Industrial Commission, or managing issues outside the jurisdiction of the Fee Schedule, such as hospital billings.
- 8. Healthcare providers shall provide legible medical documentation and reports that are sufficient for insurance carriers/self-insured employers to determine if treatment is being directed towards injuries sustained in an industrial accident or incident. The healthcare provider shall ensure that their patients' medical files include the information required by A.R.S. § 32-1401.2. The healthcare 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).
- 9. Treating physicians shall submit a narrative that justifies the billing of a level 4 or 5 E/M service.
- 10. The Commission has incorporated by reference the Centers for Medicare and Medicaid Services, Evaluation and Management Services Guide, and the most current American Medical Association, Evaluation and Management Code and Guideline Changes. Medical billings shall be prepared and reviewed consistent with how these guidelines are used and interpreted by CMS. Additionally, payers are required to disclose any additional guideline(s) utilized in their Explanation of Reviews (or other similar document.
- 11. A payer's Explanation of Review (or other similar document) shall contain sufficient information to allow the healthcare provider to determine whether the amount of payment is correct and whom to contact regarding any questions related to the payment. Information in the Explanation of Review (or other similar document) shall include the following:
 - a. The name of the injured worker;
 - b. The name of the payer and the name of the third party administrator ("TPA"), if applicable;
 - c. If applicable, the name, telephone number, and address of all entities that reviewed the medical billing on behalf of the payer;
 - d. If applicable, the name, telephone number, and address of the party that has a written contract signed by the healthcare provider that allows the contracting party or other third party to access and pay rates that are different from those provided under this Fee Schedule;

- e. The amount billed by the healthcare provider;
- f. The amount of any reduction due to a written contract with the healthcare provider; and
- g. The amount of payment.
- 12. Nothing in this Fee Schedule precludes a healthcare provider from entering into a separate contract that governs fees. In this instance, reimbursement shall be made according to the applicable contracted charge. In the absence of a separate contract that governs a healthcare provider's fees, reimbursement shall be made according to this Fee Schedule. A payer shall demonstrate that it is entitled to pay the contracted rate in the event of a dispute by providing a valid copy of the governing contract to the healthcare provider. If a payer fails to provide evidence that it is entitled to pay a contracted rate, then the payer shall be required to make payment as provided in this Fee Schedule.
- 13. Billing and reimbursement guidelines for Pharmaceuticals are found in the Pharmaceutical Fee Schedule Section of this document.
- 14. The Fee Schedule does not apply to ambulance service providers. Service fees for ground ambulance transportation are set and mandated by the Arizona Department of Health Services through its Arizona Ground Ambulance Service Rate Schedule. A.R.S. § 36-2239(D) states "an ambulance service shall not charge, demand or collect any remuneration for any service greater or less than or different from the rate or charge determined and fixed by the department as the rate or charge for that service." Service fees published in the Arizona Ground Ambulance Service Rate Schedule are applicable in the workers' compensation setting.

C. REIMBURSEMENT OF MID-LEVEL MEDICAL PROVIDERS

- 1. Certified Registered Nurse Anesthetists ("CRNAs") are reimbursed at 85% of the fee schedule.
 - a. Physician Assistants and Nurse Practitioners are reimbursed at 85% of the fee schedule *except* if services are provided "incident to" a physician's professional services. In that instance, reimbursement is required to be at 100% of the fee schedule. The following criteria are identified as establishing the "incident to" exception:
 - b. The Physician Assistant and Nurse Practitioner must work under the direct supervision of an appropriately licensed physician,
 - c. The Physician must initially see that patient and establish a plan of care for that patient ("treatment plan"),
 - d. Subsequent service provided by the Physician Assistant and Nurse Practitioner must be a part of the documented treatment plan, and
 - e. The Physician must always be involved in the patient's treatment plan and see the patient often enough to demonstrate that the Physician is actively participating in and managing the patient's care.

- 2. For purposes of the Fee Schedule, the Commission recognizes that direct supervision of a Physician Assistant or Nurse Practitioner by a Physician can be accomplished through the use of modern technology and telecommunications (telemedicine) and may not require the on-site presence of the Physician when the Physician Assistant or Nurse Practitioner sees the patient. In all instances, however, and regardless of the extent to which telemedicine is used, the Physician must actively participate in and manage the patient's care if services provided by a Physician Assistant or Nurse Practitioner are billed at 100% of the fee schedule under the "incident to" exception.
- 3. It is the responsibility of the Physician to document if the services provided by a Physician Assistant and Nurse Practitioner are "incident to" the Physician's professional service. If either the incident to criteria is not met, or the documentation submitted fails to support the "incident to" criteria, the reimbursement should be made at 85% of the fee schedule.

D. DIRECTED CARE AND USE OF NETWORKS

The Arizona Workers' Compensation Act only permits private self-insured employers to direct medical care. A.R.S. § 23-1070(A); See also *Southwest Gas Corp. v. Industrial Commission of Arizona*, 200 Ariz. 292, 25 P.3d 1164 (2001). This limitation on the scope of directed care means that employees of private self-insured employers do not have an unrestricted right to choose their own medical providers, while employees of all other employers do (including public self-insured employers). Notwithstanding an employee's right to choose, many workers' compensation insurance carriers ("carriers") and public self-insured employers ("employers") have taken advantage of "networks" to reduce their costs. This is done by either creating their own network of "preferred providers" or by contracting with a third party to access private healthcare networks.

Actions or conduct that impair or limit the right of an employee to choose their medical provider may rise to the level of bad faith and/or unfair claims processing practices under A.R.S. § 23-930. The Commission will investigate a complaint of bad faith/unfair claims processing practices, and if appropriate, impose penalties under A.R.S. § 23-930, in those circumstances where a carrier, employer, or TPA has engaged in conduct that results in directing a claimant to a "network" provider. The following are examples of conduct that the Commission would consider appropriate for investigation under A.R.S. § 23-930.

- A claimant is told that they must see a healthcare provider that is "in the network;"
- A claimant is told that care from a "non-network" healthcare provider is not authorized;
- A "network" healthcare provider is told that referrals are required to be made to another "network" healthcare provider;

¹ It should be noted that the law governing directed care is not limited to "medical doctors," but instead applies to medical, surgical, and hospital benefits. *See* A.R.S. § 23-1070. The phrase, "medical, surgical, and hospital benefits" is defined in A.R.S. § 23- 1062(A), which states: "Promptly, upon notice to the employer, every injured employee shall receive medical, surgical and hospital benefits or other treatment, nursing, medicine, surgical supplies, crutches and other apparatus, including artificial members, reasonably required at the time of the injury, and during the period of disability. Such benefits shall be termed 'medical, surgical and hospital benefits.'"

- A "network" healthcare provider is told that they may not recommend a "non-network" healthcare provider to a patient;
- A "non-network" healthcare provider is told that care will only be authorized if provided by a "network" provider; and
- A "non-network" healthcare provider is told that reimbursement will be made according to "network" discounts.

E. TREATMENT OF INDUSTRIAL INJURIES AND DISEASES

- 1. An employee who sustains an injury arising out of, or in the course of, employment is entitled, under Arizona law, to select a healthcare provider of his/her own choice unless that employee is employed by a private self-insured 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.
- 2. The attending healthcare provider'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 healthcare provider in processing the required reports. Rules addressing the completion of these forms are found in Title 20, Chapter 5, Article 1 of the Arizona Administrative Code, which can be obtained at: http://apps.azsos.gov/public_services/Title_20/20-05.pdf
- 3. The Commission, the employer, and the insurance carrier may, at any time, designate a healthcare provider or healthcare providers to examine an employee. Additionally, upon application of the employer, employee, or insurance carrier, the Commission may order a change of healthcare provider or a change of conditions of treatment when there are reasonable grounds or a belief that the employee's health or progress can thus be improved.
- 4. 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.
- 5. 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.
- 6. If the patient refuses to submit to a medical examination or to cooperate with the healthcare provider's treatments, the carrier or self-insured employer should be notified.

- 7. If an employee is capable of some form of gainful employment, it is proper for the healthcare provider 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 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 healthcare provider's judgment in such matters is extremely important.
- 8. If the employee no longer requires active medical care for the industrial injury and is discharged from treatment, the healthcare provider is required to provide a signed report with the date of discharge to the carrier or self-insured employer, even if, 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.
- 9. When a healthcare provider discharges a claimant from treatment, the healthcare provider shall determine whether the employee has suffered any impairment of function, or disfigurement about the head or face, including injury to or loss of teeth, and include this information in the final signed report provided to the carrier or self-insured employer. 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 the most recent edition of the American Medical Association Guides to the Evaluation of Permanent Impairment. Additional guidance on appropriate billing and reimbursement for impairment evaluations is found in the Evaluation and Management Section of this document.
- 10. Once an exposure to a 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 the 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.
- 11. 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.

F. REOPENING OF CLAIMS

- 1. Whether or not the employee has suffered a permanent disability, on a claim that has been previously accepted, 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 healthcare provider's medical report.
- 2. If the claim is reopened, the payment for such reasonable and necessary medical, hospital and laboratory work expenses 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. Other information relative to reopening rights may be found at A.R.S. § 23-1061(H).
- 4. If a claim is approved for reopening, the carrier must notify the attending healthcare provider of that approval.

G. NO-INSURANCE CLAIMS

"No-Insurance" claims are workers' compensation claims involving injuries to employees of employers who do not have workers' compensation insurance coverage as required 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.

H. CONSULTATIONS

Workers' compensation cases can present additional medical and legal problems that justify consultation sooner and more frequently than the average private patient. In complex cases and cases requiring an estimate of general or unscheduled disability, consultation with specialists in the appropriate field may be requested by any interested party. The Industrial Commission continues to recognize the necessity for consultations in workers' compensation and establishes relative value units and rates for consultation codes.

I. WITNESS FEES

- 1. Insurance providers, self-insured employers, and the Special Fund of the Commission are responsible for paying \$150.00 for the first hour of testimony (or any portion thereof) and \$50.00 for each 20 minute increment following the initial hour (or any portion thereof) to a healthcare provider who testifies at hearing at their request.
- 2. The Commission is responsible for paying \$150.00 for the first hour of testimony (or any portion thereof) and \$50.00 for each 20 minute increment following the initial hour (or any portion thereof) to a healthcare provider who testifies at hearing on request of a workers' compensation claimant.

J. DEFINITIONS OF SELECT 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 the establishment of relativity. "RNE" items are clearly definable and not inherently variable as are BR procedures. A report may be necessary.
- 3. MATERIALS AND SUPPLIES: A healthcare provider is not entitled to be reimbursed for supplies and materials normally necessary to perform a billable service. Examples of those items that are not reimbursable are listed below. Billing and reimbursement guidelines for materials and supplies that are reimbursable are found in the HCPCS Section of the Fee Schedule.

Drugs that are administered to patients in a clinical setting shall be billed using the appropriate HCPCS code and reimbursed according to the Pharmaceutical Fee Schedule Guidelines. The provisions in this subsection do not apply to hospitals, ambulatory surgery centers, and ambulance service providers.

Examples of supplies that are usually not separately reimbursable include:

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)

Fluorescein

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

Sterile trays for laceration repair and more complex surgeries Tape for dressings

4. MODIFIERS: A two-digit (numeric or alpha) sequence that provides the means by which the reporting healthcare provider can specify that a procedure performed has been altered under a special circumstance. This allows defining the modifying circumstance of the service or procedure without creating a separate procedure or listing.

Modifier Examples

Professional Component (PC): Certain procedures are a combination of a physician, or Professional component and a technical component. When modifier 26 is added to an appropriate code, a PC allowable amount will be paid.

Technical Component (TC): The TC component reflects the technical portion of the procedure code. When the technical component is provided by a healthcare provider other than the one providing the professional component, the healthcare provider bills for the technical component by adding modifier TC to the applicable code.

K. LIST OF ACRONYMS

AMA American Medical Association

AS Assistant Surgeon

AWP Average Wholesale Price

BR By Report

CCI Current Coding Initiative (National)

CF Conversion Factor

CMS Centers for Medicare & Medicaid Services

CPT Current Procedural Terminology

CRNA Certified Registered Nurse Anesthetist

DME Durable Medical Equipment

E/M Evaluation and management services FCE Functional Capacity Evaluation

FUD Follow-up day(s)

HCPCS Healthcare Common Procedure Coding System

ICD-10-CM International Classification of Diseases, Tenth Revision, Clinical Modification

IME Independent medical examinationMPFS Medicare physician fee scheduleMRI Magnetic resonance imaging

NCCI (see CCI)

NP Nurse Practitioner
OTC Over-the-counter
PA Physician Assistant

RBRVS Resource Based Relative Value Scale

RVU Relative value unit