Workers' Comp

Colorado Adopts New Prior Authorization and Payment Timeframes

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The Colorado Division of Workers' Compensation recently revised Rule 16: Utilization Standards from the Workers' Compensation Rules of Procedure, which defines the standard to be used in implementing the Medical Treatment Guidelines (MTG) and the Medical Fee Schedule with terminology, administrative procedures and dispute resolution procedures. The revisions in this Rule go into effect January 1, 2021.

Under Rule 16, payers have 10 days from the receipt of a completed prior authorization request to respond to the prescribed treatment in writing. A complete prior authorization request must include an adequate description of the necessity for the treatment, identification of the appropriate MTG if applicable and the final diagnosis. Failure of the payer to comply in a timely manner with all prior authorization requirements outlined in Rule 16 is deemed to be authorization for payment of the requested treatment, unless the payer has scheduled an independent medical examination (IME) and notified the requesting provider within 10 days.

All bills are due and payable according to the fee schedule within 30 days after receipt by the payer. The payer must respond with a written notice, or explanation of benefits, with the required information listed in Rule 16 within 30 days of receipt of the bill. The date of bill receipt may be established by the payer's date stamp or electronic acknowledgment date; if these dates are unavailable, receipt date is presumed to be five days after the date the bill was mailed to the payer.

The Division adopted other revisions in Rule 16. If you'd like to review the final Rule, click here.

For questions about this change, or other regulatory or legislative changes, please contact Brian Allen, vice president of government affairs, at Brian.Allen@mitchell.com or at 801.903.5754.

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