Workers' Comp

Industrial Commission of Arizona Formally Adopts 2020/2021 Fee Schedule

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The Industrial Commission of Arizona has formally adopted its 2020/2021 Physicians' and Pharmaceutical fee schedule. The changes are slated to take effect on October 1, 2020.

The rule started with an initial staff proposal and was revised following the public comment and hearing on June 25, 2020. The proposed revisions were also subject to a supplemental comment period and hearing on August 17, 2020. There was extensive public comment at both hearings and the Commission made adaptations to their proposal based on that public input. Mitchell Pharmacy Solutions was actively involved during both comment periods.

The final version of the rule contains some important changes to the pharmaceutical section of the fee schedule. Those changes include:

- Section II (L): Revising the definition of “pharmacy accessible to the general public” to clarify the definition of a defined or exclusive group of consumers.
- Section II (M): Revising the definition of “pharmacy not accessible to the general public” to better align the language of pharmaceutical services with the language in other parts of the rule and to clarify the definition of a defined or exclusive group of consumers.
- Section VII (A): Adds “pharmacies not accessible to the general public” to this section with medical practitioners limiting dispensing to a one-time, ten-day supply if dispensed within the first seven days following the date of injury.
- Section VII (D): This is a new section that notes payers are responsible for payment to a pharmacy not accessible to the general public outside of the initial seven-day period if all of the following conditions are met:
    - The medication was dispensed to an injured worker whose claim was initially denied.
    - The injured worker disputed the denial by filing a timely request for hearing.

- The claim was subsequently accepted or found to be compensable.
- The prescription was dispensed in the time period between the initial denial and the date the claim was accepted or found to be compensable.
- The medication conforms to dosages and formulations that are commercially available in pharmacies accessible to the general public.

Mitchell Pharmacy Solutions believes these changes in the pharmaceutical fee schedule have the potential to help employers and insurance carriers maintain additional control over prescription drug costs while still allowing access to care for injured workers whose contested claims are being adjudicated, and commends the Industrial Commission for their thoughtful and thorough consideration of public comment.

Some of the other changes in the larger fee schedule include using the term “healthcare provider” in place of “physician” throughout the rule to better reflect the changes in scopes of practice over time. The Commission also added an interest penalty on undisputed payments made to providers past the 30-day prompt pay time frame. Earlier in the year, the Commission temporarily added HCPCS codes for COVID testing and telemedicine. Those were permanently added in this rule. Clarification was also added for “time-based” billings. We strongly recommend that interested stakeholders review the new fee schedules to become informed on all of the changes adopted by the Industrial Commission of Arizona.

The “red-lined” version of the amended staff proposal can be found here.
For the adopted version of the 2020/2021 pharmaceutical fee schedule, please click here.
For access to the 2020/2021 physician fee schedule, by service category, please click here.

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



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