Workers' Comp

Colorado Adopts New Pharmacy Fee Schedule Along with Other Changes

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The Colorado Department of Labor and Industry Division of Workers' Compensation adopted changes to Rules 16 and 18 that will become effective on January 1, 2020. The changes impact utilization review and the medical fee schedule. Included in the medical fee schedule are changes to how prescription drugs will be reimbursed.

Rule 16—Utilization Standards

The most significant amendment in this rule was changing the word “contest” to “denial” throughout the rule, allowing payers to deny care rather than simply contest it when certain standards are met. Another change of note is the elimination of the “telehealth” definition while keeping the definition for “telemedicine”. They also added the e-billing “claim accepted” response as evidence of a timely filing of a bill and added a 30-day prompt payment standard for reimbursing/denying injured workers for submitted out-of-pocket expenses.

Rule 18—Medical Fee Schedule

There were a number of changes in the medical fee schedule, including adoption of the 2019 RBRVS scale, adjustment of some maximum fees, changes in how physical and rehabilitative medicine should be handled, new language on trauma team activation, a new section on ancillary services and clarification that Division Z codes supersede CPT codes, where applicable. The rule also adds language around completion of the physician's report of injury.

Pharmacy Fee Schedule

Of particular note to our Pharmacy Solutions partners are the changes to the pharmacy fee schedule:

- Opioids or scheduled controlled substances prescribed for longer than three days must be dispensed through a pharmacy. This is a change from the previous seven-day policy.
- A requirement that billing providers include the units and days' supply in field 24G on the CMS-1500 billing form has been added.
- A slight increase in reimbursement for topical compounds has been adopted:
    - Category I (Z0790) increased to $81.90 for a 30-day supply.
    - Category II (Z0791) increased to $163.20 for a 30-day supply.
    - Category III (Z0792) increased to $270.30 for a 30-day supply.
    - Category IV (Z0793) increased to $377.40 for a 30-day supply.
- In the opioid management section, recommendations for opioids for acute pain was changed to three-to-seven days, and the opioid management billing fees were adjusted to $85.00 for 15 minutes, limited to 30 minutes per report.

Both rules contain other changes that may be of interest. We recommend that interested stakeholders review both adopted rules for any changes that may impact your business operations.

Complete text of Rule 16 can be found here.
Complete text of Rule 18 can be found here. (Pharmacy changes begin on page 52 of the PDF document.)

Should you have any questions regarding this alert, or any other legislative or regulatory matter, please contact Brian Allen, VP of Government Affairs, at Brian.Allen@mitchell.com or at 801.903.5754.

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