



**PREPROPOSAL STATEMENT OF INQUIRY
(RCW 34.05.310)**

CR-101 (7/10/97)
Do NOT use for expedited repeal or adoption

Agency: Department of Labor and Industries

Subject of possible rule making:
WAC 296-20-135 Conversion Factors, WAC 296-23-220 Physical Therapy Rules, and WAC 296-23-230 Occupational Therapy Rules. Medical Aid Rules updates regarding rate setting for most professional health care services for injured workers. These updates may also impact rates for health care services provided to crime victims.

(a) Statutes authorizing the agency to adopt rules on this subject:
RCW 51.04.020 and RCW 51.04.030

(b) Reasons why rules on this subject may be needed and what they might accomplish:
The affected rules describe elements used in the process of updating the maximum allowable payments for most professional health care services. These elements are set in rule in order to follow the established methodologies of L&I and maintain consistency with the Health Care Authority and Medical Assistance Administration. Specifically, the proposed rule changes will do the following:
1. WAC 296-20-135: Update the conversion factors used by the department for calculating reimbursement rates for most professional health care and anesthesia services. The conversion factors will be updated to correspond to changes in the medical procedure codes, the relative value units, and anesthesia base units. These changes will enable the department to continue a reimbursement methodology consistent with other state agencies. Cost-of-living increases may be incorporated into the changes in the conversion factors.
2. WAC 296-23-220 and 230: Update the maximum daily reimbursement level for physical and occupational therapy services so the department may, if necessary, give cost-of-living increases to affected providers.

(c) Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:
None

(d) Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe)
The department is working with external stakeholders through its Anesthesia and Reimbursement Technical Advisory Groups on updates to conversion factors and to the physical and occupational therapy maximum daily reimbursement level. The department coordinates these updates with the Health Care Authority, the Medical Assistance Administration and the Centers for Medicare & Medicaid Services to insure consistent health care purchasing policies when possible. The proposed changes will be presented to the advisory groups and publicized in a letter to interested persons.

(e) How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

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DATE
December 22, 2003