PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

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.

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

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 Health and Recovery Services 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. See attachment for additional information on this rulemaking.

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

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 Health and Recovery Services 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.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:
(List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.)

Contact:
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DATE
December 19, 2006

NAME (TYPE OR PRINT)
Judy Schurke

SIGNATURE
Judy Schurke

TITLE
Acting Director

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OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: December 19, 2006
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(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 Health and Recovery Services Administration. Specifically, the proposed rule changes will do the following:

1. In WAC section 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. In WAC section 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.