

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 ENGROSSED SENATE  
5 BILL NO. 1375

By: David and Floyd of the  
Senate

6 and

7 Kannady of the House

8  
9  
10 An Act relating to workers' compensation; amending  
11 Sections 50, as amended by Section 20, Chapter 476,  
12 O.S.L. 2019, and 56, Chapter 208, O.S.L. 2013 (85A  
13 O.S. Supp. 2019, Sections 50 and 56), which relate to  
14 medical treatment and certified workplace medical  
15 plans; adding chiropractic services to allowable  
16 medical treatment; authorizing selection of  
17 chiropractors to provide certain services; conforming  
18 language; updating statutory references; and  
19 providing an effective date.

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22 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

23 SECTION 1. AMENDATORY Section 50, Chapter 208, O.S.L.  
24 2013, as amended by Section 20, Chapter 476, O.S.L. 2019 (85A O.S.  
Supp. 2019, Section 50), is amended to read as follows:

Section 50. A. The employer shall promptly provide an injured  
employee with medical, surgical, hospital, optometric, podiatric,  
chiropractic and nursing services, along with any medicine,  
crutches, ambulatory devices, artificial limbs, eyeglasses, contact

1 lenses, hearing aids, and other apparatus as may be reasonably  
2 necessary in connection with the injury received by the employee.  
3 The employer shall have the right to choose the treating physician  
4 or chiropractor.

5 B. If the employer fails or neglects to provide medical  
6 treatment within five (5) days after actual knowledge is received of  
7 an injury, the injured employee may select a physician or  
8 chiropractor to provide medical treatment at the expense of the  
9 employer; provided, however, that the injured employee, or another  
10 in the employee's behalf, may obtain emergency treatment at the  
11 expense of the employer where such emergency treatment is not  
12 provided by the employer.

13 C. Diagnostic tests shall not be repeated sooner than six (6)  
14 months from the date of the test unless agreed to by the parties or  
15 ordered by the Commission for good cause shown.

16 D. Unless recommended by the treating doctor or chiropractor at  
17 the time claimant reaches maximum medical improvement or by an  
18 independent medical examiner, continuing medical maintenance shall  
19 not be awarded by the Commission. The employer or insurance carrier  
20 shall not be responsible for continuing medical maintenance or pain  
21 management treatment that is outside the parameters established by  
22 the Physician Advisory Committee or ODG. The employer or insurance  
23 carrier shall not be responsible for continuing medical maintenance  
24 or pain management treatment not previously ordered by the

1 Commission or approved in advance by the employer or insurance  
2 carrier.

3 E. An employee claiming or entitled to benefits under ~~this act~~  
4 the Administrative Workers' Compensation Act, shall, if ordered by  
5 the Commission or requested by the employer or insurance carrier,  
6 submit himself or herself for medical examination. If an employee  
7 refuses to submit himself or herself to examination, his or her  
8 right to prosecute any proceeding under ~~this act~~ the Administrative  
9 Workers' Compensation Act shall be suspended, and no compensation  
10 shall be payable for the period of such refusal.

11 F. For compensable injuries resulting in the use of a medical  
12 device, ongoing service for the medical device shall be provided in  
13 situations including, but not limited to, medical device battery  
14 replacement, ongoing medication refills related to the medical  
15 device, medical device repair, or medical device replacement.

16 G. The employer shall reimburse the employee for the actual  
17 mileage in excess of twenty (20) miles round-trip to and from the  
18 employee's home to the location of a medical service provider for  
19 all reasonable and necessary treatment, for an evaluation of an  
20 independent medical examiner and for any evaluation made at the  
21 request of the employer or insurance carrier. The rate of  
22 reimbursement for such travel expense shall be the official  
23 reimbursement rate as established by the State Travel Reimbursement  
24

1 Act. In no event shall the reimbursement of travel for medical  
2 treatment or evaluation exceed six hundred (600) miles round trip.

3 H. Fee Schedule.

4 1. The Commission shall conduct a review and update of the  
5 Current Procedural Terminology (CPT) in the Fee Schedule every two  
6 (2) years pursuant to the provisions of paragraph 14 of this  
7 subsection. The Fee Schedule shall establish the maximum rates that  
8 medical providers shall be reimbursed for medical care provided to  
9 injured employees, including, but not limited to, charges by  
10 physicians, chiropractors, dentists, counselors, hospitals,  
11 ambulatory and outpatient facilities, clinical laboratory services,  
12 diagnostic testing services, and ambulance services, and charges for  
13 durable medical equipment, prosthetics, orthotics, and supplies.  
14 The most current Fee Schedule established by the Administrator of  
15 the Workers' Compensation Court prior to February 1, 2014, shall  
16 remain in effect, unless or until the Legislature approves the  
17 Commission's proposed Fee Schedule.

18 2. Reimbursement for medical care shall be prescribed and  
19 limited by the Fee Schedule. The director of the Employees Group  
20 Insurance Division of the Office of Management and Enterprise  
21 Services shall provide the Commission such information as may be  
22 relevant for the development of the Fee Schedule. The Commission  
23 shall develop the Fee Schedule in a manner in which quality of  
24 medical care is assured and maintained for injured employees. The

1 Commission shall give due consideration to additional requirements  
2 for physicians treating an injured worker under ~~this act~~ the  
3 Administrative Workers' Compensation Act, including, but not limited  
4 to, communication with claims representatives, case managers,  
5 attorneys, and representatives of employers, and the additional time  
6 required to complete forms for the Commission, insurance carriers,  
7 and employers.

8       3. In making adjustments to the Fee Schedule, the Commission  
9 shall use, as a benchmark, the reimbursement rate for each Current  
10 Procedural Terminology (CPT) code provided for in the fee schedule  
11 published by the Centers for Medicare and Medicaid Services of the  
12 U.S. Department of Health and Human Services for use in Oklahoma  
13 (Medicare Fee Schedule) on the effective date of this section,  
14 workers' compensation fee schedules employed by neighboring states,  
15 the latest edition of "Relative Values for Physicians" (RVP), usual,  
16 customary and reasonable medical payments to workers' compensation  
17 health care providers in the same trade area for comparable  
18 treatment of a person with similar injuries, and all other data the  
19 Commission deems relevant. For services not valued by CMS, the  
20 Commission shall establish values based on the usual, customary and  
21 reasonable medical payments to health care providers in the same  
22 trade area for comparable treatment of a person with similar  
23 injuries.

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- 1 a. No reimbursement shall be allowed for any magnetic  
2 resonance imaging (MRI) unless the MRI is provided by  
3 an entity that meets Medicare requirements for the  
4 payment of MRI services or is accredited by the  
5 American College of Radiology, the Intersocietal  
6 Accreditation Commission or the Joint Commission on  
7 Accreditation of Healthcare Organizations. For all  
8 other radiology procedures, the reimbursement rate  
9 shall be the lesser of the reimbursement rate allowed  
10 by the 2010 Oklahoma Fee Schedule and two hundred  
11 seven percent (207%) of the Medicare Fee Schedule.
- 12 b. For reimbursement of medical services for Evaluation  
13 and Management of injured employees as defined in the  
14 Fee Schedule adopted by the Commission, the  
15 reimbursement rate shall not be less than one hundred  
16 fifty percent (150%) of the Medicare Fee Schedule.
- 17 c. Any entity providing durable medical equipment,  
18 prosthetics, orthotics or supplies shall be accredited  
19 by a CMS-approved accreditation organization. If a  
20 physician provides durable medical equipment,  
21 prosthetics, orthotics, prescription drugs, or  
22 supplies to a patient ancillary to the patient's  
23 visit, reimbursement shall be no more than ten percent  
24 (10%) above cost.

1           d.    The Commission shall develop a reasonable stop-loss  
2           provision of the Fee Schedule to provide for adequate  
3           reimbursement for treatment for major burns, severe  
4           head and neurological injuries, multiple system  
5           injuries, and other catastrophic injuries requiring  
6           extended periods of intensive care. An employer or  
7           insurance carrier shall have the right to audit the  
8           charges and question the reasonableness and necessity  
9           of medical treatment contained in a bill for treatment  
10          covered by the stop-loss provision.

11          4.    The right to recover charges for every type of medical care  
12          for injuries arising out of and in the course of covered employment  
13          as defined in ~~this act~~ the Administrative Workers' Compensation Act  
14          shall lie solely with the Commission. When a medical care provider  
15          has brought a claim to the Commission to obtain payment for  
16          services, a party who prevails in full on the claim shall be  
17          entitled to reasonable attorney fees.

18          5.    Nothing in this section shall prevent an employer, insurance  
19          carrier, group self-insurance association, or certified workplace  
20          medical plan from contracting with a provider of medical care for a  
21          reimbursement rate that is greater than or less than limits  
22          established by the Fee Schedule.

23          6.    A treating physician may not charge more than Four Hundred  
24          Dollars (\$400.00) per hour for preparation for or testimony at a

1 deposition or appearance before the Commission in connection with a  
2 claim covered by the Administrative Workers' Compensation Act.

3 7. The Commission's review of medical and treatment charges  
4 pursuant to this section shall be conducted pursuant to the Fee  
5 Schedule in existence at the time the medical care or treatment was  
6 provided. The judgment approving the medical and treatment charges  
7 pursuant to this section shall be enforceable by the Commission in  
8 the same manner as provided in ~~this act~~ the Administrative Workers'  
9 Compensation Act for the enforcement of other compensation payments.

10 8. Charges for prescription drugs dispensed by a pharmacy shall  
11 be limited to ninety percent (90%) of the average wholesale price of  
12 the prescription, plus a dispensing fee of Five Dollars (\$5.00) per  
13 prescription. "Average wholesale price" means the amount determined  
14 from the latest publication designated by the Commission.  
15 Physicians shall prescribe and pharmacies shall dispense generic  
16 equivalent drugs when available. If the National Drug Code, or  
17 "NDC", for the drug product dispensed is for a repackaged drug, then  
18 the maximum reimbursement shall be the lesser of the original  
19 labeler's NDC and the lowest-cost therapeutic equivalent drug  
20 product. Compounded medications shall be billed by the compounding  
21 pharmacy at the ingredient level, with each ingredient identified  
22 using the applicable NDC of the drug product, and the corresponding  
23 quantity. Ingredients with no NDC area are not separately  
24 reimbursable. Payment shall be based on a sum of the allowable fee



1 for each ingredient plus a dispensing fee of Five Dollars (\$5.00)  
2 per prescription.

3 9. When medical care includes prescription drugs dispensed by a  
4 physician or other medical care provider and the NDC for the drug  
5 product dispensed is for a repackaged drug, then the maximum  
6 reimbursement shall be the lesser of the original labeler's NDC and  
7 the lowest-cost therapeutic equivalent drug product. Payment shall  
8 be based upon a sum of the allowable fee for each ingredient plus a  
9 dispensing fee of Five Dollars (\$5.00) per prescription. Compounded  
10 medications shall be billed by the compounding pharmacy.

11 10. Implantables are paid in addition to procedural  
12 reimbursement paid for medical or surgical services. A  
13 manufacturer's invoice for the actual cost to a physician, hospital  
14 or other entity of an implantable device shall be adjusted by the  
15 physician, hospital or other entity to reflect, at the time  
16 implanted, all applicable discounts, rebates, considerations and  
17 product replacement programs and shall be provided to the payer by  
18 the physician or hospital as a condition of payment for the  
19 implantable device. If the physician, or an entity in which the  
20 physician has a financial interest other than an ownership interest  
21 of less than five percent (5%) in a publically traded company,  
22 provides implantable devices, this relationship shall be disclosed  
23 to patient, employer, insurance company, third-party commission,  
24 certified workplace medical plan, case managers, and attorneys

1 representing claimant and defendant. If the physician, or an entity  
2 in which the physician has a financial interest other than an  
3 ownership interest of less than five percent (5%) in a publicly  
4 traded company, buys and resells implantable devices to a hospital  
5 or another physician, the markup shall be limited to ten percent  
6 (10%) above cost.

7 11. Payment for medical care as required by ~~this act~~ the  
8 Administrative Workers' Compensation Act shall be due within forty-  
9 five (45) days of the receipt by the employer or insurance carrier  
10 of a complete and accurate invoice, unless the employer or insurance  
11 carrier has a good-faith reason to request additional information  
12 about such invoice. Thereafter, the Commission may assess a penalty  
13 up to twenty-five percent (25%) for any amount due under the Fee  
14 Schedule that remains unpaid on the finding by the Commission that  
15 no good-faith reason existed for the delay in payment. If the  
16 Commission finds a pattern of an employer or insurance carrier  
17 willfully and knowingly delaying payments for medical care, the  
18 Commission may assess a civil penalty of not more than Five Thousand  
19 Dollars (\$5,000.00) per occurrence.

20 12. If an employee fails to appear for a scheduled appointment  
21 with a physician or chiropractor, the employer or insurance company  
22 shall pay to the physician or chiropractor a reasonable charge, to  
23 be determined by the Commission, for the missed appointment. In the  
24 absence of a good-faith reason for missing the appointment, the

1 Commission shall order the employee to reimburse the employer or  
2 insurance company for the charge.

3 13. Physicians or chiropractors providing treatment under ~~this~~  
4 ~~act~~ the Administrative Workers' Compensation Act shall disclose  
5 under penalty of perjury to the Commission, on a form prescribed by  
6 the Commission, any ownership or interest in any health care  
7 facility, business, or diagnostic center that is not the physician's  
8 or chiropractor's primary place of business. The disclosure shall  
9 include any employee leasing arrangement between the physician or  
10 chiropractor and any health care facility that is not the  
11 physician's or chiropractor's primary place of business. A  
12 physician's or chiropractor's failure to disclose as required by  
13 this section shall be grounds for the Commission to disqualify the  
14 physician or chiropractor from providing treatment under ~~this act~~  
15 the Administrative Workers' Compensation Act.

16 14. a. Beginning on ~~the effective date of this act~~ May 28,  
17 2019, the Commission shall conduct an evaluation of  
18 the Fee Schedule, which shall include an update of the  
19 list of Current Procedural Terminology (CPT) codes, a  
20 line item adjustment or renewal of all rates, and  
21 amendment as needed to the rules applicable to the Fee  
22 Schedule.

23 b. The Commission shall contract with an external  
24 consultant with knowledge of workers' compensation fee

1 schedules to review regional and nationwide  
2 comparisons of Oklahoma's Fee Schedule rates and date  
3 and market for medical services. The consultant shall  
4 receive written and oral comment from employers,  
5 workers' compensation medical service and insurance  
6 providers, self-insureds, group self-insurance  
7 associations of this state and the public. The  
8 consultant shall submit a report of its findings and a  
9 proposed amended Fee Schedule to the Commission.

10 c. The Commission shall adopt the proposed amended Fee  
11 Schedule in whole or in part and make any additional  
12 updates or adjustments. The Commission shall submit a  
13 proposed updated and adjusted Fee Schedule to the  
14 President Pro Tempore of the Senate, the Speaker of  
15 the House of Representatives and the Governor. The  
16 proposed Fee Schedule shall become effective on July 1  
17 following the legislative session, if approved by  
18 Joint Resolution of the Legislature during the session  
19 in which a proposed Fee Schedule is submitted.

20 d. Beginning on ~~the effective date of this act~~ May 28,  
21 2019, an external evaluation shall be conducted and a  
22 proposed amended Fee Schedule shall be submitted to  
23 the Legislature for approval during the 2020  
24 legislative session. Thereafter, an external

1 evaluation shall be conducted and a proposed amended  
2 Fee Schedule shall be submitted to the Legislature for  
3 approval every two (2) years.

4 I. Formulary. The Commission by rule shall adopt a closed  
5 formulary. Rules adopted by the Commission shall allow an appeals  
6 process for claims in which a treating doctor determines and  
7 documents that a drug not included in the formulary is necessary to  
8 treat an injured employee's compensable injury. The Commission by  
9 rule shall require the use of generic pharmaceutical medications and  
10 clinically appropriate over-the-counter alternatives to prescription  
11 medications unless otherwise specified by the prescribing doctor, in  
12 accordance with applicable state law.

13 SECTION 2. AMENDATORY Section 56, Chapter 208, O.S.L.  
14 2013 (85A O.S. Supp. 2019, Section 56), is amended to read as  
15 follows:

16 Section 56. A. If the employer has previously contracted with  
17 a certified workplace medical plan, the employer shall select for  
18 the injured employee a treating physician or chiropractor from the  
19 physicians or chiropractors listed within the network of the  
20 certified workplace medical plan. The employee may apply for a  
21 change of physician or chiropractor by utilizing the dispute  
22 resolution process set out in the certified workplace medical plan  
23 on file with the State Department of Health.

1 B. If the employer is not covered by a certified workplace  
2 medical plan, the employer shall select the treating physician or  
3 chiropractor. The Commission on application of the employee shall  
4 order one change of treating physician or chiropractor. Upon the  
5 Commission's granting of the application, the employer shall provide  
6 a list of three physicians, one of which may be a chiropractor, from  
7 whom the employee may select the replacement.

8 SECTION 3. This act shall become effective November 1, 2020.

9  
10 DIRECT TO CALENDAR.

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