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Amber Shultz, Secretary

Laura Kelly, Governor

**Testimony before the
Joint Committee on Administrative Rules and Regulations
Proposed K.A.R. 51-9-17
Jose Castillo, Division of Workers Compensation
Kansas Department of Labor
March 15, 2024**

Madame Chair and Committee Members:

Good morning. My name is Jose Castillo, and I am the Assistant Director and head of the Medical Services Section of the Division of Workers Compensation at the Kansas Department of Labor. I am here with Jazz Washington, Assistant Medical Services Manager, to answer questions you may have with regard to our proposed updated regulation K.A.R. 51-9-7.

This regulation is authorized by and implements K.S.A. 44-510i. This regulation adopts by reference the 2024 Schedule of Medical Fees, which establishes fees for medical and hospital services through the utilization of a maximum medical fee schedule. The Kansas Workers Compensation Schedule of Medical Fees shall, in accordance with the statute, be reviewed as necessary at least every two (2) years by the Director to assure that the schedule is current, reasonable, and fair, yet promotes health care cost containment. This regulation will become effective on, and after, April 9, 2024.

The proposed fee schedule revisions attempt to balance the needs of ensuring access to physicians for injured workers with keeping costs at a reasonable level for Kansas employers. In addition, the agency consulted with the 12 members of the advisory panel, who reviewed and accepted the revisions that are present in the 2024 medical fee schedule. That panel is made up of representatives from the Commissioner of Insurance, Kansas Medical Society, Kansas Association of Osteopathic Medicine, Kansas Hospital Association, Kansas Chiropractic Association, Kansas Physical Therapy Association, Kansas Occupational Therapy Association and five members appointed by the Secretary. Of the members appointed by the Secretary, two are employer representatives recommended by the Kansas Chamber of Commerce and Industry, two are representatives of employees recommended by the AFL/CIO and one is a representative of vocational rehabilitation services.

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It was agreed that the resource based relative value system (RBRVS), originally developed for Medicare as the source of CPT (current procedural terminology) unit values would continue to be utilized in the 2024 fee schedule.

In order to maintain the current level of service, the primary changes to the fee schedule are an increase of the maximum allowable reimbursements for all anesthesia and surgical services by 3% and inpatient Peer Groups increased by \$200.

The National Council on Compensation Insurance analysis of the 2024 Schedule of Medical Fees indicates an overall impact of 0.3% (1.2M and or 1.5M when including self-insureds) on the overall costs to the workers compensation system in Kansas. Thank you for the opportunity to present the statutorily required review and update to the Workers Compensation Medical Fee Schedule. I am happy to stand for questions.

Thank you,

Jose Castillo