

Rural Area Flexibility Analysis (RAFA)

1. Types and estimated numbers of rural areas:

The proposed regulation incorporating the fee schedules by reference will apply to all medical providers authorized to treat claimants under the workers' compensation system, to insurance carriers, the State Insurance Fund, self-insured employers, self-insured local governments, group self-insured trusts, and third-party administrators across the State. These individuals and entities exist and do business in all areas of the State, including rural areas.

2. Reporting, recordkeeping and other compliance requirements; and professional services

The fee schedules are mandatory for all the above-mentioned parties in the workers' compensation system, including those located in rural areas. The new fee schedules change the fees, but do not create any new reporting, recordkeeping or other compliance requirements, and the proposed regulations simply incorporate those fee schedules by reference.

3. Costs

Some, but not all fees that medical providers may charge for services are increasing, which is estimated to result an overall increase in costs to the system in the low single digits (no more than 2-3%) as a result of carriers paying slightly more for these services. Because it has been more than six years since the last update to the medical fee schedules, and certain services have notably lagged behind the fees for other services, a change is necessary, and this reflects the cost of ensuring that good quality care is given to injured workers.

While the changes to the fee schedules do not impact the cost of purchasing the fee schedules, increases in the associated royalty fees imposed by the American Medical Association (AMA) and the American Society of Anesthesiologists (ASA) will result in an increase in the cost for the additional licenses for the Electronic Format File Download (to \$46 from the current \$25) as the current rate of \$25 per additional user does not cover the cost of the royalty fees that must be paid to the AMA and ASA for the additional use.

There will be no increase to the cost for the hard copy or eBook versions of the fee schedules at this time; however, costs of these versions may be reviewed and reassessed in the future due to the rising costs of production and the increased royalty fees. Any increased costs for the fee schedule will be solely due to increased costs associated with the production and licensing of the fee schedules and would have occurred irrespective of changes being made to the fee schedules.

4. Minimizing Adverse Impact

The Chair of the Workers' Compensation Board (Chair) is required to prepare and establish these fee schedules by statute. The Chair did consider different fee increases, but the above-referenced targeted increase to a limited number of billing codes was determined to be the optimal increase that ensures that medical providers are paid a fair rate and can continue providing quality medical care to treat injured workers.

Updating the workers' compensation fees so that workers' compensation rates are more in line with regular health insurance encourages increased provider participation in the workers' compensation system. This in turn increases access to care for patients in rural areas, as well as minimizes the need for an injured worker to travel far distances to receive necessary medical care.

5. Rural area participation

The Workers' Compensation Board (Board) regularly receives input from both medical societies and organizations in New York State, as well as individual providers and practices.

The Board does not have a rural area database, but has sent an electronic communication describing the proposal to its health care provider and employer subscribers for Board updates.

The Board will duly consider all public comments received from rural areas during the public comment period.