

STATE OF MINNESOTA
DEPARTMENT OF LABOR AND INDUSTRY

In the Matter of the Proposed
Amendment of Rules of the Minnesota
Department of Labor and Industry,
Workers' Compensation Division,
governing Medical Charges and
Reimbursement

**STATEMENT OF
NEED AND
REASONABLENESS**

The following minor changes are made to the Medical Fee Schedule:

Part 5221.0100 Definition

Subp. 1a. Appropriate Record

This definition is added to provide users of the Medical Fee Schedule a working definition of an "appropriate record," because the term is used throughout the schedule. This definition is consistent with and reflects M.S. 176.135, subd. (7), which requires providers to submit information to payers that substantiates the nature and necessity of a medical bill and the relationship of the service to the work injury. The definition also requires the medical information to be legible, in response to payer concerns that handwritten medical information is at times difficult to read.

Part 5221.2250 Physicians Services, Surgery

Subp. 2. Instructions

Language is deleted from the Medical Fee Schedule instructions which states that reimbursement for an assistant surgeon is included in the fee for the surgical package and is the responsibility of the primary physician. This language is deleted because it potentially conflicts with Minnesota Statutes, §147.091, subd. 1(p) and Minnesota Rules, Part 5620.0100 to 0160, which establish standards for division of fees between physicians. Additionally, the data reported from Blue Cross and Blue Shield (used pursuant to M.S. 176.136 to determine the maximum fees for surgical procedures) does not support the division of fees required by the rule. Accordingly, it is necessary to delete the language.

SMALL BUSINESS IMPACT

The Department has determined that the rules have minimal adverse impact on small business. The first rule is merely definitional. The second rule amendment deletes language which could conflict with existing law regarding physician fee splitting and is not consistent with the data base used to determine maximum fees for surgical procedures. As the deletion is necessary to bring the rules into compliance with other existing statutes and rules it does not have an adverse impact on small business. Further, the rules are exempt from the requirements of M.S. 14.115 because they regulate a "service business...such as...providers of medical care."

FISCAL IMPACT ON LOCAL PUBLIC BODIES

Because the amendments define an additional term, consistent with existing statutory language, and delete language that is inconsistent with other rules and existing statutory language, no significant fiscal impact on local public bodies is anticipated. If there is any it is not expected to be more than \$100,000 in either of the next two years. Further, the rules do not establish a new program or require an increased level of service. Therefore, no fiscal note is necessary under M.S. 3.983 or M.S. 14.11.