

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 14-167—sSB 61**

*Labor and Public Employees Committee*

*Public Health Committee*

*Insurance and Real Estate Committee*

**AN ACT CONCERNING WORKERS' COMPENSATION AND LIABILITY FOR HOSPITAL AND AMBULATORY SURGICAL CENTER SERVICES**

**SUMMARY:** This act changes how prices for workers' compensation-covered services at hospitals and ambulatory surgical centers (ASC) are determined when a hospital or ASC has not otherwise negotiated prices with an injured employee's employer or workers' compensation insurance carrier (the "payor").

It requires the Workers' Compensation Commission chairman, by January 1, 2015, to establish and publish Medicare-based formulas, when available, for determining the prices of such services. In establishing the formulas, the chairman must consult with employers and their insurance carriers, self-insured employers, hospitals, ASCs, third-party reimbursement organizations, and any other entities the commission deems necessary. The chairman must publish the formulas annually on January 1.

Starting 90 days after the chairman publishes the formulas, the act caps the payor's liability for such services at the reimbursement levels listed in the formulas, unless the parties have negotiated differently. If the services are not covered by Medicare (and thus do not have an applicable formula), the chairman must determine the payor's liability in consultation with the above consulting entities.

Prior law required the payor to pay a hospital for its actual costs of treating an injured worker, as determined by a workers' compensation commissioner. The act specifies that this requirement remains effective until the new formulas are implemented. In practice, however, the payor and hospital generally negotiate discounted rates for the hospital's services. If they do not negotiate, a 2012 workers' compensation commissioner's decision requires the payor to pay the hospital's billed charges.

EFFECTIVE DATE: Upon passage

OLR Tracking: LRH:JR:PF:ro