Worker's Compensation Board of Indiana
Guidelines for Determining the Pecuniary Liability of an Employer to a Medical Service Facility

In order to carry out the intent of the Worker's Compensation Act and effectuate Indiana Code22-3-3-5.2(b)(2), the Board hereby adopts the following guidelines for payment for medical services and products provided by medical facilities on and after July 1, 2014:

Experimental and Investigational (Excluded) Services – Reasonable and necessary services or products, as defined in IC 22-3-6-1(l), that are excluded under Medicare regulations, as listed in the Medicare National Coverage Determinations Manual, should be reimbursed in accordance with IC 22-3-6-1(k)(1), in the same community (as defined in IC 22-3-6-1(h)) for a like service or product to injured persons, if not covered by a relevant contract or payment agreement.

Medicare Reductions- The 2% sequester reductions applied by CMS shall not be included in bill calculation under IC 22-3-3-5.2.

Outpatient Procedures: Addendum "E" to Medicare's inpatient prospective payment rules lists certain procedures that are eligible for Medicare reimbursement only when they are performed on an inpatient basis. For purposes of Indiana's workers compensation program, facilities shall be reimbursed for reasonable and necessary procedures conducted there in contradiction of Addendum "E"[1], as agreed upon between the facility, the employer and the medical provider. Services and procedures thus rendered are payable according to a pre-negotiated fee arrangement between the facility and the employer, or a relevant pre-existing contract. The fee agreement must be memorialized in writing prior to performing the medical service or procedure.

This provision is in furtherance of the CMS practice of using the least restrictive setting for the procedure to be performed.

Physical Therapy- Medicare caps on the number of approved visits per year shall not apply to physical therapy performed in a hospital setting.

Repackaged Drugs- Medical service providers billing for repackaged legend drugs under IC 22-3-3-4.5 must include both the repackaged NDC and the original manufacturer's NDC, in that order, on the bill.

Procedural guidance on the new hospital and facility claims process is available under the Providers tab. This document was prepared by Trudy Struck of Blue & Co. on behalf of the Indiana Hospital Association and expresses the beliefs of the author as to the appropriate process to be followed. The Board is grateful to Ms. Struck, but retains the right to amend the document, as well as these Guidelines, as necessary in the future based on the results of actual practice. The Board also wishes to thank the many professionals who contributed to these Guidelines through the kind sharing of their knowledge, wisdom and experience. Finally, while we provide this information to be of assistance, it is not law, and should not be read as such.

Linda Peterson Hamilton, Chairman.

---

[1] See 78 FR 43622 Addendum E