



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

News Release

LINDA LINGLE
GOVERNOR

NELSON B. BEFITEL, DIRECTOR
COLLEEN Y. LaCLAIR, DEPUTY DIRECTOR
Phone: (808) 586-8844
Fax: (808) 586-9099

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**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS ANNOUNCES
INCREASE IN WORKERS' COMPENSATION REIMBURSEMENT RATES FOR
MEDICAL PROVIDERS**

New rates go into effect January 1, 2007

HONOLULU - The Department of Labor and Industrial Relations (DLIR) announced today that effective January 1, 2007, medical providers treating workers' compensation patients will see an increase in their fees for most services.

The increases are a result of a request for selected Current Procedural Terminology (CPT) codes by the Hawaii Medical Association (HMA). Additionally, under the Director's statutory authority, DLIR Director Nelson Befitel reviewed over 6,500 of the most used CPT codes to determine which codes needed to be adjusted to meet the prevailing rate paid by commercial health insurance companies to ensure providers in the workers' compensation system are fairly compensated.

Based on this analysis, approximately 1,300 CPT codes in the current medical fee schedule needed adjustments. The DLIR recommended the following to Governor Linda Lingle:

- increase in Surgical codes by an average of 29.3% over 2005 Medicare Par plus 10%;
- increase in Medicine codes by an average of 4.2% over 2005 Medicare Par plus 10%;

- decrease in Radiology codes by an average of -8.6% over 2005 Medicare Par plus 10%;
- increase in Other Services by an average of 6.6% over 2005 Medicare Par plus 10%;
- Evaluation and Management Services codes by an average of 20.7% over 2005 Medicare Par plus 10%.

The DLIR held a public hearing on the proposed increases on September 1, 2006. Governor Lingle signed the proposed increases into law on October 25, 2006.

It is expected that the revised CPT codes may increase Hawaii's workers' compensation loss costs by 4.2%. (Loss Costs are those premium costs directly associated with workers' compensation claims, e.g., medical costs, disability benefits, vocational and other rehabilitation costs, and survivor benefits.)

"These increases will ensure that our medical providers are paid adequately for their services and ensure that injured workers have access to prompt, quality medical treatment," said Befitel.

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For more information, contact:
James P. Hardway
Assistant to the Director
Phone: (808) 586-8845
Fax: (808) 586-9099
Email: jhardway@hawaii.gov