

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

HOUSE BILL 2221

AN ACT

AMENDING SECTIONS 23-1062.01 AND 23-1062.02, ARIZONA REVISED STATUTES;
RELATING TO WORKERS' COMPENSATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 23-1062.01, Arizona Revised Statutes, is amended to
3 read:

4 23-1062.01. Timely payment of medical, surgical and hospital
5 benefit billing; content of bills; contracts
6 between providers and carriers; exceptions;
7 definitions

8 A. An insurance carrier, self-insured employer or claims processing
9 representative shall make a determination whether to deny or pay a medical
10 bill on an accepted claim, in whole or in part, including the decision as to
11 the amount to pay, within thirty days from the date the claim is accepted, if
12 the billing is received before the date of acceptance, or within thirty days
13 from the date of receipt of the billing if the billing is received after the
14 date of acceptance. All billing denials shall be based on reasonable
15 justification. The insurance carrier, self-insured employer or claims
16 processing representative shall pay the approved portion of the billing
17 within thirty days after the determination for payment is made. If the
18 billing is not paid within the applicable time period, the insurance carrier,
19 self-insured employer or claims processing representative shall pay interest
20 to the health provider on the billing at a rate that is equal to the legal
21 rate. Interest shall be calculated beginning on the date that the payment to
22 the health care provider is due.

23 B. Any billing by a health care provider shall include all of the
24 following:

- 25 1. The correct demographic patient information and claim number, if
26 known.
- 27 2. The correct health care provider information, including name,
28 address, telephone number and federal taxpayer identification number.
- 29 3. The appropriate medical coding with dollar amounts and units
30 clearly stated with all descriptions.
- 31 4. Clearly printed date or dates of service.
- 32 5. Legible medical reports required for each date of service if the
33 billing is for direct treatment of the injured worker.

34 C. An insurance carrier, self-insured employer or claims processing
35 representative is not responsible for payment of any billings for medical,
36 surgical or hospital benefits provided under this chapter unless the billings
37 are received by the insurance carrier, self-insured employer or claims
38 processing representative **AND ANY COURT ACTION FOR THE PAYMENT OF THE**
39 **BILLINGS IS COMMENCED** within twenty-four months from the date on which the
40 medical service was rendered or from the date on which the health care
41 provider knew or should have known that service was rendered on an industrial
42 claim, whichever occurs later. **A SUBSEQUENT BILLING OR CORRECTIVE BILLING**
43 **DOES NOT RESTART THE LIMITATIONS PERIOD.**

44 D. An injured worker is not responsible for payment of any portion of
45 a medical bill for services rendered on an accepted claim and is not

1 responsible for payment of any disputed amount between a health care provider
2 and the insurance carrier, self-insured employer or claims processing
3 representative.

4 E. An insurance carrier, self-insured employer or claims processing
5 representative that is subject to this chapter may establish an internal
6 system for resolving payment disputes and other contractual grievances with
7 health care providers.

8 F. This section does not apply to health care providers that enter
9 into an express written contract with the insurance carrier, the self-insured
10 employer or a claims processing representative that specifies the period in
11 which approved bills shall be paid and that includes contractual remedies for
12 untimely bill payment. If the contract does not include remedies for
13 untimely payment, payment must be made according to the provisions of the
14 contract but the interest penalty prescribed by subsection A **OF THIS SECTION**
15 shall apply to any late payment. The commission does not have jurisdiction
16 over disputes involving timely payment of billings under contracts between
17 the insurance carrier, self-insured employer or claims processing
18 representative and the health care provider.

19 G. For the purposes of this section:

20 1. "Accepted claim" means a claim for benefits under this chapter that
21 has been accepted by a final notice of claim status or final order or award
22 of the commission.

23 2. "Date of receipt" means the electronic acknowledgement date or, if
24 a bill does not contain an electronic acknowledgment date, the date of
25 receipt is presumed to occur five days after the bill was mailed to the
26 recipient's address.

27 Sec. 2. Section 23-1062.02, Arizona Revised Statutes, is amended to
28 read:

29 23-1062.02. Off-label and prescription use of controlled
30 substances; prescription of schedule II
31 controlled substances; reports; treatment plans;
32 monitoring program inquiries; preauthorizations;
33 definitions

34 A. ~~On written request of an interested party as defined in section~~
35 ~~23-901,~~ A physician shall include in the report required under commission
36 rule information pertaining to the following:

37 1. The off-label use of a narcotic, opium-based controlled substance
38 or schedule II controlled substance by a claimant.

39 2. The use of a narcotic or opium-based controlled substance or the
40 prescription of a combination of narcotics or opium-based controlled
41 substances at or exceeding a one hundred twenty milligram morphine equivalent
42 dose per day.

43 3. The prescription of a long-acting or controlled release opioid for
44 acute pain.

1 B. The information required pursuant to subsection A of this section
2 shall include the justification for use of the controlled substance, and a
3 treatment plan that includes a description of measures that the physician
4 will implement to monitor and prevent the development of abuse, dependence,
5 addiction or diversion by the employee. ~~The interested party may also~~
6 ~~request that the physician submit and report the results of an inquiry to the~~
7 ~~Arizona state board of pharmacy requesting prescription information for the~~
8 ~~employee compiled under the controlled substances prescription monitoring~~
9 ~~program prescribed in title 36, chapter 28, and that~~ The physician SHALL
10 include in the treatment plan a medication ~~contract~~ AGREEMENT, a plan for
11 subsequent follow-up visits and RANDOM drug testing and documentation that
12 the medication regime is providing relief that is demonstrated by ~~improved~~
13 CLINICALLY MEANINGFUL IMPROVEMENT IN function. IF THE DRUG TEST OF THE
14 EMPLOYEE REVEALS INCONSISTENT RESULTS, THE PHYSICIAN WITHIN FIVE BUSINESS
15 DAYS SHALL PROVIDE A WRITTEN REPORT TO THE CARRIER, SELF-INSURED EMPLOYER OR
16 COMMISSION SETTING FORTH A TREATMENT PLAN TO ADDRESS THE INCONSISTENT DRUG
17 TEST RESULTS.

18 C. WITHIN TWO BUSINESS DAYS OF WRITING OR DISPENSING AN INITIAL
19 PRESCRIPTION ORDER FOR AT LEAST A THIRTY-DAY SUPPLY OF AN OPIOID MEDICATION
20 FOR THE EMPLOYEE, A PHYSICIAN SHALL SUBMIT AN INQUIRY TO THE ARIZONA STATE
21 BOARD OF PHARMACY REQUESTING THE EMPLOYEE'S PRESCRIPTION INFORMATION THAT IS
22 COMPILED UNDER THE CONTROLLED SUBSTANCES PRESCRIPTION MONITORING PROGRAM
23 PRESCRIBED IN TITLE 36, CHAPTER 28. THE PHYSICIAN SHALL REPORT THE RESULTS
24 TO THE CARRIER, SELF-INSURED EMPLOYER OR COMMISSION AS SOON AS REASONABLY
25 PRACTICABLE BUT NO LATER THAN THIRTY DAYS FROM THE DATE OF THE INQUIRY.
26 THEREAFTER, THE CARRIER, SELF-INSURED EMPLOYER OR COMMISSION MAY REQUEST NO
27 MORE THAN ONCE EVERY TWO MONTHS THAT THE PHYSICIAN PERFORM ADDITIONAL
28 INQUIRIES TO THE ARIZONA STATE BOARD OF PHARMACY.

29 D. IF THE RESULT OF AN INQUIRY TO THE ARIZONA STATE BOARD OF PHARMACY
30 REVEALS THAT THE EMPLOYEE IS RECEIVING OPIOIDS FROM ANOTHER UNDISCLOSED
31 HEALTH CARE PROVIDER, THE PHYSICIAN SHALL WITHIN FIVE BUSINESS DAYS REPORT
32 THE RESULTS TO THE CARRIER, SELF-INSURED EMPLOYER OR COMMISSION.

33 ~~C.~~ E. If the physician does not comply with this section:

34 1. The ~~interested party~~ CARRIER, SELF-INSURED EMPLOYER OR COMMISSION
35 is not responsible for payment for the physician's services until the
36 physician complies with ~~subsection A of~~ this section.

37 2. EXCEPT FOR A SELF-INSURED EMPLOYER THAT PROVIDES MEDICAL CARE
38 PURSUANT TO SECTION 23-1070, AN ~~the~~ employer, carrier or commission may
39 request a change of physician AFTER MAKING A WRITTEN REQUEST TO THE PHYSICIAN
40 TO COMPLY WITH THIS SECTION AND THE REQUEST IDENTIFIES THE AREA OF
41 NONCOMPLIANCE. IF A CHANGE OF PHYSICIAN IS ORDERED AND THE ORDER BECOMES
42 FINAL, THE EMPLOYEE SHALL SELECT A PHYSICIAN WHOSE PRACTICE INCLUDES PAIN
43 MANAGEMENT AND WHO AGREES TO COMPLY WITH THIS SECTION. IF OTHER MEDICAL
44 PROVIDERS ARE NOT AVAILABLE IN THE EMPLOYEE'S AREA OF RESIDENCE, THE
45 EMPLOYER, CARRIER OR COMMISSION SHALL PAY IN ADVANCE FOR THE EMPLOYEE'S

1 REASONABLE TRAVEL EXPENSES, INCLUDING THE COST OF TRANSPORTATION, FOOD,
2 LODGING AND LOSS OF PAY, IF APPLICABLE.

3 F. IF MEDICALLY NECESSARY, THE CARRIER, SELF-INSURED EMPLOYER OR
4 COMMISSION SHALL PROVIDE DRUG REHABILITATION AND DETOXIFICATION TREATMENT FOR
5 AN EMPLOYEE WHO BECOMES DEPENDENT ON OR ADDICTED TO OPIOIDS THAT ARE
6 PRESCRIBED FOR A WORK-RELATED INJURY. IN THE EVENT OF A MEDICAL CONFLICT
7 REGARDING THE NECESSITY FOR DRUG REHABILITATION AND DETOXIFICATION, THE
8 CARRIER, SELF-INSURED EMPLOYER OR COMMISSION SHALL CONTINUE TO PROVIDE THE
9 OPIOIDS UNTIL A DETERMINATION IS MADE AFTER A HEARING BY AN ADMINISTRATIVE
10 LAW JUDGE.

11 G. IF THE EMPLOYEE RESIDES OUT OF STATE, THE CARRIER, SELF-INSURED
12 EMPLOYER OR COMMISSION MAY NOT BE RESPONSIBLE FOR PROVIDING MEDICATIONS THAT
13 ARE SUBJECT TO THIS SECTION IF THE OUT-OF-STATE PHYSICIAN FAILS TO COMPLY
14 WITH THIS SECTION. IF THE OTHER STATE HAS A CONTROLLED SUBSTANCES MONITORING
15 PROGRAM, THE PHYSICIAN SHALL SUBMIT AN INQUIRY TO THE DATABASE AS PRESCRIBED
16 BY SUBSECTION C OF THIS SECTION.

17 H. THIS SECTION DOES NOT APPLY TO MEDICATIONS ADMINISTERED TO THE
18 EMPLOYEE WHILE THE EMPLOYEE IS RECEIVING INPATIENT HOSPITAL TREATMENT.

19 ~~D.~~ I. ~~An~~ A CARRIER, SELF-INSURED employer, ~~a carrier~~ or ~~the~~
20 commission may ~~request the information required pursuant to subsection A of~~
21 ~~this section and~~ require physician compliance with this section
22 notwithstanding the existence of a prior award addressing medical maintenance
23 benefits for medications. ~~An employer or~~ A carrier OR SELF-INSURED EMPLOYER
24 is not liable for bad faith or unfair claims processing for any act taken in
25 compliance of and consistent with this section.

26 ~~E.~~ J. For the purposes of this section: ~~—~~

27 1. "CLINICALLY MEANINGFUL IMPROVEMENT IN FUNCTION" MEANS ANY OF THE
28 FOLLOWING:

- 29 (a) A CLINICALLY DOCUMENTED IMPROVEMENT IN RANGE OF MOTION.
- 30 (b) AN INCREASE IN THE PERFORMANCE OF ACTIVITIES OF DAILY LIVING.
- 31 (c) A RETURN TO GAINFUL EMPLOYMENT.

32 2. "INCONSISTENT RESULTS" MEANS:

33 (a) THE EMPLOYEE'S REPORTED MEDICATIONS, INCLUDING THE PARENT DRUGS OR
34 METABOLITES, ARE NOT DETECTED.

35 (b) CONTROLLED SUBSTANCES ARE DETECTED THAT ARE NOT REPORTED BY THE
36 EMPLOYEE.

37 3. "Off-label use" means use of a prescription medication by a
38 physician to treat a condition other than the use for which the drug was
39 approved by the United States food and drug administration.