

2021 Regular Session

HOUSE BILL NO. 512

BY REPRESENTATIVE FRIEMAN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

WORKERS COMPENSATION: Provides relative to reimbursement for implants

1 AN ACT

2 To enact R.S. 23:1034.2(G), relative to workers' compensation; to provide for surgical
3 procedures for implants; to provide for a reimbursement schedule; to provide for
4 reimbursement costs; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 23:1034.2(G) is hereby enacted to read as follows:

7 §1034.2. Reimbursement schedule

8 * * *

9 G.(1) When an injured worker requires and is entitled to a surgical procedure
10 that requires the use of an implant, only the hospital or ambulatory surgery center
11 where the procedure is to be performed shall order and purchase the implant based
12 on the specifications of the surgeon.

13 (2) Reimbursement for the implant shall be the total of the manufacturer's
14 original invoice amount plus twenty percent.

15 (3) The hospital or ambulatory surgery center shall submit to the payor the
16 original manufacturer's invoice detailing the amount paid by the hospital or
17 ambulatory surgery center for the implant.

18 (4)(a) If the implant requested by the surgeon is available only through an
19 authorized distributor and the hospital or ambulatory surgery center is unable to
20 purchase the implant directly from a manufacturer then the hospital or ambulatory

1 surgery center shall instead submit to the payor the distributor's original invoice
2 detailing the amount paid by the hospital or ambulatory surgery center.

3 (b) Reimbursement for the implant shall be the total of the distributor's
4 original invoice amount paid by the hospital or ambulatory surgical center plus
5 twenty percent.

6 (5)(a) It is expected that the hospital or ambulatory surgical center will seek
7 to minimize costs and that the actual costs do not exceed what a prudent buyer would
8 pay for a given service.

9 (b) If the hospital or ambulatory surgery center is not bound by either
10 contract or law to be a prudent buyer of the implant or the hospital or ambulatory
11 surgery center does not accept Medicare, the payor may challenge the reasonableness
12 of the distributor's or manufacturer's invoice by showing comparative reimbursement
13 costs in the same geographical area where the hospital or ambulatory surgery center
14 is located. The reimbursement shall be the average of the comparative
15 reimbursement costs plus twenty percent.

16 (c) For purposes of this Paragraph, a prudent buyer shall be a hospital or
17 ambulatory surgery center that will minimize costs incurred such that actual costs do
18 not exceed what a cost conscious buyer would incur and the actual costs are
19 comparable to costs incurred for a similar implant furnished by a similar hospital or
20 ambulatory surgical center in the same geographical area.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 512 Original

2021 Regular Session

Frieman

Abstract: Provides relative to reimbursement for implants.

Proposed law provides that when an injured worker requires and is entitled to a surgical procedure that requires the use of an implant, only the hospital or ambulatory surgery center where the procedure is to be performed shall order and purchase the implant based on the surgeon's specifications.

Proposed law provides that reimbursement for the implant shall be the total of the manufacturer's original invoice amount plus 20%.

Proposed law provides that the hospital or ambulatory surgery center shall submit to the payor the original manufacturer's invoice detailing the amount paid by the hospital or ambulatory surgery center for the implant.

Proposed law provides that if the implant requested by the surgeon is available only through an authorized distributor and the hospital or ambulatory surgery center is unable to purchase the implant directly from a manufacturer then the hospital or ambulatory surgery center shall instead submit to the payor the distributor's original invoice detailing the amount paid by the hospital or ambulatory surgery center.

Proposed law provides that the reimbursement for the implant shall be the total of the distributor's original invoice amount paid by the hospital or ambulatory surgical center plus 20%.

Proposed law provides that it is expected that the hospital or ambulatory surgical center will seek to minimize costs and that the actual costs do not exceed what a prudent buyer would pay for a given service.

Proposed law provides that if the hospital or ambulatory surgery center is not bound by either contract or law to be a prudent buyer of the implant or the hospital or ambulatory surgery center does not accept Medicare, the payor may challenge the reasonableness of the distributor's or manufacturer's invoice by showing comparative reimbursement costs in the same geographical area where the hospital or ambulatory surgery center is located. Proposed law further provides that the reimbursement shall be the average of the comparative reimbursements costs plus 20%.

Proposed law provides that for the purposes of proposed law, a prudent buyer shall be a hospital or ambulatory surgery center that will minimize costs incurred such that actual costs do not exceed what a cost conscious buyer would incur and are comparable to costs incurred for a similar implant furnished by a similar hospital or ambulatory surgical center in the same geographical area.

(Adds R.S. 23:1034.2(G))