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SB 408 Engrossed

DIGEST
2026 Regular Session

Myers

Present law requires the assistant secretary of the office of workers' compensation administration to create a reimbursement schedule that sets the maximum amount that can be paid to doctors, hospitals, pharmacies, or providers for prescription drugs, medical supplies, hospital care and services, and medical and surgical treatments provided to injured workers.

Proposed law retains present law and adds that if a medical service has a CPT code, then the reimbursement amount will be calculated using that code. Proposed law also provides that the reimbursement amount will be set at the 75th percentile of the PMIC Medical Fees Directory.

Proposed law prohibits "by report" billing.

Propose law provides that individual CPT, HCPCS, facility classification, or reimbursement schedules will increase or decrease by more than 5% in any 12 month period unless the following criteria are satisfied:

- (1) Demonstration of material access-to-care deficiencies.
- (2) Clear actuarial evidence of system imbalance.
- (3) Approval by concurrent resolution of the legislature.

Proposed law further provides that any decrease will be phased in over not less than two years.

Present law provides that the schedule will include charges which reflect the mean of the usual and customary charge for medical care, services, treatment, drugs and supplies.

Proposed law repeals present law.

Proposed law requires reimbursement for implants to be the total of the original manufacturer's invoice or the authorized distributor's invoice amount paid plus 20%.

Proposed law defines "by report", "database", "medical claim", "payor" and "electronic claim".

Present law provides that the assistant secretary will collect the information and data necessary to calculate the reimbursement schedule. Present law further provides that the information and data will be governed by the following guidelines:

- (1) The assistant secretary will create a written survey detailing the information requested.
- (2) The survey will be managed by the office of workers' compensation administration in conjunction with an academic institution.
- (3) The information requested must be based upon data at least six months old.
- (4) There will be a minimum of 30 healthcare providers reporting data upon which each disseminated statistic is based.
- (5) No individual healthcare provider's data can represent more than 25% on a weighted basis of each statistic.
- (6) Any information disseminated must be sufficiently aggregated such that it will not allow recipients to identify the prices charged or compensation paid by any particular healthcare provider.

Proposed law repeals present law.

Present law provides that disputes between healthcare providers and employees, employers, or insurers may be submitted to the office of workers' compensation in the same manner as established for dispute resolution of claims for workers' compensation benefits.

Present law retains proposed law and adds that if the dispute is regarding billing, payment, explanation of benefits, reconsideration, or the appropriate amount owed for the provision of medical services that have been rendered, the disputing party will submit the dispute for resolution to the office of workers' compensation's administration's medical services section.

Proposed law provides that the nonprevailing party will pay the cost of the review.

Proposed law provides an appeals process.

Proposed law provides that reimbursement due for certain professional services that do not have specific CPT code or a comparable CPT code, then reimbursement will be the mean of the usual and customary payment for the professional service.

Proposed law provides that the fee schedule in present law will remain in effect until the House and Senate Labor committees adopt the new fee schedule.

Proposed law instructs the assistant secretary to impose a civil fine of at least \$1,000 but not more than \$5,000 to any workers' compensation payor who does not timely pay medical benefits.

Proposed law provides that a request for authorization for certain medical services is deemed authorized if not denied within five business days.

Proposed law requires the assistant secretary to establish and maintain the "All Workers' Compensation Medical Claims Database" (database).

Proposed law provides that the purpose of the database is to:

- (1) Improve transparency in medical reimbursement trends.
- (2) Assist in enforcement and maintenance of an appropriate fee schedule.
- (3) Evaluate medical utilization patterns and outcomes.
- (4) Detect fraud, waste, and abuse.
- (5) Support policy development, rate analysis, and system oversight.

Proposed law requires all workers' compensation payors to submit medical and pharmacy claims data for all workers' compensation claims arising under Louisiana law to the assistant secretary of the office of workers' compensation administration.

Proposed law provides that the medical and pharmacy data must include:

- (1) Date of injury.
- (2) Employer industry classification.
- (3) Provider specialty and identifier.
- (4) CPT, HCPCS, ICD, and NDC codes as applicable.
- (5) Billed charge and allowed amount.
- (6) Paid amount.
- (7) Service dates.
- (8) Utilization review actions.
- (9) Claim status indicators.

Proposed law provides that the information collected and maintained in the database will be confidential and privileged. Proposed law also provides for criminal penalties for unauthorized disclosure.

Proposed law allows the assistant secretary to use the data collected for the database for:

- (1) Monitoring compliance with medical fee schedule regulations.
- (2) Studying medical cost drivers and utilization trends.
- (3) Supporting actuarial review and rate analysis.
- (4) Evaluating the effectiveness of medical treatment guidelines.
- (5) Developing, revising, or modernizing the workers' compensation medical fee schedule pursuant to the provisions of this Part.
- (6) Reporting annually to the legislature.

Proposed law provides that payors who fail to submit required information to the database or correct submissions rejected because of errors will receive a notice from the assistant secretary, and an extension of time may be granted for just cause. Proposed law further provides that the assistant secretary may assess a fine that does not exceed \$500 per day for noncompliance.

Present law provides that the assistant secretary will adopt rules and regulations regarding an electronic system of submission, processing, and payment of workers' compensation-related medical bills.

Present law provides that insurance carriers will accept medical bills electronically submitted by healthcare providers and electronic payment of such bills, and healthcare providers will accept payment of medical claims submitted electronically by insurance carriers.

Proposed law provides that beginning July 1, 2027, claims for medical services rendered will be submitted to a workers' compensation payor in electronic format.

Proposed law requires the assistant secretary to develop and implement a Workers' Compensation Medical Quality and Outcomes Program designed to measure, evaluate, and improve the quality of effectiveness of medical care provided to injured employees.

Present law provides a declaration by the legislature that the people should be aware of all of the exceptions, exemptions, and limitations to the public records law and that such exceptions, exemptions, and limitations should be provided only in present law relative to public records or the Constitution of Louisiana. Proposed law further provides that any exceptions, exemptions, and limitations elsewhere in the law will not have effect. Proposed law further recognizes that there currently exists a number of exceptions, exemptions, and limitations located elsewhere in present law.

Proposed law retains present law and adds proposed law relative to the medical claims database to the list of public records exceptions.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 23:1034.2(B), (C), and (F), 1201(E), 1203(B), 1203.1(J)(1) and 1203.2 and R.S. 44:4.1(B)(12); adds 23:1021(14) and (15), and 1200.18-1200.26)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Labor and Industrial Relations to the original bill

1. Add definition of "payor".
2. Remove requirement for workers' compensation payor to respond to a surgical prior authorization request within seven business days under penalty of automatic approval.
3. Add provision that requires the reimbursement schedule for professional service charges for certain services not priced under a CPT code or a comparable code for substantially similar service to be set at the mean of usual and customary service.
4. Add provision that the current fee schedule will be in effect until the new fee schedule is approved by the House and Senate Labor Committees.
5. Add proposed law relative to authorization for certain medical services.
6. Make technical changes.