

2026 Regular Session

SENATE BILL NO. 408

BY SENATOR MYERS

WORKERS' COMPENSATION. Provides relative to the workers' compensation reimbursement schedule. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 23:1034.2(B), (C), and (F), 1201(E), 1203(B), 1203.1(J)(1),

3 1203.2, and R.S. 44:4.1(B)(12) and to enact R.S. 23:1021(14) and (15) and Subpart

4 K of Part 1 of Chapter 10 of Title 23 of the Louisiana Revised Statutes of 1950, to

5 be comprised of R.S. 23:1200.18 through 1200.26, relative to workers'

6 compensation; to establish an All Workers' Compensation Medical Claims Database;

7 to provide for duties of the Louisiana Works, office of workers' compensation

8 administration; to provide for mandatory reporting of medical and pharmacy claims

9 data; to provide for rulemaking; to provide for confidentiality and data protections;

10 to provide for public record exceptions; to provide for definitions; to provide for

11 penalties; to provide for an effective date; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 23:1034.2(B), (C), and (F), 1201(E), and 1203(B), and 1203.1(J)(1)

14 are hereby amended and reenacted and R.S. 23:1021(14) and (15) are hereby enacted to read

15 as follows:

16 §1021. Terms defined

17 As used in this Chapter, unless the context clearly indicates otherwise, the

1 following terms shall be given the meaning ascribed to them in this Section:

2 * * *

3 (14) "By report" means the method by which the reimbursement is
4 determined by the carrier when a service or procedure is performed by the
5 provider that does not have an established maximum fee allowance.

6 (15) "Payor" means the entity responsible by law or contract for
7 payment of the medical expenses incurred by or on behalf of an employee as a
8 result of a work injury or occupational disease compensable under this Chapter.

9 * * *

10 §1034.2. Reimbursement schedule

11 * * *

12 B. The assistant secretary shall adopt, in accordance with the Administrative
13 Procedure Act, rules and regulations necessary to establish and implement a
14 reimbursement schedule for such care, services, treatment, drugs, and supplies in
15 accordance with the following:

16 (1) For purposes of the professional fee schedule, the reimbursement
17 schedule for professional service charges for care, services, treatment, drugs,
18 and supplies for which a current procedural terminology (CPT) code is assigned
19 shall be equal to the seventy-fifth percentile of the Practice Management
20 Information Corporation Medical Fees Directory. If a specific CPT code is not
21 assigned, the reimbursement schedule for charges listed in this Subsection may
22 use a comparable CPT code that shall be equal to the seventy-fifth percentile of
23 the Practice Management Information Corporation Medical Fees Directory.
24 Reimbursement by report shall be prohibited.

25 (2) For purposes of inpatient and outpatient hospital services and
26 ambulatory surgery services, set reimbursement for service charges for care,
27 services, treatment, drugs, and supplies equal to the seventy-fifth percentile of
28 paid amounts for the same or substantially similar services reflected in the All
29 Workers' Compensation Medical Claims Database during the most recent

1 twenty-four month reporting period.

2 (3) For any drugs, supplies, hospital care and services, medical and
3 surgical treatment, and any nonmedical treatment recognized by the laws of this
4 state as legal and due under this Chapter for which reimbursement is not
5 provided pursuant to Paragraphs (B)(1) and (B)(2) of this Section,
6 reimbursement shall be the mean of the usual and customary payment for such.
7 Reimbursement under this Subsection may be established by the assistant
8 secretary based on the mean of the usual and customary reimbursement and
9 pursuant to the Administrative Procedure Act.

10 (4)(a) Following the implementation of a new fee schedule, no individual
11 CPT, Healthcare Common Procedure Coding System (HCPCS), facility
12 classification, or reimbursement category shall increase or decrease by more
13 than five percent in any twelve-month period unless all of the following criteria
14 are satisfied:

15 (i) Demonstration of material access-to-care deficiencies.

16 (ii) Clear actuarial evidence of system imbalance.

17 (iii) Approval by concurrent resolution of the legislature.

18 (b) Any decrease shall be phased in over not less than two years.

19 (c) Notwithstanding the provisions of Subparagraph (4)(a) of this
20 Subsection, within the thirty-six month period following the initial adoption of
21 a fee schedule developed pursuant to Section 4 of this Act, the assistant
22 secretary may propose a one-time corrective adjustment to any individual CPT,
23 HCPCS, facility classification, or reimbursement category in excess of five
24 percent upon meeting the following criteria:

25 (i) A finding by a qualified independent actuary, retained by the office
26 at the office's expense, that the initial benchmark for the affected category is
27 materially inaccurate as a result of data limitations, statistical methodology
28 error, or inadequate representation of Louisiana market conditions.

29 (ii) Approval by the Senate and House of Representatives committees on

1 labor and industrial affairs meeting jointly.

2 (iii) Any corrective adjustment made pursuant to this Subparagraph
3 shall not be subject to the five percent cap but shall itself be nonrepeatable. No
4 further corrections under this Subparagraph shall be permitted for any
5 category that has already received one corrective adjustment.

6 (5) The office of workers' compensation administration shall review and
7 update all fee schedules adopted by the office every two years.

8 (6) Pending approval by the House and Senate labor committees of the
9 fee schedule adopted under this Section, reimbursement for drugs, supplies,
10 hospital care and services, medical and surgical treatment, and any nonmedical
11 treatment recognized by the laws of this state as legal and due under this
12 Chapter shall be governed by the law in effect prior to the effective date of this
13 Section.

14 ~~C.(1) The reimbursement schedule shall include charges limited to the mean~~
15 ~~of the usual and customary charges for such care, services, treatment, drugs, and~~
16 ~~supplies. Any necessary adjustments to the reimbursement schedule adopted and~~
17 ~~established in accordance with the provisions of this Section may be made annually~~
18 Reimbursement for an implant shall be the total of the original manufacturer's
19 invoice or the authorized distributor's invoice amount paid plus twenty percent.
20 For the purpose of this Subsection, "implant" means plastic and metallic
21 implants or nonautogenous graft materials.

22 ~~(2) The assistant secretary shall have the authority to collect the information~~
23 ~~and data necessary to calculate the reimbursement schedule. The collection of~~
24 ~~information and data shall be governed by the following guidelines:~~

25 ~~(a) The assistant secretary shall create a written survey detailing the~~
26 ~~information requested.~~

27 ~~(b) The survey shall be managed by the office of workers' compensation~~
28 ~~administration in conjunction with an academic institution.~~

29 ~~(c) The information requested shall be based upon data at least six months~~

1 decision no later than fifteen business days from submission of the dispute. The
2 nonprevailing party shall pay the cost of the review and if the judgment results
3 in the payment of a claim that was denied, interest shall be paid in the amount
4 of twelve percent per annum from the date of the denial of the claim.

5 (2) Upon the issuance of a decision by the workers' compensation
6 administration's medical services section, the nonprevailing party may appeal
7 the decision with the assistant secretary within five business days of its receipt
8 by certified mail. Upon the lodging of an appeal, the assistant secretary shall
9 appoint an independent reviewer to consider the continued dispute and issue a
10 decision in accordance with the rules and regulations promulgated by the
11 assistant secretary. The cost of the independent review shall be set forth in rule
12 and shall be assessed against the nonprevailing party. If the appeal results in a
13 split decision, then the cost of the independent review shall be divided equally
14 among the parties. All costs of the independent review shall be due and payable
15 to the office of workers' compensation within thirty days of the decision being
16 rendered. Any party failing to timely remit payment shall be turned over to the
17 Louisiana office of debt recovery. If the decision results in the workers'
18 compensation payor having to pay the healthcare provider for the medical
19 services rendered, the payment shall be made within fifteen days after the
20 expiration of time to lodge an appeal and shall include interest at no less than
21 twelve percent per annum from the date the claim is adjudicated by the
22 workers' compensation payor. Failure by the workers' compensation payor to
23 provide payment in accordance with this Section shall result in interest accruing
24 on the unpaid balance at the rate of eighteen percent per annum from the date
25 payment was due, an administrative fine assessed by the assistant secretary of
26 not less than two thousand five hundred dollars and not more than ten thousand
27 dollars per unpaid claim per thirty-day period of noncompliance, and upon a
28 finding by the assistant secretary that the failure to pay constitutes a pattern of
29 willful noncompliance, suspension, or revocation of the payor's authority to self-

1 insure or to administer workers' compensation claims in Louisiana, as
 2 applicable. All fines collected pursuant to this Section shall be deposited into the
 3 Workers' Compensation Administration Fund. The decision of the workers'
 4 compensation administration's medical services section shall be conclusive if an
 5 appeal is not timely filed.

6 (3) Within five business days of the issuance of a decision by the
 7 independent reviewer, either party may appeal the decision to the Nineteenth
 8 Judicial District Court. The decision of the Nineteenth Judicial District Court
 9 shall be final and nonappealable and court costs shall be cast against the
 10 nonprevailing party.

11 (4) The assistant secretary shall publish, at least annually, data and
 12 statistics regarding the disputes filed and the decisions rendered pursuant to
 13 this Section.

14 ~~(5) In addition to any other occasion when consolidation of claims is~~
 15 ~~otherwise allowed by applicable law, whenever **Whenever** multiple disputes exist~~
 16 ~~between a single health care provider and a single "payor" as defined in R.S.~~
 17 ~~23:1142(A) concerning the proper amount payable pursuant to the reimbursement~~
 18 ~~schedule **workers' compensation payor**, then either the health care provider or the~~
 19 ~~payor shall have the right to have all such disputes between the payor and the health~~
 20 ~~care provider consolidated and tried **decided** together. The venue for such~~
 21 ~~consolidated claims shall be in either the workers' compensation district of the parish~~
 22 ~~in which the domicile of the provider is located or the workers' compensation district~~
 23 ~~of the parish in which the domicile of the payor or employer is located.~~

24 (6) The assistant secretary shall promulgate rules and forms pursuant
 25 to the Administrative Procedure Act necessary to implement the dispute
 26 resolution process provided for under this Subsection no later than January 1,
 27 2028.

28 * * *

29 §1201. Time and place of payment; failure to pay timely; failure to authorize;

1 penalties and attorney fees

2 * * *

3 E.(1) ~~Medical benefits payable under this Chapter shall be paid within sixty~~
4 ~~days after the employer or insurer receives written notice thereof, if the provider of~~
5 ~~medical services is not utilizing the electronic billing rules and regulations provided~~
6 ~~for in R.S. 23:1203.2.~~

7 (2) ~~For those providers of medical services who utilize the electronic billing~~
8 ~~rules and regulations provided for in R.S. 23:1203.2, medical **Medical** benefits~~
9 ~~payable under this Chapter shall be paid within thirty days after the employer payor~~
10 ~~or insurer receives a complete electronic medical bill, as defined by rules~~
11 ~~promulgated **required by administrative rules promulgated** by Louisiana Works.~~

12 **(2) In addition to any penalties or attorney fees adjudicated by the office**
13 **of workers' compensation courts, the assistant secretary shall impose a civil fine**
14 **of not less than one thousand dollars and no more than five thousand dollars on**
15 **any workers' compensation payor who fails to pay medical benefits payable**
16 **under this Chapter in the time frame set forth in this Subsection. In the event**
17 **the assistant secretary finds that a workers' compensation payor is willfully**
18 **violating the provisions of this Subsection, the assistant secretary shall be**
19 **authorized to levy civil fines of not less than twenty-five thousand dollars per**
20 **violation. Workers' compensation payors shall establish appropriate procedures**
21 **approved by the assistant secretary to assure that any healthcare provider who**
22 **is not paid within the time frame specified in this Section receives a late**
23 **payment adjustment equal to twelve percent per annum of the amount due.**

24 * * *

25 §1203. Duty to furnish medical and vocational rehabilitation expenses; prosthetic
26 devices; other expenses

27 * * *

28 B. The obligation of the employer to furnish such care, services, treatment,
29 drugs, and supplies, whether in state or out of state, is limited to the reimbursement

1 schedule is reasonably required as contemplated in Subsection I of this Section, any
 2 aggrieved party shall file, ~~within fifteen calendar days,~~ an appeal with the office of
 3 workers' compensation administration medical director or associate medical director
 4 on a form promulgated by the assistant secretary. The medical director or associate
 5 medical director shall render a decision as soon as is practicable, but in no event, not
 6 more than thirty calendar days from the date of filing.

7 * * *

8 Section 2. R.S. 23:1203.2 is hereby amended and reenacted and Subpart K of Part
 9 1 of Chapter 10 of Title 23 of the Louisiana Revised Statutes of 1950, comprised of R.S.
 10 23:1200.18 through 1200.26 is hereby enacted to read as follows:

11 **SUBPART K. ALL WORKERS' COMPENSATION MEDICAL**

12 **CLAIMS DATABASE**

13 **§1200.18. Short title**

14 **This Part shall be known and may be cited as the "Louisiana All**
 15 **Workers' Compensation Medical Claims Database Act".**

16 **§1200.19. Terms defined**

17 **As used in this Subpart, unless the context clearly indicates otherwise,**
 18 **the following terms shall be given the meaning ascribed to them in this Section:**

19 **(1) "Database" means the All Workers' Compensation Medical Claims**
 20 **Database.**

21 **(2) "Medical claim" means any claim submitted by a healthcare provider**
 22 **to a payor for payment for healthcare services, pharmaceuticals, durable**
 23 **medical equipment, or related services provided to an employee pursuant to this**
 24 **Chapter.**

25 **§1200.20. Establishment of database**

26 **A.(1) The assistant secretary of the office of workers' compensation**
 27 **administration shall establish and maintain the All Workers' Compensation**
 28 **Medical Claims Database.**

29 **(2) The database shall contain medical and pharmacy claims information**

1 submitted by all payors providing workers' compensation coverage in this state.

2 B. The purpose of the database shall be to:

3 (1) Improve transparency in medical reimbursement trends.

4 (2) Assist in enforcement and maintenance of an appropriate fee
5 schedule.

6 (3) Evaluate medical utilization patterns and outcomes.

7 (4) Detect fraud, waste, and abuse.

8 (5) Support policy development, rate analysis, and system oversight.

9 C. The assistant secretary may retain and consult with qualified
10 individuals or organizations with expertise in data analytics and medical billing
11 for purposes of creation, operation and maintenance of the All Workers'
12 Compensation Medical Claims Database. However, data contained in the
13 database shall only consist of claims data obtained directly from workers'
14 compensation payors in this state.

15 §1200.21. Mandatory reporting requirements

16 A.(1) Beginning January 1, 2027, all workers' compensation payors shall
17 submit to the assistant secretary of the office of workers' compensation
18 administration medical and pharmacy claims data for all workers'
19 compensation claims arising under Louisiana law.

20 (2) Submission shall occur in a format, time, and manner prescribed by
21 rule of the office of workers' compensation administration.

22 B. Required data elements shall include:

23 (1) Date of injury.

24 (2) Employer industry classification.

25 (3) Provider specialty and identifier.

26 (4) Current procedural terminology (CPT) codes, Healthcare Common
27 Procedure Coding System (HCPCS) codes, National Drug Code (NDC) codes,
28 and International Classification of Diseases (ICD) codes, as applicable.

29 (5) Billed charge and allowed amount.

1 **(6) Paid amount.**

2 **(7) Service dates.**

3 **(8) Utilization review actions.**

4 **(9) Claim status indicators.**

5 **C. Data shall be submitted quarterly unless otherwise required by**
6 **provisions of Part I of Title 40 of the Louisiana Administrative Code that**
7 **establish, promulgate, and update the reimbursement schedule.**

8 **§1200.22. Rulemaking authority**

9 **A. The assistant secretary of the office of workers' compensation**
10 **administration shall promulgate rules in accordance with the Administrative**
11 **Procedure Act to implement this Part.**

12 **B. Rules shall include but not be limited to:**

13 **(1) Technical data submission standards.**

14 **(2) Data validation procedures.**

15 **(3) Compliance time lines.**

16 **(4) Procedures for correction of erroneous submissions.**

17 **(5) Standards for public reporting.**

18 **§1200.23. Confidentiality and data protection**

19 **A.(1) All information collected pursuant to this Part and maintained in**
20 **the All Workers' Compensation Medical Claims Database shall be confidential**
21 **and privileged, shall not be public record, and shall not be subject to subpoena.**

22 **This confidentiality shall be strictly maintained by the assistant secretary, all**
23 **employees of the office, and by any agent or contractor of the state and shall be**
24 **used exclusively for the purposes set forth in this Part. Whoever violates the**
25 **provisions of this Paragraph shall be guilty of a misdemeanor and fined not**
26 **more than five hundred dollars for each offense.**

27 **(2) The database shall comply with applicable state and federal privacy**
28 **and security laws.**

29 **B. Public reports shall present only aggregated or de-identified data.**

1 **§1200.24. Authorized uses**

2 The assistant secretary of the office of workers' compensation
3 administration shall only use the database data for:

4 **(1) Monitoring compliance with medical fee schedule regulations.**

5 **(2) Studying medical cost drivers and utilization trends.**

6 **(3) Supporting actuarial review and rate analysis.**

7 **(4) Evaluating the effectiveness of medical treatment guidelines.**

8 **(5) Developing, revising, or modernizing the workers' compensation**
9 **medical fee schedule pursuant to the provisions of this Part.**

10 **(6) Reporting annually to the legislature.**

11 **§1200.25. Data integrity**

12 **A. The assistant secretary shall have the authority to investigate and**
13 **audit the claim data submissions of any workers' compensation payor upon a**
14 **reasonable belief that a payor or healthcare provider is engaging in conduct**
15 **that may undermine the accuracy, completeness, or reliability of the data**
16 **contained in the database.**

17 **B. Each workers' compensation payor shall fully cooperate with any**
18 **investigation or audit conducted pursuant to this Section and shall provide**
19 **access to all records, documents, and information reasonably necessary to verify**
20 **the accuracy and completeness of submitted data.**

21 **C. Failure of a workers' compensation payor to fully cooperate with an**
22 **investigation or audit conducted pursuant to this Section shall be grounds for**
23 **the imposition of a civil fine not to exceed ten thousand dollars per day for each**
24 **day of noncompliance until such time as the payor fully complies with the**
25 **requests of the assistant secretary.**

26 **§1200.26. Penalties**

27 **A. If any payor fails to submit required data to the All Workers'**
28 **Compensation Medical Claims Database on a timely basis, fails to correct**
29 **submissions rejected because of errors, or otherwise does not comply with the**

1 provisions of this Subpart or the rules and regulations promulgated to carry out
 2 the provisions of this Subpart, the assistant secretary shall provide written
 3 notice to the payor. The assistant secretary may grant an extension of time for
 4 just cause. The assistant secretary may assess a fine not to exceed five hundred
 5 dollars per day for noncompliance after written notice and opportunity to cure
 6 the noncompliance. In determining whether to impose a penalty, the assistant
 7 secretary may consider mitigating factors, including the size and sophistication
 8 of a payor, the reasons for the failure to report, and the detrimental impact
 9 upon the public purpose served by the database.

10 B. The assistant secretary may impose an additional administrative
 11 penalty of not more than ten thousand dollars per day for those violations the
 12 assistant secretary finds were willful. In addition, any person who knowingly
 13 fails to comply with the confidentiality requirements of this Section or
 14 confidentiality rules adopted pursuant to this Section and uses, sells, or
 15 transfers the data or information for commercial advantage, pecuniary gain,
 16 personal gain, or malicious harm shall be subject to an administrative penalty
 17 of not more than fifty thousand dollars per violation.

18 * * *

19 §1203.2. Electronic medical billing and payment; prior authorization

20 A.(1) Beginning July 1, 2027, all claims for medical services rendered
 21 shall be submitted to a workers' compensation payor in electronic format. The
 22 assistant secretary shall adopt rules and regulations regarding the electronic
 23 submission, processing, and payment of workers' compensation- related medical
 24 bills, in accordance with the Administrative Procedure Act, R.S. 49:950 et seq.
 25 "Electronic claim" means a claim submitted by a healthcare provider, or its
 26 agent to a workers' compensation payor in an 837 (ASC X12N 837) format or
 27 its successor, adopted by the United States Department of Health and Human
 28 Services, or its successor, in compliance with the provisions of the Health
 29 Insurance Portability and Accountability Act (42 U.S.C. 1302d et seq., and 45

1 CFR Parts 160 and 162), that includes all of the following:

2 (a) Data that is required according to the United States Department of
3 Health and Human Services standards for electronic transactions.

4 (b) Data that becomes required due to the situation according to the
5 United States Department of Health and Human Services standards for
6 electronic transactions.

7 ~~(2)(a) Such rules shall take effect no later than January 1, 2012. Within five~~
8 ~~business days of receipt of an electronic claim, a workers' compensation payor~~
9 ~~or its agent shall review the entire claim and, if the workers' compensation~~
10 ~~payor determines that the claim is not an accepted claim, issue an exception~~
11 ~~report to the provider or its agent indicating all defects or reasons known at~~
12 ~~that time that the claim is not an accepted claim. A provider who submits a~~
13 ~~claim that is not an accepted claim shall be deemed to have timely submitted a~~
14 ~~claim for the payment of covered healthcare services if the health insurance~~
15 ~~issuer or its agent fails to notify the healthcare provider, or the healthcare~~
16 ~~clearinghouse from which the claim was received, of all defects or reasons~~
17 ~~known at that time that the claim is not an accepted claim as required by this~~
18 ~~Subsection.~~

19 (b) The exception report shall contain at a minimum the following
20 information, if known at that time, for each claim submitted:

21 (i) Patient name.

22 (ii) Provider claim number, patient account number, or unique
23 identification number.

24 (iii) Date of service.

25 (iv) Total billed charges.

26 (v) Exception report issuer's name.

27 (vi) The date upon which the exception report was generated.

28 B. ~~The following groups shall make provisions for such an electronic claims~~
29 ~~system:~~ Workers' compensation payors shall adopt appropriate handling

1 procedures approved by the office for the acceptance of electronic claim
2 submissions. The procedures shall include but not be limited to the following:

3 (1) ~~Insurance carriers shall accept medical bills electronically submitted by~~
4 ~~health care providers, in accordance with the rules promulgated.~~ A process for
5 electronically recording the time and date of actual receipt of electronic claims.

6 (2) ~~Health care providers shall accept payment of medical claims submitted~~
7 ~~electronically by insurance carriers, in accordance with the rules promulgated.~~ A
8 process for electronic review of transmitted claims that assures all electronic
9 claims received are reviewed for determination of whether the claims are
10 deemed accepted in accordance with Subsection A of this Section.

11 (3) A process for reporting all claims not accepted and all defects or
12 reasons known at that time that the claims were not accepted or rejected.

13 C. ~~On or after January 1, 2012, the~~ The assistant secretary may create and
14 maintain a statewide electronic prior authorization portal for purposes of
15 approving medical care in accordance with R.S. 23:1142. The portal shall have
16 the capability to track and document prior authorization requests, responses,
17 and supporting medical documentation. The assistant secretary may conduct
18 pilot programs limited to specific geographic areas or specific workers'
19 compensation payors prior to initiating and maintaining the portal for statewide
20 use by all workers' compensation payors. The assistant secretary may adopt
21 additional rules and regulations, in accordance with the Administrative Procedure
22 Act, R.S. 49:950 et seq., regarding the creation, operation, and maintenance of an
23 electronic exchange of medical claims information for purposes of approving
24 medical care in accordance with R.S. 23:1142.

25 D. ~~(1) Nothing shall prohibit the assistant secretary from promulgating and~~
26 ~~adopting rules and regulations, in accordance with the Administrative Procedure Act,~~
27 ~~R.S. 49:950 et seq., regarding the development and implementation of a centralized~~
28 ~~data warehouse for the collection of medical billing and payment data.~~ No later than
29 January 1, 2031, the assistant secretary shall develop and implement a Workers'

1 Compensation Medical Quality and Outcomes Program designed to measure,
2 evaluate, and improve the quality and effectiveness of medical care provided to
3 injured employees under this Chapter.

4 (2) The program shall complement the purposes of the workers'
5 compensation system by maintaining measurable indicators of quality and
6 outcomes, which may include but shall not be limited to:

7 (a) Time to return to work.

8 (b) Functional improvement measures.

9 (c) Duration of disability and medical treatment episodes.

10 (d) Utilization of evidence-based treatment guidelines.

11 (3) In order to support the program, the office may collect and analyze
12 data from the All Workers' Compensation Medical Claims Database.

13 (4) The office may develop mechanisms to identify best practices that
14 improve recovery and return-to-work outcomes.

15 (5) The office may adopt rules in accordance with the Administrative
16 Procedure Act as necessary to implement the provisions of this Section.

17 Section 3. R.S. 44:4.1(B)(12) is hereby amended and reenacted to read as follows:

18 §4.1. Exceptions

19 * * *

20 B. The legislature further recognizes that there exist exceptions, exemptions,
21 and limitations to the laws pertaining to public records throughout the revised
22 statutes and codes of this state. Therefore, the following exceptions, exemptions, and
23 limitations are hereby continued in effect by incorporation into this Chapter by
24 citation:

25 * * *

26 (12) R.S. 23:1177, 1197, 1200.7, **1200.18**, 1291, 1292, 1293, 1306, 1660,
27 1671

28 * * *

29 Section 4. Beginning no later than June 30, 2028, the assistant secretary of the office

1 of workers' compensation administration shall initiate formal rulemaking to update and
2 modernize the workers' compensation medical fee schedule using data derived from the All
3 Workers' Compensation Medical Claims Database established pursuant to this Act. The
4 updated fee schedule shall:

- 5 (1) Be based on empirical Louisiana-specific payment data.
- 6 (2) Provide transparency in methodology, including statistical assumptions.
- 7 (3) Promote adequate access to quality care for injured workers.
- 8 (4) Support cost predictability and system stability for employers and insurers.

9 The methodology for percentile calculation, data exclusions, geographic adjustments,
10 and statistical smoothing shall be published in detail and be included in the notice of intent
11 for rulemaking for public review.

12 In developing the inpatient and outpatient hospital services and ambulatory surgery
13 services reimbursement amounts, the administrator shall:

- 14 (1) Analyze allowed amounts and paid amounts reflected in the database.
- 15 (2) Evaluate reimbursement percentiles for comparable services across geographic
16 regions.
- 17 (3) Consider access to care metrics, including provider participation rates and
18 treatment timeliness.
- 19 (4) Review utilization patterns and cost drivers by procedure category.

20 The methodology for percentile calculation, data exclusions, geographic adjustments,
21 and statistical smoothing shall be published in detail and be included in the notice of intent
22 for rulemaking for public review.

23 No revised fee schedule adopted pursuant to this Section shall become effective
24 unless approved by the Senate and House of Representatives committees on labor and
25 industrial affairs, meeting separately or jointly. The legislature may approve, reject, or return
26 the proposal with recommendations. The assistant secretary of the office of workers'
27 compensation administration shall submit:

- 28 (1) The proposed fee schedule.
- 29 (2) The published methodology.

1 (3) The actuarial impact analysis.

2 Not later than March 1, 2028, the assistant secretary of the office of workers'
3 compensation administration shall submit a progress report to the House Committee on
4 Labor and Industrial Relations and the Senate Committee on Labor and Industrial Relations.

5 Section 5. The provisions of Section 1 shall only become effective upon approval by
6 the Senate and House of Representatives committees on labor and industrial affairs, meeting
7 separately or jointly, of the updated fee schedule as required in Section 4 of this Act.

8 Section 6. The provision of this Section and Sections 2, 3, 4, and 5 shall become
9 effective upon signature by the governor or, if not signed by the governor, upon expiration
10 of the time for bills to become law without signature by the governor, as provided by Article
11 III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently
12 approved by the legislature, this Act shall become effective on the day following such
13 approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

DIGEST

SB 408 Reengrossed

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 requires medical and pharmacy data to be submitted quarterly unless otherwise required by provisions of present law that establish, promulgate, and update the reimbursement schedule.

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.

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Require medical and pharmacy data to be submitted quarterly unless otherwise required by provisions of present law that establish, promulgate, and update the reimbursement schedule.
2. Make technical changes.