

**ALABAMA DEPARTMENT OF INDUSTRIAL RELATIONS
ADMINISTRATIVE CODE**

RULE

Division: Workers' Compensation
Chapter: Utilization Management and Bill Screening
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480-5-5-.20 HOSPITAL SERVICES.

(1) **Covered Services** - Reasonable and necessary hospital care medical services for an occupational illness or injury including acute-care hospital inpatient, outpatient, and rehabilitation facilities, shall be reimbursable as stated in Rule 480-5-5.04(3), if the services rendered are related to the compensable illness or injury and are ordered and certified by the attending physician.

(2) **Reimbursement** - If the claimant is receiving treatment for both compensable and non-compensable medical conditions, only those services provided in treatment of compensable conditions shall be listed on claim forms submitted to the adjudicator unless the non-compensable condition has a direct bearing on the treatment of the compensable condition. In addition, payments from private payors for non-compensable conditions shall not be listed on claim forms submitted to the employer/agent.

(a) The statement of charges shall be made in accordance with standard coding methodology as described in Rule 480-5-5-.04.

(b) When requested, the facility shall submit a copy of the outpatient charge master to the Department of Industrial Relations Workers' Compensation Division for the Ombudsman Program, or an itemized listing of the individual items and services that contribute to the outpatient charges.

(c) Inpatient reimbursement shall be limited to the prevailing reimbursement as described in Rule 480-5-5-.04(3) for participating and nonparticipating hospitals or limited to the lesser negotiated rates for privately contracted hospitals pursuant to Code of Alabama, 1975 §25-5-314.

The formula for calculating a per diem payment amount shall be "Per Diem Rate x Inpatient Days = Per Diem Amount." Any variations from a pure per diem payment methodology shall be controlled by the language of the agreement or statutory committee statement.

(d) Outpatient reimbursement shall be covered charges minus the applicable outpatient discount percentage (O.P.%) as stated in any participating hospital agreement or any nonparticipating hospital committee statement for reimbursement. The formula

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for calculating payment amount shall be "Billed Charges - Noncovered Charges = Covered Charges x O.P.% = Discount Amount. Covered Charges - Discount Amount = Payment Amount."

(e) Professional medical services rendered on an outpatient basis by providers such as medical doctors, physical therapists, occupational therapists, speech therapists, or other providers as allowed pursuant to these rules and each provider's practice act, shall be reimbursed based on the appropriate provider's Maximum Fee Schedule. Any facility fees associated with delivery of these professional medical services shall be reimbursed at covered charges minus the outpatient percentage discounted amount. The formula for calculating payment is specified in (2)(d) of this Rule 480-5-5.20.

Author: Workers' Compensation Division

Statutory Authority: Code of Alabama, 1975, §25-5-293

History: Effective September 12, 1996