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Senate of Pennsylvania

November 17, 2004

Fax Rec'd on 11/18/04 @ 10:14 am

Robert E. Nyce, Executive Director
Harristown Building 2
333 Market Street
Harrisburg, PA 17106

COMMITTEES
LABOR AND INDUSTRY, CHAIRMAN
APPROPRIATIONS
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PA HARDWOODS DEVELOPMENT COUNCIL

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REGULATORY
REVIEW COMMISSION

Dear Director Nyce:

As Chairman of the Senate Labor and Industry Committee, I am writing to express my sentiments regarding payment for anesthesia services under the Workers Compensation Act. Essentially, I am asking the IRRC to disapprove this regulation.

The regulation significantly raises the reimbursement for anesthesia services under the Workers Compensation Act. While the act provides for relief from its fee schedule, it only does so based upon certain findings; findings which have not been made, or at least not explained, by the Insurance Department in this regulation. In particular:

- We question whether current reimbursements for anesthesia are unreasonable. While these providers complain they are not getting enough under the fee schedule, they are still providing services.
- We believe the regulation's new reimbursement is too high. This will produce a 63% increase. That is extreme and unjustified based on what we have been shown.
- We believe this regulation goes against the goal of cost containment in the Act and its fee schedule. Sudden 63% increases were not what the General Assembly intended.

Because of the reasons explained above, we ask that this regulation be disapproved at your November 18, 2004 meeting.

Sincerely,

Joe Scarnati
State Senator-25th District