WHEREAS, Recently enacted legislation relating to Vermont's workers' compensation system mandates that the Vermont Department of Labor & Industry develop and implement mechanisms on or before February 1, 2005 designed to control medical costs while assuring patients access to medical services; and

WHEREAS, The legislation indicates these mechanisms shall strive to reduce medical costs at least 4%; and

WHEREAS, Under the existing Workers' Compensation Fee Schedule, physicians receive a specific dollar amount set in 1995 for each of more than 3000 Current Procedure Terminology codes (CPT); and

WHEREAS, These amounts were based on the physician fee schedules used by Blue Cross Blue Shield of Vermont in 1994; and

WHEREAS, There has been a dramatic increase in physicians' medical liability premiums and other office and hospital expenses over this ten year period; and

WHEREAS, In 2001, WCRI indicates that physician reimbursements under Vermont's Workers' Compensation Fee Schedule is ranked as the second lowest fee schedule in the New England/New York region and the eighth lowest in the country; and

WHEREAS, A recent study has determined that the practice expense involved in treating a workers' compensation case is twice as much as for a Medicare patient with the same condition; and

WHEREAS, With Vermont's having the second highest percentage of Medicaid enrollees in the country, further reducing physician reimbursement under workers' compensation would result in Vermont having one of the highest percentages of its population subject to state regulated physician fee schedules -- Workers Compensation and Medicaid -- and one of the lowest physician reimbursement rates in the country; and

WHEREAS, Any reductions in physician workers' compensation reimbursement below the already low levels could result in decreased access to health care services for workers' compensation claimants due to many physicians deciding that are no longer able to treat workers' compensation cases; therefore be it

RESOLVED, THAT THE VERMONT MEDICAL SOCIETY URGES THE COMMISSIONER OF THE DEPARTMENT OF LABOR & INDUSTRY TO DEVELOP A NEW WORKERS' COMPENSATION FEE SCHEDULE THAT REIMBURSES PHYSICIANS BASED ON THE AVERAGE AMOUNT PAID UNDER WORKERS' COMPENSATION IN THE NEW ENGLAND/NEW YORK REGION; AND BE IT FURTHER
Resolved, That, in order to assure patients access to medical services in the future, the Vermont Medical Society urges the Commissioner of the Department of Labor & Industry to include an annual cost of living adjustment in the development of any new Workers' Compensation Fee Schedule.