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March 29, 2006 LB 489

SENATOR CUDABACK: It is withdrawn.

CLERK: Mr. President, Senator Cunningham would move to amend with AM2948. (Legislative Journal pages 1333-1338.)

SENATOR CUDABACK: Senator Synowiecki (sic), to open on your amendment. Didn't I say Senator Cunningham? If I didn't, I meant to. Senator Cunningham. Thank you, Mr. Clerk, for correcting me.

SENATOR CUNNINGHAM: Thank you, Senator Cudaback and members. Well, during the past few months, as most of you are aware, I've had several meetings to address various issues concerning workmen's compensation insurance and, quite frankly, I'm going to tell you we weren't too successful. We ended up scrapping most everything we did. But there was one issue that I feel that needs to be dealt with this year, and also I believe the committee felt the same way. And that is, there's a conflict within the statutes on which fee is to be paid by the insurer. The statute said there is to be a fee schedule established by the compensation court, and the court is to establish the maximum fee allowed of provider of medical services. But the statute also states the employer is only liable for the regular charge made for such service in similar cases. So while the court fees set...while the court sets the schedule of fees for medical providers, hospitals are paid a discount off of their billed charges. Now if the insurer or other payer determines that those charges were outside of the usual and customary charge for such service in similar cases, that is what the provider then may be paid. And I handed out an example to you to demonstrate the problem, it should have come around just a few minutes ago, and this creates a gap, and at times a rather large gap, as you can see by the example, which is taken from an actual case. But where the real...what the real problem is, well, the statute states the employee cannot be billed any amount in excess of the maximum fee. Now you can see by the problem that I handed out that the gap between the maximum fee and the usual and customary fee places the employee at risk of getting billed for that gap. It is this risk exposure to the injured employee that AM2948 will correct. Now in trying to fix this problem there was difficulty again in getting all partners