

STATEMENT OF EMERGENCY
120 KAR 1:089E.

The schedule of fees made effective by this administrative regulation governs the amount of reimbursement a medical provider may seek from a payment obligor for medical treatment provided to an employee who contracted an occupational disease or was injured in the course of employment. The Department of Workers' Claims must amend this administrative regulation by emergency to comply with KRS 342.035(1) which requires that the schedule of fees be reviewed and updated, if appropriate, every two (2) years on July 1. Medical costs in the workers' compensation system shall be fair, current, and reasonable for similar treatment in the same community where paid for by general insurers. The medical fee schedule meets this statutory guideline. By complying with that statutory guideline, the medical fee schedule update insures injured employees receive quality and appropriate health care and medical providers are appropriately compensated. KRS 342.035(1) directs the Commissioner to contract with a consultant to evaluate the schedule of fees. The Commissioner is to consider recommendations arising from the evaluation and promulgate a regulation, effective on an emergency basis, to effect changes to the fee schedule. This emergency regulation complies with the statutory mandate to have the schedule of fees in place by July 1 and protects human health and public health, safety, and welfare by updating medical costs.

The current administrative regulation incorporates the 2024 fee schedule. After review, it was necessary to update and revise the 2024 fee schedule to address current medical costs. Because KRS 342.035(1) requires the medical fee schedule to be updated in order to remain fair, current, and reasonable, the current administrative regulation must be amended to incorporate the 2026 fee schedule. The schedule of fees provided in this emergency administrative regulation cannot be provided through an ordinary administrative regulation because the ordinary rulemaking process cannot be completed in time to meet the statutory requirements. This emergency administrative regulation will be replaced by an ordinary administrative regulation. The ordinary administrative regulation is identical to this emergency administrative regulation.

ANDY BESHEAR, Governor

SCOTT C. WILHOIT, Commissioner

OFFICE OF THE GOVERNOR
Department of Workers' Claims
(Emergency Amendment)

120 KAR 1:089E. Workers' compensation medical fee schedule for physicians.

RELATES TO: KRS 342.0011(32), 342.019, 342.020, 342.035

STATUTORY AUTHORITY: KRS 342.020, 342.035(1), (4)

CERTIFICATION STATEMENT: This is to certify that this administrative regulation is in compliance with the requirements of 2025 RS HB 6, Section 8(2) because this administrative regulation is being promulgated to meet a deadline established by KRS 342.035(1). The commissioner is required to promulgate administrative regulations to ensure that all fees, charges, and reimbursements for medical services under KRS Chapter 342 are limited to charges that are fair, current, and reasonable for similar treatment of injured persons in the same community for like services, where treatment is paid for by general health insurers. KRS 342.035 requires a schedule of fees to be reviewed and updated, if appropriate, every two (2) years on July 1.

NECESSITY, FUNCTION, AND CONFORMITY: KRS 342.035(1) requires the commissioner of the Department of Workers' Claims to promulgate administrative regulations to ensure that all fees, charges, and reimbursements for medical services under KRS Chapter 342 are limited to charges that are fair, current, and reasonable for similar treatment of injured persons in the same community for like services, where treatment is paid for by general health insurers. KRS

Section 1. Definitions.

- (1) "Medical fee schedule" means the 2026 Kentucky Workers' Compensation Schedule of Fees for Physicians produced and published by FAIR Health, Inc.
- (2) "Physician" is defined by KRS 342.0011(32).

Section 2. Purpose and Adoption.

- (1) The purpose of the schedule of fees is to regulate charges by medical providers and other health care professionals providing services for work-related injuries and occupational diseases. The commissioner shall review and update the schedule of fees every two years as required by KRS 342.035.
- (2) The commissioner adopts the 2026 Kentucky Workers' Compensation Schedule of Fees for Physicians, produced and published by FAIR Health, Inc. The fee schedule may be obtained directly from FAIR Health, Inc., at <https://orders.fairhealth.org/>.

Section 3. Services Covered.

- (1) The medical fee schedule shall govern all medical services provided to injured employees by physicians under KRS Chapter 342.
- (2) The medical fee schedule shall also apply to other health care or medical services providers to whom a listed CPT, HCPCS, or Transportation code, is applicable unless:
 - (a) Another fee schedule of the Department of Workers' Claims applies;
 - (b) A lower fee is required by KRS 342.035 or a managed care plan approved by the commissioner pursuant to 120 KAR 001:110; or
 - (c) An insurance carrier, self-insured group, or self-insured employer has an agreement with a physician, medical bill vendor, or other medical provider to provide reimbursement of a medical bill at an amount lower than the medical fee schedule.

Section 4. Fee Computation.

- (1) The appropriate fee for a procedure or item covered by the medical fee schedule shall be the Maximum Allowable Reimbursement (MAR) listed in the 2026 Kentucky

Workers' Compensation Schedule of Fees for Physicians for those procedures or items for which a specific monetary amount is listed.

(2) Procedures Listed Without Specified Maximum Allowable Reimbursement Monetary Amount. The appropriate fee for a procedure or item for which no specific monetary amount is not listed shall be determined and calculated in accordance with numerical paragraph seven (7) of the General Instructions of the medical fee schedule unless more specific Ground Rules are applicable to that service or item, in which case the fee shall be calculated in accordance with the applicable Ground Rules.

(3) The resulting fee shall be the maximum fee allowed for the service provided.

Section 5. Services performed outside the boundaries of Kentucky.

(1) A physician or healthcare or medical services provider located outside the boundaries of Kentucky shall be deemed to have agreed to comply with this administrative regulation if it treats a patient who is covered under KRS Chapter 342.

(2) Pursuant to KRS 342.035, medical fees due to an out-of-state physician or healthcare or medical services provider shall be calculated under the fee schedule in the same manner as for an in-state physician.

This is to certify the Commissioner has reviewed and recommended this administrative regulation prior to its adoption, as required by KRS 342.260, 342.270 and 342.285.

SCOTT C. WILHOIT, Commissioner

APPROVED BY AGENCY: June 26, 2026

FILED WITH LRC: June 29, 2026 at 3:35 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on August 21, 2026, at 10:00 a.m. (EDT) at the Department of Workers' Claims, 500 Mero Street, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing no later than five workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through August 31, 2026. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: B. Dale Hamblin, Jr., Assistant General Counsel Department of Workers' Claims. Mayo-Underwood Building, 3rd Floor, 500 Mero Street Frankfort, Kentucky 40601 Telephone Number: (502) 782-4404 Fax Number: (502) 564-0681 Email: Dale.Hamblin@ky.gov