



# Oregon

Theodore R. Kulongoski, Governor

## Department of Consumer and Business Services

Workers' Compensation Division

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May 29, 2007

To: Workers' compensation health care providers

Subject: Clarification of changes to workers' compensation medical fee schedule

The Workers' Compensation Division (WCD) is aware that some health care providers have concerns about changes we recently made to the workers' compensation medical fee schedule. We are writing to assure you that the new rules should not have a significant impact on overall reimbursements to providers. Our policy goal is to keep the reimbursement amounts to providers treating injured workers competitive, reflective of the work they are required to do in a workers' compensation context, and affordable for the system as a whole.

WCD uses relative value units (RVUs) set by the Centers for Medicare & Medicaid Services (CMS) to determine the maximum amount that can be reimbursed for providing care to injured workers. Earlier this year, CMS substantially increased the RVUs for the evaluation/management (E&M) service category. CMS made the change in response to treatment changes to the Medicare population. CMS patients are presenting more chronic conditions and multiple diagnoses that require more time, evaluation, and management from providers.

Because many workers' compensation services fall in the E&M category, the CMS increase would have a major impact on the workers' compensation system. We estimated the change would cost the system an extra \$4.5 million per year in medical costs — an increase that would present extreme difficulty in keeping premium costs low for employers. As a solution, we decided to reduce the conversion factor for E&M, which will mitigate the effects of the CMS change to workers' compensation medical providers and the system. Payments to providers for treating injured workers will essentially remain the same system-wide, although individual providers may see some increase or decrease depending on the particular CPT codes that apply to the services they provide in their practice.

Having quality health care providers is one reason Oregon's workers' compensation system is so successful in helping injured workers get back to work and become self-sufficient. We understand reimbursement rates are important to providers in deciding whether to treat injured workers, and we will continue to work to keep those rates steady.

We look forward to continued collaboration with you to find better ways to improve the system so that injured workers receive quality medical care at a reasonable cost to their employers and that providers feel they are being fairly compensated for their services as well as experiencing less "hassle" when treating injured workers.

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John L. Shilts, Administrator  
Workers' Compensation Division

Attachment: "OR Administrative Rules Chapter 436, Division 009"

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