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Workers' Compensation Commission

September 13, 2011

The Commission Approves Policy to Use One Conversion Factor with Medicare's Resource Based Relative Value System (RBRVS) for the Physician's Fee Schedule and to Proceed with the Process to Amend Regulation R 67-1302

At a Special Business meeting on September 12, 2011, the Commission voted to proceed with the promulgation of the amendment to Regulation R 67-1302. The proposed amendment removes language in the current regulation that limits the Commission to using a relative value scale and a conversion factor when establishing maximum allowable payments for medical service providers. The Commission initiated the promulgation of the change in February 2011. The Notice of Drafting of the proposed change was published in the *State Register* on June 24. The Commission received written comment on the proposed change until August 8 and held a public hearing on August 15, 2011 to receive public comment on the proposed change.

Chairman Scott Beck stated the proposed change will not affect the current fee schedule. It does not have a fiscal impact on the system as we currently know it. The proposed change only provides the current Commission and future Commissions flexibility to consider other financial models which may become available. The current Commission has no immediate plans to change from the current methodology of utilizing Medicare's Resource Based Relative Value System and a conversion factor. The change only provides the opportunity for future Commissions to consider other methodologies which may reduce the cost to the system. Further, any specific change to the fee schedule requires a separate and distinct vote by the Commission. (click <u>here</u> for Chairman's complete statement)

The proposed change will be submitted to the General Assembly for final approval.

Immediately upon approving the motion to proceed with the change in the regulation, the Commission voted to adopt a policy that the Commission shall utilize a single conversion factor as long as the Commission uses Medicare Resource Based Relative Value System (RBRVS) when establishing the maximum allowable payment fee schedule for medical services providers.

For additional information concerning this announcement, please contact: Gary M. Cannon Executive Director, <u>gcannon@wcc.sc.gov</u> or (803) 737-5744.