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Workers' Compensation Commission

July 20, 2017

Medical Services Provider Manual Proposed Changes Effective September 1, 2017

At the Business Meeting on July 17, 2017 the Commissioners received a draft of the Proposed 2017 Medical Services Provider Manual (MSPM) text and the analysis prepared by the Commission's consultants for three conversion factors of \$50, \$53, and \$54. The effective date of the new MSPM is September 1, 2017. The Commission took the proposed MSPM as information and directed staff to solicit comments from stakeholders. The Commission will consider final approval at the Business Meeting on August 21. Interested parties are requested to submit written comments on the proposed changes by email to Kim Ballentine at kballentine@wcc.sc.gov no later than August 11.

A summary of the proposed changes to the MSPM text follows.

Section 9 HCPCS Level II (p. 4)

Adds language and codes applicable to air and ground ambulance transportation.

Maximum Allowable Payments (MAP) Amounts (p. 5)

Includes "To Be Determined" (TBD) in Conversion Factors to indicate the MAP will be calculated upon determination of a Conversion Factor.

Collecting Medical Fees (p. 12)

Added link to the Verify Coverage tab on Commission's website.

Section 9 HCPCS Level II (p. 30)

Adds language and codes applicable to air and ground ambulance transportation.

Non-Physician Practitioners (p. 32)

Includes "To Be Determined" (TBD) in Conversion Factors to indicate the MAP will be calculated upon determination of a Conversion Factor.

Travel Reimbursement (p.32)

Physicians may be reimbursed for travel associated with depositions or other medical testimony at actual cost. Language was added to clarify the reimbursement for travel by personal auto is paid per mile at the rate allowed state employees for mileage. A link to the current rate is included in the fee schedule.

Independent Medical Examinations (p. 33)

Currently there is no MAP contained in the MSPM for Independent Medical Examination (IME). Payment for this service varies and is based upon individual consideration (IC) or a negotiated rate between the carrier and the provider. The recommendation is to make no change to the policy.

Drug Screening (p. 289-290)

Includes services codes and guidelines for presumptive drug testing pursuant to the CMS and provides a link to the CMS Local Coverage Decision (LCD) revision 8.

Travel Reimbursement (p. 367)

Language was added to clarify the reimbursement for expenses incurred by a claimant for travel to receive medical attention subject to Regulation 67-1601 A 1. A link to the Commission's website page which contains the current rate is included in the text.

Biofeedback (p.368)

Biofeedback training (CPT Codes 90901 and 90911) may be provided when it is medically necessary and approved by the employer/carrier, with limitations. The draft MSPM includes recommended language to clarify these CPT Codes do not include a time element and they should be used once to identify all modalities of biofeedback training performed for that date of service, regardless of the time increments or number of modalities.

Over-the-Counter Preparations (p.368)

Includes language to clarify over-the-counter (proprietary) preparations dispensed by the provider must be preauthorized prior to dispensing.

Initial Assessment (p. 412)

Provides CPT codes for billing initial evaluation for physical therapy evaluation or occupational therapy evaluation.

Multiple Procedure Reduction (p. 413)

Provides codes subject to the multiple procedure reduction.

CPT Modifiers - 51 Multiple Procedures (p. 413)

Provides South Carolina specific instruction and CPT codes for second and subsequent procedures therapy.

Travel Reimbursement (p. 417)

Physicians may be reimbursed for travel associated with depositions or other medical testimony at actual cost. Language was added to clarify the reimbursement for travel by personal auto is paid per mile at the rate allowed state employees for mileage. A link to the Commission's website page which contains the current rate is included in the text.

Air/Ground Ambulance Transportation Service (p. 421)

Currently there is no MAP contained in the MSPM for air and ground transportation services. The amount paid to the service provider is based on Usual and Customary Charges or a rate negotiated between the payer and the service provider. As reported by NCCI, \$2.7 million was paid for these services during calendar year 2015. This section includes language for the Commission to follow CMS guidelines and Ambulance Fee Schedule for air and ground ambulance transportation services. Reimbursement is based upon the lesser of the submitted charge or current Medicare rate. We are aware of pending litigation pertaining to the air ambulance fees in federal court in the state of Texas, therefore we have included language, "To the extent permitted by federal law...." to consider the potential outcome of the litigation.

Compound Drugs (p. 611)

Includes language to require preauthorization for each disbursement of compound drugs.

Pain Management (p. 611)

Includes language to require all medications or drugs dispensed as a part of a pain management program have preauthorization by the employer/carrier for each dispensement.

Two additional issues were discussed during the review and analysis of the update. Telemedicine Services and changing the schedule of the update of the MSPM. Telemedicine or telehealth services may be generally defined as the use of electronic digital telecommunication systems to deliver health care services across a distance. Health care providers are increasingly expanding the use of telemedicine or telehealth services to reduce cost and to expand care in any geographic setting. Medicare pays for a limited number of services furnished by a physician or practitioner via telecommunications system. The American Medical Association has created CPT and HCPCS codes for these services. However, the MSPM does not include these services for medical care for injured workers. While medical care providers for workers' compensation claimants have been slow to expand into these types of services, recently two companies have announced partnerships with technology companies to begin offering telemedicine services to injured workers. During the review and development of the revised MSPM, a stakeholder representative suggested the Commission consider implementing rules and regulations with regard to these services. Staff recommends the Commission appoint an ad hoc advisory committee to review the current state and federal regulations regarding the use of telemedicine in workers' compensation and recommend if any changes are needed to the MSPM.

The effective date of the MSPM is September 1, 2017. The MAPs are calculated using 2017 Relative Values established by the Center for Medicare and Medicaid Studies (CMS) and CPT Codes developed by the American Medical Association. The new Relative Values and new CPT Codes are published in October with a January 1 effective date. The new CPT codes are not incorporated into the Commission's MSPM until the next update, the following September. This delay causes payer and payee stakeholders to utilize multiple fee schedules when providing medical care to injured workers. Stakeholders requested the Commission consider updating the MSPM as soon as possible after January 1 to incorporate the new CPT codes and Relative Values. Optum consultants indicate it is feasible to update the MSPM with the 2018 relative values and CPT codes effective April 1, 2018. It is recommended the Commission approve an adjustment to the MSPM utilizing the 2018 Relative Values and CPT Codes effective April 1, 2018. Thereafter the adjustment will be made annually on April 1.

The accompanying charts reflect the financial impact on the system by service area for each conversion factor. The calculations utilized the 2017 CMS Relative Values, the frequency and amount paid for medical services as reported to NCCI for the calendar year 2015.

Chart 1				
\$50.00 Conversion Factor				
Includes Limitations of Act 183 of 2012				
Service Area			Total \$ at \$50 CF	% Difference between 2016-17
Evaluation and Management Services (E/M)			\$ 16,405,142	-0.1%
Healthcare Common Procedure Coding System (HCPCS)			\$ 4,575,671	5.3%
Pathology and Laboratory Services (LAB)			\$ 647,612	2.3%
Medicine and Injections (MED)			\$ 1,438,775	0.0%
Physical Therapy (PT)			\$ 26,962,170	1.0%
Radiology (RAD)			\$ 4,687,444	-4.6%
Special Reports and Services (SPR)			\$ 23,669	-0.3%
Surgery (SUR)			\$ 12,114,317	-2.0%
Total			\$ 66,854,800	\$50.00 0.0%

Chart 2				
\$53.00 Conversion Factor				
Includes Limitations of Act 183 of 2012				
Service Area			Total \$ at \$53 CF	% Difference between 2016-17
Evaluation and Management Services (E/M)			\$ 17,389,020	5.9%
Healthcare Common Procedure Coding System (HCPCS)			\$ 4,702,644	8.2%
Pathology and Laboratory Services (LAB)			\$ 681,215	7.6%
Medicine and Injections (MED)			\$ 1,514,990	5.3%
Physical Therapy (PT)			\$ 28,436,394	6.5%
Radiology (RAD)			\$ 4,874,124	-0.8%
Special Reports and Services (SPR)			\$ 25,087	5.7%
Surgery (SUR)			\$ 12,759,740	3.2%
Total			70,383,214	\$52.60 5.3%

Chart 3				
\$54.00 Conversion Factor				
Includes Limitations of Act 183 of 2012				
Service Area			Total \$ at \$54 CF	% Difference between 2016-17
Evaluation and Management Services (E/M)			\$ 17,716,091	7.9%
Healthcare Common Procedure Coding System (HCPCS)			\$ 4,723,631	8.7%
Pathology and Laboratory Services (LAB)			\$ 690,749	9.2%
Medicine and Injections (MED)			\$ 1,537,672	6.9%
Physical Therapy (PT)			\$ 28,917,976	8.3%
Radiology (RAD)			\$ 4,958,137	0.9%
Special Reports and Services (SPR)			\$ 25,560	7.6%
Surgery (SUR)			\$ 12,974,517	5.0%
Total			\$ 71,544,332	\$53.45 7.0%