



**Oklahoma Workers' Compensation Commission
Medical Fee Schedule**

Report: Summary of Proposed Changes

January 12, 2022

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Oklahoma Workers' Compensation Commission Schedule of Medical and Hospital Fees

Summary of Proposed Changes

This report is a summary of potential changes to the medical fee schedule for 2022. FAIR Health has been working with the Oklahoma Workers' Compensation Commission (Commission) to review the 2020 fee schedule, gather feedback from stakeholders, research and evaluate the impact of changes in Medicare rules and update the code set. Oklahoma paid data supplied by the National Council on Compensation Insurance (NCCI) were evaluated and fee schedule rates were refreshed for 2022 and compared to private insurance, Medicare values and workers' compensation fees from other states.

FAIR Health is providing information to support decision making by the Commission. All decisions are the responsibility of the Commission. FAIR Health provides research and support but does not determine which, if any, of the potential changes will be adopted by the Commission.

For ease of use, the format of this document follows that of the fee schedule.

General Information

The following suggested updates, if approved, would be made to the fee schedule.

- Update all copyright dates.
- Update rate tables:
 - Remove obsolete codes.
 - Add new codes established since 2020.
 - Update CPT, HCPCS and CDT code descriptions.
 - Update maximum allowable reimbursement (MAR) rates reflecting Oklahoma conversion factors applied to Centers for Medicare and Medicaid Services (CMS) RVUs.
 - When permitted by statute, cap increases/decreases to plus or minus 10% when compared to the 2020 fee schedule. (See the Surgery section for exceptions for surgical codes.)

Rate Tables and Conversion Factors – Professional Fees

- Conversion factors are applied to Medicare non-facility relative value units (RVUs) to develop Oklahoma maximum allowable rates (MARs)
 - CMS reduced its conversion factors in both 2021 and 2022
 - No changes are proposed for Oklahoma conversion factors

Service Area	OK Conversion Factors	2020 CMS CF	OK as a % of 2020 CMS	2022 CMS CF	OK as a % of 2022 CMS
E/M*	54.13	36.0896	150%	34.6062	156%
Anesthesia	48.50	22.2016	218%	21.5623	225%
Surgery	59.45	36.0896	165%	34.6062	172%
Radiology**	NA	36.0896	NA	34.6062	NA
Path/Lab	52.35	36.0896	145%	34.6062	151%
General Medicine	47.27	36.0896	131%	34.6062	137%
Physical Medicine	40.72	36.0896	113%	34.6062	118%

* By statute, E/M must be at least 150% of CMS

** By status, Radiology is the lesser of the MAR from the 2010 fee schedule or 207% of CMS

- No changes are proposed to the methodology for calculating MAR values:
 - Generally, the MAR for professional fees is equal to the CMS RVU x the Oklahoma conversion factor.
 - MAR values are generally limited by +/- 10% of the rate from the prior (2020) fee schedule, with certain exceptions
 - Surgery codes may not be lower than the value from the 2020 fee schedule.
- The commission may make exceptions for selected codes based on customized rates from prior fee schedules, rates established in the ground rules or the statute, and/or stakeholder feedback.
- Updated proposed rate are included in the draft fee schedule.

Projecting Payment Amounts for the 2020 Fee Schedule

FAIR Health received data from NCCI for professional services that included paid amounts for 2019 and 2020 aggregated at the procedure code/modifier level. The NCCI data also included the number of times that each procedure was performed. These data enabled FAIR Health to compare actual paid amounts to projected paid amounts based on the fee schedule MAR for each code. The fee schedule projections illustrate the maximum payments and do not recognize a number of factors reflected in the actual paid amounts, including:

- Provider contracted payments that are less than the fee schedule MAR amounts.
- Services that when performed in a facility are billed at less than the non-facility (e.g., office) rates that are the basis for the fee schedule.

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- Codes for services that were reported as “By Report” and reimbursed based on usual and customary rates.

The Commission plans to publish this report and projected rate tables for review by stakeholders. The Commission will consider stakeholder feedback before finalizing the fee schedule for 2022. Once the Commission makes decisions about any final changes, FAIR Health will update this report and provide a final fee schedule for submission to the regulatory process.

Introduction

- New section 4.g. (Assistant Surgeon). Defines the indicators in the ASST column of the rate tables that determine if a service performed by an assistant surgeon is eligible for reimbursement.
- Section 4.m, (section 4.l in the 2020 fee schedule) SI (Status Indicator). The 2020 fee schedule includes status indicator J1, when applicable. The 2022 fee schedule will include status indicators for all codes for informational purposes. In addition, a link to the CMS Outpatient Prospective Payment System (OPPS) addendum D1, which includes the payment rules for each status indicator, will be included in the fee schedule.

General Ground Rules

- Include a section on telemedicine as new Section 5 of the General Ground Rules.
- Add language to Section 6, Billing Procedures, to clarify that the By Report (BR) methodology applies to dental, HCPCS and DRG codes, including codes that are introduced after the fee schedule is published.
- Remove language in Section 12 that refers to a signed report that is no longer required based on evaluation and management guidelines that were introduced in 2022.

Modifiers and Payment Guidelines

- Include new Modifier 93, for audio-only telemedicine services.
- Update the language in Modifier 95 to include services on the CMS list of telehealth services in addition to the codes listed in addendum P of the CPT manual.

Evaluation and Management (E/M)

- MARs for office visit codes 99203, 99205 and 99212-99215 have increased due to higher relative values introduced by CMS in 2021. CPT 99202-99205 and 00211-99215 are now based on time (duration of the visit) and no longer require documentation to support use of the code. CPT 99201 has been deleted.
- Statute language requires MARs for E/M codes to be at least 150% of Medicare. 150% of the 2022 Medicare conversion factor is 51.91 (CMS CF 34.6062 *150% = 51.91), which is lower than the current conversion factor of 54.13.

Anesthesia

- 15-minute time units will be used for surgeries of all durations. The following language will be deleted from Section 2.b. of the Anesthesia Ground rules section:

For surgeries greater than two (2) hours, the maximum allowable reimbursement shall be calculated using the conversion factor and time units set forth in this Medical Fee Schedule or by using the former conversion factor and former time units as set forth in the 2012 Oklahoma Schedule of Medical and Hospital Fees, whichever is greater.

Surgery

- Like other rates in the fee schedule, MARs for surgery codes are capped at 10% above the values from the 2020 fee schedule. Surgery MARs will not be lower than the 2020 fee schedule.

Radiology

- Rates in the Radiology section are governed by statute and must be the lesser of the 2010 fee schedule rate or 207% of the current Medicare amount.

Laboratory and Pathology

- No changes to the Ground Rules in the Laboratory/Pathology section.

Medicine

- No changes to the Ground Rules in the Medicine section.

Physical Medicine

- To clarify that facilities are reimbursed for PT and OT services at the same rate as professionals, the rates will be repeated in the OP MAR column of the rate tables.
- Section, #3.d. was added and new language was included in section 9 of the Ground Rules to clarify that functional capacity evaluations (FCEs) are not subject to the four physical medicine code per day limitation.

Dental

- No changes to the Ground Rules in the Dental section.

Durable Medical Equipment, Supplies, Orthotics and Prostheses, Physician Administered Drugs

- Rate tables will be included based on the current methodology of 90% of the Oklahoma fee from the January 2022 CMS DMEPOS fee schedule.
- Rates for HCPCS J codes for specialty drugs will be included in the rate tables.
- Rates for vision services (codes beginning with V) will be included in the rate tables

Ambulance Services

- No changes are proposed for the Ambulance Services section.

Hospital Outpatient and Ambulatory Surgery Center Services

- A new Introduction is included as Section 1 of the Ground Rules to clarify that the rates for outpatient services are found throughout the fee schedule on the same line as the professional fees. Language to reinforce this also has been added to Section 5, Fees.
- CMS status indicators (SIs) are added that determine the payment rules for outpatient services. A link is provided to the CMS Addendum D that defines the rules for each status indicator.
- Because status indicators determine how services are reimbursed when used in conjunction with other services, Section 4.a., which addresses payments for multiple procedures for codes with a status indicator of other than J1, has been deleted.
- CMS rolled back their decision to eliminate the “inpatient only” list and 298 codes that were reimbursable in an outpatient setting in 2021 will no longer be covered. However, these codes will be included in the fee schedule and mapped to the 2021 CMS APCs, to develop Oklahoma OP MARs for these codes in an outpatient setting.

Pharmaceutical Services

- Language is added to Section 1.a. to add Medi-Span published by Wolters Kluwer as a secondary source of AWP, when not included in the Red Book, published by IBM Micromedex.
- Section 4.g. is updated to included drugs dispensed by outpatient hospitals.

Inpatient Hospital Services

- Current inpatient hospital reimbursement is calculated by multiplying the Medicare MS-DRG relative weight, by the Oklahoma base rate. The proposed change to the base rate for 2022 is \$5,773.84, which is a 15% increase over the base rate in the 2020 fee schedule.
- Rate tables will be included for DRG codes in the 2022 fee schedule.

Inpatient Rehabilitation

- No change to the Ground Rules for Inpatient Rehabilitation.
- The Case Mix Group table with average length of stays will be updated for 2022.

Contact Information

FAIR Health appreciates working with the Oklahoma Workers' Compensation Commission and assisting with the updates to the Schedule of Medical and Hospital Fees. We look forward to stakeholder feedback on the information presented and assisting the Commission with finalizing the 2022 fee schedule.

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