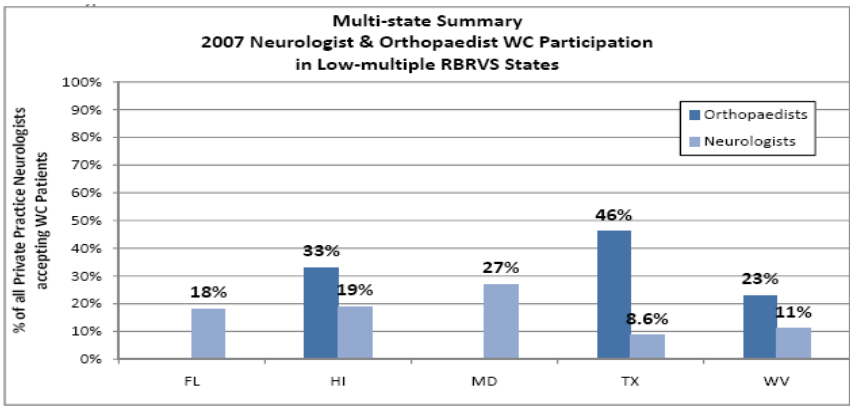
Reductions in Workers Compensation Fee Schedules Threaten Patient Access to Quality Care

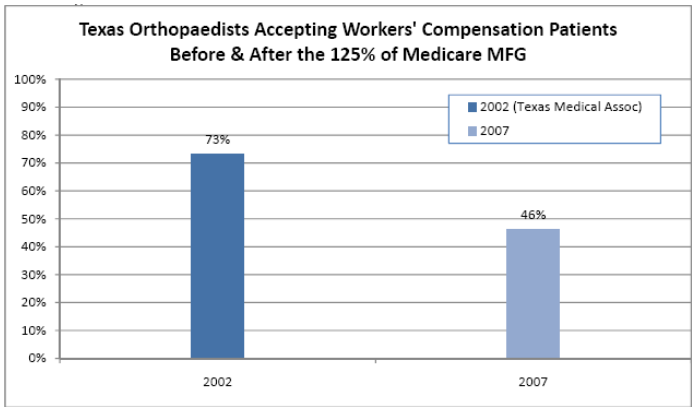
Studies show that every state that has adopted a low RBRVS fee schedule demonstrated a markedly low rate of orthopaedic participation in workers' compensation.

- In every one of the states with low-multiple fee schedules, less than half of private practice orthopaedist offices are willing to treat workers' compensation patients at the mandated fee schedule amount.



Following 2002 cuts in the fee schedule, the number of physicians in Texas willing to treat all work-related injuries dramatically declined from 2002-2004.

- Three quarters (77%) of orthopedic surgeons in Texas now limit workers compensation cases, dramatically up from (29%) two years ago. Similar declines in access have occurred for general surgeons and other surgical specialists.



The decline in physician specialists accepting workers' compensation caused by low-multiple RBRVS fee schedules is immediate and long-lasting.

- As seen in Texas and Florida, physician participation declines significantly within the first 2-3 years after a low-multiple fee schedule has been put in place.

- Physician workers' compensation participation levels in Hawaii remained largely unchanged even ten years after the original fee schedule was adopted, with less than 25%% of physician specialists accepting workers' compensation patients in 2005.

Reductions in Workers Compensation Fee Schedules Threaten Patient Access to Quality Care (cont.)

A reduction in RBRVS fee schedules also threatens patient access to quality care because physicians who do accept workers' compensation patients under low-multiple RBRVS fee schedules tend to be less qualified, as demonstrated by board certification and education.

- Only 33% of those who continue to accept workers compensation patients in Texas and West Virginia attended a U.S. medical school and are board-certified.

- A reduction or loss of access to those providers with experience and expertise in certain specialties reduces the chance of receiving high quality care.

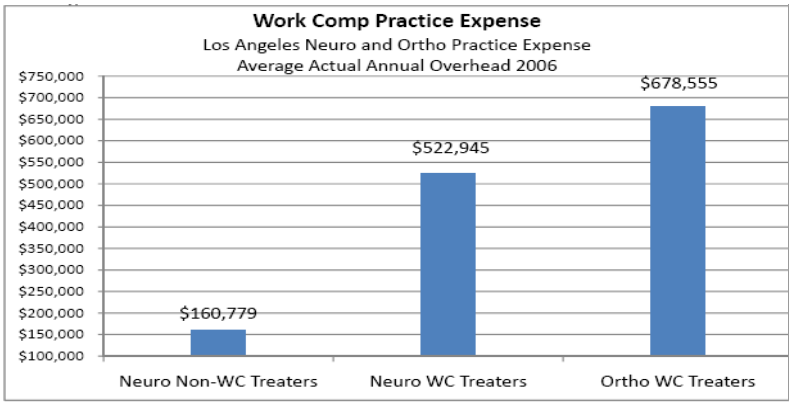
Specialist workers' compensation participation after the adoption of a low-multiple Resource-Based Relative Value Scale (RBRVS) fee schedule was strikingly less than for lower-paying alternatives such as Medicare and Medicaid.

- The additional administrative and regulatory burdens associated with workers' compensation cases are often too cumbersome for providers to justify the insufficient compensation resulting from low-multiple RBRVS fee schedules. These administrative burdens include:

  • Obtaining PPO and/or MPN network certification,
  • Interfacing with Nurse Case Managers,
  • Seeking approval for treatment from Utilization Review,
  • Transcribing dictated medical reports and,
  • Reconciling medical invoices that have been reduced to state fee schedules

- The hourly practice expense for physicians who accepted workers' compensation patients was determined to be 2.5 to 3 times the hourly Medicare practice expense.

- If practice expenses associated with treating workers' compensation patients are 247-295% of Medicare for neurologists and orthopaedists, fee scales set at 100-125% of Medicare fees do not provide enough financial incentive to maintain high physician participation levels.



In order to maintain access to quality providers, states should consider alternative Workers compensation reforms including:

- Preserving existing specialist fees allowing gradual decreases due to inflation, while access is monitored;

- Using an RBRVS base, but with higher fees for specialty codes reflecting other fee data, as was done recently in Hawaii; and

- Using multiple RBRVS conversion factors, higher for specialty areas, as has been done in Tennessee, Oregon and many other states.

Sources: "Workers Compensation Medical Fee Schedules: New Findings and Implications for California."
"The Medical Fee Schedule Under The Workers' Compensation Law." Report No. 8, 1998. Hawaii Legislative Reference Bureau"
"Workers' Compensation Special Report – 2004 Survey of Texas Physicians." Texas Medical Association