



California Workers' Compensation Institute

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September 14, 2018

VIA E-MAIL – DWCrules@dir.ca.gov

Maureen Gray, Regulations Coordinator
Division of Workers' Compensation, Legal Unit
P.O. Box 420603
San Francisco, CA 94142

Re: First 15-Day Comment: Physician Fee Schedule Regulations

Dear Ms. Gray:

On behalf of its members, California Workers' Compensation Institute offers these comments on the proposed modifications to the Physician/Non-Physician Practitioners Services Fee Schedule regulations portion of the Official Medical Fee Schedule. The Institute members include insurers writing 82% of California's workers' compensation premium, and self-insured employers with \$69.8B of annual payroll (31.5% of the state's total annual self-insured payroll).

Insurer members of the Institute include AIG, Alaska National Insurance Company, Allianz Global Corporate and Specialty, AmTrust North America, Berkshire Hathaway, CHUBB, CNA, CompWest Insurance Company, Crum & Forster, EMPLOYERS, Everest National Insurance Company, The Hartford, ICW Group, Liberty Mutual Insurance, Pacific Compensation Insurance Company, Preferred Employers Insurance, Republic Indemnity Company of America, Sentry Insurance, State Compensation Insurance Fund, State Farm Insurance Companies, Travelers, XL America, Zenith Insurance Company, and Zurich North America.

Self-insured employer members include Adventist Health, Albertsons/Safeway, BETA Healthcare Group, California Joint Powers Insurance Authority, California State University Risk Management Authority, Chevron Corporation, City and County of San Francisco, City of Los Angeles, City of Torrance, Contra Costa County Risk Management, Contra Costa County Schools Insurance Group, Costco Wholesale, County of Alameda, County of Los Angeles, County of San Bernardino Risk Management, County of Santa Clara Risk Management, Dignity Health, Foster Farms, Grimmway Farms, Kaiser Permanente, Marriott International, Inc., North Bay Schools Insurance Authority, Pacific Gas & Electric Company, Schools Insurance Authority, Sempra Energy, Shasta County Risk Management, Shasta-Trinity Schools Insurance Group, Southern California Edison, Special District Risk Management Authority, Sutter Health, University of California, and The Walt Disney Company.

Recommended revisions to the proposed regulation are indicated by **underscore** and **strikeout**. Comments and discussion by the Institute are identified by *italicized text*.

Recommendation:

§9789.12.2 Calculation of the Maximum Reasonable Fee – Services Other than Anesthesia.

(e)(2)(B)(i) Global Service Code – If the global diagnostic code (no modifier TC and no modifier -26) is billed, the provider must report on the bill for the global diagnostic service code the name and address, including the ZIP code, of where the test was furnished on the bill for the global diagnostic service code. For example, when the global diagnostic service code is billed for chest x-ray as described by CPT code 71045 (no modifier TC and no modifier -26), the locality is determined by the ZIP code applicable to the testing facility. In order to bill for a global diagnostic service code, the same physician or supplier entity must furnish both the TC and the PC of the diagnostic service, and the TC and PC must be furnished within the same payment locality.

(ii) Separate Billing of Professional Interpretation:

If the physician or supplier entity does not furnish both the TC and PC of the diagnostic service, or if the physician or supplier entity furnishes both the TC and PC but the professional interpretation was furnished in a different payment locality from where the TC was furnished, the professional interpretation of a diagnostic test must be separately billed by the interpreting physician with modifier -26 by the interpreting physician. The interpreting physician must report on the bill the name and address, including ZIP code, of the location where professional interpretation was furnished on the bill. If the professional interpretation was furnished at an unusual and infrequent location, for example, a hotel or home, the locality of the professional interpretation is determined based on where the interpreting physician most commonly practices. Payments for interpreting physicians operating outside of California shall be calculated using the GPCI associated with the ZIP code for their location.

(C) Global Surgical Package - Determination of Payment Locality When Services are Provided in Different Payment Localities:

If portions of the global period are provided in different payment localities locations, the physician(s) must report the name and address, including ZIP code, of the location where the services was were rendered. The procedure code for the surgery is billed with modifier -54; and the postoperative care is billed with the procedure code for the surgery with modifier -55. For example, if the surgery is performed in one GPCI locality and the postoperative care is provided in another GPCI locality, the surgery is billed with modifier “-54” and the payment locality would be where the surgery was performed and the postoperative care is billed with modifier “-55” and the payment locality would be where the postoperative care was performed. This is true method applies whether the services were are performed by the same physician/group or different physicians/groups. See sections 9789.16.2, et seq. for additional billing requirements for global surgeries.

Discussion:

Since it is more likely that a physician may be providing interpretation services from a home office rather than a hotel, the Institute recommends adding clarifying language.

In order to avoid unnecessary billing disputes, the Institute recommends language that defines the methodology for calculating payment when California licensed physicians provide teleradiology services from locations outside of California. The simplest methodology would be to use the GPCIs that are already defined in addendum E of the adopted relative value tables.

Alternatively, payment could be calculated based on the location where the technical component of the service was provided.

The requirement to provide the address, including ZIP code, of the location where services are rendered should not be predicated on determining whether or not the payment localities may differ. The Institute recommends simplifying the language to address all situations where services included in a global surgical package are provided by the same or different physicians. The use of modifiers -54 and -55 are explained in the referenced sections “9789.2, et seq.”

Additional recommended revisions are grammatical in nature.

Recommendation:

§9789.16.1 Surgery – Global Fee

(a)(5) Physicians Furnishing Less Than the Full Global Package. There are occasions when more than one physician provides services included in the global surgical package. It may be the case that the physician who performs the surgical procedure does not furnish the follow-up care. Payment for the postoperative, post-discharge care is split between two or more physicians where the physicians agree on the transfer of care. When more than one physician furnishes services that are included in the global surgical package, the sum of the amount approved for all physicians may not exceed what would have been paid if a single physician provides all services, except where permitted. When either modifier

“-54” or “-55” is used, a percentage of the fee schedule is applied as appropriate. The percentages for pre-, intra-, and postoperative care of the total RVUs for major surgical procedures and for minor surgeries with a postoperative period of 10 days may be found in the columns Preoperative Percentage (“Pre Op”), Intraoperative Percentage (“Intra Op”), and Postoperative Percentage (“Post Op”), respectively, of the National Physician Fee Schedule Relative Value File. The intra-operative percentage includes postoperative hospital visits. Split global care does apply to procedures with “000” in **the** Global Days_{column} of the National Physician Fee Schedule Relative Value File.

Discussion:

The recommended language revision is grammatical in nature.

§9789.19 Update Table

(f)

CCI Edits: Medically Unlikely Edits	For services rendered on or after January 1, 2019: “Practitioner Services MUE Table - Effective 1/1/19,” E xcluding all codes listed with Practitioner Services MUE Value of “0” (zero). Excerpts s of the MUE Tables are posted on the DWC website : http://www.dir.ca.gov/dwc/OMFS9904.htm
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Discussion:

The recommended language revision is grammatical in nature.

Thank you for the opportunity to comment, and please contact us if additional information would be helpful.

Sincerely,

Stacy Jones
Senior Research Associate

SLJ/pm

cc: André Schoorl, DIR Acting Director
George Parisotto, DWC Administrative Director
CWCI Claims Committee
CWCI Medical Care Committee
CWCI Legal Committee
CWCI Regular Members
CWCI Associate Members