



DWCNewsline

Newsline No. 04-09
 January 9, 2009

Division of Workers' Compensation posts The Lewin Group's revised study regarding adaptation of the Resource-Based Relative Value Scale (RBRVS) to California's workers' compensation physician fee schedule

The Division of Workers' Compensation (DWC) released The Lewin Group's revised fee schedule report entitled "Adapting the RBRVS Methodology to the California Workers' Compensation Physician Fee Schedule *First Report, Revised*," dated December 19, 2008. The revised report is now posted on the forum section of the DWC Web site at <http://www.dir.ca.gov/Wcjudicial.htm> for public review and comment. The report will be available on the forum through Feb. 2, 2008.

DWC originally released The Lewin Group's study in May of 2008. The study was commissioned by the DWC to evaluate the impact of switching from the current physician fee schedule to a physician fee schedule based on the Resource-Based Relative Value Scale (RBRVS) system. The original May report may be accessed at http://www.dir.ca.gov/dwc/RBRVSReport/RBRVS_May2008.pdf.

The major area of revision in the *First Report, Revised* is in the Methods section of the report, Section III C: "Crosswalk and Assignment of Relative Values to OMFS Codes." The Lewin Group improved the methodology for crosswalking the old codes used in the Official Medical Fee Schedule (OMFS) to the 2008 CPT codes and provided further detail on the steps of the analysis. While the corrections improved the methodology, the key findings in The Lewin Group's revised report did not change significantly from the initial report.

DWC has not determined final conversion factors. The Lewin Group found that a cost neutral migration to RBRVS, without geographic adjustments, would affect physician specialties as follows:

May 5, 2008 Report	Dec. 19, 2008 Revised Report
<p>Increase payments to:</p> <ul style="list-style-type: none"> • Anesthesiologists by 1.3% • Acupuncturists by 2.3% • Chiropractors by 5.8% • Multi-specialty groups by 6.1% • Psychologists by 7.3% • Psychiatrists by 3.7% • Emergency room physicians by 9.6% • Physical medicine providers by 11.2% 	<p>Increase payments to:</p> <ul style="list-style-type: none"> • Anesthesiologists by 1.4% • Acupuncturists by 4% • Chiropractors by 5.4% • Multi-specialty groups by 6.4% • Psychologists by 6.2% • Psychiatrists by 2.8% • Emergency room physicians by 9.7% • Physical medicine providers by 12%

<p>Decrease payments to:</p> <ul style="list-style-type: none"> • Surgeons by -12.1% • Neurologists by -4.9% • Radiologists by -2.8% • General and family practice physicians by -0.8% 	<p>Decrease payments to:</p> <ul style="list-style-type: none"> • Surgeons by -12.1% • Neurologists by -4.6% • Radiologists by -3.5% • General and family practice physicians by -0.9%
--	--

The Lewin Group’s estimates of the impact by OMFS service categories also did not change substantially from the May 5, 2008 report to the Dec. 19, 2008 report. The increase/decrease in fees for codes within service categories was estimated as follows:

May 5, 2008 Report	Dec. 19, 2008 Revised Report
Evaluation & Management 20%	Evaluation & Management 19.1%
Medicine (Excluding Special Services) 3.5%	Medicine (Excluding Special Services) 5.7%
Surgery -25.9%	Surgery -26.3%
Radiology -2.6%	Radiology -3.5%
Special Services 0%	Special Services -1.8%
Anesthesia 0%	Anesthesia 0%

The cost neutral model was created to provide an analytical framework for isolating the affect of converting to RBRVS. However, there is no legal requirement that the conversion be cost neutral and no decision has been made regarding the level of fees. After receiving input from the public on the revised report, the DWC will analyze which further models should be generated to evaluate the best array of features to include in the revised physician fee schedule. The DWC seeks to balance access to care, cost savings, and equity in the relative value scale. The Lewin Group will generate revised model(s) as requested by DWC using different ground rules and model assumptions. The public will have the opportunity to provide feedback on these additional models as the results become available.

For additional details on the purpose of the study, please review the [Newsline issued in May of 2008](#).

###