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DWCNewsline

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Division of Workers' Compensation posts revised draft physician fee schedule on DWC forum for pre-rulemaking public comment

The Division of Workers' Compensation (DWC) has modified its draft physician fee schedule and has posted an online forum for members of the public to review and comment on the revised draft.

The forum can be found at http://www.dir.ca.gov/dwc/DWCWCABForum/dwc_PhysicianFeeSchedule.htm and members of the public may comment until June 7.

DWC's new draft regulations propose adopting the RBRVS, as well as ground rules relating to calculation of fees. While the initial proposal was budget neutral, the revision adds funding to the physician fee schedule accrued from reductions in spinal hardware and ambulatory surgical center fees, along with system savings gained through electronic billing.

Additionally, the revised proposal makes minor grammatical changes, changes for clarity or consistency, adds detail regarding status code indicators and professional/technical code indicators, and includes the following changes to conversion factors and report fees:

Title 8 CCR section 9789.12.4, conversion factors:

- For services other than anesthesiology, the proposal includes the initial use of three conversion factors—surgery, radiology, and “all other.” The regulations include a transition period of four years during which the three conversion factors converge to a single conversion factor in year five.
- The proposed conversion factors during this transition period are:

	Surgery	Radiology	All other
Year 1	57	60	54
Year 2	57.75	60	55.5
Year 3	58.5	60	57
Year 4	59.25	60	58.5
Year 5	60	60	60

Because anesthesia services are not comparable to the relative value units (RVUs) for other services, the category has its own conversion factor. The proposed conversion factor for anesthesia services during this transition period is 34.

The annual percentage change in conversion factors by service category for each year of the transition is:

	Surgery	E&M	Radiology	Pathology	Medicine (Overall)	Physical Medicine	Manipulative Treatment	Other	Special Services	Anesthesia
Year 1										
Year 2	1.3%	2.8%	0%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	0%
Year 3	1.3%	2.7%	0%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	0%
Year 4	1.3%	2.6%	0%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	0%
Year 5	1.3%	2.6%	0%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	0%

- Beginning in year six, the conversion factor will be adjusted each year for inflation using the Medicare Economic Index (MEI).

Title 8 CCR section 9789.13.2, California specific codes and section 9789.14.1, reimbursement for reports, duplicate reports, chart notes

- Maximum reimbursement for California Code WC002, Treating Physician's Progress Report (PR-2) by primary treating physician or secondary treating physician, issued in accordance with section 9785(f), using DWC form PR-2, its narrative equivalent, or letter format where allowed, is \$11.69.

Labor Code section 5307.1 grants the DWC administrative director (AD) authority to revise the Official Medical Fee Schedule (OMFS) on a periodic basis.

The initial draft of the proposed physician fee schedule was posted on DWC forum for pre-rulemaking public comment on March 22 and closed April 5.

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