

**Minnesota Workers' Compensation:
Estimated cost effects of proposed changes in payment systems for outpatient hospitals**

10-percent reduction in total payments for outpatient hospital services [2]

Projected outpatient hospital payments [3]	\$139.9 M
10-percent reduction	\$14.0 M
Projected workers compensation medical cost	\$522.4 M
Projected hospital outpatient payments as percent of projected total of WC medical cost	27%
Reduction as percentage of total medical cost [4]	2.7%
Medical cost as percent of total WC system cost [5]	33.3%
Reduction as percentage of total WC system cost	0.9%

Notes:

1. All quantities are projected to payment year 2022
2. This is the maximum percent reduction, specified in Minn. Stat. section 176.1364, subd. 6, that the WCAC was required to consider on the basis of study results regarding timeliness and accuracy of payment under the outpatient fee schedule.
3. Estimated from the Minnesota workers' compensation 2021 medical call data (supplied to DLI by the MWCIA) and projected to population totals using primarily data from the MWCIA.
4. Computed using the estimate that outpatient services will account for 27 percent of projected total WC medical cost in 2022 (derived from the WC medical call data supplied to DLI by the MWCIA).
5. [Estimate from Figure 2.8 of the 2022 Minnesota Workers' Compensation System Report](#)

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