

New benefit and provider fee levels effective October 2010

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The statewide average weekly wage (SAWW) effective Oct. 1, 2010, is \$868, a 1.14 percent decrease from the current SAWW of \$878, which has been in effect since Oct. 1, 2009. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on page 5. The statewide annual average wage will change to \$45,095 on Jan. 1, 2011.

The new SAWW is based on 2009 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in M.S. § 176.011, subd. 1b. The change in the SAWW is the basis for the M.S. § 176.645 annual benefit adjustment. The time of the first adjustment is limited by M.S. § 176.645, subd. 2.

Pursuant to Minn. R. 5220.1900, subp. 1b, the maximum qualified rehabilitation consultant (QRC) hourly fee will remain the same, at \$92.82, as of Oct. 1, 2010. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will also remain the same, at \$70.46.

This year there are two adjustments to the workers' compensation medical fee schedule conversion factors:

1. Conversion factor adjustment based on updated relative value units (RVUs) and rules

The fee schedule in effect until Oct. 1, 2010, used 1998 Medicare RVUs. Pursuant to M.S. § 176.136, subd. 1a, paragraph (h), the Department of Labor and Industry (DLI) is updating the workers' compensation medical fee schedule by incorporating by reference the 2009 Medicare RVUs. The Notice of Incorporation by Reference of Relative Value Tables was published in the *State Register* on July 26, 2010. The rules to implement the relative value tables will be published in the *State Register* on Aug. 16, 2010. As required by M.S. § 176.136, subd. 1a, paragraph g (2), DLI has adjusted the conversion factors so that overall payment for services covered under both the old and new RVUs will be the same under both sets of RVUs¹. As required by this law, DLI has done this separately for each of the four categories of service listed below. Since the 2009 Medicare RVUs are generally higher than the 1998 RVUs for all four categories of service, the conversion factors have been reduced for all four categories to maintain the same overall payment for services covered by both sets of RVUs.

2. Conversion factor annual adjustment

Pursuant to M.S. § 176.136, subd. 1a, paragraph g (1), which provides for annual adjustment of the medical fee schedule conversion factors by no more

Statewide average weekly wage Effective Oct. 1 of the indicated year

	Statewide average weekly wage	
1997	\$553	5.53%
1998	\$579	4.70%
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%
2004	\$740	3.06%
2005	\$774	4.59%
2006	\$782	1.03%
2007	\$808	3.32%
2008	\$850	5.20%
2009	\$878	3.29%
2010	\$868	-1.14%

¹DLI used a database from a large insurer for this calculation.

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than the percent change in the SAWW, the conversion factors for the new fee schedule as described above are being decreased by 1.14 percent.

As a result of both adjustments, subject to approval by an administrative law judge at the Office of Administrative Hearings, effective Oct. 1, 2010, the new conversion factors will be:

- medical/surgical services in part 5221.4030.....\$67.23
- pathology/laboratory services in part 5221.4040\$39.60
- physical medicine/rehabilitation services in part 5221.4050.....\$52.35
- chiropractic services in part 5221.4060.....\$53.48

Additional background about the fee schedule and tables showing changes to the RVUs and conversion factors are online at www.dli.mn.gov/WC/HealthCareProv.asp.

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, the maximum independent medical examination fees will decrease by 1.14 percent for services provided on or after Oct. 1, 2010, subject to approval by an administrative law judge.

An official notice of the medical fee schedule conversion factors and independent medical examination fees as approved by the administrative law judge will be published in the *State Register* in September.

Compensation rates as of Oct. 1, 2010

Statewide average weekly wage (SAWW) = \$868
Percentage change in SAWW from previous year = -1.14%
(Apply M.S. §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. 176.101 and 176.111

<i>100% of SAWW</i>	
10-01-86	\$360.00
10-01-87	\$376.00
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00
<i>105% of SAWW</i>	
10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60
<i>Set by Statute</i>	
10-01-95	\$615.00
10-01-00	\$750.00
10-01-08	\$850.00

Minimum under M.S. 176.101, subd. 1(2)

<i>50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW</i>	
	<u>50%</u> 20%
10-01-86	\$180.00 (gross wage - \$270.00) ... \$ 72.00
10-01-87	\$188.00 (gross wage - \$282.00) ... \$ 75.20
10-01-88	\$195.50 (gross wage - \$293.25) ... \$ 78.20
10-01-89	\$206.50 (gross wage - \$309.75) ... \$ 82.60
10-01-90	\$214.00 (gross wage - \$321.00) ... \$ 85.60
10-01-91	\$221.50 (gross wage - \$332.25) ... \$ 88.60
<i>20% of the SAWW or the employee's actual weekly wage, whichever is less</i>	
10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40
<i>Set by statute, the listed amount or the employee's actual weekly wage, whichever is less</i>	
10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under M.S. 176.132 (Minnesota Statutes 1994) and permanent total minimum under M.S. 176.101, subd. 4 (for injuries 10-1-95 and later)

10-01-92	\$298.35	(rounded to \$299)
10-01-93	\$314.60	(rounded to \$315)
10-01-94	\$319.80	(rounded to \$320)
10-01-95	\$328.25	(rounded to \$329)*
10-01-96	\$340.60	(rounded to \$341)*
10-01-97	\$359.45	(rounded to \$360)*
10-01-98	\$376.35	(rounded to \$377)*
10-01-99	\$399.75	(rounded to \$400)*
10-01-00	\$417.30	(rounded to \$418)*
10-01-01	\$442.00	(round)
10-01-02	\$456.30	(rounded to \$457)*
10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*
10-01-07	\$525.20	(rounded to \$526)*
10-01-08	\$552.50	(rounded to \$553)
10-01-09	\$570.70	(rounded to \$571)*
10-01-10	\$564.20	(rounded to \$565)*

*Rounding applies to supplementary benefits.