

New benefit and provider fee levels effective October 2016

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The statewide average weekly wage (SAWW) effective Oct. 1, 2016, is \$1,026, a 3.74 percent increase from the current SAWW of \$989, which has been in effect since Oct. 1, 2015. (See the table below.) 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 \$53,349 on Jan. 1, 2017.

The new SAWW is based on 2015 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 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 Minnesota Rules 5220.1900, subp. 1b, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase by 3.00 percent to \$107.21 on Oct. 1, 2016. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will increase to \$81.39 on Oct. 1, 2016. Notice of the increase will be published in the *State Register* in September 2016.

Fee schedule adjustments

The adjustments to the workers' compensation medical fee schedule conversion factors and the independent medical examination fees are as follows.

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

Pursuant to Minnesota Statutes § 176.136, subd. 1a, paragraph (c), the Department of Labor and Industry (DLI) is updating the fee schedule by incorporating by reference the 2016 Medicare RVUs. The Notice of Incorporation by Reference of the 2016 Relative Value

Tables was published in the *State Register* on Aug. 8, 2016; it is also on page 4 of this publication. Rule amendments to implement the new RVU tables have been approved by an administration law judge at the Office of Administrative Hearings and will be published in the *State Register* in September 2016. A link to the corresponding rule amendments is at www.dli.mn.gov/Pdf/docket/5219_5221_rules.pdf.

As required by M.S. § 176.136, subd. 1a, paragraph (c)(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 RVUs.¹ As required by law, DLI has done this separately for each of the four categories of services listed below.

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

	Statewide average weekly wage	Percent change from prior year
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%
2011.....	\$896	3.23%
2012.....	\$916	2.23%
2013.....	\$945	3.17%
2014.....	\$961	1.69%
2015.....	\$989	2.91%
2016.....	\$1,026	3.74%

¹For this calculation, DLI used a de-identified database of Minnesota workers' compensation medical services, charges and related data. The database was a 20-percent sample from the Minnesota Workers' Compensation Medical Data Call, provided to DLI by the Minnesota Workers' Compensation Insurers Association.

As a result of the adjustments, for services provided on or after Oct. 1, 2016, the new conversion factors will be:

- medical/surgical services described in Minnesota Rules 5221.4030\$69.48
- pathology and laboratory services described in Minn. R. 5221.4040\$56.70
- physical medicine/rehabilitation services described in Minn. R. 5221.4050\$55.57
- chiropractic services described in Minn. R. 5221.4060\$49.34

2. Conversion factor annual adjustment: M.S. § 176.136, subd. 1a, paragraph (c)(1) provides for annual adjustment of the medical fee schedule conversion factors by no more than the percent change in the SAWW. DLI adjusts the conversion factors (computed as described above) by the percent change in the Producer Price Index for Offices of Physicians (PPI-P).² Because the change in PPI-P for 2015 was -1.2 percent, no additional adjustment to the conversion factors is made.

IME fee adjustments

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations (IMEs) in the same manner as the annual adjustment of the conversion factors. Because there is no annual adjustment of the conversion factors, the maximum IME fees remain the same for services provided on or after Oct. 1, 2016.

All of the above referenced documents are also online at www.dli.mn.gov/WC/HealthCareProv.asp.

²The PPI, produced by the U.S. Bureau of Labor Statistics, measures the average change over time in the selling prices received by producers for their output. The annual PPI-P and the associated annual changes (using industry code 62111 – offices of physicians) are available at www.bls.gov/ppi/data.htm.

Notice of incorporation by reference of relative value tables

Whereas;

Minnesota Statutes § 176.136, subd. 1a, paragraph (d), clause (2) (supp. 2015), requires the commissioner to, at least every three years, update the workers' compensation relative value tables in the workers' compensation fee schedule in Minnesota Rules, Chapter 5221, by incorporating by reference the relative value tables in the national physician fee schedule relative value file established by the Centers for Medicare and Medicaid Services (CMS). Each notice of incorporation must state the date the incorporated tables will become effective and must include information about how the Medicare relative value tables may be obtained.

Therefore, notice is hereby given that the following relative value tables, released by CMS on Feb. 2, 2016, are incorporated by reference, effective for workers' compensation health care services provided on or after Oct. 1, 2016:

The files CY2016_GPCIs and PPRRVU16_April_V0202 found in RVU16B [ZIP, 3MB] on the "PFS Relative Value Files" page are on the CMS website currently at:
<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files-Items/RVU16B.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=descending>.

Additional information about how to access these tables is available on the Department of Labor and Industry website at www.dli.mn.gov/WC/HealthCareProv.asp.

Pursuant to Minnesota Statutes § 176.136, subd. 1a, paragraphs (c) and (d), notice of amendments to rules to implement the above incorporated tables will be published in the *State Register* in September 2016.

Compensation rates as of Oct. 1, 2016

Statewide average weekly wage (SAWW) = \$1,026
Percentage change in SAWW from previous year = 3.74%

(Apply Minnesota Statutes § 176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. § 176.101 and 176.111	Minimum under M.S. § 176.101, subd. 1(2)	Supplementary benefits under M.S. § 176.132 (Minnesota Statutes 1994)
<i>100% of SAWW</i>	<i>50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW</i>	and permanent total minimum under M.S. § 176.101, subd. 4
10-01-88.....\$391.00	50%.....20%	(for injuries 10-1-95 and later)
10-01-89.....\$413.00	10-01-88.....\$195.50 (gross wage – \$293.25)\$ 78.20	10-01-98.....\$376.35 (rounded to \$377)*
10-01-90.....\$428.00	10-01-89.....\$206.50 (gross wage – \$309.75)\$ 82.60	10-01-99.....\$399.75 (rounded to \$400)*
10-01-91.....\$443.00	10-01-90.....\$214.00 (gross wage – \$321.00)\$ 85.60	10-01-00.....\$417.30 (rounded to \$418)*
<i>105% of SAWW</i>	10-01-91.....\$221.50 (gross wage – \$332.25)\$ 88.60	10-01-01.....\$442.00 (round)
10-01-92.....\$481.95	<i>20% of the SAWW or the employee's actual weekly wage, whichever is less</i>	10-01-02.....\$456.30 (rounded to \$457)*
10-01-93.....\$508.20	10-01-92.....\$91.80	10-01-03.....\$466.70 (rounded to \$467)*
10-01-94.....\$516.60	10-01-93.....\$96.80	10-01-04.....\$481.00 (round)
<i>Set by statute</i>	10-01-94.....\$98.40	10-01-05.....\$503.10 (rounded to \$504)*
10-01-95.....\$615.00	<i>Set by statute, the listed amount or the employee's actual weekly wage, whichever is less</i>	10-01-06.....\$508.30 (rounded to \$509)*
10-01-00.....\$750.00	10-01-95.....\$104.00	10-01-07.....\$525.20 (rounded to \$526)*
10-01-08.....\$850.00	10-01-00 \$130.00	10-01-08.....\$552.50 (rounded to \$553)
<i>102% of SAWW</i>		10-01-09.....\$570.70 (rounded to \$571)*
10-01-13.....\$963.90		10-01-10.....\$564.20 (rounded to \$565)*
10-01-14.....\$980.22		10-01-11.....\$582.40 (rounded to \$583)*
10-01-15.....\$1,008.78		10-01-12.....\$595.40 (rounded to \$596)*
10-01-16.....\$1,046.52		10-01-13.....\$614.25 (rounded to \$615)*
		10-01-14.....\$624.65 (rounded to \$625)*
		10-01-15.....\$642.85 (rounded to \$643)*
		10-01-16 \$666.90 (rounded to \$667)*

*Rounding applies to supplementary benefits.