

OCCUPATIONAL MEDICINE
 OUTCOMES AND SD WORKERS'
 COMPENSATION PHYSICIAN FEE
 SCHEDULE

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OCCUPATIONAL MEDICINE



OCCUPATIONAL MEDICINE

- Provides unique Physician Skillset & Clinical Services of high value to SD workers and SD employers
 - Excels at care coordination between stakeholders and injury care.
 - Sets employee return to work expectations and graded work transitions



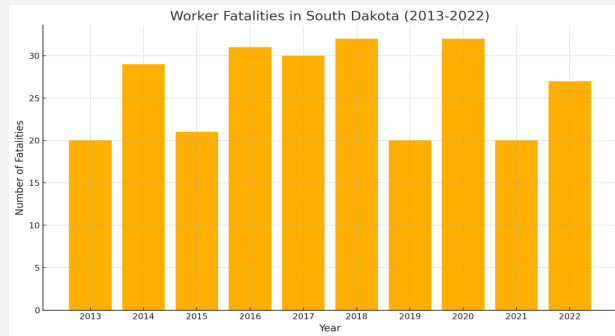
OCCUPATIONAL MEDICINE

- Opines on work relatedness & causation determination
- Provides industry specific knowledge on a state and federal level
- Performs specialty services – MRO, DOT, OSHA surveillance/periodic exams, Impairment Ratings



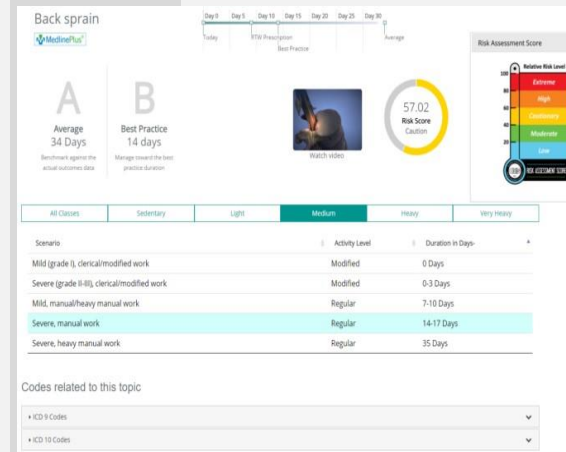
OCCUPATIONAL MEDICINE

- Evidence based injury care and return to work guidance to improve outcomes
- Promote climate of safety and injury prevention for South Dakota workers



US Bureau of Labor Statistics

EVIDENCE BASED INJURY CARE AND RETURN TO WORK GUIDANCE IMPROVE OUTCOMES

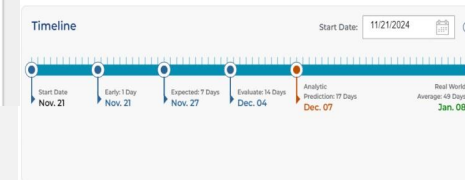


ODG Guidelines

Search Term : M54.40 Lumbago with sciatica, unspecified side
Return to Activity Estimates (In Days)



MD Guidelines

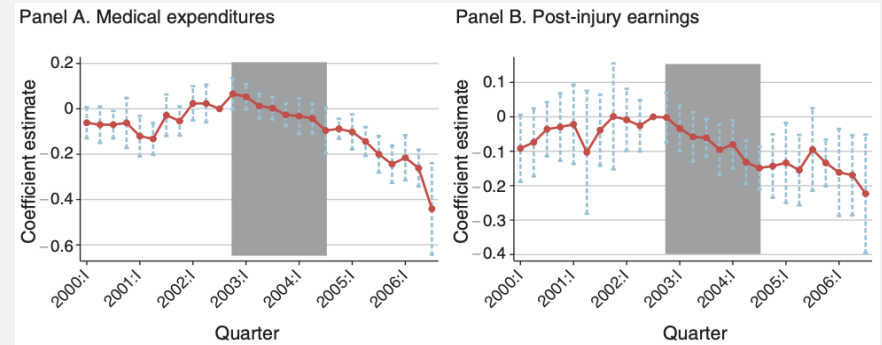


<https://www.mcg.com/odg/>, <https://app.mdguidelines.com/>

OCCUPATIONAL MEDICINE- COST OUTCOMES

- **Adhering to occupational medicine guidelines is associated with decreased spending**
- One study showed without guidelines, spending increased from \$16,000 for PT to \$114,000 for surgery with impact to employers and the local economy
- Supporting Occupational Medicine groups skilled in evidence based guidelines **benefits both employees, employers, as well as the local economy through work participation**

OCCUPATIONAL MEDICINE EARNINGS OUTCOMES



Decreased Injury Care Expenditures



Decreased Worker Earnings



OCCUPATIONAL MEDICINE IMPACT OF FEE SCHEDULES

- Workers' Compensation Research Institute- "State workers compensation regulators who set medical fee schedule **rates too low could affect access to care for injured workers**"
- "The District of Columbia, Florida, and Massachusetts set their workers' compensation fee schedule rates, on average, to be within 20 percent of Medicare rates. On the other hand, **Alaska, Idaho, Illinois, Nevada, North Dakota, and Virginia set fee schedule rates at levels more than double Medicare** at the state level."

Designing Workers' Compensation Medical Fee Schedules, 2019. Olesya Fomenko and Te-Chun Liu. May 2019. WC-19-23.

IMPLICATIONS OF LOW REIMBURSEMENT



Reduced Provider Participation:

Lower rates discourage providers from participating in workers' compensation cases or from hiring necessary support staff.



Reduced Access to Care:

Workers experience delays or reduced access to necessary care if fewer resources are dedicated to worker injury patients.



Increased Medical Care Costs:

Poor care coordination and delays lead to protracted return to work and work ability, resulting in higher overall costs for compensation claims.



ADDITIONAL IMPLICATIONS

- Workforce Retention:**
 - Access to prompt, quality care helps injured workers return to work faster, supporting both workforce retention and workplace morale.
- Economic Impact:**
 - Delayed return to work and disability negatively affect workforce productivity and South Dakota's economy.



SD REIMBURSEMENT RATES

SD WC significantly lower than BCBS and even below Medicaid rates.

Inadequate for clinic operations.

Code	Medicaid	SD WC	SD BCBS	% of BCBS
99202	\$70.59	\$76.00	\$136.00	55.88%
99203	\$108.22	\$112.00	\$187.00	59.89%
99204	\$162.17	\$160.00	\$304.00	52.63%
99205	\$213.57	\$208.00	\$361.00	57.62%
99212	\$55.35	\$48.00	\$105.00	45.71%
→ 99213	\$88.82	\$72.00	\$143.00	50.35%
→ 99214	\$125.28	\$108.00	\$202.00	53.47%
99215	\$175.89	\$156.00	\$284.00	54.93%



OCCUPATIONAL MEDICINE DISPROPORTIONATE BURDEN

- Occupational Medicine clinics bear disproportional burden of low reimbursement levels and lack of annual inflation adjustments.
- Negatively impacts staffing FTEs and ability to provide services to South Dakota's workers.
- Given South Dakota's strong work ethic and cultural emphasis on productivity, we appreciate the state taking a **proactive role in promoting and supporting occupational medicine services for both employers and employees.**

FEE SCHEDULE NATIONAL LANDSCAPE

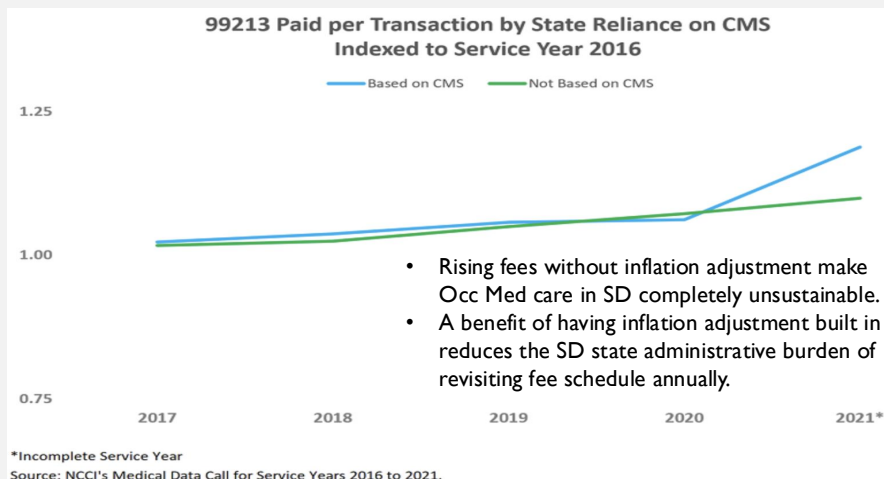
State-Specific	These states set their MARs without explicit reliance on the CMS. For example, they may rely on their own experience when establishing MARs.	Alabama Illinois Kentucky Louisiana Nevada New Mexico Oregon Rhode Island South Dakota	Vermont Virginia
Partially Medicare-Based	These states use some combination of inputs from the CMS along with state-specific factors to set MARs. For example, a state may adopt all of the RVUs in the CMS PFS but elect to set a different conversion factor.	Alaska Arizona Arkansas Colorado Connecticut Georgia Hawaii Idaho Kansas	Maine Maryland Mississippi Montana Nebraska Oklahoma South Carolina Texas Utah
Medicare-Based	These states set their MARs as a percentage of the payment rate the CMS publishes, with very few, if any, modifications made outside of the percentage multiplier.	District of Columbia Florida North Carolina Tennessee West Virginia	

← Most states are indexed for inflation →



<https://www.ncci.com/Articles/Pages/Insights-2021-Medicare-Fee-Schedules-WorkersComp.aspx#>

CMS INDEXING



- Rising fees without inflation adjustment make Occ Med care in SD completely unsustainable.
- A benefit of having inflation adjustment built in reduces the SD state administrative burden of revisiting fee schedule annually.

CONCLUSION AND REQUEST

- Summary:** Reimbursement rates impact provider participation, access to care, and improved return-to-work & disability outcomes.
- Request:** Revise reimbursement rates to improve the sustainability of occupation medicine services South Dakota's workers and employers





Our goal is to support the workforce of South Dakota to keep South Dakota workers healthy, injury and disability free

**THANK YOU FOR YOUR
WORK AND SUPPORT FOR OUR
SOUTH DAKOTA WORKFORCE**

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Moving Health *Forward.*

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