



RESPONSE TO AN INQUIRY REGARDING MEDICAL DATA REPORT FOR THE STATE OF SOUTH DAKOTA

NCCI provided a Medical Data Report for the state of South Dakota to the Department of Labor and Regulation, Workers Compensation Division. The Division had an inquiry regarding the summarized information provided in the September 2013 Medical Data Report. The following is the inquiry NCCI received and NCCI's response.

Question 1

The Department of Labor and Regulation, Workers Compensation Division would like to receive more information regarding the cost of Implants, specifically for Revenue Code 0278.

Response 1

Implants¹, as identified by revenue code 0278, account for 31.5% of the Durable Medical Equipment (DME), Supplies, and Implants service category. This service category represents 9.3% of medical costs in South Dakota (as shown in Chart 4 of the report). Therefore, implants account for 2.9% ($= 0.315 \times .093$) of total medical costs in South Dakota.

The chart below details the share of DME, Supplies and Implants costs, the share of medical costs, and average payment per procedure for revenue code 0278 for South Dakota, Regional, and Countrywide.

Details for Revenue Code 0278			
	% Share of DME, Supplies, and Implants	% Share of Medical Costs	Avg. Payment Per Procedure ²
South Dakota	31.5%	2.9%	\$3,557
Regional	30.8%	2.0%	\$2,892
Countrywide	22.0%	1.7%	\$3,829

Source: NCCI Medical Data Call, Service Year 2012. Region includes CO, IA, KS, MT, and NE. Countrywide includes data for the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, and WV.

¹Implant procedures also include revenue code 0276 but makes up a very small share and has no impact on this analysis.

²Payments are averaged at the procedure code detail level only. Other fields such as the diagnosis code, place of service, quantity/units, and possibly others may need to be considered when evaluating average payments per service.