

**STATE OF NEW MEXICO
WORKERS' COMPENSATION ADMINISTRATION**

**IN THE MATTER OF THE ADOPTION OF THE
2018 HEALTH CARE PROVIDER FEE SCHEDULE**

FEE SCHEDULE ORDER

THIS ORDER is issued pursuant to NMSA 1978, Section 52-5-4(A) (1990), and 11.4.7.9(A)(1) NMAC. It is intended to further the purpose of 11 NMAC, Part 7, to establish a system of maximum allowable fees and reimbursements for health care services and related non-clinical services provided by all health care providers, to establish billing dispute procedures, and to establish the procedures for cost containment.

1. The proposed Health Care Provider Fee Schedule was released for public inspection on September 14, 2017.

2. A hearing was conducted on October 27, 2017 to accept public comment.

3. Written public comment was accepted through October 27, 2017.

4. The following methods were used to determine the maximum allowable amounts for the 2018 New Mexico Workers' Compensation Health Care Provider Fee Schedule:

- Obtain most recent American Medical Association (AMA) CPT Edition: CPT 2017;
- Collect appropriate fee schedules from regional states: Arizona, Colorado, Kansas, Nevada, Oklahoma, Texas and Utah;
- If less than four states data available set rate to BR;
- Determine if CPT 2017 Starting Point is Below the Regional 60th, Above the Regional 80th, or in the Regional "sweet spot."

- Adjust downward all NM WCA fees Above the Regional 80th to the Regional 80th amount;
- Adjust upward all NM WCA fees Below the Regional 60th to the Regional 60th amount.

5. The following methods were used to determine the 2018 Hospital Assigned Ratio:

- Calculate all (Total Operating Expenditures/Total Patient Revenues (Charges)) Ratios;
- Calculate Median for all (Expenditure/Revenue) ratios; then
- If a ratio is lower than median, set at median;
- If a ratio is equal to or greater than the median but lower than 0.75, keep;
- If a ratio is greater than 0.75, set at 0.75;
- If new hospital, assign 0.67.
- Established hospitals that do not submit a G-2 shall be assigned the minimum ratio of 0.41
- Established hospitals that submitted their annual HCFA/CMS 2252 G-2 worksheet are assigned a median-adjusted “cost-to-charge” ratio, provided that the 2018 assigned hospital ratio reduction will not exceed ten percentage points from the prior year’s ratio.


6. The Health Care Provider Fee Schedule appended to this Order and incorporated herein is adopted on December 1, 2017, with an effective date of January 1, 2018.

7. The following are specifically adopted pursuant to 11.4.7.9 NMAC and incorporated by reference as if fully set forth herein: Current Procedural Terminology (CPT) code, as defined in 11.4.7.7(M) NMAC, which is derived from the CPT 2017,

Professional Edition, Copyright 2017, by the American Medical Association (AMA) (hereinafter, "CPT 2017"). CPT 2017 is a listing of descriptive terms, numeric and alphanumeric identifying codes and modifiers for reporting medical services and procedures performed by physicians, which is copyrighted by the AMA.

8. This Order in no way alters, or intends to alter, any of the Rules of the WCA already in place. To the extent that there is a conflict between the rules, the more specific shall apply.

IT IS SO ORDERED.



DARIN A. CHILDERS, Director
New Mexico Workers' Compensation Administration

Issued: December 1, 2017