

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

**IN THE MATTER OF THE ADOPTION OF THE
2019 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 (HCPFS) was released to the Director's Medical Advisory Committee (DMAC) for inspection on Sep. 05, 2018.

2. DMAC meeting to discuss the HCPFS was on Sep. 27, 2018.

3. It was decided that a hearing to accept public comment was not needed.

4. The HCPFS was made available on the WCA Website on Oct. 17, 2018.

5. Written public comment was accepted from Oct. 17, 2018 to Nov. 16, 2018.

6. The following methods were used to determine the maximum allowable amounts for the 2019 New Mexico Workers' Compensation HCPFS:

- Obtain most recent American Medical Association (AMA) CPT® Edition: CPT 2018;
- Collect appropriate fee schedules from regional seven states: Arizona, Colorado, Kansas, Nevada, Oklahoma, Texas and Utah;
- If less than four states data available for any CPT code, set rate to BR;
- Determine if CPT 2018 Starting Point is Below the Regional 60th, Above the Regional 80th, or in the Regional "sweet spot," i.e., between 60th and 80th

percentile.

- Adjust downward 2018 NM WCA fees Above the Regional 80th to the Regional 80th amount;
- Adjust upward 2018 NM WCA fees Below the Regional 60th to the Regional 60th amount;
- If 2018 rates are in the Regional “sweet spot,” no change is proposed in the 2019 HCPFS.

7. The following methods were used to determine the 2019 Hospital Assigned Ratio:

- Use data collected from HCFA/CMS G-2 worksheet to calculate all cost-to-charge ratios $= (\text{Total Operating Expenditures} / \text{Total Patient Charges})$;
- Calculate median for all (Expenditure/Revenue (Charge)) 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 adjusted ratio of 0.39;
- Established hospitals that submitted their annual G-2 worksheet are assigned final adjusted ratios equal to the following: if the difference between the current year’s “median-adjusted cost-to-charge ratio” and the previous year’s ratio is greater than 10 percentage points, the current year’s ratio is adjusted downward by a maximum of 10 percentage points (pp), from the previous year’s ratio. 2019 is the last year for the 10 percentage points adjustment;


- The hospital ratio shall be applied to all charges for compensable services provided during a hospital inpatient stay, hospital outpatient surgery or an emergency department visit with the exception of the following:
 - Implants, Hardware & Instrumentation; and
 - Radiology, Pathology & Laboratory

8. The Health Care Provider Fee Schedule appended to this Order and incorporated herein is adopted on Dec. 1, 2018, with an effective date of Jan. 1, 2019.

9. 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 2018, Professional Edition, Copyright 2017 by the American Medical Association (AMA) (hereinafter, "CPT 2018"). CPT 2018 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.

10. 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, 2018