

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

**IN THE MATTER OF THE ADOPTION OF THE
2021 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) (l) 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 September 16, 2020.

2. DMAC meeting to discuss the HCPFS was on September 24, 2020.

3. The HCPFS was made available on the WCA Website on October 8, 2020.

4. Written public comment was accepted from October 8, 2020 to November 10, 2020 with a public hearing conducted on November 9 2020.

5. The following methods were used to determine the maximum allowable amounts for the 2021 New Mexico Workers' Compensation HCPFS:

- Obtain most recent American Medical Association (AMA) CPT® Edition: CPT 2020;
- 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 2020 starting point is below the regional 60th percentile,

above the regional 80th percentile, or in the regional "sweet spot," i.e., between 60th and 80th percentile.

- Adjust downward 2020 NM WCA fees above the regional 80th to the regional 80th amount;
- Adjust upward 2020 NM WCA fees below the regional 60th to the regional 60th amount;
- If 2020 rates are in the regional "sweet spot," no change is proposed in the 2021 HCPFS.

7. The following methods were used to determine the 2021 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 0.36;
- 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 December 11, 2020, with an effective date of January 1, 2021.

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 2020, Professional Edition, Copyright 2019 by the American Medical Association (AMA) (hereinafter, "CPT 2020"). CPT 2020 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.



LORETTA LOPEZ, Director
New Mexico Workers' Compensation Administration

Issued: December 11, 2020