

***Workers' Compensation
Medical Services Review Committee
Meeting Minutes***
June 23, 2017

I. Call to order

Director Marx, acting as Chair of the Medical Services Review Committee, called the Committee to order at 9:00 am on Friday, June 23, 2017, in Anchorage, Alaska.

II. Roll call

Director Marx conducted a roll call. The following Committee members were present, constituting a quorum:

Dr. Mary Ann Foland	Dr. Robert Hall	Tammi Lindsey
Dr. William Pfeifer	Ross Newcombe (arrived at 10:00 am)	
Pam Scott	Vince Beltrami	Misty Steed

III. Introduction of New Members and Guests

Director Marx introduced new Committee member Misty Steed. She also introduced Workers' Compensation Division Chief of Adjudications Amanda Eklund and Carla Gee of Optum. Director Marx covered some housekeeping items.

IV. Approval of Agenda

A motion to adopt the agenda was made by member Beltrami and seconded by member Foland. The agenda was adopted unanimously.

V. Approval of Minutes

A motion to adopt the minutes from the August 19, 2016 meeting was made by member Foland and seconded by member Scott. A minor typographical error was corrected, and all members who were in attendance at the prior meeting unanimously voted to adopt the minutes, as amended.

Dr. Pfeifer requested that the meeting packets for each MSRC meeting be posted online for the public. Dr. Pfeifer also requested that the letter regarding MPPR Imaging and Therapy he read at the previous meeting be included in the online packet for the June 23, 2017 meeting. Director Marx agreed to post the meeting packets on the Division website and revise the June 23, 2017 meeting packet to include Dr. Pfeifer's MPPR Imaging and Therapy letter.

VI. Chair's Report

Director Marx reviewed the June 2015 MSRC report and the Committee reaffirmed its goals as outlined in that report. Specifically the Committee aims to reduce workers' compensation medical costs, without reducing injured workers' access to medical care.

Director Marx noted that when an updated version of material incorporated by reference in the fee schedule becomes available, the Division has been publishing a notice informing the public to use the updated version of the material. For most reference material, an updated

version is published effective January 1st of each year, although one publication is updated in October of each year. The MSRC confirmed its recommendation is for the fee schedule to use the updated version of material incorporated by reference as the updates becomes available. Member Scott made a motion to recommend that the most recent version of each material incorporated by reference in the fee schedule be used as each is periodically updated and becomes available each year. Member Foland seconded the motion. The motion passed unanimously. The Director stated the Division will therefore continue to publish notice of amended version of material previously adopted by reference as it becomes available each year.

Break 10:00am – 10:15 am

VII. Public Comment

Cindy Gallagher, Coventry Health

- Ms. Gallagher requested clarification on whether changes to CPT codes would be adopted as they are updated throughout the year. Director Marx clarified that generally, the notice of amended version of material previously adopted by reference will be published annually and prior to the January 1st effective date of most updated publications. The notice will inform the public which version of material previously adopted by reference is in effect.

VIII. Fee Schedule Guidelines Development Discussion

The Committee discussed updated fee schedule conversion factors and guidelines. Specifically the Committee turned to the action items identified since the Committee last met. The Committee discussed how to move toward a single conversion factor in a way that reduces costs but also protects injured workers' access to quality medical care. It reiterated that an incremental, phased in approach in adjusting conversion factors would best meet this goal.

Carla Gee of Optum explained for the Committee the conversion factors for specific services using 2015 NCCI data to show utilization and a formula for planning purposes. She then provided an overview of how other states have developed their fee schedules.

Member Scott requested discussion on the costs of second independent medical examinations (SIMEs). Director Marx explained the process by which SIME physicians are selected and removed from the Division's list. She further encouraged the Committee members to attend the SIME Selection Panel meetings, scheduled to be held in July of this year.

Director Marx provided background information on the high cost of care and workers' compensation premiums in Alaska compared to other states, using the Workers' Compensation Research Institute's (WCRI) 2016 workers' compensation medical fee schedule evaluative report.

Lunch Break 11:45am – 1:30pm

IX. Fee Schedule Guidelines Development Discussion Cont.

The Committee reviewed the current physician fee schedule conversion factors of 80 (medicine, evaluation and management), 121.82 (anesthesiology), 142 (pathology and laboratory), 205 (surgery) and 257 (radiology). The members suggested a 15% conversion factor reduction for surgery and a 20% reduction for radiology. Member Foland moved to change the conversion factor for surgery from 205 to 174 and the radiology conversion factor from 257 to 206. Member Newcombe second the motion. The motion passed unanimously.

Break 3:00pm – 3:15pm

X. Fee Schedule Guidelines Development Discussion Cont.

The Committee continued its review of the latest working draft of the fee schedule. Carla Gee of Optum agreed to provide additional information to help the Committee determine the appropriate billing and payment rules for outpatient clinics and ambulatory surgery centers, and for updating facility (inpatient hospital, outpatient hospital, and ambulatory surgical center) conversion factors. Specifically, she will try to have Optum’s facility subject matter expert Eric Anderson attend the next MSRC meeting to answer questions and provide information about facility data and status indicators.

Director Marx agreed to contact a representative of the ambulatory surgery centers to provide information to the Committee on how the current fee schedule affects that particular group.

The Committee discussed how physical therapists and other non-physician providers are reimbursed under the fee schedule. Carla Gee of Optum agreed to provide information to the Committee on how other states address reimbursement for non-physician services.

The Committee discussed reimbursement of EMG charges and how under the updated CPT code material now in effect, there is a CPT code which applies when multiple nerve conduction studies are done together. The application of the CPT code reduces reimbursement when multiple studies are done together. The Committee declined to recommend a carve out to modify application of the new CPT code.

Member Steed raised the issue of how implants are paid in outpatient settings compared to inpatient settings. Carla Gee of Optum agreed to provide information on the possible impact of reimbursing implants in the same manner for both inpatient and outpatient clinics. She further agreed to provide information on how other states reimburse skilled nursing facilities.

The next scheduled meeting is July 7, 2017. The meeting will be telephonic for those outside Anchorage, but there may be a WebEX link available.

Meeting Adjourned 4:40 pm.