

Detail Reference Guide to Determining Michigan Workers' Compensation Maximum Medical Reimbursement Fee Schedules Effective: 12/26/2012

- **Note:** Codes listed with "0" or not listed are BR (By Report). A BR procedure is reimbursed at the provider's usual and customary charge or reasonable amount, defined in the definition section of the Health Care Services Rules, whichever is less.
- The absence or presence of a code does not indicate workers' compensation coverage.
- Please refer to the Health Care Services Manual for additional information.
- The **CMS 2012D National Physician Fee Schedule** was used for the following methodology:

RBRVS

Evaluation & Management, Medicine, Pathology, Physical Medicine, Radiology, Surgery

FORMULA

Calculate the Michigan Maximum Allowable Payment (MAP) using the following formula(s):

The Maximum Allowable Payments are based upon the Centers for Medicare and Medicaid (CMS) Resource-Based Relative Value Scale (RBRVS). RBRVS attempts to ensure the fees are based on the resources used to provide each service described by CPT® procedural coding. Relative Values are derived based on the work involved in providing each service (practice expense involved including office expenses and malpractice insurance expense), and applying specific geographical indices (GPCI), to determine the Relative Value Unit (RVU). Michigan Workers' Compensation is applying the following GPCI resulting from a meld using 60% of the Detroit area GPCI and 40% of the rest of the state's GPCI:

Michigan GPCI Values:

Work **1.0132**

Malpractice (MP) **1.5160**

Practice Expense (PE) **.9830**

To determine the Michigan Total RVU, apply the formula below to the specified RVU taken from the CMS Physician Fee Schedule, multiplied by the Michigan GPCI Values indicated above:

$$\text{Adjusted Work RVU (Work RVU x 1.0132) + Adjusted MP RVU (MP RVU x 1.5160) + Adjusted PE RVU (PE RVU x .9830) = Michigan Total RVU}$$

Most MAP amounts in Chapters 6-13 (except for anesthesia services) can be determined by multiplying the **Michigan Total RVU by the Conversion Factor**. The Conversion Factor for the CPT® procedure codes is found in R418.101002a of the Health Care Services Rules. **The Michigan Conversion Factor effective 12/26/2012 is \$46.72.**

The MAP amounts represent the Maximum Allowable Payments that a provider can be paid for rendering services under the State of Michigan Workers' Disability Compensation Act. When a provider's charge is lower than the MAP amount, or if a provider has a contractual agreement with the carrier to accept discounts for lower fees, payment is made at the lower amount.

Non-Facility (NF)

Step 1: Adjusted Work RVU* rounded to 4 decimals + Adjusted MP RVU** rounded to 4 decimals + Adjusted PE Non-Facility RVU*** rounded to 4 decimals = Michigan Total RVU NF

Step 2: Michigan Total RVU NF x Michigan Conversion Factor = Michigan MAP, rounded to 2 decimal places

Facility (F)

Step 1: Adjusted Work RVU* rounded to 4 decimals + Adjusted MP RVU** rounded to 4 decimals + Adjusted PE Facility RVU**** rounded to 4 decimals = Michigan Total RVU F

Step 2: Michigan Total RVU F x Michigan Conversion Factor = Michigan MAP, rounded to 2 decimal places

IMPORTANT NOTES:

1. The *National Physician Fee Schedule Relative Value File*; and *Geographic Practice Cost Indices by Medicare Carrier and Locality* tables are available on our website.
2. The Michigan Conversion Factor effective 12/26/2012 is **\$46.72**
3. R 418.10106 Procedure codes; relative value units; other billing information.
(3) The formula and methodology for determining the relative value units shall be adopted from the "Medicare RBRVS Fee Schedule" as adopted by reference in R418.10107 using geographical information for Michigan. The geographical information, (GPCI), for these rules is a melded average using 60% of the figures published for Detroit added to 40% of the figures published for the rest of the state.
4. To calculate adjusted numbers using information found in *National Physician Fee Schedule Relative Value File* and *Geographic Practice Cost Indices by Medicare Carrier and Locality*:
 - a. *Adjusted Work RVU = *Work RVU x Michigan Work GPCI*
 - b. **Adjusted Malpractice = *MP RVU x Michigan MP GPCI*
 - c. ***Adjusted Non-Facility = *Transitioned Non-Fac PE RVU x PE GPCI*
 - d. **** Adjusted Facility = *Transitioned Facility PE RVU x PE GPCI*
5. Calculate the fee by taking the Total RVU NF or Total RVU F and multiplying by the Michigan Conversion Factor to get the Michigan MAP, rounded to 2 decimal places.