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DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
WORKERS' DISABILITY COMPENSATION AGENCY
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**Reference Guide to Calculate
Michigan Workers' Compensation Maximum Allowable Payment for
Evaluation & Management, Medicine, Physical Medicine, Radiology, and
Surgery
Fee Schedule Effective : 6/4/2025**

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

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

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

$$\text{Total Michigan RVU for CPT}^{\text{®}} \text{ Code} \times \$49.08 \text{ (Michigan Conversion Factor)} = \text{Michigan MAP}$$

- The **CMS 2025 National Physician Fee Schedule (RVU25B)** was used for the following methodology:

The Maximum Allowable Payment (MAP) is 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 Value Units (RVU) are derived based on the work expense involved in providing each service, the practice expense (includes office expenses), and the malpractice insurance expense. Specific geographical indices (GPCI) are then applied to the RVU to determine the Total Michigan 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 **1.0018**
Malpractice (MP) **1.5000**
Practice Expense (PE) **.9560**

Calculate the Total Michigan RVU using the following formula:

$$\text{Adjusted Work RVU (Work RVU} \times 1.0018) + \text{Adjusted MP RVU (MP RVU} \times 1.5000) + \text{Adjusted PE RVU (PE RVU} \times .9560) = \text{Michigan Total RVU}$$

Most MAP amounts in Chapters 6-12 (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 R418.101002 of the Health Care Services Rules. **The Michigan Conversion Factor for the 2025 HCS Ruleset is \$49.08.**

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.

The *National Physician Fee Schedule Relative Value File (April 2025 release)*; and *Geographic Practice Cost Indices by Medicare Carrier and Locality* tables are available on the agency website.

Health Care Services Rules for reference:

- **R 418.10106** Procedure codes; relative value units; other billing information.

Rule 106. (1) Upon annual promulgation of R 418.10107, the health care services division of the agency shall provide separate from these rules a manual, tables, and charts containing all of the following information on the agency's website, www.michigan.gov/leo/bureaus-agencies/wdca:

(a) All Current Procedural Terminology (CPT®) procedure codes used for billing healthcare services.

(b) Medicine, surgery, and radiology procedures and associated relative value units.

(c) Hospital maximum payment ratios.

(d) Billing forms and instruction for completion.

(2) The procedure codes and standard billing and coding instructions for medicine, surgery, and radiology services are adopted from the most recent publication titled "Current Procedural Terminology (CPT®)," as adopted by reference in R 418.10107. However, billing and coding guidelines published in the CPT codebook do not guarantee reimbursement. A carrier shall only reimburse medical procedures for a work-related injury or illness that are reasonable and necessary and are consistent with accepted medical standards.

(3) The formula and methodology for determining the relative value units is adopted from the "RBRVS DataManager Online" as adopted by reference in R 418.10107, using geographical information for this state. The geographical information, (GPCI), is a melded average using 60% of the figures published for the city of Detroit, added to 40% of the figures published for the rest of this state.

(4) The maximum allowable payment for medicine, surgery, and radiology services is determined by multiplying the relative value unit assigned to the procedure by the conversion factor listed in the reimbursement section, part 10, of these rules.

(5) Procedure codes from "HCPCS 2025 Level II Professional Edition," as adopted by reference in R 418.10107, must be used to describe all the following services:

(a) Ambulance services.

(b) Medical and surgical expendable supplies.

(c) Dental procedures.

(d) Durable medical equipment.

(e) Vision and hearing services.

(f) Home health services.

(6) Medical services are considered by report if a procedure code listed in "HCPCS 2025 Level II Professional Edition" or "Current Procedural Terminology (CPT®) 2025 Professional Edition," as adopted by reference in R 418.10107, does not have an assigned value.

- **R 418.101002** Conversion factors for practitioner services.

Rule 1002. (1) The agency shall determine the conversion factors for medicine, evaluation and management, physical medicine, surgery, pathology, and radiology procedures. The conversion factor is used by the agency for determining the maximum allowable payment for medical, surgical, and radiology procedures. The maximum allowable payment is determined by multiplying the appropriate conversion factor by the relative value unit assigned to a procedure. The relative value units are provided for the medicine, surgical, and radiology procedure codes separate from these rules on the agency's website, www.michigan.gov/leo/bureaus-agencies/wdca. The relative value units are updated by the agency using codes adopted from "Current Procedural Terminology (CPT®)" as adopted by reference in R 418.10107. The agency shall determine the relative values by using information found in the "RBRVS DataManager Online" as adopted by reference in R 418.10107.

(2) The conversion factor for medicine, radiology, and surgical procedures is \$49.08 for the year 2025 and is effective for dates of service on or after the effective date of these rules.