

N E W S L I N E

Newsline No.: 2018-64

Date: July 30, 2018

DWC Posts Revised July 1, 2018 Adjustments to Official Medical Fee Schedule (Physician Services / Non-Physician Practitioner Services)

On June 26, the Division of Workers' Compensation (DWC) adopted an order adjusting the Official Medical Fee Schedule (OMFS) to conform to changes in the Medicare Physician Fee Schedule payment system's July 1, 2018 quarterly update. The June 26 Order included adoption of updates to the National Correct Coding Initiative "Medically Unlikely Edits" (MUE).

The MUE edits file sets forth the maximum number of units of service related to a specific procedure that are medically likely to be reported by a treating physician. It serves as a useful screening tool to identify possible billing errors for many procedure codes. However, evaluation of the July 1, 2018 MUE file reveals that many codes are listed as zero value due to Medicare coverage rules that do not apply to the scope of workers' compensation medical care. For example, acupuncture codes and hearing aid examination codes were added to the file with a value of "zero" because they are not Medicare benefits; however, they are covered services for workers' compensation patients when medically necessary.

The fee schedule regulation provides that the correct coding edits, including the MUE, do not apply where workers' compensation payment rules differ from Medicare rules. (Title 8, Cal. Code of Regs. § 9789.12.13, subd. (a).) In order to avoid possible confusion and inappropriate denials of bills for medically necessary care, DWC has determined that the codes listed in the MUE with a value of zero should not be included in the MUE file adopted for workers' compensation. Therefore, the DWC has adopted a revised Physician and Non-Physician Practitioner fee schedule update Order for services rendered on or after July 1, 2018. The revised Order adopts an Excerpt of the MUE file, which deletes codes listed with a zero value.

The exclusion of the zero value codes from the MUE file does not mean that all of the deleted codes are payable. It should be noted that some of the MUE zero value codes would not be payable in workers' compensation, in particular the codes that are identified as Status Code B (bundled) in the Relative Value Unit File and codes specifically identified in the fee schedule regulation as not payable. (Title 8, Cal. Code of Regs. § 9789.19.) Although the Status Code B bundled codes, and the workers' compensation "not payable" codes, will not be identified by the MUE, the payer may apply other edits to identify those non-payable codes.

In addition, the Order adopts revisions to conform to current Medicare terminology, as the “Physician CCI Edits” are now entitled “Practitioner PTP Edits.”

If a medical provider believes a medical bill has been inappropriately denied based upon the application of the MUE, he or she may submit a request for second bill review to the claims administrator.

The order, revised regulation text and the MUE Excerpt file are effective for services rendered on or after July 1, 2018 and can be found on the [DWC](#) website.

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