

***Workers' Compensation  
Medical Services Review Committee  
Meeting Minutes  
July 21, 2017***

**I. Call to order**

Director Marx, acting as Chair of the Medical Services Review Committee, called the Committee to order at 10:41 am on Friday, July 21, 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. William Pfeifer

Dr. Robert Hall  
Pam Scott

Tammi Lindsey  
Misty Steed

**III. Introduction of New Members and Guests**

Director Marx introduced Eric Anderson, Carla Gee and Loraine White with Optum.

**IV. Approval of Agenda**

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

**V. Approval of Minutes**

A motion to adopt the minutes from the July 7, 2017 meeting was made by member Foland and seconded by member Steed. All members who were in attendance at the prior meeting unanimously voted to adopt the minutes.

**VI. Fee Schedule Guidelines Development Discussion**

Eric Anderson of Optum presented two reimbursement models; the first using a percentage rate and the PC Pricer tool, and the second using a base fee schedule.

The committee discussed these reimbursement models. While the percentage rate reimbursement methodology would reduce administrative burden, the issues of outlier threshold and implantables remained. The committee discussed solutions.

*Break 11:42am - 11:51am*

**VII. Fee Schedule Guidelines Development Discussion Cont.**

With no objection, the committee confirmed its intent to move forward with the percentage rate reimbursement methodology. It continued discussing and planning the change in methodology, looking for the best solution. A consensus was reached regarding inpatient rules. Specifically, the committee recommended reducing the specific inpatient hospital conversion factors by 10%.

It also recommended changing the maximum allowable reimbursement methodology by converting the conversion factor number to a conversion factor percentage of the CMS PC Pricer Tool amount. The resulting percentages are:

1. Providence Alaska Medical Center - 238%
2. Mat-Su Regional Medical Center - 184%
3. Bartlett Regional Hospital - 179%
4. Fairbanks Memorial Hospital - 148%
5. Alaska Regional Hospital - 232%
6. Yukon Kuskokwim Delta Regional Hospital - 263%
7. Central Peninsula General Hospital - 138%
8. Alaska Native Medical Center - 253%
9. Mt Edgecumbe Hospital - 183%

The committee further recommended the conversion factor for all others, except as otherwise provided by Alaska law, be 202% of the CMS PC Pricer Tool amount.

For implants, the committee recommended if the implant invoice is provided and the implant invoice cost is greater than \$25,000, implants receive a payment consisting of the implant invoice cost exceeding the \$25,000 amount, plus 10% of the remaining cost. For example, an implant invoice cost of \$60,000 would receive an extra payment of \$38,500 ( $\$60,000 - \$25,000 = \$35,000$ .  $\$35,000 \times 10\% = \$3,500$ .  $\$35,000 + \$3,500 = \$38,500$ ).

Carla Gee of Optum presented the updated fee schedule draft and provided an overview of the changes. The committee recommended use of updated versions of material incorporated by reference as the updates becomes available and as permitted by Alaska law. The Director shall use discretion in publishing a notice to the public that a new version is in effect. If the Director determines the updated versions would significantly impact existing fee schedule costs, the Director will bring the issue to the committee so it may decide whether the updated version should be incorporated by reference.

*Lunch Break 1:28pm – 2:35pm*

## **VIII. Public Comment**

LeeAnne Carrothers, Alaska Physical Therapy Association

- Expressed opposition to the 15% reduction in payment for physical therapy services implemented in the 2017 fee schedule.
- This cut results in clinics being unable to meet their per visit cost, which would cause PTs to stop taking workers' compensation patients.
- PT is as good as, if not better than surgery or pharmaceutical interventions, and comes at a significantly reduced cost.

Tina McClain, Active Abilities Physical Therapy

- Concurred with and reiterated comments made by LeeAnne Carrothers.
- Proposed re-defining out-patient facilities to include all freestanding clinics.

Patricia Macadue, representing critical access hospitals in remote Alaska

- Requests that committee review data closely and not lump together all billers who use 97xxx codes.
- Reiterated opposition to 15% reduction and asked the committee to consider the repercussions on rural populations.

Bill Wise, Alaska Regional Hospital

- Reiterated opposition to 15% reduction in payment for physical therapy services.

Linda Walker, Providence Health

- Proposed including language regarding critical access hospital rates in the outpatient section of the guidelines.
- Pointed out that Medicare does not cap at billed charges, but the current fee schedule does. Proposed that the guidelines should also include a minimum billed charge to balance this out.

Written public comment submitted during oral public comment period:

Rebecca Byerley, Elite Rehabilitation

- Physical Therapists are trained at the Doctor of Physical Therapy level and have concomitant high level of skill.
- Medicare does not discount physical therapy relative to other providers.
- Evidence shows that physical therapy care costs less and may produce the same or better outcomes than surgery.
- No evidence demonstrates that physical therapists are responsible for the high utilization for the 97xxx billing codes.

Leon Richard, MediCenter Specialties

- No evidence demonstrates that the overutilization of physical therapy services has contributed to the overall problem with total spending in workers' compensation in Alaska.
- Requests that the committee review issues from an injury management standpoint, and asks them to compare physical therapy with the trends of "first aid or evaluation/assessment" including MRI and x-ray imaging.

George Salmon, Jammin' Salmons' Physical and Nutritional Therapies, Inc.

- Reiterated opposition to 15% reduction in payment for physical therapy services.

Rick Katz, ATI Physical Therapy

- Reiterated opposition to 15% reduction in payment for physical therapy services.

Julie Ament, North Pole Physical Therapy

- Reiterated opposition to 15% reduction in payment for physical therapy services.

## **IX. Fee Schedule Guidelines Development Discussion Cont.**

The Committee discussed physical therapy services. Currently, physical therapists, nurse practitioners, and physician assistants are all considered non-physicians under the guidelines. Member Foland stated that if the guidelines carve out physical therapists and allow them to be reimbursed at 100% of the maximum allowable for physicians, it may be unfair to other providers who fall under the non-physician category. The members discussed that while other states may allow physical therapists to be reimbursed at the maximum of 100% of the physician fee schedule, those states also have greater control through utilization, which Alaska does not have. Instead, Alaska uses frequency standards which have a loophole, in that if there's a treatment plan, the treatment plan will supersede the frequency standards.

At the next meeting, the committee will continue to review and come to a decision on physical therapy services, and will conduct a final review of the draft fee schedule. Member Lindsey will try to obtain physical therapy utilization data prior to the next meeting, so that the committee could see utilization by practitioner type.

The next scheduled meeting is July 28, 2017. The meeting will be held telephonically for those outside of Anchorage.

*Meeting Adjourned 4:09 pm.*