

**STATE OF NEW MEXICO  
WORKERS' COMPENSATION ADMINISTRATION**

**IN THE MATTER OF THE ADOPTION OF THE  
2020 HEALTH CARE PROVIDER FEE SCHEDULE**

**FEE SCHEDULE ORDER**

**THIS ORDER** is issued pursuant to NMSA 1978, Section 52-5-4(A) (1990), and 11.4.7.9 (A) (1) NMAC. It is intended to further the purpose of 11 NMAC, Part 7, to establish a system of maximum allowable fees and reimbursements for health care services and related non-clinical services provided by all health care providers, to establish billing dispute procedures, and to establish the procedures for cost containment:

1. The proposed Health Care Provider Fee Schedule (HCPFS) was released to the Director's Medical Advisory Committee (DMAC) for inspection on Aug. 8, 2019.

2. DMAC meeting to discuss the HCPFS was on Sep. 12, 2019.

3. The HCPFS was made available on the WCA Website on Sept. 20, 2019.

4. Written public comment was accepted from Sept. 20, 2019 to October 21, 2019.

5. The following methods were used to determine the maximum allowable amounts for the 2020 New Mexico Workers' Compensation HCPFS:

- Obtain most recent American Medical Association (AMA) CPT® Edition: CPT 2019;
- Collect appropriate fee schedules from regional seven states: Arizona, Colorado, Kansas, Nevada, Oklahoma, Texas and Utah;
- If less than four states data available for any CPT code, set rate to BR;
- Determine if CPT 2019 Starting Point is Below the Regional 60th, Above the Regional 80th, or in the Regional "sweet spot," i.e., between 60<sup>th</sup> and 80<sup>th</sup> percentile.

- Adjust downward 2019 NM WCA fees Above the Regional 80<sup>th</sup> to the Regional 80<sup>th</sup> amount;
- Adjust upward 2019 NM WCA fees Below the Regional 60<sup>th</sup> to the Regional 60<sup>th</sup> amount;
- If 2019 rates are in the Regional “sweet spot,” no change is proposed in the 2020 HCPFS.

7. The following methods were used to determine the 2020 Hospital Assigned Ratio:

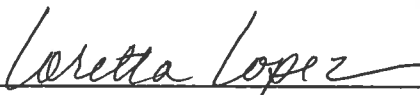
- Use data collected from HCFA/CMS G-2 worksheet to calculate all cost-to-charge ratios  $= (\text{Total Operating Expenditures} / \text{Total Patient Charges})$ ;
- Calculate median for all (Expenditure/Revenue (Charge)) ratios; then
- If a ratio is lower than median, set at median;
- If a ratio is equal to or greater than the median but lower than 0.75, keep;
- If a ratio is greater than 0.75, set at 0.75;
- If new hospital, assign 0.67;
- Established hospitals that do not submit a G-2 shall be assigned the minimum adjusted ratio of 0.37;
  - The hospital ratio shall be applied to all charges for compensable services including room and board charges provided during a hospital inpatient stay, including inpatient surgery or an emergency department visit with the exception of Implants, Hardware and Instrumentation, and Radiology, Pathology and Laboratory.
    - Implants, Hardware & Instrumentation; and
    - Radiology, Pathology & Laboratory

8. The Health Care Provider Fee Schedule appended to this Order and incorporated herein is adopted on Dec. 1, 2019, with an effective date of Jan. 1, 2020.

9. The following are specifically adopted pursuant to 11.4.7.9 NMAC and incorporated by reference as if fully set forth herein: Current Procedural Terminology (CPT) code, as defined in 11.4.7.7(M) NMAC, which is derived from the CPT 2019, Professional Edition, Copyright 2018 by the American Medical Association (AMA) (hereinafter, "CPT 2019"). CPT 2019 is a listing of descriptive terms, numeric and alphanumeric identifying codes and modifiers for reporting medical services and procedures performed by physicians, which is copyrighted by the AMA.

10. This Order in no way alters, or intends to alter, any of the Rules of the WCA already in place. To the extent that there is a conflict between the rules, the more specific shall apply.

**IT IS SO ORDERED.**

  
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LORETTA LOPEZ, Director  
New Mexico Workers' Compensation Administration

Issued: December 12, 2019