Workers' Compensation Insurance Rating Bureau of California®

# Analysis of the Impact of RBRVS on Medical Payments — 2015 Report

Released November 13, 2015



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#### **Executive Summary**

The new Resource-Based Relative Value Scale (RBRVS) physician fee schedule pursuant to Senate Bill No. 863 (SB 863) is being phased in over a four-year period. The first phase of the transition became effective January 1, 2014. The fee schedule encompasses approximately 40% of all workers' compensation medical payments. The WCIRB studied comparable periods in 2013, 2014 and 2015 to determine the impact of this new fee schedule.

This study indicates that the financial impact of the new fee schedule on 2014 physician payments was less than originally forecast as there was a significant reduction in the cost of special services and reports that was not initially projected. Preliminary information on the 2015 services suggests that physician costs in 2015 may be emerging at a level generally consistent with projections. In general, as expected, a greater share of total workers' compensation medical payments has shifted to primary care providers.

#### **Background**

SB 863 directed the Administrative Director of the Division of Workers' Compensation (DWC) to adopt a physician fee schedule based on a resource-based relative value scale (RBRVS) with the maximum reasonable fees not to exceed 120% of Medicare fees, adjusted for inflation. In late 2013, the Administrative Director adopted a physician fee schedule (California fee schedule) that began the four-year transition to an RBRVS-based fee schedule effective January 1, 2014. In 2015, the California fee schedule was again modified to reflect the second year of the four-year transition to the RBRVS-based fee schedule.

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The RBRVS fee schedule which underlies the California fee schedule is maintained and updated by the Centers for Medicare & Medicaid Services (CMS). The CMS fee schedule includes relative value units for each medical service associated with the physician's work and conversion factors that convert the relative value units into a maximum amount to be paid for the service. Physician services covered under the CMS fee schedule encompass approximately 40% of all California workers' compensation medical costs.

On November 14, 2014, the WCIRB published its *Preliminary Analysis of the Impact of RBRVS on Medical* Payments as an attachment to the *Senate Bill No. 863 Cost Monitoring Report – 2014 Retrospective Evaluation.* The report noted that early indications of the impact of RBRVS based on data through June 30, 2014 on payments to physicians for services in 2014 suggested that rather than increasing physician costs in 2014 as initially projected, RBRVS was reducing the total cost of payments to physicians. This decrease was primarily attributable to reduction in the costs of Special Services and Reports. The *Analysis of the Impact of RBRVS on Medical Payments — 2015 Report* is intended to update the preliminary findings in the 2014 report based on medical transaction data collected by the WCIRB with services through June 30, 2015.

#### **Estimated RBRVS Cost Impacts**

The use of RBRVS as the basis of California's physician fee schedule has long-term financial implications for the California workers' compensation system. As part of the Amended January 1, 2014 Pure Premium Rate Filing, the WCIRB evaluated the potential cost impact of the transition to RBRVS.<sup>1</sup> In this filing, the WCIRB estimated that the impact of the new fee schedule on policy year 2014 physician payments was +7.3%, which had an estimated impact on overall policy year 2014 medical costs of +3.6%. With respect to services provided in 2014, the WCIRB originally estimated a +2.4% impact on physician services. The WCIRB originally estimated that the impact of RBRVS on 2015 physician services would be +1.6%.

As part of its SB 863 cost monitoring plan, the WCIRB evaluates its prospective assessment of SB 863 components against the post-SB 863 data actually emerging. Currently, the WCIRB has collected eighteen months of post-RBRVS experience from its medical transaction database. In this report, the WCIRB used this data to answer the following questions:

- 1. What is the overall financial impact of RBRVS?
- 2. How did the impact of RBRVS compare to the WCIRB's projections?
- 3. What were the differential impacts by fee schedule section?
- 4. Did RBRVS shift the share of total payments from specialists to primary care providers?
- 5. Which types of procedures and services increased or decreased most in frequency and cost?

<sup>&</sup>lt;sup>1</sup> Section B of the WCIRB's Amended January 1, 2014 Pure Premium Filing submitted on October 23, 2013.

#### What is the Overall Financial Impact of RBRVS?

To determine the overall impact of RBRVS based on the information through June 30, 2015, the WCIRB compared medical services and payments from 2013 (pre-RBRVS) to 2014 and from the first two quarters of 2015 (post-RBRVS). Table 1 shows provider services delivered and paid by six-month service intervals, allowing comparability in payment development over these periods. For services in the first two quarters of 2014 compared to the first two quarters of 2013, the data show a 6.0% decrease over an 18-month payment period. In the first half of 2015, payments increased by approximately 1.5% over the first six months of 2014.

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Table 1: Fee Schedule Payments by Service and Payment Half (in millions)

Service Half	Paid within 1H 2013 OMFS	Paid within 2H 2013 OMFS	Paid within 1H 2014 RBRVS	Paid within 2H 2014 RBRVS	Paid within 1H 2015 RBRVS	Total
1H 2013	\$302.2	\$160.3	\$18.5	\$8.5	\$7.5	\$496.9
2H 2013		\$310.6	\$136.7	\$17.0	\$10.5	\$474.8
1H 2014			\$291.9	\$142.7	\$17.7	\$452.2
2H 2014				\$299.4	\$120.2	\$419.5
1H 2015					\$296.2	\$296.2

How Did the Impact of RBRVS Compare to the WCIRB's Projections?

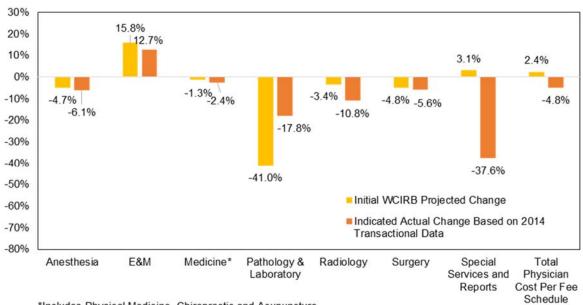
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Claim

#### **Projections for 2014**

The WCIRB's Amended January 1, 2014 Pure Premium Rate Filing projected a 2.4% increase on a per claim basis for 2014 physician fee schedule services compared to 2013. Table 2 shows that actual payments per claim for calendar year 2014 decreased by 4.8% compared to 2013. This decrease was driven by a 37.6% reduction in payments for Special Services and Reports. All other fee schedule sections experienced declines in 2014, except for Evaluation & Management (E&M) which increased by 12.7% over 2013, and is consistent with WCIRB projections.

Table 2: Projected vs. Actual Change in Physician Fees – 2013 to 2014 Impact of RBRVS on Physician Fees for Service Year 2014



#### **Projections for 2015**

The WCIRB's Amended January 1, 2014 Pure Premium Rate Filing projected a 1.6% increase on a per claim basis for 2015 California fee schedule services compared to services provided in 2014. Table 3 shows an overall 0.8% increase for services through the first six months of 2015 compared to the first six months of 2014. Increases in E&M and Medicine services exceeded WCIRB projections. These results were offset by greater-than-expected decreases in other fee schedule services, especially Pathology and Laboratory services.

30% 17.3% 20% 11.0% 5.9% 10% 1.6% 1.6% 0.8% 0% -10% -4.6% -5.6% -7.7% -8.3% -11.0% -20% -30% -40% Initial WCIRB Projected Change -50% ■Indicated Actual Change Based on 2015 -60% Transactional Data -70% -73.4% -80% Pathology & Surgery Anesthesia E&M Medicine\* Radiology Special Total Services and Physician Laboratory Reports Cost Per Fee Schedule \*Includes Physical Medicine, Chiropractic and Acupuncture Claim Source: WCIRB Medical Data Call

Table 3: Projected vs. Actual Change in Physician Fees – 2014 to 2015 Impact of RBRVS on Physician Fees for Service Year 2015

#### **Cumulative 2013 to 2015 Projections**

The WCIRB forecasted the impact of the cumulative service year 2015 RBRVS changes by section in its Amended January 1, 2014 Pure Premium Rate Filing. As shown in Table 4, WCIRB's forecasts for 2015 projected a 22.9% increase for E&M codes for the 2013 to 2015 period compared to the actual increase of 25.6%. Medicine was projected to increase by 4.2% compared to its actual 10.0% rise. For Surgery, the WCIRB forecasted a 10.1% drop in 2015 compared to the actual 11.1% decline. Other specialty sections such as Anesthesia and Radiology decreased somewhat more than projections. The widest diverergences were for Special Services and Reports for which costs declined by 34.2% from 2013 and for Pathology and Laboratory services which showed a 73.7% drop in costs from 2013.

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Table 4: Actual Fee Schedule Changes in Paid Medical From 2013 to 2015 Compared to WCIRB Forecast (in \$000s)

Type of Service	1 <sup>st</sup> Half 2013 Paid Medical	1 <sup>st</sup> Half 2013 Paid per Transaction	1 <sup>st</sup> Half 2015 Paid Medical	1 <sup>st</sup> Half 2015 Paid per Transaction	% Change in Paid Medical 2013 to 2015	WCIRB Forecasted Change from 2013 to 2015
Anesthesia	\$6,485	\$347	\$5,497	\$324	-15.2%	-9.8%
Evaluation & Management	\$84,136	\$87	\$105,699	\$113	+25.6%	+22.9%
Medicine	\$73,851	\$34	\$81,240	\$39	+10.0%	+4.2%
Radiology	\$31,545	\$129	\$26,859	\$110	-14.9%	-7.8%
Surgery	\$57,890	\$372	\$51,435	\$407	-11.1%	-10.1%
Pathology & Laboratory	\$15,907	\$54	\$4,170	\$25	-73.7%	-37.5%
Special Services & Reports	\$32,349	\$43	\$21,281	\$53	-34.2%	+4.7%
Total Physician Fee Schedule	\$302,163	\$66	\$296,181	\$75	-2.0%	+4.0%

#### What Were the Differential Impacts by Fee Schedule Section?

#### 2013 to 2014

Table 5 examines each section of the fee schedule for 2014 compared to 2013. These findings show that there were reductions in the volume of total paid transactions for most categories, except Pathology and Laboratory. The total number of Special Services and Reports paid transactions dropped by 25%. This change appears to be the result of the new RBRVS-based fee schedule's elimination of reimbursements for most progress reports starting in 2014. Instead, these reports appear to have been bundled into E&M codes, which increased significantly under the 2014 RBRVS adjustments. The decline in Special Services and Reports and the rise in E&M services was borne out by the findings.

#### • Evaluation & Management

Paid amounts for E&M increased by 12% in 2014. This increase was primarily driven by the 25% upward adjustment in RBRVS for E&M payments, which more than offset a 10% decline in paid E&M transactions.

#### Medicine

Medicine (including physical therapy, psychiatry, acupuncture, chiropractic, and office-based procedures) declined in total payments by 3% in 2014. Reflecting the RBRVS upward adjustment for these services, the paid amount per transaction increased by 9% in 2014. Medicine services, however, experienced an 11% drop in paid transactions, resulting in an overall reduction in payments compared to the previous year.

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#### Surgery

Total reimbursements for Surgery declined by 6% in 2014 compared to 2013. This reduction was primarily generated by a 15% drop in paid transactions, reflecting less utilization. However, the paid per transaction for Surgery increased by 10% in 2014, despite a downward adjustment for these services in RBRVS. This suggests that more highly reimbursed procedures were provided in the Surgery category more than offsetting the general reduction in values for Surgery procedures under RBRVS.

#### Anesthesiology

Anesthesiology payments declined by 6% in 2014, consistent with the Surgery trends. This change was driven by the 2014 RBRVS adjustment for these services which led to a 1% decline in paid per transaction with a 6% decline in the number of Anesthesiology transactions.

#### Radiology

Radiology payments declined by 11% in 2014. This change reflected a 2% drop in paid transactions and a 10% decline in average paid amount per transaction. This change was consistent with the January 2014 average fee schedule adjustment for these Radiology services.

#### Pathology and Laboratory

Pathology and Laboratory payments declined by 18% in 2014. The 26% drop in paid per transaction was generally consistent with RBRVS adjustments for these services. However, a 10% increase in 2014 in paid Pathology and Laboratory transactions somewhat offset the impact of the fee schedule value reductions for these services.

#### Special Services and Reports

Special Services and Reports payments declined 38% in 2014, accounting for the majority of overall indicated California fee schedule savings in 2014. The number of transactions for Special Services and Reports decreased by 25% in 2014 and the paid per transaction declined by 18%. The amounts shown for Special Services and Reports in 2014 reflect the cost of reports that were reimbursed using the new DWC set of reporting codes introduced in 2014.

## Table 5: Fee Schedule Payments by Section Calendar Year 2013 vs. Calendar Year 2014 (in \$000s)

Type of Service	CY 2013 Paid Medical	CY 2013 Paid Trans.	CY 2013 Paid per Trans.	CY 2014 Paid Medical	Diff. CY 2014- 2013	CY 2014 Paid Trans.	Diff. CY 2014- 2013	CY 2014 Paid per Trans.	Diff. CY 2014- 2013
Anesthesia	\$16.2	47.0	\$345	\$15.1	-6.3%	44.3	-5.7%	\$342	-1 %
Evaluation & Management	\$211.4	2,404.3	\$88	\$237.6	+12.4%	2,157.4	-10.3%	\$110	+25.0%
Medicine	\$188.6	5,437.9	\$35	\$183.5	-2.7%	4,837.1	-11.0%	\$38	+8.6%
Radiology	\$79.0	624.7	\$126	\$70.3	-11.0%	615.0	-1.6%	\$114	-9.5%
Surgery	\$141.9	392.3	\$362	\$133.6	-5.9%	335.1	-14.6%	\$399	+10.2%
Pathology & Laboratory	\$41.8	752.7	\$55	\$34.2	-18.0%	826.2	+9.7%	\$41	-25.5%
Special Services & Reports	\$94.2	1,885.6	\$50	\$58.7	-37.8%	1,418.2	-24.8%	\$41	-18.0%
Total Physician Fee Schedule	\$773.1	11,544.5	\$67	\$733.1	-5.1%	10,233.3	-11.4%	\$72	+7.5%
# of Claims with Fee Schedule Payments	445,887			444,583	-0.3%				

#### 2014 to 2015

Table 6 compares the changes in fee schedule sections for the first six months of 2015 to the first six months of 2014. On a combined basis, all measures for the first half of 2015 including total paid amounts, total transactions and paid per transaction increased by approximately 1%. However, there were significant changes by fee schedule section.

#### Evaluation and Management

Reflecting the annual RBRVS adjustments, paid amounts for E&M services increased 12% in 2015, consistent with the 2014 increase. The number of E&M transactions increased 8% in 2015 and the average paid amount per E&M transaction increased 4%.

#### Medicine

Medicine (including physical therapy, psychiatry, acupuncture, chiropractic and office-based procedures) fee schedule values also were adjusted upward in 2014 and 2015 by RBRVS. Although payment increases were not observed in 2014, the first half of 2015 did show significant increases. Total paid amounts for these services increased by 18% in the first half of 2015, compared to a 2.7% decrease in calendar year 2014. This change was primarily generated by a sharp rise in physical therapy utilization which, when combined with the upward RBRVS unit paid cost adjustments, led to a 24% increase in physical medicine payments in the first half of 2015.

#### Surgery

Total reimbursements for Surgery declined by 7% in in the first half of 2015, primarily reflecting a 5% drop in the number of transactions. The paid amount per transaction remained relatively flat, indicating that more highly reimbursed surgical procedures were provided in 2015 despite generally lower fee schedule values.

#### Anesthesiology

Total Anesthesiology paid amounts declined in the first half of 2015 with reductions both in the

number of transactions and in the average paid per transaction. These reductions continued the trend starting in 2014, with the RBRVS fee schedule adjustments for this specialty.

#### Radiology

Radiology payments declined 4% in the first half of 2015. This reduction was driven by a 6% drop in the average paid per transaction which more than offset a 2% increase in the number of paid transactions.

#### Pathology and Laboratory

Total payments for Pathology and Laboratory services declined 73% in the first half of 2015. This reduction was driven by sharp drops in utilization (as measured by paid transactions) and amounts paid per transaction. Although significant Pathology and Laboratory fee schedule value reductions were part of the 2014 introduction of RBRVS, these declines were not observed until 2015. Two factors related to the RBRVS appear to have driven this decline. First, many Pathology and Laboratory procedures are governed by Medicare's Clinical Laboratory Fee Schedule (CLFS) and appear as codes under the Health Care Procedure Coding System (HCPCS), which are captured elsewhere by the WCIRB. Second, consistent with Medicare procedures, payers appear to be more frequently rejecting bills that are generated on a per-assay basis and, instead, are paying for bills reflecting any or all assays occurring at a single patient visit.

### • Special Services and Reports

Total payments for Special Services and Reports declined 10% in the first half of 2015, continuing a trend that began with the introduction of RBRVS in January 2014. The transactions for Special Services and Reports decreased by 27% in in the first half of 2015, which was comparable to the rate of reduction in 2014. These services experienced a 23% increase in the average paid per transaction in the first half of 2015, likely reflecting less frequent submission of low value "boiler plate" progress reports and the use of the new the DWC reporting codes.

Table 6: Comparison of Physician Services by Fee Schedule Section 1st Half 2014 to 1st Half 2015 (in \$000s)

Type of Service	1 <sup>st</sup> Half 2014 Paid	1 <sup>st</sup> Half 2014 Paid Trans.	1 <sup>st</sup> Half 2014 Paid per Trans.	1 <sup>st</sup> Half 2015 Paid	Diff. from 1 <sup>st</sup> Half 2014	1 <sup>st</sup> Half 2015 Paid Trans.	Diff. from 1 <sup>st</sup> Half 2014	1 <sup>st</sup> Half 2015 Paid per Trans	Diff. from 1 <sup>st</sup> Half 2014
Anesthesia	\$6,133	18	\$340	\$5,497	-10%	17	-6%	\$324	-5%
Evaluation & Management	\$94,549	869	\$109	\$105,699	+12%	935	+8%	\$113	+4%
Medicine	\$68,782	1,806	\$38	\$81,240	+18%	2,079	+15%	\$39	+3%
Radiology	\$27,958	240	\$117	\$26,859	-4%	244.	+2%	\$110	-6%
Surgery	\$55,331	133	\$416	\$51,435	-7%	126.	-5%	\$407	-2%
Pathology & Lab	\$15,569	313	\$49	\$4,170	-73%	166	-48%	\$25	-48%
Special Services & Reports	\$23,604	550	\$43	\$21,281	-10%	404	-27%	\$53	+23%
Total Physician Fee Schedule	\$291,926	3,929	\$74	\$296,181	+1.4%	3,971	+1.1%	\$75	+1%
# of Claims with Fee Schedule Payments	268,812			270,791	+0.9%				

#### Did RBRVS Shift the Share of Total Payments from Specialists to Primary Care Providers?

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The RBRVS methodology involves major changes in the way specific services are reimbursed. The adjustments in fee schedule factors were expected to shift more of the total payments to primary care and less to physician specialists. WCIRB results based on the initial eighteen months of post-RBRVS experience suggest that this objective was achieved. As shown in Table 7, the share of paid services defined as Primary Care (E&M and Medicine) increased by 9.4% from 2013 to 2015. The share of Specialty Care (Anesthesia, Pathology, Radiology and Surgery) declined by a corresponding 9.4%.

Table 7: Share Paid Medical to Primary Care vs. Specialists
First Halves of 2013, 2014 and 2015

Type of Service	1 <sup>st</sup> Half 2013 % of Total Medical Paid	1 <sup>st</sup> Half 2014 % of Total Medical Paid	Change from 2013	1 <sup>st</sup> Half 2015 % of Total Medical Paid	Change from 2013
Evaluation & Management	31.2%	35.2%	+4.0%	38.4%	+7.2%
Medicine	27.4%	25.6%	-1.8%	29.6%	+2.2%
Total Primary Care	58.6%	60.8%	+2.2%	68.0%	+9.4%
Radiology	11.7%	10.4%	-1.3%	9.8%	-1.9%
Surgery	21.5%	20.6%	-0.9%	18.7%	-2.8%
Pathology & Laboratory	5.9%	5.8%	-0.1%	1.5%	-4.4%
Anesthesia	2.4%	2.4%	-0.0%	2.0%	-0.4%
Total Specialist	41.4%	39.2%	-2.2%	32.0%	-9.4%
Total Physician Fee Schedule*	100%	100%		100%	

## Which Types of Procedures and Services Increased or Decreased Most in Frequency and Cost?

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Two sections of the fee schedule, Pathology and Laboratory, and Medicine, showed very significant changes in 2015. Table 8 shows the changes in the first six months of 2015 for Pathology and Laboratory services relative to the first six months of 2014. The table indicates that the three most highly reimbursed codes (qualitative chromatography, quantitative chromatography and assay of opiates) accounted for 80% of the decline in Pathology and Laboratory payments in 2015. As noted above, this decrease was driven, in part, by reimbursing on a bundled per-visit basis rather than on a per-assay basis. As shown in Table 8, only 20% of the submitted transactions for these codes were paid in the first half of 2015, compared to 34% in the first half of 2014. In addition, some services are more frequently billed using Medicare's HCPCS "G" codes. (These payments are collected by the WCIRB in its overall tracking of medical costs.)

Table 8: Changes in Payments for Top 3 Pathology Codes-First Halves 2014 and 2015 (in \$millions)

			1 <sup>st</sup> Half 201	4	1 <sup>st</sup> Half 2015			
Procedure Code	Description	2014 Paid	% of Submitted Trans. Paid	Paid per Trans.	2015 Paid	% of Submitted Trans. Paid	Paid per Trans.	
82486	Qualitative Chromatography	\$6.0	35.6%	\$262	\$1.6	17.3%	\$265	
82491	Quantitative Chromatography	\$4.8	18.6%	\$486	\$1.4	14.6%	\$265	
83925	Assay of Opiates	\$4.4	43.6%	\$122	\$1.7	23.7%	\$92	
	Total Paid - Top 3 codes	\$15.2	34.4%	\$221	\$4.7	20.0%	\$157	
	Annual Change – Top 3 codes	-\$.3			-\$10.5			
	Total Paid - All Path/Lab	\$28.4	52.4%	\$54	\$14.3	39.1%	\$37	
	Annual Change All Path/Lab				-\$14.1		-\$17	

Table 9 shows the changes in 2015 for services classified as Medicine. These services include physical therapy, acupuncture, chiropractic, psychiatry and various physical testing procedures. Virtually the entire 2015 increase in medicine payments was driven by physical therapists, chiropractors and acupuncturists. Although the values for the RBRVS codes for these services rose by approximately 3% in 2015, the 18% annual increase was largely driven by increased utilization by the three groups of medicine providers. Physical therapists, in particular, generated a 24.3% increase in payments in the first six months of 2015 over the first six months of 2014 accounting for the majority of the increase in medicine payments. The average cost per physical therapy transaction rose by 6.2% in the first half of 2015 suggesting that most of this increase in services was driven by an increase in the number of transactions.

Table 9: Changes in Payments to Medicine Section of Provider Fee Schedule First Halves 2014 and 2015 (in \$000s)

Type of Procedure	1 <sup>st</sup> Half 2014 Paid	1 <sup>st</sup> Half 2014 Paid Per Trans.	1 <sup>st</sup> Half 2015 Paid	Difference from 2014	1 <sup>st</sup> Half 2015 Paid per Trans.	Difference from 2014
Physical Therapy	\$49.8	\$33	\$61.9	+24.3%	\$35	+6.2%
Testing & Physical Procedures	\$5.1	\$118	\$5.1	-0.6%	\$116	-1.9%
Psychiatry	\$4.2	\$100	\$4.2	+0.3%	\$111	+11.3%
Acupuncture	\$3.0	\$35	\$4.0	+33.3%	\$35	+0.4%
Chiropractic	\$2.7	\$43	\$3.1	+14.8%	\$45	+6.5%
Other, Misc.	\$4.0	\$74	\$2.9	-26.0%	\$76	+2.2%
	\$68.8	\$38	\$81.2	+18.1%	\$39	+2.6%

#### **Summary of WCIRB Findings**

The WCIRB's assessment, based on the medical transactions paid through the first eighteen months after the introduction of RBRVS, indicates:

- 1. The financial savings generated by the RBRVS schedule are reflected in payment development for services delivered in 2014 compared to 2013. Payments declined by 6% for these services, which have been solely governed by the RBRVS schedule. The cost of physician services delivered in the first half of 2015 have increased by 1.5% compared to the first half of 2014.
- 2. The RBRVS fee schedule transition has had an impact on each section of the California fee schedule. In 2014, the first year of the four-year transition to RBRVS, payments for Special Services and Reports experienced a sharp decline from the prior year. As intended by the fee schedule, E&M payments increased in 2014 and again in 2015. Medicine payments, which were subject to upward fee schedule adjustments in 2014, did not experience a sharp increase until 2015. Payments for Surgery, Radiology, Anesthesiology, and Pathology and Laboratory all experienced declines during the 18 months since the introduction of RBRVS.
- 3. The overall impact of the RBRVS schedule has not increased costs as projected by the WCIRB in its initial prospective evaluation. Instead of a 4% overall cumulative increase from 2013 to 2015, physician fee schedule payments have declined by 2% during that period. This decrease was driven primarily by a reduction in utilization (as measured by paid transactions) particularly with respect to Special Services and Reports. This change offset the RBRVS scheduled increases in unit price for primary care transactions (as measured by paid per transaction). In the first half of 2015, overall costs subject to the fee schedule were emerging at a level generally consistent with initial WCIRB projections.
- 4. As expected, RBRVS shifted the total share of medical payments from specialists to primary care providers. The share of payments for primary care (E&M and Medicine) increased by 9.4% from 2013 to 2015 while the payment share for specialty care (Pathology and Laboratory, Surgery, Anesthesiology and Radiology) correspondingly declined.
- 5. Specific sections of the fee schedule experienced dramatic changes in 2015. Pathology and Laboratory services declined sharply in 2015, driven in part by changes in the application of

Medicare reimbursement rules authorized by RBRVS. Medicine services, including physical therapy, acupuncture and chiropractic procedures sharply increased in 2015, largely driven by an upsurge in utilization.

This assessment is based on eighteen months of medical services and payment data subsequent to the initial year of the four-year transition to RBRVS. As such, WCIRB will regularly update these findings to determine if these initial trends persist.



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