

Virginia

New-York based Actuarial Consulting firm Oliver Wyman (Marsh) has released the first draft of the 2018 Virginia Medical Fee Schedule at the request of the Virginia Workers' Compensation Commission (VWC) pursuant to the regulations that Governor Terry McAuliffe signed into law in 2016. The new VA fee schedule will become effective on January 1, 2018, and EnableComp is already in the process of modeling the tables and will be submitting principal findings back to the VWC. The Fee Schedule development is a massive undertaking and several time line milestones have been set:

- **February 15 - Stakeholder feedback and data results due to VWC**
- **April 4 - VWC reviews final Fee Schedule for approval**
- **April through December - Proposed Fee Schedules are reviewed, public hearings are conducted, required regulatory processes are executed, VWC posts Fee Schedules to website**
- **January 2018 - Medical Fee Schedule goes live for all VA providers**

Virginia has historically been cited in national industry reports as one of the highest states for medical costs in the work comp world. Many attribute lack of fee controls as a contributing factor.

Hospitals and medical providers should be prepared for significant changes in the way they calculate reimbursement, budget revenue for workers' compensation, and manage contracted relationships with work comp payers and PPO Networks.

Tennessee

Tennessee Bureau of Work Comp Medical Payment Committee created a Task Force in 2015 comprised of EnableComp and the TN Hospital Association.

- Charged with lessening the administrative burden of work comp billing by enacting specific changes

Task Force proposed to eliminate payments associated with certain components often found in inpatient billing (“Carve-outs”).

- Managing payments for these “Carve-Outs” is very complex and time-consuming for TN providers and payers alike
- Proposed to elevate Per Diem and Stop Loss levels to make the removal of “Carve-outs” budget-neutral for the work comp system

EnableComp was the sole firm chosen to provide the actuarial analysis of a massive amount of IP hospital data supplied by the TN Hospital Association.

EnableComp’s recommendations were approved by the Task Force and in January 2017, NCCI formally approved EC’s recommendations as well.

The Tennessee Bureau of Work Comp Medical Payment Committee voted unanimously to approve the recommendations from EC and the Task Force.

- The new proposed IP rates will go through the TN rule-making process before becoming law later this year.