

Cost Per RVU

	MGMA General Multi-Specialty Data*	MGMA Ortho Data**
General Operating Cost (includes support staff costs)	\$36.57	\$ 26.23
Provider Cost (includes NPP Costs)	\$27.41	\$ 27.75
Total Cost	\$63.98	\$ 53.98

RVU = Relative Value Unit

Most procedures and services are assigned a CPT code which in turn has relative value units (RVUs) assigned to situate it relative to other procedures or services. RVUs capture three components of patient care: physician work, practice expense and malpractice expense.

	RVU***	Avg Cost Data (above)	Avg Ortho Costs (above)	Current Medicare****	Current MT W-Comp	MT WC Proposed \$53.60/unit conversion factor***	Actual CF at 150% of MC***
Established Patient Midlevel (CPT 99213)	1.30	\$ 83.13	\$ 70.14	\$ 63.92	\$ 118.16	\$ 69.64	\$ 71.86
Arthroscopy, Shoulder, Surgical (CPT 29826)	16.50	\$ 1,055.54	\$ 890.56	\$ 608.32	\$ 1,139.79	\$ 884.29	\$ 912.50
Arthroscopic Rotator Cuff Repair, Surgical (29827)	26.91	\$ 1,722.00	\$ 1,452.85	\$ 992.42	\$ 1,857.87	\$ 1,442.62	\$ 1,488.65
Arthroscopy, Knee w/menisectomy (CPT 29881)	15.84	\$ 1,013.68	\$ 855.24	\$ 584.20	\$ 1,094.75	\$ 849.22	\$ 876.32
Open Repair of Ruptured Rotator Cuff (CPT 23412)	21.23	\$ 1,358.49	\$ 1,146.16	\$ 782.92	\$ 1,466.19	\$ 1,138.09	\$ 1,174.40
Neuroplasty - Carpal Tunnel (CPT 64721)	10.19	\$ 651.66	\$ 549.81	\$ 375.57	\$ 705.68	\$ 545.94	\$ 563.35

Additional time and paperwork involved to treat MT Workers' Compensation patients:

Estimate if compared to any other patient = 20% additional for routine workers comp patient, 30% additional if testing or surgery needed

- Multiple calls from case workers (for example verifying appts, checking to see if pts showed for appts)
- Faxing of records
- Pre-authorization paperwork required for all services (testing-MRI/CTs, surgeries, therapy, medications, referrals to other doctors)
(hired a pre-authorization employee for 1-2 hours per day for just Workers Compensation pre-authorizations)
- Follow-up once pre-authorization approved (calling patients to schedule needed testing/procedures, etc.)
- Work status reports for every visit
- Updating work status
- Faxing work status reports with dictation
- Case workers attending appointments (add at least 10 minutes per patient)
- If patient does not want case worker present at appointment then requests to speak with physician afterwards increasing the appt time by at least 10-20 minutes
- Request of duplicate information from State Fund, Montana Health Systems, Jas, etc.
- Faxing needed paperwork then getting 3rd parties calling and requesting same information
- Delay in receiving payments (average 90 days), MT prompt pay law is 30 days, Medicare payments received within 2 weeks
- Billing staff must continually call and get status on outstanding claims

Additional treatment burdens to treat MT Workers' Compensation patients:

- Significantly higher statistical failed outcome rates
- At least twice as many phone calls from patients to providers
- Twice as many prescription and narcotic phone calls (after hours as well)
- Higher litigation and liability issues

* Medical Group Management Assoc. Cost Survey Multi-specialty: 2010 Report based on 2009 Data

** Medical Group Management Assoc. Cost Survey for Orthopedic Practices: 2010 Report based on 2009 Data

***Current Montana Adjusted Transitional Facility Total RVU

****Participating Medicare