



North Carolina Industrial Commission

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New Medical Fee Schedule Expected to Save an Estimated \$27 Million In Annual Workers' Compensation Costs

FOR IMMEDIATE RELEASE

Raleigh, N.C. -

The North Carolina Industrial Commission announced today the approval of three administrative rules which significantly revise its Medical Fee Schedule. The revised medical fee schedule is expected to provide the state's workers' compensation system with \$27 million in annual savings and encourage increased access to medical care. The new rules were approved by the Rules Review Commission at its February 19th meeting. The rules were initially proposed by the Industrial Commission in November 2014 and were the subject of a public hearing held in December 2014.

The changes to fees for institutional services are scheduled to take effect on April 1, while the revised rates for professional services will take effect starting on July 1. This will allow insurance carriers and health care providers to transition to the new fee schedule as seamlessly as possible.

The new Medical Fee Schedule replaces an out-of-date fee schedule and was developed in response to legislation requiring the Industrial Commission to revise its medical fee schedule to use current Medicare reimbursement rates and payment methodologies. These fee schedule changes reflect a compromise agreement between insurance carriers, hospitals, physicians, and other medical care providers. As a result, maximum fees for hospitals and other institutional providers are set to decrease, while fees for physicians, nurses, and other professional providers will increase. These adjustments will ensure that every workers' compensation patient is provided with timely and open access to all necessary medical care.

An analysis by the National Council on Compensation Insurance (NCCI) projects that the new Medical Fee Schedule will result in approximately \$27 million in annual savings to the North Carolina workers' compensation system. This estimate is based upon 2013 written workers' compensation insurance premiums and self-insured employer data. These savings may continue to increase as North Carolina insurance carriers expand their workers' compensation premium base in response to the state's growing economy.

"The new Industrial Commission Medical Fee Schedule incorporates long needed revisions that will protect injured workers' access to healthcare while significantly reducing the overall cost of the workers' compensation system by establishing fair and reasonable fees for medical treatment," said Chairman Andrew T. Heath. "We understand that the \$27 million figure is an estimate, but this certainly is a very positive step. I'd like to thank all the stakeholders whose effort and insight made this greatly improved Medical Fee Schedule possible."

The Industrial Commission's Medical Fee Schedule Rules may be found [here](#).

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