



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

SUSAN CORBIN
DIRECTOR

WORKERS' DISABILITY COMPENSATION AGENCY
JACK A. NOLISH, DIRECTOR

December 12, 2024

Joint Committee on Administrative Rules
124 West Allegan St.
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Lansing, MI 48909-7536

JCAR@legislature.mi.gov
[Senator Paul Wojno \(Chair\)](#)
[Senator Rosemary Bayer](#)
[Senator Mallory McMorrow](#)
[Senator Lana Theis](#)
[Senator Jim Runestad](#)
[Representative Jim Haadsma \(Alternate Chair\)](#)
[Representative Tullio Liberati](#)
[Representative Brenda Carter](#)
[Representative Matthew Bierlein](#)
[Representative Andrew Beeler](#)

Dear Senator Wojno and Members of the Committee:

Rule set 2024-22 LE, the statutorily required annual update of the Workers' Disability Compensation Health Care Services Rules is now before JCAR and, on behalf of the Workers' Disability Compensation Agency, I hereby request a waiver of the required session days for these rules.

The HCS rules are revised annually (MCL 418.315(2)) to maintain consistency with the determinations made each year by the Center for Medicare & Medicaid Services (CMS). Harm could come from not updating the current rules, as we would then not maintain consistency with national reimbursement rates set by CMS. This could impact reimbursement rates for providers, negatively impact access to care for injured workers, and increase costs to businesses. Being consistent with CMS rates allows the Workers' Compensation Health Care Services division to avoid the costs of independently researching and compiling the statistical data necessary for developing reimbursement figures. As a direct result of the Health Care Services approach taken here in Michigan, workers' compensation medical costs are highly competitive compared to surrounding states.

Updating the rules to use the most current CMS Relative Value Units (RVU) will result in a 3% increase in the conversion factor resulting in a 4% increase in reimbursements for the Top 50 most frequently utilized Current Procedure Technology (CPT) codes. Overall, though, the proposed changes maintain reimbursement rate levels for the most frequent CPT codes near

140% of Medicare rates. This balances between the interests of businesses/payers who prefer lower medical costs with the interests of medical professionals who favor increased reimbursement rates. Ultimately, the Agency's goal is a balanced system that ensures reasonable reimbursement rates, cost containment, and above all, access to appropriate care for Michigan's injured workers.

The annual update of the rules also includes references to the various source documents that provide medical providers with the most up to date billing codes and terminology. Many of the fees are based on Medicare rates plus a percentage above. The approach taken has resulted in Michigan workers' compensation medical costs per case, and subsequent overall total claim costs, being lower compared to regional study states. These rules are not designed to alter behavior as much as they are meant to provide ongoing guidance and consistency to providers and payers, as the rules have done for more than 30 years.

The rule updates are the result of the efforts of WDCA and the active participation by the Health Care Services Advisory Committee. The committee is made up of members from labor, health care providers and "payors" (insurance carriers; self-insurers and their third-party administrators). The committee has recommended the changes.

A public hearing was held on December 5, 2024. No testimony was offered and only one written comment was received. There was no opposition to the rule set.

Please consider this request for a waiver of the session days for the Health Care Services Rule Set.

Thank you for your consideration.

Sincerely,

Jack A. Nolish
Director

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