



Physical Medicine Payments in Oregon's Workers' Compensation System, First Quarter 2004

Information Management Division

Department of Consumer & Business Services

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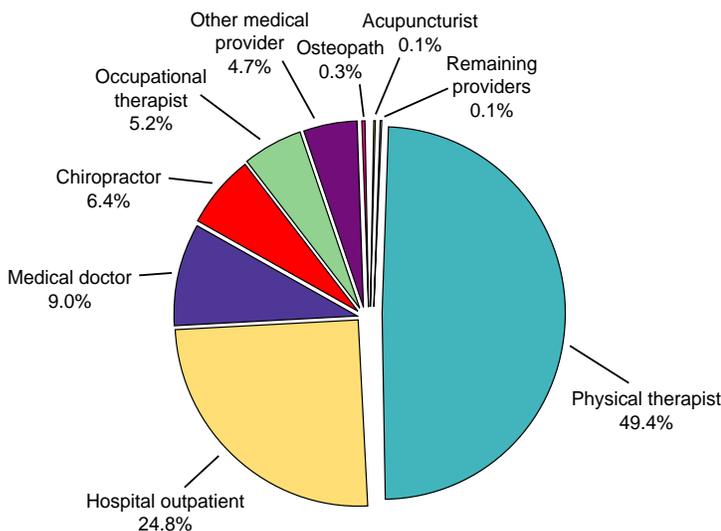
Estimated payments for providing physical medicine services to Oregon's injured workers in the first calendar quarter of 2004 totaled \$9,599,700 and represent 14.5 percent of the quarter's total medical payments (\$66,215,300).¹ On July 1, 2003, the Workers' Compensation Division reduced the medical fee schedule conversion factor for physical medicine payments 3.2 percent. Despite this reduction, medical payments for physical medicine services grew 5.9 percent between the first quarter of 2002 (\$9,063,900) and the first quarter of 2004. Services provided using CPT² codes for Physical Medicine and Rehabilitation (97000-97546 and 97703-97799) are considered to be physical medicine services and are subject to the division's medical fee schedule, which is defined in the 009 rules (OAR 436-009-0040).

Table 1. Top 5 physical medicine CPT codes by payments, first quarter 2004

| Payments by provider type | 97110 Therapeutic exercises | 97140 Manual therapy | 97530 Therapeutic activities | 97001 Physical therapy evaluation | 97035 Ultrasound therapy | Remaining physical medicine services | Total physical medicine | |
|---------------------------|-----------------------------|----------------------|------------------------------|-----------------------------------|--------------------------|--------------------------------------|-------------------------|--------|
| Physical therapist | \$2,106,300 | \$1,094,200 | \$361,600 | \$340,300 | \$220,900 | \$619,400 | \$4,742,700 | 49.4% |
| Hospital outpatient | \$1,092,000 | \$457,800 | \$95,200 | \$195,200 | \$124,200 | \$411,800 | \$2,376,200 | 24.8% |
| Medical doctor | \$402,600 | \$117,200 | \$45,200 | \$105,700 | \$40,500 | \$151,200 | \$862,400 | 9.0% |
| Chiropractor | \$59,300 | \$160,200 | \$9,400 | \$1,500 | \$55,900 | \$327,800 | \$614,100 | 6.4% |
| Remaining providers | \$383,800 | \$143,700 | \$176,200 | \$25,700 | \$36,000 | \$238,900 | \$1,004,300 | 10.5% |
| Total | \$4,044,000 | \$1,973,100 | \$687,600 | \$668,400 | \$477,500 | \$1,749,100 | \$9,599,700 | 100.0% |
| | 42.1% | 20.6% | 7.2% | 7.0% | 5.0% | 18.2% | 100.0% | |

Note: Provider type payment figures are rounded to the nearest hundred; figures and percents may not add to totals, due to rounding.

Figure 1. Physical medicine payments by provider type, first quarter 2004



Note: Percents may not total to 100, due to rounding.

Physical medicine payments by service

As shown in Table 1, in the first quarter of 2004, as in the first quarter of 2002, therapeutic exercises (CPT code 97110) easily ranked first in total payments. Together, the top three services represent nearly 70 percent of payments for physical medicine.

Physical medicine payments by provider type

Figure 1 shows that services rendered by physical therapists represent nearly half of payments for physical medicine. Hospital outpatient services rank next, accounting for one-fourth of payments. Medical doctor and chiropractor services rank third and fourth with 9 percent and 6 percent of physical medicine payments, respectively.

¹Medical Payments in the Oregon Workers' Compensation System, First Quarter 2004, available on the department's Web site, <http://dcbs.oregon.gov>, provides an overview of total medical payments.

²Current Procedural Terminology (CPT) codes are created and maintained by the American Medical Association.

More than 95 percent of fee schedule payments to physical therapists are for physical medicine services. Also, more than 90 percent of fee schedule payments to occupational therapists and acupuncturists are for physical medicine services subject to the fee schedule. More than one-third of total payments to chiropractors come from physical medicine services subject to the fee schedule.

Table 2: Physical medicine distribution among provider types, first quarter 2004

| Provider type | Physical medicine payments | | Total medical payments | | Physical medicine as percent of total medical payments |
|------------------------|----------------------------|--------|------------------------|--------|--|
| | Payments | Pct \$ | Payments | Pct \$ | |
| Physical therapist | \$4,742,700 | 49.4% | \$4,935,200 | 7.5% | 96.1% |
| Hospital outpatient | \$2,376,200 | 24.8% | \$15,241,700 | 23.0% | 15.6% |
| Medical doctor | \$862,400 | 9.0% | \$21,379,800 | 32.3% | 4.0% |
| Chiropractor | \$614,100 | 6.4% | \$1,672,300 | 2.5% | 36.7% |
| Occupational therapist | \$502,100 | 5.2% | \$546,900 | 0.8% | 91.8% |
| Other medical provider | \$453,700 | 4.7% | \$6,378,000 | 9.6% | 7.1% |
| Osteopath | \$28,100 | 0.3% | \$713,700 | 1.1% | 3.9% |
| Acupuncturist | \$10,500 | 0.1% | \$11,300 | 0.0% | 92.9% |
| Remaining providers | \$9,900 | 0.1% | \$15,347,700 | 23.2% | - |
| Total | \$9,599,700 | 100.0% | \$66,226,600 | 100.0% | 14.5% |

Note: Provider type payment figures are rounded to the nearest hundred; figures and percents may not add to totals, due to rounding.

Methodology

The figures provided in this research alert are derived from a model developed by the Department of Consumer and Business Services' Information Management Division to estimate total medical payments based upon insurer medical-billing data. The model's methodology is described in more detail in a previous DCBS Research Alert.¹ Figures in this DCBS Research Alert are based upon the subset of first quarter 2004 data, limited to services provided using CPT physical medicine codes, as defined in the division's medical fee schedule, from the quarter's aggregate figures.

¹*Medical Payments in the Oregon Workers' Compensation System, First Quarter 2004*, available on the department's Web site, <http://dcbs.oregon.gov>, provides an overview of total medical payments.

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