

New benefit, provider fee levels, and fee schedules effective Oct. 1

The statewide average weekly wage (SAWW) effective Oct. 1, 2023, is \$1,337, a 3.89% increase from the current SAWW of \$1,287, which has been in effect since Oct. 1, 2022. The levels for minimum and maximum weekly benefit payments are presented in the table on page 4. The statewide annual average wage will change to \$69,517 on Jan. 1, 2024.

The new SAWW is based on 2022 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subdivision 1b. The change in the SAWW is the basis for the Minn. Stat. § 176.645 annual benefit adjustment. The time and amount of the adjustments are limited by Minn. Stat. § 176.645.

Tables showing the historical value of workers' compensation benefits, reimbursements, medical services conversion factors, maximum hourly vocational rehabilitation rates and independent medical examination (IME) fees are posted on the Department of Labor and Industry (DLI) website at dli.mn.gov/business/workers-compensation/work-comp-rate-information-statewide-average-weekly-wage-saww.



Vocational rehabilitation maximum hourly fee adjustments

Pursuant to Minnesota Rules, part 5220.1900, subpart 1b:

- the maximum qualified rehabilitation consultant (QRC) hourly rate will increase by 3.00% to \$122.97 for rehabilitation services provided on or after Oct. 1, 2023; and
- the maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will increase by 3.00% to \$98.48 on Oct. 1, 2023.

Relative value medical fee schedule adjustments

The following updates to the workers' compensation physician fee schedule conversion factors in Minn. R. part 5221.4020 have been approved by an administrative law judge. The rule amendments, which are effective for services provided on or after Oct. 1, 2023, are available on DLI's website at dli.mn.gov/about-department/rulemaking/rulemaking-docket-minnesota-rules-chapter-5221-2023.

Minnesota Statutes § 176.136, subd. 1a, paragraph (c)(1), provides for annual adjustments of the medical fee schedule conversion factors by no more than the percent change in the SAWW. As in previous years, the annual adjustment of the conversion factors is based on the percent change in the U.S. Department of Labor's Producer Price Index for Offices of Physicians (PPI-P) (annual-average basis), which for 2022 was 0.50%.

Based on the approved adjustment, the conversion factors effective for services provided on or after Oct. 1, 2023, are:

- for medical/surgical services described in Minn. R. 5221.4030 \$67.17;
- for pathology and laboratory services described in Minn. R. 5221.4040 \$61.08;
- for physical medicine/rehabilitation services described in Minn. R. 5221.4050 \$60.32; and
- for chiropractic services described in Minn. R. 5221.4060 \$52.27.

Independent medical examination fee adjustment

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for IMEs in the same manner as the adjustment of the conversion factors. Therefore, the maximum fees will increase by 0.50% for IME services provided on or after Oct. 1, 2023.

A table of the maximum IME fee adjustments from Dec. 1, 1993, to present is available on DLI's website at dli.mn.gov/business/work-comp-ime-fees.

Link to inpatient PPS Web Pricer under Minn. Stat. § 176.1362, subd. 1

Since Oct. 1, 2021, payment for inpatient services, articles and supplies must be calculated using the inpatient PPS Web Pricer available on Medicare's website using the applicable dates of inpatient hospitalization. DLI must publish the link to the inpatient PPS Web Pricer on its website.

The link to the inpatient PPS Web Pricer is available at dli.mn.gov/business/workers-compensation/work-comp-pc-pricer-tool-inpatient-hospital-bills.

Hospital catastrophic injury threshold adjustment

The threshold for payment of inpatient hospital services, articles and supplies provided to patients with catastrophic, high-cost injuries is adjusted pursuant to Minn. Stat. § 176.362, subd. 2. For hospital discharges on or after Oct. 1, 2023, the threshold amount is adjusted to \$291,835. If a hospital's usual and customary charges exceed this amount, payment is 75% of the hospital's charges instead of the MS-DRG amount calculated using the inpatient PPS Web Pricer.

Notice of availability of ambulatory surgical center addenda

The fee schedule for workers' compensation ambulatory surgical center (ASC) services is based on the Medicare Ambulatory Surgical Center Payment System (ASCPS) addenda AA, BB and DD1, available on the Medicare website as of July 1, 2023, and the corresponding Medicare rules and claims processing manual. Payment for workers' compensation procedures and services is the ASCPS amount on the total bill multiplied by 320%, or the ASC's total usual and customary charges, whichever is less.



The June 29, 2023, addenda AA, BB and DD1 are the most recent ASCPS addenda available on the Medicare website as of July 1, 2023. Links to addenda AA, BB and DD1 are available on the DLI website at dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-ascps. They are effective for services provided by an ASC on or after Oct. 1, 2023.

Notice of availability of hospital outpatient fee schedule

The workers' compensation hospital outpatient fee schedule (HOFS) establishes payment rates for workers' compensation outpatient hospital services that are listed in the HOFS (see Minn. Stat. § 176.1364). The updated HOFS table, effective for services from Oct. 1, 2023, through Sept. 30, 2024, is available on the DLI website at dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-hofs.

HOFS provides two separate payment rates, one for hospitals with more than 100 licensed beds and one for non-critical access hospitals with 100 or fewer licensed beds.

Compensation rates as of Oct. 1, 2023

Statewide average weekly wage (SAWW) = \$1,337

Percentage change in SAWW from previous year = 3.89%

(Apply Minnesota Statutes § 176.645 adjustment as necessary based on date of injury.)

Maximum under Minn. Stat. § 176.101, subd. 1(b)(1)

Set by statute

10-01-00	\$750.00
10-01-08	\$850.00

102% of SAWW

10-01-13	\$963.90
10-01-14	\$980.22
10-01-15	\$1,008.78
10-01-16	\$1,046.52
10-01-17	\$1,061.82
10-01-18	\$1,098.54
10-01-19	\$1,134.24
10-01-20	\$1,166.88
10-01-21	\$1,256.64
10-01-22	\$1,312.74
10-01-23	\$1,363.74

Minimum under Minn. Stat. § 176.101, subd. 1(c)

Set by statute, the listed amount or the employee's actual weekly wage, whichever is less

10-01-00.....\$130.00

20% of the maximum weekly benefit or the employee's actual weekly wage, whichever is less

10-01-21.....\$251.33

10-01-22.....\$262.55

10-01-23.....\$272.75

Supplementary benefits under Minn. Stat. § 176.132 (Minnesota Statutes 1994)

**and permanent total minimum under
Minn. Stat. § 176.101, subd. 4
(for injuries 10-1-95 and later)**

10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*
10-01-07	\$525.20	(rounded to \$526)*
10-01-08	\$552.50	(rounded to \$553)
10-01-09	\$570.70	(rounded to \$571)*
10-01-10	\$564.20	(rounded to \$565)*
10-01-11	\$582.40	(rounded to \$583)*
10-01-12	\$595.40	(rounded to \$596)*
10-01-13	\$614.25	(rounded to \$615)*
10-01-14	\$624.65	(rounded to \$625)*
10-01-15	\$642.85	(rounded to \$643)*
10-01-16	\$666.90	(rounded to \$667)*
10-01-17	\$676.65	(rounded to \$677)*
10-01-18	\$700.05	(rounded to \$701)*
10-01-19	\$722.80	(rounded to \$723)*
10-01-20	\$743.60	(rounded to \$744)*
10-01-21	\$800.80	(rounded to \$801)
10-01-22	\$836.55	(rounded to \$837)*
10-01-23	\$869.05	(rounded to \$870)*

*Rounding applies to supplementary benefits.

New benefit, provider fee levels, and fee schedules effective Oct. 1

The statewide average weekly wage (SAWW) effective Oct. 1, 2022, is \$1,287, a 4.46% increase from the current SAWW of \$1,232, which has been in effect since Oct. 1, 2021. The levels for minimum and maximum weekly benefit payments are presented in the table on page 4. The statewide annual average wage will change to \$66,883 on Jan. 1, 2023.

The new SAWW is based on 2021 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subdivision 1b. The change in the SAWW is the basis for the Minn. Stat. § 176.645 annual benefit adjustment. The time and amount of the adjustments are limited by Minn. Stat. § 176.645.

Tables showing the historical value of workers' compensation benefits, reimbursements, medical services conversion factors, maximum hourly vocational rehabilitation rates and independent medical examination (IME) fees are posted on the Department of Labor and Industry (DLI) website at dli.mn.gov/business/workers-compensation/work-comp-rate-information-statewide-average-weekly-wage-saww.

Vocational rehabilitation maximum hourly fee adjustments

Pursuant to Minnesota Rules, part 5220.1900, subpart 1b:

- the maximum qualified rehabilitation consultant (QRC) hourly rate will increase by 3.00% to \$119.39 for rehabilitation services provided on or after Oct. 1, 2022; and
- the maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will increase by 3.00% to \$95.61 on Oct. 1, 2022.

Relative value medical fee schedule adjustments

The following updates to the workers' compensation medical fee schedule pursuant to Minn. Stat. § 176.136, subd.1a, and Minn. R., parts 5221.4005 to 5221.4061, have been approved by an administrative law judge. The rule amendments, which are effective for services provided on or after Oct. 1, 2022, are available on DLI's website at dli.mn.gov/about-department/rulemaking/rulemaking-docket-minnesota-rules-chapter-5221-2022.

- 1. Relative value unit (RVU) updates** – As required by law, DLI has incorporated by reference the 2022 Medicare RVU table and the GPCI table (used to geographically adjust the RVUs for Minnesota). The Notice of Incorporation by Reference of these 2022 tables was published in the *State Register* on July 11, 2022 (see 47 SR 23 at mn.gov/admin/assets/SR47_02%20-%20Accessible_tcm36-533493.pdf).
- 2. Conversion factor adjustments** – There are two conversion factor adjustments. First, as required by law, each time the RVU tables are updated the conversion factors must be adjusted so that, for services in both the new fee schedule and the one most recently in effect, there is no difference in the overall payment under the fee schedules for each of the four categories of service. Second, the conversion factors are also required to be annually adjusted by no more than the percent change in the annual SAWW. As in previous years, the annual adjustment of the conversion factors is based on the percent change in the federal Department of Labor's Producer Price Index for Offices of Physicians (PPI-P) (annual-average basis), which for 2021 was 3.69%.

Based on these two adjustments, the conversion factors effective for services provided on or after Oct. 1, 2022, are:

- for medical/surgical services described in Minn. R. 5221.4030 \$66.83;
- for pathology and laboratory services described in Minn. R. 5221.4040 \$60.77;
- for physical medicine/rehabilitation services described in Minn. R. 5221.4050 \$60.02; and
- for chiropractic services described in Minn. R. 5221.4060 \$52.00.

- 3. RVU fee schedule rule amendments** – Minnesota Rules, parts 5221.4020, 5221.4033, 5221.4035, 5221.4050 and 5221.4060, have been amended, effective for services provided on or after Oct. 1, 2022, to implement the adjusted conversion factors and updated Medicare relative value tables. Specifically, the rules are amended to reflect Medicare changes to recognized service codes and clarify when calculations in the rules are for illustrative purposes. The rule amendments are online at dli.mn.gov/sites/default/files/pdf/5221_draft_rule_amendments_0822.pdf.



Independent medical examination fee adjustment

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for IMEs in the same manner as the adjustment of the conversion factors. Therefore, the maximum fees will increase by 3.69% for IME services provided on or after Oct. 1, 2022.

A table of the maximum IME fee adjustments from Dec. 1, 1993, to present is available on DLI's website at dli.mn.gov/business/work-comp-ime-fees.

Link to inpatient PPS Web Pricer under Minn. Stat. § 176.1362, subd. 1

Since Oct. 1, 2021, payment for inpatient services, articles and supplies must be calculated using the inpatient PPS Web Pricer available on Medicare's website using the applicable dates of inpatient hospitalization. DLI must publish the link to the inpatient PPS Web Pricer on its website.

The link to the inpatient PPS Web Pricer is available at dli.mn.gov/business/workers-compensation/work-comp-pc-pricer-tool-inpatient-hospital-bills.

Hospital catastrophic injury threshold adjustment

The threshold for payment of inpatient hospital services, articles and supplies provided to patients with catastrophic, high-cost injuries is adjusted pursuant to Minn. Stat. § 176.1362, subd. 2. For hospital discharges on or after Oct. 1, 2022, the threshold amount is adjusted to \$268,774. If a hospital's usual and customary charges exceed this amount, payment is 75% of the hospital's charges instead of the MS-DRG amount calculated using the inpatient PPS Web Pricer.

Notice of availability of ambulatory surgical center addenda

The fee schedule for workers' compensation ambulatory surgical center (ASC) services is based on the Medicare Ambulatory Surgical Center Payment System (ASCPS) addenda AA, BB and DD1, available on the Medicare website as of July 1, 2022, and the corresponding Medicare rules and claims processing manual. Payment for workers' compensation procedures and services is the ASCPS amount on the total bill multiplied by 320%, or the ASC's total usual and customary charges, whichever is less.

The June 30, 2022, addenda AA, BB and DD1 are the most recent ASCPS addenda available on the Medicare website as of July 1, 2022. Links to addenda AA, BB and DD1 are available on the DLI website at dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-ascps. They are effective for services provided by an ASC on or after Oct. 1, 2022.

Notice of availability of hospital outpatient fee schedule

The workers' compensation hospital outpatient fee schedule (HOFS) establishes payment rates for workers' compensation outpatient hospital services that are listed in the HOFS (see Minn. Stat. § 176.1364). The updated HOFS table, effective for services from Oct. 1, 2022, through Sept. 30, 2023, is available on the DLI website at dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-hofs.

HOFS provides two separate payment rates, one for hospitals with more than 100 licensed beds and one for non-critical access hospitals with 100 or fewer licensed beds.

Compensation rates as of Oct. 1, 2022

Statewide average weekly wage (SAWW) = \$1,287

Percentage change in SAWW from previous year = 4.46%

(Apply Minnesota Statutes § 176.645 adjustment as necessary based on date of injury.)

Maximum under Minn. Stat. § 176.101, subd. 1(b)(1)

Set by statute

10-01-00	\$750.00
10-01-08	\$850.00

102% of SAWW

10-01-13	\$963.90
10-01-14	\$980.22
10-01-15	\$1,008.78
10-01-16	\$1,046.52
10-01-17	\$1,061.82
10-01-18	\$1,098.54
10-01-19	\$1,134.24
10-01-20	\$1,166.88
10-01-21	\$1,256.64
10-01-22	\$1,312.74

Minimum under Minn. Stat. § 176.101, subd. 1(c)

Set by statute, the listed amount or the employee's actual weekly wage, whichever is less

10-01-00	\$130.00
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20% of the maximum weekly benefit or the employee's actual weekly wage, whichever is less

10-01-21	\$251.33
10-01-22	\$262.55

Supplementary benefits under Minn. Stat. § 176.132 (Minnesota Statutes 1994) and permanent total minimum under Minn. Stat. § 176.101, subd. 4 (for injuries 10-1-95 and later)

10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*
10-01-07	\$525.20	(rounded to \$526)*
10-01-08	\$552.50	(rounded to \$553)
10-01-09	\$570.70	(rounded to \$571)*
10-01-10	\$564.20	(rounded to \$565)*
10-01-11	\$582.40	(rounded to \$583)*
10-01-12	\$595.40	(rounded to \$596)*
10-01-13	\$614.25	(rounded to \$615)*
10-01-14	\$624.65	(rounded to \$625)*
10-01-15	\$642.85	(rounded to \$643)*
10-01-16	\$666.90	(rounded to \$667)*
10-01-17	\$676.65	(rounded to \$677)*
10-01-18	\$700.05	(rounded to \$701)*
10-01-19	\$722.80	(rounded to \$723)*
10-01-20	\$743.60	(rounded to \$744)*
10-01-21	\$800.80	(rounded to \$801)
10-01-22	\$836.55	(rounded to \$837)*

*Rounding applies to supplementary benefits.

Mileage rate increase for remainder of 2022

The Internal Revenue Service (IRS) announced a mid-year increase to the mileage rate for the final six months of 2022.

The standard IRS mileage rate for the business use of an employee's personal vehicle increased July 1 to 62.5 cents a mile. The rate had been raised Jan. 1 to 58.5 cents a mile.



New benefit, provider fee levels, fee schedules effective Oct. 1

The statewide average weekly wage (SAWW) effective Oct. 1, 2021, is \$1,232, a 7.69% increase from the current SAWW of \$1,144, which has been in effect since Oct. 1, 2020. The levels for minimum and maximum weekly benefit payments are presented in the table on page 7. The statewide annual average wage will change to \$64,017 on Jan. 1, 2022.

The new SAWW is based on 2020 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subdivision 1b. The change in the SAWW is the basis for the Minn. Stat. § 176.645 annual benefit adjustment. The time and amount of the adjustments are limited by Minn. Stat. § 176.645.

Vocational rehabilitation maximum hourly fee adjustments

Tables showing the historical value of workers' compensation benefits, reimbursements, medical services conversion factors, maximum hourly vocational rehabilitation rates and independent medical examination (IME) fees are posted on the Department of Labor and Industry (DLI) website at www.dli.mn.gov/business/workers-compensation/work-comp-rate-information-statewide-average-weekly-wage-saww.

Annual maximum hourly rehabilitation fee adjustment – pursuant to Minnesota Rules, part 5220.1900, subpart 1b:

- the maximum qualified rehabilitation consultant (QRC) hourly rate increased by 3.00% to \$115.91 for rehabilitation services provided on or after Oct. 1, 2021; and
- the maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, increased by 3.00% to \$92.83 on Oct. 1, 2021.

Relative value medical fee schedule adjustments

The following annual adjustments to the workers' compensation medical fee schedule conversion factors in Minn. R., part 5219.0500, subp. 4, have been approved by an administrative law judge. The rule amendments, which are effective for services provided on or after Oct. 1, 2021, are available on the DLI website at www.dli.mn.gov/about-department/rulemaking/rulemaking-docket-minnesota-rules-chapter-5221-2021.

Minnesota Statutes § 176.136, subd. 1a, paragraph (c)(1), provides for annual adjustment by no more than the percentage change of the SAWW. The conversions factors are adjusted by the percent change in the Producer Price Index for Offices of Physicians (PPI-P) because it reflects the percent change in payments per service made by other payers of physician services and because it does not exceed the increase in SAWW.¹ This change is 1.18%. Therefore, for services provided on or after Oct. 1, 2021, the new conversion factors are:

- for medical/surgical services described in Minn. R. 5221.4030.....\$71.70
- for pathology and laboratory services described in Minn. R. 5221.4040\$60.81
- for physical medicine/rehabilitation services described in Minn. R. 5221.4050\$59.37
- for chiropractic services described in Minn. R. 5221.4060\$51.30

Independent medical examination fee adjustment

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for IMEs in the same manner as the adjustment of the conversion factors. Therefore, the maximum fees increased by 1.18% for IME services provided on or after Oct. 1, 2021.

A table of the maximum IME fee adjustments from Dec. 1, 1993, to present is available on DLI's website at www.dli.mn.gov/business/work-comp-ime-fees.

New benefit, provider fee levels, continues ...

¹The PPI, produced by the U.S. Bureau of Labor Statistics, measures the average change over time in the selling prices received by producers for their output. The annual PPI-P and the associated annual changes (using industry code 62111 – offices of physicians) are available at www.bls.gov/ppi/data.htm.

New benefit, provider fee levels, continued ...

Link to inpatient PPS Web Pricer under Minn. Stat. § 176.1362, subd. 1

Beginning Oct. 1, 2021, payment of inpatient services, articles and supplies must be calculated using the inpatient PPS Web Pricer available on Medicare's website using the applicable dates of inpatient hospitalization. DLI must publish the link to the inpatient PPS Web Pricer on its website.

The link to the inpatient PPS Web Pricer is available at www.dli.mn.gov/business/workers-compensation/work-comp-pps-pricer-tool-inpatient-hospital-bills.

Hospital catastrophic injury threshold adjustment

The threshold for payment of inpatient hospital services, articles and supplies provided to patients with catastrophic, high-cost injuries is adjusted pursuant to Minn. Stat. § 176.362, subd. 2. For hospital discharges on or after Oct. 1, 2021, the threshold amount is adjusted to \$253,752. If a hospital's usual and customary charges exceed this amount, payment is 75% of the hospital's charges instead of the MS-DRG amount calculated using the inpatient PPS Web Pricer.

Notice of availability of ambulatory surgical center addenda

The fee schedule for workers' compensation ambulatory surgical center (ASC) services is based on the Medicare Ambulatory Surgical Center Payment System (ASCPS) addenda AA, BB and DD1, available on the Medicare website as of July 1, 2021, and the corresponding Medicare rules and claims processing manual. Payment for workers' compensation procedures and services is the ASCPS amount on the total bill multiplied by 320% or the ASC's total usual and customary charges, whichever is less.

The June 25, 2021, addenda AA, BB and DD1 are the most recent ASCPS addenda available on Medicare's website as of July 1, 2021. Links to the addenda are available on the DLI website at www.dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-ascps. They are effective for services provided by an ASC on or after Oct. 1, 2021.

Notice of availability of hospital outpatient fee schedule

The workers' compensation hospital outpatient fee schedule (HOFS) establishes payment rates for workers' compensation outpatient hospital services that are listed in the HOFS. See Minn. Stat. § 176.1364. The updated HOFS table, effective for services from Oct. 1, 2021 through Sept. 30, 2022, is available on the DLI website at www.dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-hofs.

As required by Minnesota Statutes § 176.1364, subd. 3(e), DLI is updating the HOFS to incorporate new services with a J1 or J2 status indicator, and corresponding relative weights, listed in the addenda A and B most recently available on Medicare's website as of July 1, 2021 – currently, the June 21, 2021 addenda.

The HOFS provides two separate payment rates, one for hospitals with more than 100 licensed beds and one for non-Critical Access Hospitals with 100 or fewer licensed beds.

Each time the HOFS is updated under this subdivision, the DLI commissioner must adjust the separate conversion factors for each hospital category so there is no difference between the overall payment under the new HOFS and the overall payment under the HOFS most recently in effect, for services in both HOFS categories. The conversion factor adjustments under paragraph (e) must be made before making any additional annual adjustment under paragraph (d).

Considering both adjustments, for the HOFS in effect for services provided from Oct. 1, 2021, through Sept. 30, 2022, the Minnesota conversion factors are decreased by 0.97% for hospitals with more than 100 licensed beds and decreased by 0.54% for non-critical access hospitals of 100 or fewer licensed beds. The adjusted conversion factors are \$205.53 for hospitals with more than 100 licensed beds and \$388.16 for non-critical access hospitals of 100 or fewer licensed beds. An explanation of these calculations is available on the DLI website (link above). The payment rates in the HOFS table posted on the DLI website reflect these adjusted conversion factors.

The HOFS does not apply to Medicare-designated Critical Access Hospitals, which continue to be paid at the Critical Access Hospital's usual and customary charge, unless the commissioner or a compensation judge determines the charge is unreasonably excessive.

Compensation rates as of Oct. 1, 2021

Statewide average weekly wage (SAWW) = \$1,232

Percentage change in SAWW from previous year = 7.69%

(Apply Minnesota Statutes § 176.645 adjustment as necessary based on date of injury.)

Maximum under Minn. Stat. § 176.101, subd. 1(b)(1)

Set by statute

10-01-95	\$615.00
10-01-00	\$750.00
10-01-08	\$850.00

102% of SAWW

10-01-13	\$963.90
10-01-14	\$980.22
10-01-15	\$1,008.78
10-01-16	\$1,046.52
10-01-17	\$1,061.82
10-01-18	\$1,098.54
10-01-19	\$1,134.24
10-01-20	\$1,166.88
10-01-21	\$1,256.64

Minimum under Minn. Stat. § 176.101, subd. 1(c)

Set by statute, the listed amount or the employee's actual weekly wage, whichever is less

10-01-95.....	\$104.00
10-01-00.....	\$130.00

20% of the maximum weekly benefit or the employee's actual weekly wage, whichever is less

10-01-21.....	\$251.33
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Supplementary benefits under Minn. Stat. § 176.132 (Minnesota Statutes 1994) and permanent total minimum under Minn. Stat. § 176.101, subd. 4 (for injuries 10-1-95 and later)

10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*
10-01-07	\$525.20	(rounded to \$526)*
10-01-08	\$552.50	(rounded to \$553)
10-01-09	\$570.70	(rounded to \$571)*
10-01-10	\$564.20	(rounded to \$565)*
10-01-11	\$582.40	(rounded to \$583)*
10-01-12	\$595.40	(rounded to \$596)*
10-01-13	\$614.25	(rounded to \$615)*
10-01-14	\$624.65	(rounded to \$625)*
10-01-15	\$642.85	(rounded to \$643)*
10-01-16	\$666.90	(rounded to \$667)*
10-01-17	\$676.65	(rounded to \$677)*
10-01-18	\$700.05	(rounded to \$701)*
10-01-19	\$722.80	(rounded to \$723)*
10-01-20	\$743.60	(rounded to \$744)*
10-01-21	\$800.80	(rounded to \$801)

*Rounding applies to supplementary benefits.

Training: Two sessions of OSHA recordkeeping basics offered in January

The Department of Labor and Industry is offering two sessions of its free, introductory-level training seminars about OSHA recordkeeping requirements: **Wednesday, Jan. 12, at 4 p.m.**; and **Friday, Jan. 14, at 8 a.m.**

Maintaining an accurate OSHA log of recordable work-related injuries and illnesses is an important skill that benefits employers, workers, safety professionals and government agencies.

Learn more about the sessions and register to attend (required) at www.dli.mn.gov/business/workplace-safety-and-health/mnosha-compliance-recordkeeping-standard.

New benefit, provider fee levels, fee schedules effective October 2020

The statewide average weekly wage (SAWW) effective Oct. 1, 2020, is \$1,144, a 2.88% increase from the current SAWW of \$1,112, which has been in effect since Oct. 1, 2019. The levels for minimum and maximum weekly benefit payments are presented in the table on page 7. The statewide average annual wage will change to \$59,452 on Jan. 1, 2021.

The new SAWW is based on 2019 payroll and employment figures supplied by the Minnesota Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subdivision 1b. The change in SAWW is the basis for the Minn. Stat. § 176.645 annual benefit adjustment. The time and amount of the adjustments are limited by Minn. Stat. § 176.645.

Vocational rehabilitation maximum hourly fee adjustments

Annual maximum hourly rehabilitation fee adjustments – Pursuant to Minnesota Rules, part 5220.1900, subpart 1b:

- the maximum qualified rehabilitation consultant hourly rate will be increased by 2.88% to \$112.53 for rehabilitation services provided on or after Oct. 1, 2020; and
- the maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by qualified rehabilitation consultant (QRC) firms, will increase by 2.88% to \$90.13 on Oct. 1, 2020.



Relative value medical fee schedule adjustments

The following annual adjustments to the workers' compensation medical fee schedule conversion factors in Minn. R. 5219.0500, subp. 4, have been approved by an administrative law judge. The rule amendments, which are effective for services provided on or after Oct. 1, 2020, are available on DLI's website at www.dli.mn.gov/about-department/rulemaking/rulemaking-docket-minnesota-rules-chapter-5221-2020.

Minnesota Statutes § 176.136, subd. 1a, paragraph (c) (1), provides for annual adjustments of the medical fee schedule conversion factors by no more than the percent change in the SAWW. As in previous years, the conversion factors are adjusted by the percent change in the federal Department of Labor's Producer Price Index for Offices of Physicians (PPI-P) for 2019 (annual-average basis).¹ The change is 0.89%. Therefore, for services provided on or after Oct. 1, 2020, the new conversion factors will be:

- for medical/surgical services described in Minn. R. 5221.4030..... \$70.86
- for pathology and laboratory services described in Minn. R. 5221.4040 \$60.10
- for physical medicine/rehabilitation services described in Minn. R. 5221.4050 \$58.68
- for chiropractic services described in Minn. R. 5221.4060 \$50.70

Independent medical examination fee adjustment

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations (IMEs) in the same manner as the adjustment of the conversion factors. Therefore, the maximum fees will be increased by 0.89% for IME services provided on or after Oct. 1, 2020.

A table of the maximum IME fee adjustments from Dec. 1, 1993, to present is available on DLI's website at www.dli.mn.gov/business/work-comp-ime-fees.

Hospital catastrophic injury threshold adjustment

The threshold for payment of inpatient hospital services, articles and supplies provided to patients with catastrophic, high-cost injuries is adjusted pursuant to Minn. Stat. § 176.362, subd. 2. For hospital discharges on or after Oct. 1, 2020, the threshold amount is \$226,888. If a hospital's usual and customary charges exceed this amount, payment is 75% of the hospital's charges instead of the MS-DRG amount calculated according to the PC Pricer. This and previous threshold amounts are corrected from those listed Oct. 1, 2019. Details about the correction are available on DLI's website at www.dli.mn.gov/business/workers-compensation/work-comp-pc-pricer-tool-inpatient-hospital-bills.

Notice of availability of PC Pricer program under Minn. Stat. 176.1362, subd. 1

On Oct. 1, 2020, the applicable PC Pricer program to be used to calculate payment for workers' compensation inpatient hospital services, articles and supplies based on the Medicare MS-DRG system under Minn. Stat. § 176.1362, subd. 1, is the 2020 fiscal-year PC Pricer program, version INPC20C, available on DLI's website at www.dli.mn.gov/business/workers-compensation/work-comp-pc-pricer-tool-inpatient-hospital-bills.

This PC Pricer program is the most recent version available on the Medicare website as of July 1, 2020. It is the PC Pricer program to be used to calculate payment of inpatient hospital charges for patients discharged on or after Oct. 1, 2020, unless the charges exceed the catastrophic injury \$226,888 threshold amount listed above.

Notice of availability of ambulatory surgical center addenda

The fee schedule for workers' compensation ambulatory surgical center (ASC) services is based on the Medicare Ambulatory Surgical Center Payment System (ASCPS) Addenda AA, BB and DD1, available on the Medicare website, and the corresponding Medicare rules and claims processing manual. Payment for workers' compensation procedures and services is 320% of the ASCPS amount or the ASC's actual charges, whichever is less. See Minn. Stat. § 176.1363.

The June 29, 2020, Addenda AA, BB and DD1 are the most recent ASCPS addenda available on the Medicare website as of July 1, 2020. Links to Addenda AA, BB and DD1, are the corresponding Medicare rules and claims processing manual, are available on the DLI website at www.dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-ascps. They are effective for services provided by an ASC on or after Oct. 1, 2020.

Notice of availability of hospital outpatient fee schedule

The workers' compensation hospital outpatient fee schedule (HOFS) establishes payment rates for workers' compensation outpatient hospital services that are listed in HOFS. See Minn. Stat. 176.1364. The updated HOFS table, effective for services from Oct. 1, 2020, through Sept. 30, 2021, is available on the DLI website at www.dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-hofs.

HOFS provides two separate payment rates, one for hospitals with more than 100 licensed beds and one for non-Critical Access Hospitals with 100 or fewer licensed beds.

HOFS does not apply to Medicare-designated Critical Access Hospitals, which continue to be paid at the Critical Access Hospital's usual and customary charge, unless the commissioner or compensation judge determines the charge is unreasonably excessive.

¹The PPI, produced by the U.S. Bureau of Labor Statistics, measures the average change over time in the selling prices received by producers for their output. The annual PPI-P and the associated annual changes (using industry code 62111 – offices of physicians) are available at www.bls.gov/ppi/data.htm.

Compensation rates as of Oct. 1, 2020

Statewide average weekly wage (SAWW) = \$1,144

Percentage change in SAWW from previous year = 2.88%

(Apply Minnesota Statutes § 176.645 adjustment as necessary based on date of injury.)

Maximum under Minn. Stat. § 176.101, subd. 1(b)(1)

105% of SAWW

10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60

Set by statute

10-01-95	\$615.00
10-01-00	\$750.00
10-01-08	\$850.00

102% of SAWW

10-01-13	\$963.90
10-01-14	\$980.22
10-01-15	\$1,008.78
10-01-16	\$1,046.52
10-01-17	\$1,061.82
10-01-18	\$1,098.54
10-01-19	\$1,134.24
10-01-20	\$1,166.88

Minimum under Minn. Stat. § 176.101, subd. 1(c)

20% of the SAWW or the employee's actual weekly wage, whichever is less

10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40

Set by statute, the listed amount or the employee's actual weekly wage, whichever is less

10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under Minn. Stat. § 176.132 (Minnesota Statutes 1994) and permanent total minimum under Minn. Stat. § 176.101, subd. 4 (for injuries 10-1-95 and later)

10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*
10-01-07	\$525.20	(rounded to \$526)*
10-01-08	\$552.50	(rounded to \$553)
10-01-09	\$570.70	(rounded to \$571)*
10-01-10	\$564.20	(rounded to \$565)*
10-01-11	\$582.40	(rounded to \$583)*
10-01-12	\$595.40	(rounded to \$596)*
10-01-13	\$614.25	(rounded to \$615)*
10-01-14	\$624.65	(rounded to \$625)*
10-01-15	\$642.85	(rounded to \$643)*
10-01-16	\$666.90	(rounded to \$667)*
10-01-17	\$676.65	(rounded to \$677)*
10-01-18	\$700.05	(rounded to \$701)*
10-01-19	\$722.80	(rounded to \$723)*
10-01-20	\$743.60	(rounded to \$744)*

*Rounding applies to supplementary benefits.



New provider fee levels, fee schedules effective October 2019

The statewide average weekly wage (SAWW) effective Oct. 1, 2019, is \$1,112, which is a 3.25% increase from the SAWW of \$1,077 in effect since Oct. 1, 2018. The levels for minimum and maximum weekly benefit payments and a table of historical SAWW changes are on page 7 of the June/July edition of *COMPACT* at www.dli.mn.gov/sites/default/files/pdf/0619c.pdf.

Vocational rehabilitation maximum hourly fee adjustments

Pursuant to Minnesota Rules, part 5220.1900, subpart 1b, the maximum qualified rehabilitation consultant hourly rate will be increased by 3.00% to \$109.38 for rehabilitation services provided on or after Oct. 1, 2019. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by qualified rehabilitation consultant (QRC) firms, will increase by 3.00%, to \$87.61.

Relative value medical fee schedule adjustments

Effective for services on or after Oct. 1, 2019, the following updates to the workers' compensation relative value medical fee schedule pursuant to Minnesota Statutes 176.136, subdivision 1a, and Minn. R., parts 5221.4005 to 5221.4061, have been approved by an administrative law judge. These updates were published in the *State Register* on Monday, Sept. 23, at mn.gov/admin/bookstore/register.asp and are available on DLI's website at www.dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-rbrvs.

- 1. Relative value unit (RVU) updates** – As required by law, the Department of Labor and Industry (DLI) has incorporated by reference the 2019 Medicare RVU table and the GPCI table (used to geographically adjust the RVUs for Minnesota). The Notice of Incorporation by Reference of these 2019 tables was published in the *State Register* on July 15, 2019 (see 44 SR 45 at https://mn.gov/admin/assets/SR44_3 - Accessible_tcm36-392887.pdf).
- 2. Conversion factor adjustments** – There are two conversion factor adjustments. First, as required by law, each time the RVU tables are updated the conversion factors must be adjusted so that, for services in both the new fee / schedule and the one most recently in effect, there is no difference in the overall payment under the fee schedules for each of the four categories of service. Second, the conversion factors are also required to be annually adjusted by no more than the percent change in the annual statewide average weekly wage. As in previous years, the annual adjustment of the conversion factors is based on the percent change in the federal Department of Labor's Producer Price Index for Offices of Physicians (PPI-P) (annual-average basis), which for 2018 was 0.82%.

Based on these two adjustments, the conversion factors effective for services provided on or after Oct. 1, 2019, are:

- for medical/surgical services described in Minn. R. 5221.4030..... \$70.24
- for pathology and laboratory services described in Minn. R. 5221.4040 \$59.57
- for physical medicine/rehabilitation services described in Minn. R. 5221.4050 \$58.16
- for chiropractic services described in Minn. R. 5221.4060 \$50.25

- 3. RVU fee schedule rule amendments** – Minnesota Rules, parts 5221.4020, 5221.4035, 5221.4050, 5221.4060 and 5221.4061 have been amended, effective for services provided on or after Oct. 1, 2019, to implement the adjusted conversion factors and updated Medicare relative value tables. Specifically, the rules are amended to reflect Medicare changes in calculating the maximum fee for multiple diagnostic imaging procedures and to update the range of physical medicine and chiropractic procedure codes included in the fee schedule. The rule amendments are online at www.dli.mn.gov/sites/default/files/pdf/5221_draft_rules_2019.pdf.

Independent or adverse medical examination fee adjustment

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees in subp. 3 for, or in connection with, independent or adverse medical examinations, in the same manner as the adjustment of the conversion factors.

Therefore, the maximum fees in part 5219 are further increased by 0.82% for independent or adverse medical examinations provided on or after Oct. 1, 2019.

Notice of availability of PC Pricer program under Minn. Stat. 176.1362, subd. 1

On Oct. 1, 2019, the applicable PC Pricer program to be used to calculate payment for workers' compensation inpatient hospital services, articles and supplies based on the Medicare MS-DRG system under Minn. Stat. 176.1362, subd. 1, is the 2019 Fiscal Year PC-Pricer, version 2019.0, available on DLI's website at www.dli.mn.gov/business/workers-compensation/work-comp-pc-pricer-tool-inpatient-hospital-bills. This PC Pricer program is the most recent version available on Medicare's website as of July 1, 2019. It is effective for patients discharged on or after Oct. 1, 2019, unless the charges exceed the catastrophic injury threshold amount of \$209,336 described below.

Inpatient hospital catastrophic injury threshold adjustment

The threshold for payment of inpatient hospital services, articles and supplies provided to patients with catastrophic, high-cost injuries is adjusted pursuant to Minn. Stat. 176.362, subd. 2. For hospital discharges on or after Oct. 1, 2019, the threshold amount is \$209,336. If a hospital's usual and customary charges exceed this amount, payment is 75% of the hospital's charges instead of the MS-DRG amount calculated according to the PC Pricer. This \$209,336 threshold amount reflects adjustments to corrected 2017 and 2018 threshold amounts, which are available on DLI's website at www.dli.mn.gov/business/workers-compensation/work-comp-pc-pricer-tool-inpatient-hospital-bills.

Notice of availability of ambulatory surgical center addenda

The applicable ambulatory surgical center (ASC) addenda to be used to calculate payment for covered workers' compensation surgical procedures and ancillary services provided by an ASC on or after Oct. 1, 2019, are the July 2019 Addenda AA, BB and DD1, updated June 26, 2019, of the Medicare Ambulatory Surgical Center Payment System (ASCPS).

These addenda are the most recent available on Medicare's website as of July 1, 2019. Links to these ASCPS addenda, applicable federal regulations, the applicable chapter of the Medicare claims manual and instructions for calculating payment for workers' compensation services provided by an ASC are available on DLI's website at www.dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-ascps.

Notice of availability of hospital outpatient fee schedule

The hospital outpatient fee schedule (HOFS) was established by Minn. Stat. 176.1364, subd. 3(d), for payment of workers' compensation outpatient hospital bills. The HOFS for services provided from Oct. 1, 2019, through Sept. 30, 2020, is available on DLI's website at www.dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-hofs.

The HOFS shows two payment rates for each service: one for non-critical access hospitals of 100 or fewer licensed beds; and one for hospitals with more than 100 licensed beds.

Compensation rates as of Oct. 1, 2019

Statewide average weekly wage (SAWW) = \$1,112

Percentage change in SAWW from previous year = 3.25%

(Apply Minnesota Statutes § 176.645 adjustment as necessary based on date of injury.)

Maximum under Minn. Stat. § 176.101, subd. 1(b)(1)

105% of SAWW

10-01-93	\$508.20
10-01-94	\$516.60

Set by statute

10-01-95	\$615.00
10-01-00	\$750.00
10-01-08	\$850.00

102% of SAWW

10-01-13	\$963.90
10-01-14	\$980.22
10-01-15	\$1,008.78
10-01-16	\$1,046.52
10-01-17	\$1,061.82
10-01-18	\$1,098.54
10-01-19	\$1,134.24

Minimum under Minn. Stat. § 176.101, subd. 1(c)

20% of the SAWW or the employee's actual weekly wage, whichever is less

10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40

Set by statute, the listed amount or the employee's actual weekly wage, whichever is less

10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under Minn. Stat. § 176.132 (Minnesota Statutes 1994) and permanent total minimum under Minn. Stat. § 176.101, subd. 4 (for injuries 10-1-95 and later)

10-01-02	\$456.30	(rounded to \$457)*
10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*
10-01-07	\$525.20	(rounded to \$526)*
10-01-08	\$552.50	(rounded to \$553)
10-01-09	\$570.70	(rounded to \$571)*
10-01-10	\$564.20	(rounded to \$565)*
10-01-11	\$582.40	(rounded to \$583)*
10-01-12	\$595.40	(rounded to \$596)*
10-01-13	\$614.25	(rounded to \$615)*
10-01-14	\$624.65	(rounded to \$625)*
10-01-15	\$642.85	(rounded to \$643)*
10-01-16	\$666.90	(rounded to \$667)*
10-01-17	\$676.65	(rounded to \$677)*
10-01-18	\$700.05	(rounded to \$701)*
10-01-19	\$722.80	(rounded to \$723)*

*Rounding applies to supplementary benefits.

New benefit, provider fee levels, fee schedules effective October 2018

The statewide average weekly wage (SAWW) effective Oct. 1, 2018, is \$1,077, a 3.46 percent increase from the current SAWW of \$1,041, which has been in effect since Oct. 1, 2017. (See the table below.) The levels for minimum and maximum weekly benefit payments are presented in the table on page 9. The statewide annual average wage will change to \$55,978 on Jan. 1, 2019.

The new SAWW is based on 2017 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subdivision 1b. The change in the SAWW is the basis for the Minn. Stat. § 176.645 annual benefit adjustment. The time of the first adjustment is limited by Minn. Stat. § 176.645, subd. 2.

Vocational rehabilitation rule amendments and fee adjustments

Adopted vocational rehabilitation rule amendments – An administrative law judge approved amendments to the workers' compensation rehabilitation rules (Minnesota Rules 5220.1900) on July 31, 2018. The Notice of Adoption of the rule amendments was published in the *Minnesota State Register* on Sept. 17, 2018, and the rules become effective Sept. 24, 2018. For rehabilitation services provided on or after Sept. 24, 2018, the rules:

- eliminate the \$10 an hour fee reduction for lengthy and costly rehabilitation plans;
- adjust the maximum hourly rate to \$103.10 for qualified rehabilitation consultant (QRC) services to maintain cost neutrality (see the further adjustment effective Oct. 1, 2018, noted below);
- increase the limit on payment to QRCs for their services during job development and job placement to six hours a month (excluding travel and wait time), subject to reasonableness and necessity; and
- provide clarity to rehabilitation providers and insurers about services and activities that require approval or are not billable.

Statewide average weekly wage Effective Oct. 1 of the indicated year

	Statewide average weekly wage	Percent change from prior year
2005.....	\$774	4.59%
2006.....	\$782	1.03%
2007.....	\$808	3.32%
2008.....	\$850	5.20%
2009.....	\$878	3.29%
2010.....	\$868	-1.14%
2011.....	\$896	3.23%
2012.....	\$916	2.23%
2013.....	\$945	3.17%
2014.....	\$961	1.69%
2015.....	\$989	2.91%
2016.....	\$1,026	3.74%
2017.....	\$1,041	1.46%
2018.....	\$1,077	3.46%

The final rehabilitation rule amendments (which consist of the proposed rules with the modifications shown in the adopted permanent rules) are available at www.dli.mn.gov/sites/default/files/pdf/5220_1900_adopted_rules0918.pdf.

Annual maximum hourly rehabilitation fee adjustment – Pursuant to Minn. R., part 5220.1900, subpart 1b:

- the maximum qualified rehabilitation consultant hourly rate, set at \$103.10 by the rule amendments noted above, will be increased by 3 percent to **\$106.19** for rehabilitation services provided on or after Oct. 1, 2018; and
- the maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will increase to **\$85.06** on Oct. 1, 2018. This is a 3 percent increase from the current \$82.58 maximum hourly rate.

Relative value medical fee schedule and IME fee adjustments

The following annual adjustments to the workers' compensation medical fee schedule conversion factors and the independent medical examination (IME) fees in Minn. R. 5219.0500, subp. 4, and 5221.4020, subp. 1b, have been approved by an administrative law judge. The rule amendments, which are effective for services provided on or after Oct. 1, 2018, are available at www.dli.mn.gov/sites/default/files/pdf/5219_5221_draft_rules_2018.pdf.

Conversion factor annual adjustment – Minnesota Statutes § 176.136, subd. 1a, paragraph (c) (1), provides for annual adjustment of the medical fee schedule conversion factors by no more than the percent change in the SAWW. As in previous years, the conversion factors are adjusted by the percent change in the federal Department of Labor's Producer Price Index for Offices of Physicians (PPI-P) for 2017 (annual-average basis).¹ This change is 0.45 percent. Therefore, for services provided on or after Oct. 1, 2018, the new conversion factors will be:

- for medical/surgical services described in Minn. R. 5221.4030 **\$69.93**
- for pathology and laboratory services described in Minn. R. 5221.4040 **\$57.07**
- for physical medicine/rehabilitation services described in Minn. R. 5221.4050 **\$55.93**
- for chiropractic services described in Minn. R. 5221.4060 **\$49.66**

IME fee adjustment – Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factors. Therefore, the maximum fees will increase by 0.45 percent for IME services provided on or after Oct. 1, 2018.

Hospital catastrophic injury threshold adjustment

The threshold for payment of inpatient hospital services, articles and supplies provided to patients with catastrophic, high-cost injuries is adjusted pursuant to Minn. Stat. § 176.362, subd. 2. For hospital discharges on or after Oct. 1, 2018, the threshold amount is adjusted 5.51 percent, from \$196,021 to **\$206,822**. If a hospital's usual and customary charges exceed this amount, payment is 75 percent of the hospital's charges instead of the MS-DRG amount calculated according to the PC Pricer.

Notice of availability of PC Pricer program under Minn. Stat. 176.1362, subd. 1

On Oct. 1, 2018, the applicable PC Pricer program to be used to calculate payment for workers' compensation inpatient hospital services, articles and supplies based on the Medicare MS-DRG system under Minn. Stat. § 176.1362, subd. 1, is the 2018 fiscal-year PC Pricer program, version 2018.0, available on the Department of Labor and Industry (DLI) website at www.dli.mn.gov/business/workers-compensation/work-comp-pc-pricer-tool-inpatient-hospital-bills.

This PC Pricer program is the most recent version available on the Medicare website as of July 1, 2018. It is the PC Pricer program to be used to calculate payment of inpatient hospital charges for patients discharged on or after Oct. 1, 2018, unless the charges exceed the catastrophic injury \$206,822 threshold amount listed above.

Notice of availability of ambulatory surgical center addenda

The Legislature adopted a fee schedule for workers' compensation ambulatory surgical center (ASC) services provided on or after Oct. 1, 2018 (to be codified as Minn. Stat. § 176.1363). This fee schedule is based on the Medicare

Ambulatory Surgical Center Payment System (ASCPS) Addenda AA, BB and DD1 available on the Medicare website as of July 1, 2018, and the corresponding Medicare rules and claims processing manual. Payment for workers' compensation procedures and services is 320 percent of the ASCPS amount, or the ASC's actual charges, whichever is less.

The June 28, 2018, Addenda AA, BB and DD1 are the most recent ASCPS addenda available on the Medicare website as of July 1, 2018. Links to Addenda AA, BB and DD1, and the corresponding Medicare rules and claims processing manual, are available on the DLI website at www.dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-ascps. They are effective for services provided by an ASC on or after Oct. 1, 2018.

Notice of availability of hospital outpatient fee schedule

The Legislature adopted a hospital outpatient fee schedule (HOFS) for payment of workers' compensation outpatient hospital services that are listed in the HOFS and that are provided on or after Oct. 1, 2018 (to be codified as Minn. Stat. § 176.1364). The HOFS is available on the DLI website at www.dli.mn.gov/business/workers-compensation/work-comp-medical-fee-schedules-hofs.

The HOFS provides two separate payment rates, one for hospitals with more than 100 licensed beds and one for non-Critical Access Hospitals with 100 or fewer licensed beds.

The HOFS does not apply to Medicare-designated Critical Access Hospitals, which continue to be paid at the Critical Access Hospital's usual and customary charge, unless the commissioner or compensation judge determines that the charge is unreasonably excessive.

Other legislative changes related to medical fees and services

The Legislature also adopted the following changes to Minn. Stat. § 176.136, subd. 1b, for services provided on or after Oct. 1, 2018.

- Non-Critical Access Hospitals of 100 or fewer licensed beds are subject to the HOFS. If a non-Critical Access Hospital service is not covered by the HOFS, payment is according to the relative value fee schedule. If it is not covered by either the HOFS or relative value fee schedule, payment is 85 percent of the hospital's usual and customary charge.
- Prevailing charge as a basis to reduce a payment no longer applies to payment for services provided by an ASC under Minn. Stat. § 176.1363 or to a hospital as defined in Minn. Stat. § 176.1364.
- "Inpatient," for purposes of Minn. Stat. chapter 176, is defined as a patient admitted to a hospital by order of a physician or dentist. A hospital must provide documentation of an inpatient order upon the employer's or insurer's request.

The Legislature also enacted new provisions related to outpatient billing, payments and dispute resolution for services provided by an ASC and by a hospital. These new requirements, which will be codified as Minn. Stat. § 176.1365, are in Article 3 of the 2018 Minnesota session laws, chapter 185, available on the Office of Revisor of Statutes website at www.revisor.mn.gov/laws/?id=185&year=2018&type=0.

¹The PPI, produced by the U.S. Bureau of Labor Statistics, measures the average change over time in the selling prices received by producers for their output. The annual PPI-P and the associated annual changes (using industry code 62111 – offices of physicians) are available at www.bls.gov/ppi/data.htm.

Compensation rates as of Oct. 1, 2018

Statewide average weekly wage (SAWW) = \$1,077

Percentage change in SAWW from previous year = 3.46%

(Apply Minnesota Statutes § 176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. § 176.101, subd. 1(b)(1)

105% of SAWW

10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60

Set by statute

10-01-95	\$615.00
10-01-00	\$750.00
10-01-08	\$850.00

102% of SAWW

10-01-13	\$963.90
10-01-14	\$980.22
10-01-15	\$1,008.78
10-01-16	\$1,046.52
10-01-17	\$1,061.82
10-01-18	\$1,098.54

Minimum under M.S. § 176.101, subd. 1(c)

20% of the SAWW or the employee's actual weekly wage, whichever is less

10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40

Set by statute, the listed amount or the employee's actual weekly wage, whichever is less

10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under M.S. § 176.132

(Minnesota Statutes 1994)

and permanent total minimum under

M.S. § 176.101, subd. 4

(for injuries 10-1-95 and later)

10-01-02	\$456.30	(rounded to \$457)*
10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*
10-01-07	\$525.20	(rounded to \$526)*
10-01-08	\$552.50	(rounded to \$553)
10-01-09	\$570.70	(rounded to \$571)*
10-01-10	\$564.20	(rounded to \$565)*
10-01-11	\$582.40	(rounded to \$583)*
10-01-12	\$595.40	(rounded to \$596)*
10-01-13	\$614.25	(rounded to \$615)*
10-01-14	\$624.65	(rounded to \$625)*
10-01-15	\$642.85	(rounded to \$643)*
10-01-16	\$666.90	(rounded to \$667)*
10-01-17	\$676.65	(rounded to \$677)*
10-01-18	\$700.05	(rounded to \$701)*

*Rounding applies to supplementary benefits.



New benefit and provider fee levels effective October 2017

By Brian Zaidman, Research and Statistics, and Kate Berger, Office of General Counsel

The statewide average weekly wage (SAWW) effective Oct. 1, 2017, is \$1,041, a 1.46 percent increase from the current SAWW of \$1,026, which has been in effect since Oct. 1, 2016. (See the table below.) The levels for minimum and maximum weekly benefit payments are presented in the table on page 4. The statewide annual average wage will change to \$54,132 on Jan. 1, 2018.

The new SAWW is based on 2016 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subd. 1b. The change in the SAWW is the basis for the M.S. § 176.645 annual benefit adjustment. The time of the first adjustment is limited by M.S. § 176.645, subd. 2.

Pursuant to Minnesota Rules 5220.1900, subp. 1b, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase by 1.46 percent to \$108.78 on Oct. 1, 2017. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will increase to \$82.58 on Oct. 1, 2017. Notice of the increase will be published in the *State Register* in September 2017.

Fee schedule adjustments

The annual adjustments to the workers' compensation medical fee schedule conversion factors and the independent medical examination fees are as follows subject to the approval of an administrative law judge.

1. Conversion factor annual adjustment: Minnesota

Statutes § 176.136, subd. 1a, paragraph (c)(1), provides for annual adjustment of the medical fee schedule conversion factors by no more than the percent change in the SAWW. As in previous years, the Department of Labor and Industry (DLI) is adjusting the conversion factors by the percent change in the Producer Price Index for Offices of Physicians (PPI-P) for 2016 (annual-average basis).¹ This change is +0.2 percent.

Therefore, for services provided on or after Oct. 1, 2017, the new conversion factors will be:

- medical/surgical services described in Minnesota Rules 5221.4030.....\$69.62
- pathology and laboratory services described in Minn. R. 5221.4040\$56.81
- physical medicine/rehabilitation services described in Minn. R. 5221.4050\$55.68
- chiropractic services described in Minn. R. 5221.4060\$49.44
-

2. IME fee adjustment: Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations (IMEs) in the same manner as the adjustment of the conversion factors.

Therefore, the maximum fees will increase by 0.2 percent for services provided on or after Oct. 1, 2017.

¹The PPI, produced by the U.S. Bureau of Labor Statistics, measures the average change over time in the selling prices received by producers for their output. The annual PPI-P and the associated annual changes (using industry code 62111 – offices of physicians) are available at www.bls.gov/ppi/data.htm.

Statewide average weekly wage Effective Oct. 1 of the indicated year		
	Statewide average weekly wage	Percent change from prior year
2004.....	\$740	3.06%
2005.....	\$774	4.59%
2006.....	\$782	1.03%
2007.....	\$808	3.32%
2008.....	\$850	5.20%
2009.....	\$878	3.29%
2010.....	\$868	-1.14%
2011.....	\$896	3.23%
2012.....	\$916	2.23%
2013.....	\$945	3.17%
2014.....	\$961	1.69%
2015.....	\$989	2.91%
2016.....	\$1,026	3.74%
2017.....	\$1,041	1.46%

Compensation rates as of Oct. 1, 2017

Statewide average weekly wage (SAWW) = \$1,041
Percentage change in SAWW from previous year = 1.46%
(Apply Minnesota Statutes § 176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. §§ 176.101 and 176.111	Minimum under M.S. § 176.101, subd. 1(2)	Supplementary benefits under M.S. § 176.132 (Minnesota Statutes 1994)
	<i>50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW</i>	M.S. § 176.101, subd. 4 (for injuries 10-1-95 and later)
10-01-89 \$413.00	50% 20%	10-01-99 \$399.75 (rounded to \$400)*
10-01-90 \$428.00	10-01-88 \$195.50 (gross wage – \$293.25) \$ 78.20	10-01-00 \$417.30 (rounded to \$418)*
10-01-91 \$443.00	10-01-89 \$206.50 (gross wage – \$309.75) \$ 82.60	10-01-01 \$442.00 (round)
105% of SAWW	10-01-90 \$214.00 (gross wage – \$321.00) \$ 85.60	10-01-02 \$456.30 (rounded to \$457)*
10-01-92 \$481.95	10-01-91 \$221.50 (gross wage – \$332.25) \$ 88.60	10-01-03 \$466.70 (rounded to \$467)*
10-01-93 \$508.20	20% of the SAWW or the employee's actual weekly wage, whichever is less	10-01-04 \$481.00 (round)
10-01-94 \$516.60	10-01-92 \$91.80	10-01-05 \$503.10 (rounded to \$504)*
Set by statute	10-01-93 \$96.80	10-01-06 \$508.30 (rounded to \$509)*
10-01-95 \$615.00	10-01-94 \$98.40	10-01-07 \$525.20 (rounded to \$526)*
10-01-00 \$750.00	Set by statute, the listed amount or the employee's actual weekly wage, whichever is less	10-01-08 \$552.50 (rounded to \$553)
10-01-08 \$850.00	10-01-95 \$104.00	10-01-09 \$570.70 (rounded to \$571)*
102% of SAWW	10-01-00 \$130.00	10-01-10 \$564.20 (rounded to \$565)*
10-01-13 \$963.90		10-01-11 \$582.40 (rounded to \$583)*
10-01-14 \$980.22		10-01-12 \$595.40 (rounded to \$596)*
10-01-15 \$1,008.78		10-01-13 \$614.25 (rounded to \$615)*
10-01-16 \$1,046.52		10-01-14 \$624.65 (rounded to \$625)*
10-01-17 \$1,061.82		10-01-15 \$642.85 (rounded to \$643)*
		10-01-16 \$666.90 (rounded to \$667)*
		10-01-17 \$676.65 (rounded to \$677)*

*Rounding applies to supplementary benefits.

New benefit and provider fee levels effective October 2016

By Brian Zaidman, Research and Statistics, and Kate Berger, Office of General Counsel

The statewide average weekly wage (SAWW) effective Oct. 1, 2016, is \$1,026, a 3.74 percent increase from the current SAWW of \$989, which has been in effect since Oct. 1, 2015. (See the table below.) The levels for minimum and maximum weekly benefit payments are presented in the table on page 5. The statewide annual average wage will change to \$53,349 on Jan. 1, 2017.

The new SAWW is based on 2015 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subd. 1b. The change in the SAWW is the basis for the M.S. § 176.645 annual benefit adjustment. The time of the first adjustment is limited by M.S. § 176.645, subd. 2.

Pursuant to Minnesota Rules 5220.1900, subp. 1b, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase by 3.00 percent to \$107.21 on Oct. 1, 2016. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will increase to \$81.39 on Oct. 1, 2016. Notice of the increase will be published in the *State Register* in September 2016.

Fee schedule adjustments

The adjustments to the workers' compensation medical fee schedule conversion factors and the independent medical examination fees are as follows.

1. Conversion factor adjustment based on updated relative value units (RVUs) and rules:

Pursuant to Minnesota Statutes § 176.136, subd. 1a, paragraph (c), the Department of Labor and Industry (DLI) is updating the fee schedule by incorporating by reference the 2016 Medicare RVUs. The Notice of Incorporation by Reference of the 2016 Relative Value

Tables was published in the *State Register* on Aug. 8, 2016; it is also on page 4 of this publication. Rule amendments to implement the new RVU tables have been approved by an administration law judge at the Office of Administrative Hearings and will be published in the *State Register* in September 2016. A link to the corresponding rule amendments is at www.dli.mn.gov/Pdf/docket/5219_5221_rules.pdf.

As required by M.S. § 176.136, subd. 1a, paragraph (c)(2), DLI has adjusted the conversion factors so that overall payment for services covered under both the old and new RVUs will be the same under both sets of RVUs.¹ As required by law, DLI has done this separately for each of the four categories of services listed below.

Statewide average weekly wage Effective Oct. 1 of the indicated year

	Statewide average weekly wage	Percent change from prior year
2002.....	\$702	3.24%
2003.....	\$718	2.28%
2004.....	\$740	3.06%
2005.....	\$774	4.59%
2006.....	\$782	1.03%
2007.....	\$808	3.32%
2008.....	\$850	5.20%
2009.....	\$878	3.29%
2010.....	\$868	-1.14%
2011.....	\$896	3.23%
2012.....	\$916	2.23%
2013.....	\$945	3.17%
2014.....	\$961	1.69%
2015.....	\$989	2.91%
2016.....	\$1,026	3.74%

¹For this calculation, DLI used a de-identified database of Minnesota workers' compensation medical services, charges and related data. The database was a 20-percent sample from the Minnesota Workers' Compensation Medical Data Call, provided to DLI by the Minnesota Workers' Compensation Insurers Association.

As a result of the adjustments, for services provided on or after Oct. 1, 2016, the new conversion factors will be:

- medical/surgical services described in Minnesota Rules 5221.4030\$69.48
- pathology and laboratory services described in Minn. R. 5221.4040\$56.70
- physical medicine/rehabilitation services described in Minn. R. 5221.4050\$55.57
- chiropractic services described in Minn. R. 5221.4060.....\$49.34

2. Conversion factor annual adjustment: M.S. § 176.136, subd. 1a, paragraph (c)(1) provides for annual adjustment of the medical fee schedule conversion factors by no more than the percent change in the SAWW. DLI adjusts the conversion factors (computed as described above) by the percent change in the Producer Price Index for Offices of Physicians (PPI-P).² Because the change in PPI-P for 2015 was -1.2 percent, no additional adjustment to the conversion factors is made.

IME fee adjustments

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations (IMEs) in the same manner as the annual adjustment of the conversion factors. Because there is no annual adjustment of the conversion factors, the maximum IME fees remain the same for services provided on or after Oct. 1, 2016.

All of the above referenced documents are also online at www.dli.mn.gov/WC/HealthCareProv.asp.

²The PPI, produced by the U.S. Bureau of Labor Statistics, measures the average change over time in the selling prices received by producers for their output. The annual PPI-P and the associated annual changes (using industry code 62111 – offices of physicians) are available at www.bls.gov/ppi/data.htm.

Notice of incorporation by reference of relative value tables

Whereas;

Minnesota Statutes § 176.136, subd. 1a, paragraph (d), clause (2) (supp. 2015), requires the commissioner to, at least every three years, update the workers' compensation relative value tables in the workers' compensation fee schedule in Minnesota Rules, Chapter 5221, by incorporating by reference the relative value tables in the national physician fee schedule relative value file established by the Centers for Medicare and Medicaid Services (CMS). Each notice of incorporation must state the date the incorporated tables will become effective and must include information about how the Medicare relative value tables may be obtained.

Therefore, notice is hereby given that the following relative value tables, released by CMS on Feb. 2, 2016, are incorporated by reference, effective for workers' compensation health care services provided on or after Oct. 1, 2016:

The files CY2016_GPCIs and PPRRVU16_April_V0202 found in RVU16B [ZIP, 3MB] on the "PFS Relative Value Files" page are on the CMS website currently at:
<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files-Items/RVU16B.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=descending>.

Additional information about how to access these tables is available on the Department of Labor and Industry website at www.dli.mn.gov/WC/HealthCareProv.asp.

Pursuant to Minnesota Statutes § 176.136, subd. 1a, paragraphs (c) and (d), notice of amendments to rules to implement the above incorporated tables will be published in the *State Register* in September 2016.

Compensation rates as of Oct. 1, 2016

Statewide average weekly wage (SAWW) = \$1,026
Percentage change in SAWW from previous year = 3.74%

(Apply Minnesota Statutes § 176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. §§ 176.101 and 176.111

100% of SAWW	
10-01-88.....	\$391.00
10-01-89.....	\$413.00
10-01-90.....	\$428.00
10-01-91.....	\$443.00
105% of SAWW	
10-01-92.....	\$481.95
10-01-93.....	\$508.20
10-01-94.....	\$516.60
Set by statute	
10-01-95.....	\$615.00
10-01-00.....	\$750.00
10-01-08.....	\$850.00
102% of SAWW	
10-01-13.....	\$963.90
10-01-14.....	\$980.22
10-01-15.....	\$1,008.78
10-01-16.....	\$1,046.52

Minimum under M.S. § 176.101, subd. 1(2)

50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW	
50%	20%
10-01-88.....	\$195.50 (gross wage – \$293.25) \$ 78.20
10-01-89.....	\$206.50 (gross wage – \$309.75) \$ 82.60
10-01-90.....	\$214.00 (gross wage – \$321.00) \$ 85.60
10-01-91.....	\$221.50 (gross wage – \$332.25) \$ 88.60
20% of the SAWW or the employee's actual weekly wage, whichever is less	
10-01-92.....	\$91.80
10-01-93.....	\$96.80
10-01-94.....	\$98.40

Set by statute, the listed amount or the employee's
actual weekly wage, whichever is less

10-01-95 \$104.00

10-01-00 \$130.00

Supplementary benefits under M.S. § 176.132 (Minnesota Statutes 1994) and permanent total minimum under M.S. § 176.101, subd. 4 (for injuries 10-1-95 and later)

10-01-98.....	\$376.35	(rounded to \$377)*
10-01-99.....	\$399.75	(rounded to \$400)*
10-01-00.....	\$417.30	(rounded to \$418)*
10-01-01.....	\$442.00	(round)
10-01-02.....	\$456.30	(rounded to \$457)*
10-01-03.....	\$466.70	(rounded to \$467)*
10-01-04.....	\$481.00	(round)
10-01-05.....	\$503.10	(rounded to \$504)*
10-01-06.....	\$508.30	(rounded to \$509)*
10-01-07.....	\$525.20	(rounded to \$526)*
10-01-08.....	\$552.50	(rounded to \$553)
10-01-09.....	\$570.70	(rounded to \$571)*
10-01-10.....	\$564.20	(rounded to \$565)*
10-01-11.....	\$582.40	(rounded to \$583)*
10-01-12.....	\$595.40	(rounded to \$596)*
10-01-13.....	\$614.25	(rounded to \$615)*
10-01-14.....	\$624.65	(rounded to \$625)*
10-01-15.....	\$642.85	(rounded to \$643)*
10-01-16.....	\$666.90	(rounded to \$667)*

*Rounding applies to supplementary benefits.

New benefit and provider fee levels effective October 2015

By Brian Zaidman, Research and Statistics, and Kate Berger, Office of General Counsel

The statewide average weekly wage (SAWW) effective Oct. 1, 2015, is \$989, a 2.91 percent increase from the current SAWW of \$961, which has been in effect since Oct. 1, 2014. (See the table below.) The levels for minimum and maximum weekly benefit payments are presented in the table on page 4. The statewide annual average wage will change to \$51,420 on Jan. 1, 2016.

The new SAWW is based on 2014 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subd. 1b. The change in the SAWW is the basis for the M.S. § 176.645 annual benefit adjustment. The time of the first adjustment is limited by M.S. § 176.645, subd. 2.

Pursuant to Minnesota Rules 5220.1900, subp. 1b, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase by 2.91 percent to \$104.09 on Oct. 1, 2015. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will increase to \$79.02 on Oct. 1, 2015. Notice of the increase will be published in the *State Register* in September 2015.

Fee schedule adjustments

The adjustments to the workers' compensation medical fee schedule conversion factors and the independent medical examination fees are as follows and will be published in the *State Register* in September.

1. Conversion factor annual adjustment: Minnesota Statutes § 176.136, subd. 1a, paragraph (c)(1), provides for annual adjustment of the medical fee schedule conversion factors by no more than the percent change in the SAWW. As in previous years, DLI is adjusting the conversion factors by the percent change in the Producer Price Index for Offices of Physicians (PPI-P) between 2013 and 2014 (annual-average basis).^{*} This change is +0.6 percent.

Therefore, for services provided on or after Oct. 1, 2015, the new conversion factors will be:

- medical/surgical services described in Minnesota Rules 5221.4030 \$65.12
- pathology and laboratory services described in Minn. R. 5221.4040 \$56.08
- physical medicine/rehabilitation services described in Minn. R. 5221.4050 \$49.18
- chiropractic services described in Minn. R. 5221.4050 \$49.09

2. IME fee adjustment: Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations (IMEs) in the same manner as the adjustment of the conversion factors. Therefore, the maximum IME fees will increase by 0.6 percent for services provided on or after Oct. 1, 2015.

^{*}The PPI, produced by the U.S. Bureau of Labor Statistics, measures the average change over time in the selling prices received by producers for their output. The annual PPI-P and the associated annual changes (using industry code 62111 – offices of physicians) are available at www.bls.gov/ppi/data.htm.

Statewide average weekly wage Effective Oct. 1 of the indicated year		
	Statewide average weekly wage	Percent change from prior year
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%
2004	\$740	3.06%
2005	\$774	4.59%
2006	\$782	1.03%
2007	\$808	3.32%
2008	\$850	5.20%
2009	\$878	3.29%
2010	\$868	-1.14%
2011	\$896	3.23%
2012	\$916	2.23%
2013	\$945	3.17%
2014	\$961	1.69%
2015	\$989	2.91%

Compensation rates as of Oct. 1, 2015

Statewide average weekly wage (SAWW) = \$989 Percentage change in SAWW from previous year = 2.91%

(Apply Minnesota Statutes § 176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. §§ 176.101 and 176.111	Minimum under M.S. § 176.101, subd. 1(2)	Supplementary benefits under M.S. § 176.132 (Minnesota Statutes 1994) and permanent total minimum under M.S. § 176.101, subd. 4 (for injuries 10-1-95 and later)
10-01-88\$391.00	50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW	10-01-96\$340.60 (rounded to \$341)*
10-01-89\$413.00	50%\$195.50 (gross wage - \$293.25)\$ 78.20	10-01-97\$359.45 (rounded to \$360)*
10-01-90\$428.00	50%\$206.50 (gross wage - \$309.75)\$ 82.60	10-01-98\$376.35 (rounded to \$377)*
10-01-91\$443.00	50%\$214.00 (gross wage - \$321.00)\$ 85.60	10-01-99\$399.75 (rounded to \$400)*
105% of SAWW	50%\$221.50 (gross wage - \$332.25)\$ 88.60	10-01-00\$417.30 (rounded to \$418)*
10-01-92\$481.95	20% of the SAWW or the employee's actual weekly wage, whichever is less	10-01-01\$442.00 (round)
10-01-93\$508.20	10-01-92\$91.80	10-01-02\$456.30 (rounded to \$457)*
10-01-94\$516.60	10-01-93\$96.80	10-01-03\$466.70 (rounded to \$467)*
Set by statute	10-01-94\$98.40	10-01-04\$481.00 (round)
10-01-95\$615.00	Set by statute, the listed amount or the employee's actual weekly wage, whichever is less	10-01-05\$503.10 (rounded to \$504)*
10-01-00\$750.00	10-01-95\$104.00	10-01-06\$508.30 (rounded to \$509)*
10-01-08\$850.00	10-01-00\$130.00	10-01-07\$525.20 (rounded to \$526)*
102% of SAWW		10-01-08\$552.50 (rounded to \$553)
10-01-13\$963.90		10-01-09\$570.70 (rounded to \$571)*
10-01-14\$980.22		10-01-10\$564.20 (rounded to \$565)*
10-01-15\$1,008.78		10-01-11\$582.40 (rounded to \$583)*
		10-01-12\$595.40 (rounded to \$596)*
		10-01-13\$614.25 (rounded to \$615)*
		10-01-14\$624.65 (rounded to \$625)*
		10-01-15\$642.85 (rounded to \$643)*

*Rounding applies to supplementary benefits.

New benefit and provider fee levels effective October 2014

By Brian Zaidman, Research and Statistics, and Kate Berger, General Counsel

The statewide average weekly wage (SAWW) effective Oct. 1, 2014, is \$961, a 1.69 percent increase from the current SAWW of \$945, which has been in effect since Oct. 1, 2013. (See the table below.) The levels for minimum and maximum weekly benefit payments are presented in the table on page 4. The statewide annual average wage will change to \$49,924 on Jan. 1, 2015.

The new SAWW is based on 2013 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subd. 1b. The change in the SAWW is the basis for the M.S. § 176.645 annual benefit adjustment. The time of the first adjustment is limited by M.S. § 176.645, subd. 2.

Pursuant to Minnesota Rules 5220.1900, subp. 1b, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase by 1.69 percent, to \$101.15 on Oct. 1, 2014. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will increase to \$76.79 on Oct. 1, 2014. Notice of the increase will be published in the *State Register* in September 2014.

Conversion factor adjustments

This year there are two adjustments to the workers' compensation medical fee schedule conversion factors. Minnesota Statutes § 176.136, subd. 1a, paragraph (g)(1), provides for annual adjustment of the medical fee schedule conversion factors by no more than the percent change in the SAWW. As in previous years, the Department of Labor and Industry (DLI) is adjusting the new conversion factors by the 0.2 percent change in the Producer Price Index for Offices of Physicians (PPI-P) between 2012 and 2013 (average – annual basis).¹

In addition to the 0.2 percent adjustment based on the PPI-P, the conversion factors are adjusted to correct two minor programming errors in the calculation of the 2013 conversion factors when the relative value tables were updated. When the relative value tables are updated, the law requires the conversion factors to be adjusted to ensure that, for services in both the old and new fee schedules, there is no difference between the overall payment in each service category. One of the programming errors occurred because the calculations were performed on some physical medicine and chiropractic services that were not included in *both* the old and new workers' compensation fee schedules. The second error occurred because an updated Geographic Practice Cost Index for Minnesota for the relative value tables was not used. To correct these errors, the 2013 conversion factors are further adjusted as shown in the table prepared by DLI's Research and Statistics unit at www.dli.mn.gov/RS/Pdf/conversion_factors_2014.pdf.

For services provided on or after or after Oct. 1, 2014, the new conversion factors will be:

- medical/surgical services in part 5221.4030 \$64.73
- pathology/laboratory services in part 5221.4040 \$55.75
- physical medicine/rehabilitation services in part 5221.4050 \$48.89
- chiropractic services in part 5221.4060 \$48.80

IME fee adjustments

Minnesota Rules 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations (IMEs) in the same manner as the adjustment of the conversion factors. Therefore, the maximum IME fees will increase by 0.2 percent for services on or after Oct. 1, 2014.

Statewide average weekly wage Effective Oct. 1 of the indicated year

	Statewide average weekly wage	Percent change from prior year
2000.....	\$642.....	4.39%
2001.....	\$680.....	5.92%
2002.....	\$702.....	3.24%
2003.....	\$718.....	2.28%
2004.....	\$740.....	3.06%
2005.....	\$774.....	4.59%
2006.....	\$782.....	1.03%
2007.....	\$808.....	3.32%
2008.....	\$850.....	5.20%
2009.....	\$878.....	3.29%
2010.....	\$868.....	-1.14%
2011.....	\$896.....	3.23%
2012.....	\$916.....	2.23%
2013.....	\$945.....	3.17%
2014.....	\$961.....	1.69%

¹The PPI, produced by the U.S. Bureau of Labor Statistics, measures the average change over time in the selling prices received by producers for their output. The annual PPI-P and the associated annual changes (using industry code 62111 – offices of physicians) are available at www.bls.gov/ppi/data.htm.

Compensation rates as of Oct. 1, 2014

Statewide average weekly wage (SAWW) = \$961
Percentage change in SAWW from previous year = 1.69%
(Apply Minnesota Statutes §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. §§176.101 and 176.111	Minimum under M.S. §176.101, subd. 1(2)	Supplementary benefits under M.S. §176.132 (Minnesota Statutes 1994)
<i>100% of SAWW</i>	<i>50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW</i>	M.S. §176.101, subd. 4 (for injuries 10-1-95 and later)
10-01-88.....\$391.00	50%.....20%	10-01-95.....\$328.25 (rounded to \$329)*
10-01-89.....\$413.00	10-01-88.....\$195.50 (gross wage - \$293.25)\$ 78.20	10-01-96.....\$340.60 (rounded to \$341)*
10-01-90.....\$428.00	10-01-89.....\$206.50 (gross wage - \$309.75)\$ 82.60	10-01-97.....\$359.45 (rounded to \$360)*
10-01-91.....\$443.00	10-01-90.....\$214.00 (gross wage - \$321.00)\$ 85.60	10-01-98.....\$376.35 (rounded to \$377)*
<i>105% of SAWW</i>	10-01-91.....\$221.50 (gross wage - \$332.25)\$ 88.60	10-01-99.....\$399.75 (rounded to \$400)*
10-01-92.....\$481.95	<i>20% of the SAWW or the employee's actual weekly wage, whichever is less</i>	10-01-00.....\$417.30 (rounded to \$418)*
10-01-93.....\$508.20	10-01-92.....\$91.80 (round)	10-01-01.....\$442.00 (round)
10-01-94.....\$516.60	10-01-93.....\$96.80 (rounded to \$457)*	10-01-02.....\$456.30 (rounded to \$457)*
<i>Set by statute</i>	10-01-94.....\$98.40 (rounded to \$467)*	10-01-03.....\$466.70 (rounded to \$467)*
10-01-95.....\$615.00	<i>Set by statute, the listed amount or the employee's actual weekly wage, whichever is less</i>	10-01-04.....\$481.00 (round)
10-01-00.....\$750.00	10-01-95.....\$104.00 (rounded to \$504)*	10-01-05.....\$503.10 (rounded to \$504)*
10-01-08.....\$850.00	10-01-00 \$130.00	10-01-06.....\$508.30 (rounded to \$509)*
<i>102% of SAWW</i>		10-01-07.....\$525.20 (rounded to \$526)*
10-01-13.....\$963.90		10-01-08.....\$552.50 (rounded to \$553)
10-01-14 \$980.22		10-01-09.....\$570.70 (rounded to \$571)*
		10-01-10.....\$564.20 (rounded to \$565)*
		10-01-11.....\$582.40 (rounded to \$583)*
		10-01-12.....\$595.40 (rounded to \$596)*
		10-01-13.....\$614.25 (rounded to \$615)*
		10-01-14 \$624.65 (rounded to \$625)*

*Rounding applies to supplementary benefits.

New benefit and provider fee levels effective October 2013

By Brian Zaidman, Research Analyst, Research and Statistics, and Kate Berger, General Counsel

The statewide average weekly wage (SAWW) effective Oct. 1, 2013, is \$945, a 3.17 percent increase from the current SAWW of \$916, which has been in effect since Oct. 1, 2012. (See the table below.) The levels for minimum and maximum weekly benefit payments are presented in the table on page 10. The statewide annual average wage will change to \$49,134 on Jan. 1, 2014.

The new SAWW is based on 2012 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subd. 1b. The change in the SAWW is the basis for the M.S. § 176.645 annual benefit adjustment. The time of the first adjustment is limited by M.S. § 176.645, subd. 2.

Pursuant to Minnesota Rules 5220.1900, subp. 1b, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase by 3 percent, to \$99.47 Oct. 1, 2013. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will increase to \$75.51 on Oct. 1, 2013. Notice of the increase will be published in the *State Register* on Sept. 3, 2013.

This year there are two adjustments to the workers' compensation medical fee schedule conversion factors.

1. Conversion factor adjustment based on updated relative value

units (RVUs) and rules: Pursuant to M.S. § 176.136, subd. 1a, paragraph (h), the Department of Labor and Industry (DLI) is updating the fee schedule by incorporating by reference the 2013 Medicare RVUs. The Notice of Incorporation by Reference of the 2013 Relative Value Tables was published in the *State Register* on July 29, 2013; it is also on page 11 of this publication. Rule amendments to implement the new RVU tables have been approved by an administrative law judge at the Office of Administrative Hearings and will be published in the *State Register* on Sept. 3, 2013. A link to the corresponding rule amendments is at www.dli.mn.gov/Pdf/docket/5219_5221_rules.pdf.

As required by M.S. § 176.136, subd. 1a, paragraph (g)(2), DLI has adjusted the conversion factors so that overall payment for services covered under both the old and new RVUs will be the same under both sets of RVUs.¹ As required by law, DLI has done this separately for each of the four categories of services listed below.

On average, the new RVUs are higher than the old RVUs for the medical/surgical, physical medicine/rehabilitation and chiropractic services categories; the new RVUs are lower than the old RVUs for pathology/laboratory services. Therefore, to achieve overall payment neutrality for each group, the new conversion factors are lower than the old conversion factors for the first three groups indicated and higher for pathology/laboratory services.²

¹For this calculation, DLI used a deidentified database of Minnesota workers' compensation medical services, charges and related data. The database was a 20-percent sample from the Minnesota Workers' Compensation Medical Data Call, provided to DLI by the Minnesota Workers' Compensation Insurers Association.

²In addition, the new conversion factors incorporate a correction for an error discovered in the old ones. The error resulted from a programming error made in 2010 when the RVUs were last updated. This error affected the set of services selected for the calculation for each group. The resulting conversion factor error was less than 1 percent for medical/surgical and physical medicine/rehabilitation services, and zero for chiropractic services. For pathology/laboratory services, the conversion factor was 14 percent lower than it should have been. These errors are corrected in the new conversion factors.

Statewide average weekly wage Effective Oct. 1 of the indicated year

	Statewide average weekly wage	Percent change from prior year
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%
2004	\$740	3.06%
2005	\$774	4.59%
2006	\$782	1.03%
2007	\$808	3.32%
2008	\$850	5.20%
2009	\$878	3.29%
2010	\$868	-1.14%
2011	\$896	3.23%
2012	\$916	2.23%
2013	\$945	3.17%

2. Conversion factor annual adjustment: M.S. § 176.136, subd. 1a, paragraph (g)(1) provides for annual adjustment of the medical fee schedule conversion factors by no more than the percent change in the SAWW. As in previous years, DLI is adjusting the new conversion factors (computed as described above) by the percent change in the Producer Price Index for Offices of Physicians (PPI-P) between 2011 and 2012 (annual-average basis).³ This change is +1.2 percent.

A table showing the above adjustments to the conversion factors is on the Department of Labor and Industry website at www.dli.mn.gov/WC/Pdf/conversion_factors_0813.pdf. As a result of the adjustments, for services provided on or after Oct. 1, 2013, the new conversion factors will be:

- medical/surgical services in part 5221.4030\$64.69
- pathology/laboratory services in part 5221.4040\$55.68
- physical medicine/rehabilitation services in part 5221.4050\$48.88
- chiropractic services in part 5221.4060\$48.83

IME fee adjustments

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations (IMEs) in the same manner as the adjustment of the conversion factor. Therefore, the maximum IME fees will increase by 1.2 percent for services provided on or after Oct. 1, 2013.

All of the above referenced documents are also online at www.dli.mn.gov/WC/HealthCareProv.asp.

³The PPI, produced by the U.S. Bureau of Labor Statistics, measures the average change over time in the selling prices received by producers for their output. The annual PPI-P and the associated annual changes (using industry code 62111 – offices of physicians) are available at www.bls.gov/ppi/data.htm.

New online process available for submission of dispute certification requests

The Department of Labor and Industry (DLI) has launched a new online process enabling attorneys to submit dispute certification requests electronically to the department. Dispute certification requests have been submitted to DLI since 1995, as a result of legislation requiring DLI to certify that certain medical and vocational rehabilitation issues are actually disputed before attorney fees are claimed.

According to the most recent *Minnesota Workers' Compensation System Report*, during 2011, DLI issued about 6,300 dispute certification decisions, an 85 percent increase since 1999. The report also indicates that during 2011, more than 2,100 medical and vocational rehabilitation claims were resolved during the dispute certification process.

Online submission of dispute certification requests is available exclusively to attorneys. It is intended to eliminate inherent delays and costs associated with attorneys' submission of paper dispute certification requests. However, use of this online filing process is optional; attorneys can continue to file dispute certification requests in conventional paper formats.

The online dispute certification process became available for use Aug. 2. All applicable statutes regarding dispute certification requests submitted in conventional paper formats apply to requests submitted electronically via DLI's website. Data submitted electronically will be accepted as received only during regular DLI business hours, 8 a.m. to 4:30 p.m. (Central Time), Monday through Friday, excluding holidays. Data received after 4:30 p.m. or on a Saturday, Sunday or state holiday will be electronically date-stamped for the next business day DLI is open.

The online process can be accessed online at <https://secure.doli.state.mn.us/dispute>.

Questions about the online dispute certification submission process may be directed DLI's Alternative Dispute Resolution unit by phone at (651) 284-5032 or 1-800-342-5354.

Additional information about the dispute certification process is available on the DLI website at www.dli.mn.gov/WC/DispRes.asp.

Compensation rates as of Oct. 1, 2013

Statewide average weekly wage (SAWW) = \$945
Percentage change in SAWW from previous year = 3.17%
(Apply Minnesota Statutes §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. §§176.101 and 176.111	Minimum under M.S. §176.101, subd. 1(2)	Supplementary benefits under M.S. §176.132 (Minnesota Statutes 1994) and permanent total minimum under M.S. §176.101, subd. 4 (for injuries 10-1-95 and later)
100% of SAWW	50% <u>20%</u>	
10-01-88\$391.00	10-01-88\$195.50 (gross wage - \$293.25)\$ 78.20	10-01-95..... \$328.25 (rounded to \$329)*
10-01-89\$413.00	10-01-89\$206.50 (gross wage - \$309.75)\$ 82.60	10-01-96\$340.60 (rounded to \$341)*
10-01-90\$428.00	10-01-90\$214.00 (gross wage - \$321.00)\$ 85.60	10-01-97\$359.45 (rounded to \$360)*
10-01-91\$443.00	10-01-91\$221.50 (gross wage - \$332.25)\$ 88.60	10-01-98\$376.35 (rounded to \$377)*
105% of SAWW	20% of the SAWW or the employee's actual weekly wage, whichever is less	10-01-99\$399.75 (rounded to \$400)*
10-01-92\$481.95	10-01-92\$91.80	10-01-00\$417.30 (rounded to \$418)*
10-01-93\$508.20	10-01-93\$96.80	10-01-01\$442.00 (round)
10-01-94\$516.60	10-01-94\$98.40	10-01-02\$456.30 (rounded to \$457)*
Set by statute	Set by statute, the listed amount or the employee's actual weekly wage, whichever is less	10-01-03\$466.70 (rounded to \$467)*
10-01-95\$615.00	10-01-95\$104.00	10-01-04\$481.00 (round)
10-01-00\$750.00	10-01-00\$130.00	10-01-05\$503.10 (rounded to \$504)*
10-01-08\$850.00		10-01-06\$508.30 (rounded to \$509)*
102% of SAWW		10-01-07\$525.20 (rounded to \$526)*
10-01-13\$963.90		10-01-08\$552.50 (rounded to \$553)
		10-01-09\$570.70 (rounded to \$571)*
		10-01-10\$564.20 (rounded to \$565)*
		10-01-11\$582.40 (rounded to \$583)*
		10-01-12\$595.40 (rounded to \$596)*
		10-01-13\$614.25 (rounded to \$615)*

*Rounding applies to supplementary benefits.

New benefit and provider fee levels effective October 2012

By Brian Zaidman, Research Analyst, Research and Statistics, and Kate Berger, General Counsel

The statewide average weekly wage (SAWW) effective Oct. 1, 2012, is \$916, a 2.23 percent increase from the current SAWW of \$896, which has been in effect since Oct. 1, 2011. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on page 3. The statewide annual average wage will change to \$47,616 on Jan. 1, 2013.

The new SAWW is based on 2011 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subd. 1b. The change in the SAWW is the basis for the M.S. § 176.645 annual benefit adjustment. The time of the first adjustment is limited by M.S. § 176.645, subd. 2.

Pursuant to Minnesota Rules 5220.1900, subp. 1b, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase by 2 percent, to \$96.57 Oct. 1, 2012. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will increase to \$73.31 on Oct. 1, 2012.

Pursuant to M.S. § 176.136, subd. 1a, which provides for annual adjustments of the medical fee schedule conversion factor by no more than the change in the statewide average weekly wage, the conversion factors will be increased by 1.5 percent, which is the percent change in the producer price index for offices of physicians (PPI-P) developed by the U.S. Department of Labor, Bureau of Labor Statistics.

Statewide average weekly wage
Effective Oct. 1 of the indicated year

	Statewide average weekly wage	
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%
2004	\$740	3.06%
2005	\$774	4.59%
2006	\$782	1.03%
2007	\$808	3.32%
2008	\$850	5.20%
2009	\$878	3.29%
2010	\$868	-1.14%
2011	\$896	3.23%
2012	\$916	2.23%

Effective Oct. 1, 2012, as approved by an administrative law judge at the Office of Administrative Hearings, the new conversion factors will be:

- medical/surgical services in part 5221.4030.....\$69.87
- pathology/laboratory services in part 5221.4040\$41.16
- physical medicine/rehabilitation services in part 5221.4050.....\$54.41
- chiropractic services in part 5221.4060.....\$55.58

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, the maximum independent medical examination fees will be increased by 1.5 percent for services provided on or after Oct. 1, 2012.

An official notice of the medical fee schedule conversion factors and independent medical examination fees as approved by the administrative law judge will be published in the *State Register* in September.

Compensation rates as of Oct. 1, 2012

Statewide average weekly wage (SAWW) = \$916 Percentage change in SAWW from previous year = 2.23% (Apply Minn. Stat. §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. §§176.101 and 176.111

<i>100% of SAWW</i>	
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00
<i>105% of SAWW</i>	
10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60
<i>Set by statute</i>	
10-01-95	\$615.00
10-01-00	\$750.00
10-01-08	\$850.00

Minimum under M.S. §176.101, subd. 1(2)

<i>50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW</i>			
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">50%</td> <td style="width: 50%; text-align: center;">20%</td> </tr> </table>		50%	20%
50%	20%		
10-01-88	\$195.50 (gross wage – \$293.25) .. \$ 78.20		
10-01-89	\$206.50 (gross wage – \$309.75) .. \$ 82.60		
10-01-90	\$214.00 (gross wage – \$321.00) .. \$ 85.60		
10-01-91	\$221.50 (gross wage – \$332.25) .. \$ 88.60		
<i>20% of the SAWW or the employee's actual weekly wage, whichever is less</i>			
10-01-92	\$91.80		
10-01-93	\$96.80		
10-01-94	\$98.40		
<i>Set by statute, the listed amount or the employee's actual weekly wage, whichever is less</i>			
10-01-95	\$104.00		
10-01-00	\$130.00		

Supplementary benefits under M.S. §176.132

(Minnesota Statutes 1994)	
M.S. §176.101, subd. 4	
(for injuries 10-1-95 and later)	
10-01-94	\$319.80 (rounded to \$320)
10-01-95	\$328.25 (rounded to \$329)*
10-01-96	\$340.60 (rounded to \$341)*
10-01-97	\$359.45 (rounded to \$360)*
10-01-98	\$376.35 (rounded to \$377)*
10-01-99	\$399.75 (rounded to \$400)*
10-01-00	\$417.30 (rounded to \$418)*
10-01-01	\$442.00 (round)
10-01-02	\$456.30 (rounded to \$457)*
10-01-03	\$466.70 (rounded to \$467)*
10-01-04	\$481.00 (round)
10-01-05	\$503.10 (rounded to \$504)*
10-01-06	\$508.30 (rounded to \$509)*
10-01-07	\$525.20 (rounded to \$526)*
10-01-08	\$552.50 (rounded to \$553)
10-01-09	\$570.70 (rounded to \$571)*
10-01-10	\$564.20 (rounded to \$565)*
10-01-11	\$582.40 (rounded to \$583)*
10-01-12	\$595.40 (rounded to \$596)*

*Rounding applies to supplementary benefits.

New benefit and provider fee levels effective October 2011

By Brian Zaidman, Research Analyst, Research and Statistics, and Kate Berger, General Counsel

The statewide average weekly wage (SAWW) effective Oct. 1, 2011, is \$896, a 3.23 percent increase from the current SAWW of \$868, which has been in effect since Oct. 1, 2010. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on page 7. The statewide annual average wage will change to \$46,572 on Jan. 1, 2012.

The new SAWW is based on 2010 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subd. 1b. The change in the SAWW is the basis for the M.S. § 176.645 annual benefit adjustment. The time of the first adjustment is limited by M.S. § 176.645, subd. 2.

Pursuant to Minnesota Rules 5220.1900, subp. 1b, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase by 2 percent, to \$94.68, Oct. 1, 2011. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will increase to \$71.87 on Oct. 1, 2011.

Pursuant to M.S. § 176.136, subd. 1a, which provides for annual adjustments of the medical fee schedule conversion factor by no more than the change in the statewide average weekly wage, the conversion factors will be increased by 2.4 percent, which is the percent change in the producer price index for offices of physicians (PPI-P) developed by the U.S. Department of Labor, Bureau of Labor Statistics.

Statewide average weekly wage
Effective Oct. 1 of the indicated year

	Statewide average weekly wage	
1998	\$579	4.70%
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%
2004	\$740	3.06%
2005	\$774	4.59%
2006	\$782	1.03%
2007	\$808	3.32%
2008	\$850	5.20%
2009	\$878	3.29%
2010	\$868	-1.14%
2011	\$896	3.23%

Effective Oct. 1, 2011, the new conversion factors will be:

- medical/surgical services in part 5221.4030.....\$68.84
- pathology/laboratory services in part 5221.4040\$40.55
- physical medicine/rehabilitation services in part 5221.4050.....\$53.61
- chiropractic services in part 5221.4060.....\$54.76

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, the maximum independent medical examination fees will be increased by 2.4 percent for services provided on or after Oct. 1, 2011.

An official notice of the medical fee schedule conversion factors and independent medical examination fees as approved by the administrative law judge will be published in the *State Register* in September.

Compensation rates as of Oct. 1, 2011

Statewide average weekly wage (SAWW) = \$896

Percentage change in SAWW from previous year = 3.23%
(Apply Minn. Stat. § 176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. 176.101 and 176.111

<i>100% of SAWW</i>	
10-01-86	\$360.00
10-01-87	\$376.00
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00

<i>105% of SAWW</i>	
10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60

<i>Set by statute</i>	
10-01-95	\$615.00
10-01-00	\$750.00
10-01-08	\$850.00

Minimum under M.S. 176.101, subd. 1(2)

50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW

	<u>50%</u>	<u>20%</u>
10-01-86	\$180.00 (gross wage – \$270.00) ..	\$ 72.00
10-01-87	\$188.00 (gross wage – \$282.00) ..	\$ 75.20
10-01-88	\$195.50 (gross wage – \$293.25) ..	\$ 78.20
10-01-89	\$206.50 (gross wage – \$309.75) ..	\$ 82.60
10-01-90	\$214.00 (gross wage – \$321.00) ..	\$ 85.60
10-01-91	\$221.50 (gross wage – \$332.25) ..	\$ 88.60

20% of the SAWW or the employee's actual weekly wage, whichever is less

10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40

Set by statute, the listed amount or the employee's actual weekly wage, whichever is less

10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under M.S. 176.132

(Minnesota Statutes 1994)

and permanent total minimum under M.S. 176.101, subd. 4 (for injuries 10-1-95 and later)

10-01-93	\$314.60	(rounded to \$315)
10-01-94	\$319.80	(rounded to \$320)
10-01-95	\$328.25	(rounded to \$329)*
10-01-96	\$340.60	(rounded to \$341)*
10-01-97	\$359.45	(rounded to \$360)*
10-01-98	\$376.35	(rounded to \$377)*
10-01-99	\$399.75	(rounded to \$400)*
10-01-00	\$417.30	(rounded to \$418)*
10-01-01	\$442.00	(round)
10-01-02	\$456.30	(rounded to \$457)*
10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*
10-01-07	\$525.20	(rounded to \$526)*
10-01-08	\$552.50	(rounded to \$553)
10-01-09	\$570.70	(rounded to \$571)*
10-01-10	\$564.20	(rounded to \$565)*
10-01-11	\$582.40	(rounded to \$583)*

*Rounding applies to supplementary benefits.

New benefit and provider fee levels effective October 2010

By Brian Zaidman, Research Analyst, Policy Development, Research and Statistics,
and Kate Berger, General Counsel

The statewide average weekly wage (SAWW) effective Oct. 1, 2010, is \$868, a 1.14 percent decrease from the current SAWW of \$878, which has been in effect since Oct. 1, 2009. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on page 5. The statewide annual average wage will change to \$45,095 on Jan. 1, 2011.

The new SAWW is based on 2009 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in M.S. § 176.011, subd. 1b. The change in the SAWW is the basis for the M.S. § 176.645 annual benefit adjustment. The time of the first adjustment is limited by M.S. § 176.645, subd. 2.

Pursuant to Minn. R. 5220.1900, subp. 1b, the maximum qualified rehabilitation consultant (QRC) hourly fee will remain the same, at \$92.82, as of Oct. 1, 2010. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will also remain the same, at \$70.46.

This year there are two adjustments to the workers' compensation medical fee schedule conversion factors:

1. Conversion factor adjustment based on updated relative value units (RVUs) and rules

– The fee schedule in effect until Oct. 1, 2010, used 1998 Medicare RVUs. Pursuant to M.S. § 176.136, subd. 1a, paragraph (h), the Department of Labor and Industry (DLI) is updating the workers' compensation medical fee schedule by incorporating by reference the 2009 Medicare RVUs. The Notice of Incorporation by Reference of Relative Value Tables was published in the *State Register* on July 26, 2010. The rules to implement the relative value tables will be published in the *State Register* on Aug. 16, 2010. As required by M.S. § 176.136, subd. 1a, paragraph g (2), DLI has adjusted the conversion factors so that overall payment for services covered under both the old and new RVUs will be the same under both sets of RVUs¹. As required by this law, DLI has done this separately for each of the four categories of service listed below. Since the 2009 Medicare RVUs are generally higher than the 1998 RVUs for all four categories of service, the conversion factors have been reduced for all four categories to maintain the same overall payment for services covered by both sets of RVUs.

2. Conversion factor annual adjustment

– Pursuant to M.S. § 176.136, subd. 1a, paragraph g (1), which provides for annual adjustment of the medical fee schedule conversion factors by no more

Statewide average weekly wage Effective Oct. 1 of the indicated year

	Statewide average weekly wage	
1997	\$553	5.53%
1998	\$579	4.70%
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%
2004	\$740	3.06%
2005	\$774	4.59%
2006	\$782	1.03%
2007	\$808	3.32%
2008	\$850	5.20%
2009	\$878	3.29%
2010	\$868	-1.14%

¹DLI used a database from a large insurer for this calculation.

New benefit and provider fee, continued ...

than the percent change in the SAWW, the conversion factors for the new fee schedule as described above are being decreased by 1.14 percent.

As a result of both adjustments, subject to approval by an administrative law judge at the Office of Administrative Hearings, effective Oct. 1, 2010, the new conversion factors will be:

- medical/surgical services in part 5221.4030.....\$67.23
- pathology/laboratory services in part 5221.4040\$39.60
- physical medicine/rehabilitation services in part 5221.4050.....\$52.35
- chiropractic services in part 5221.4060.....\$53.48

Additional background about the fee schedule and tables showing changes to the RVUs and conversion factors are online at www.dli.mn.gov/WC/HealthCareProv.asp.

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, the maximum independent medical examination fees will decrease by 1.14 percent for services provided on or after Oct. 1, 2010, subject to approval by an administrative law judge.

An official notice of the medical fee schedule conversion factors and independent medical examination fees as approved by the administrative law judge will be published in the *State Register* in September.

Compensation rates as of Oct. 1, 2010

Statewide average weekly wage (SAWW) = \$868
Percentage change in SAWW from previous year = -1.14%
(Apply M.S. §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. 176.101 and 176.111

<i>100% of SAWW</i>	
10-01-86	\$360.00
10-01-87	\$376.00
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00
<i>105% of SAWW</i>	
10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60
<i>Set by Statute</i>	
10-01-95	\$615.00
10-01-00	\$750.00
10-01-08	\$850.00

Minimum under M.S. 176.101, subd. 1(2)

<i>50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW</i>	
<u>50%</u>	<u>20%</u>
10-01-86	\$180.00 (gross wage - \$270.00) ... \$ 72.00
10-01-87	\$188.00 (gross wage - \$282.00) ... \$ 75.20
10-01-88	\$195.50 (gross wage - \$293.25) ... \$ 78.20
10-01-89	\$206.50 (gross wage - \$309.75) ... \$ 82.60
10-01-90	\$214.00 (gross wage - \$321.00) ... \$ 85.60
10-01-91	\$221.50 (gross wage - \$332.25) ... \$ 88.60
<i>20% of the SAWW or the employee's actual weekly wage, whichever is less</i>	
10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40
<i>Set by statute, the listed amount or the employee's actual weekly wage, whichever is less</i>	
10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under M.S. 176.132 (Minnesota Statutes 1994) and permanent total minimum under M.S. 176.101, subd. 4 (for injuries 10-1-95 and later)

10-01-92	\$298.35	(rounded to \$299)
10-01-93	\$314.60	(rounded to \$315)
10-01-94	\$319.80	(rounded to \$320)
10-01-95	\$328.25	(rounded to \$329)*
10-01-96	\$340.60	(rounded to \$341)*
10-01-97	\$359.45	(rounded to \$360)*
10-01-98	\$376.35	(rounded to \$377)*
10-01-99	\$399.75	(rounded to \$400)*
10-01-00	\$417.30	(rounded to \$418)*
10-01-01	\$442.00	(round)
10-01-02	\$456.30	(rounded to \$457)*
10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*
10-01-07	\$525.20	(rounded to \$526)*
10-01-08	\$552.50	(rounded to \$553)
10-01-09	\$570.70	(rounded to \$571)*
10-01-10	\$564.20	(rounded to \$565)*

*Rounding applies to supplementary benefits.

New benefit and provider fee levels effective October 2009

By Brian Zaidman, Research Analyst, Policy Development, Research and Statistics,
and Kate Berger, General Counsel

The statewide average weekly wage (SAWW) effective Oct. 1, 2009, is \$878, a 3.29 percent increase over the current SAWW of \$850, which has been in effect since Oct. 1, 2008. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on the page 8. The statewide annual average wage will change to \$45,618 on Jan. 1, 2010.

The new SAWW is based on 2008 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes § 176.011, subd. 20. The increase in the SAWW is the basis for the M.S. § 176.645 annual benefit increases.

Only injured workers meeting the eligibility requirements of M.S. § 176.645 will receive adjusted benefits. Benefit increases for workers injured prior to Oct. 1, 1992, are limited to 6 percent. Benefit increases for workers injured between Oct. 1, 1992, and Sept. 30, 1995, are limited to 4 percent. For workers injured on or after Oct. 1, 1995, the initial annual adjustment is made on the fourth anniversary of the date of injury and is limited to 2 percent.

For injuries and illnesses occurring on or after Oct. 1, 2008, the maximum weekly benefit is \$850 and the maximum duration of temporary total disability benefits is 130 weeks. The minimum weekly benefit level for temporary total disability benefits is \$130.

Pursuant to Minnesota Rules 5220.1900, subp. 2b, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase by 2 percent, to \$92.82, Oct. 1, 2009. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, will increase by 2 percent to \$70.46.

Statewide average weekly wage Effective Oct. 1 of the indicated year

Year	Statewide average weekly wage	Percentage change from previous year
1996	\$524	3.76%
1997	\$553	5.53%
1998	\$579	4.70%
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%
2004	\$740	3.06%
2005	\$774	4.59%
2006	\$782	1.03%
2007	\$808	3.32%
2008	\$850	5.20%
2009	\$878	3.29%

Pursuant to M.S. § 176.136, subd. 1a, which provides for annual adjustments of the medical fee schedule conversion factor by no more than the change in the statewide average weekly wage, the conversion factors will be increased by 1.1 percent, which is the percent change in the producer price index for offices of physicians (PPI-P) developed by the U.S. Department of Labor, Bureau of Labor Statistics.

Subject to the approval of an administrative law judge at the Office of Administrative Hearings, effective Oct. 1, 2009, the new conversion factors will be:

- medical/surgical services in part 5221.4030 \$81.63
- pathology/laboratory services in part 5221.4040 \$68.17
- physical medicine/rehabilitation services in part 5221.4050 \$70.77
- chiropractic services in part 5221.4060 \$58.78

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, the maximum independent medical examination fees will be increased by 1.1 percent for services provided on or after Oct. 1, 2009, subject to approval by an administrative law judge.

An official notice of the medical fee schedule conversion factors and independent medical examination fees as approved by the administrative law judge will be published in the *State Register* in September.

Compensation rates as of Oct. 1, 2009

Statewide average weekly wage (SAWW) = \$878

Percentage change in SAWW from previous year = 3.29%

(Apply Minnesota Statutes §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. 176.101 and 176.111

<i>100% of SAWW</i>	
10-01-80	\$244.00
10-01-81	\$267.00
10-01-82	\$290.00
10-01-83	\$313.00
10-01-84	\$329.00
10-01-85	\$342.00
10-01-86	\$360.00
10-01-87	\$376.00
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00

105% of SAWW

10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60

Set by Statute

10-01-95	\$615.00
10-01-00	\$750.00
10-01-08	\$850.00

Minimum under M.S. 176.101, subd. 1(2)

50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW

<i>50%</i>	<i>20%</i>
10-01-80	\$122.00 (gross wage - \$183.00) ... \$ 48.80
10-01-81	\$133.50 (gross wage - \$200.25) ... \$ 53.40
10-01-82	\$145.00 (gross wage - \$217.50) ... \$ 58.00
10-01-83	\$156.50 (gross wage - \$234.75) ... \$ 62.60
10-01-84	\$164.50 (gross wage - \$246.75) ... \$ 65.80
10-01-85	\$171.00 (gross wage - \$256.50) ... \$ 68.40
10-01-86	\$180.00 (gross wage - \$270.00) ... \$ 72.00
10-01-87	\$188.00 (gross wage - \$282.00) ... \$ 75.20
10-01-88	\$195.50 (gross wage - \$293.25) ... \$ 78.20
10-01-89	\$206.50 (gross wage - \$309.75) ... \$ 82.60
10-01-90	\$214.00 (gross wage - \$321.00) ... \$ 85.60
10-01-91	\$221.50 (gross wage - \$332.25) ... \$ 88.60

20% of the SAWW or the employee's actual weekly wage, whichever is less

10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40

Set by statute, the listed amount or the employee's actual weekly wage, whichever is less

10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under M.S. 176.132 (Minnesota Statutes 1994)

**and permanent total minimum under
M.S. 176.101, subd. 4
(for injuries 10-1-95 and later)**

10-01-91	\$287.95	(rounded to \$288)
10-01-92	\$298.35	(rounded to \$299)
10-01-93	\$314.60	(rounded to \$315)
10-01-94	\$319.80	(rounded to \$320)
10-01-95	\$328.25	(rounded to \$329)*
10-01-96	\$340.60	(rounded to \$341)*
10-01-97	\$359.45	(rounded to \$360)*
10-01-98	\$376.35	(rounded to \$377)*
10-01-99	\$399.75	(rounded to \$400)*
10-01-00	\$417.30	(rounded to \$418)*
10-01-01	\$442.00	(round)
10-01-02	\$456.30	(rounded to \$457)*
10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*
10-01-07	\$525.20	(rounded to \$526)*
10-01-08	\$552.50	(rounded to \$553)
10-01-09	\$570.70	(rounded to \$571)*

*Rounding applies to supplementary benefits.

New benefit and provider fee levels effective October 2008

By Brian Zaidman, Research Analyst, Policy Development, Research and Statistics,
and Kate Berger, Legal Services

The statewide average weekly wage (SAWW) effective Oct. 1, 2008, is \$850, a 5.2 percent increase over the current SAWW of \$808, which has been in effect since Oct. 1, 2007. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on the page 4. The statewide annual average wage will change to \$44,154 on Jan. 1, 2009.

The new SAWW is based on 2007 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes §176.011, subd. 20. The increase in the SAWW is the basis for the M.S. §176.645 annual benefit increases.

Only injured workers meeting the eligibility requirements of M.S. §176.645 will receive adjusted benefits. Benefit increases for workers injured prior to Oct. 1, 1992, are limited to 6 percent. Benefit increases for workers injured between Oct. 1, 1992, and Sept. 30, 1995, are limited to 4 percent. For workers injured on or after Oct. 1, 1995, the initial annual adjustment is made on the fourth anniversary of the date of injury and is limited to 2 percent.

For injuries and illnesses occurring on or after Oct. 1, 2008, the maximum weekly benefit is \$850 and the maximum duration of temporary total disability benefits is 130 weeks. There is no change to the minimum weekly benefit level.

On Oct. 1, 2008, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase to \$91 and the maximum hourly rate for QRC interns is \$81. The maximum hourly rate for rehabilitation job development and placement services, whether provided by rehabilitation vendors or by QRC firms, is limited to the 2-percent maximum increase (Minnesota Rules 5220.1900 subp. 1e) and will increase to \$69.08.

Statewide average weekly wage Effective Oct. 1 of the indicated year

Year	Statewide average weekly wage	Percentage change from previous year
1995	\$505	2.64%
1996	\$524	3.76%
1997	\$553	5.53%
1998	\$579	4.70%
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%
2004	\$740	3.06%
2005	\$774	4.59%
2006	\$782	1.03%
2007	\$808	3.32%
2008	\$850	5.20%

Pursuant to M.S. §176.136, subd. 1a, which provides for annual adjustments of the medical fee schedule conversion factor by no more than the change in the statewide average weekly wage, the commissioner is adjusting the 2006 conversion factors by 4.1 percent, which is the percent change in the producer price index for offices of physicians (PPI-P) developed by the U.S. Department of Labor, Bureau of Labor Statistics.

Subject to the approval of an administrative law judge at the Office of Administrative Hearings, effective Oct. 1, 2008, the new conversion factors will be:

- medical/surgical services in part 5221.4030 \$80.74
- pathology/laboratory services in part 5221.4040 \$67.43
- physical medicine/rehabilitation services in part 5221.4050 \$70.00
- chiropractic services in part 5221.4060 \$58.14

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, the independent medical examination fees will be increased by 4.1 percent for services provided on or after Oct. 1, 2008, subject to approval by an administrative law judge.

An official notice of the medical fee schedule conversion factors and independent medical examination fees as approved by the administrative law judge will be published in the *State Register* in September.

Compensation rates as of Oct. 1, 2008

Statewide average weekly wage (SAWW) = \$850

Percentage change in SAWW from previous year = 5.2%

(Apply Minnesota Statutes §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. 176.101 and 176.111

<i>100% of SAWW</i>	
10-01-80	\$244.00
10-01-81	\$267.00
10-01-82	\$290.00
10-01-83	\$313.00
10-01-84	\$329.00
10-01-85	\$342.00
10-01-86	\$360.00
10-01-87	\$376.00
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00

105% of SAWW

10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60

Set by Statute

10-01-95	\$615.00
10-01-00	\$750.00
10-01-08	\$850.00

Minimum under M.S. 176.101, subd. 1(2)

50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW

	<u>50%</u>	<u>20%</u>
10-01-80	\$122.00 (gross wage - \$183.00)...	\$ 48.80
10-01-81	\$133.50 (gross wage - \$200.25)...	\$ 53.40
10-01-82	\$145.00 (gross wage - \$217.50)...	\$ 58.00
10-01-83	\$156.50 (gross wage - \$234.75)...	\$ 62.60
10-01-84	\$164.50 (gross wage - \$246.75)...	\$ 65.80
10-01-85	\$171.00 (gross wage - \$256.50)...	\$ 68.40
10-01-86	\$180.00 (gross wage - \$270.00)...	\$ 72.00
10-01-87	\$188.00 (gross wage - \$282.00)...	\$ 75.20
10-01-88	\$195.50 (gross wage - \$293.25)...	\$ 78.20
10-01-89	\$206.50 (gross wage - \$309.75)...	\$ 82.60
10-01-90	\$214.00 (gross wage - \$321.00)...	\$ 85.60
10-01-91	\$221.50 (gross wage - \$332.25)...	\$ 88.60

20% of the SAWW or the employee's actual weekly wage, whichever is less

10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40

Set by statute, the listed amount or the employee's actual weekly wage, whichever is less

10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under M.S. 176.132
(Minnesota Statutes 1994)

and permanent total minimum under M.S. 176.101, subd. 4
(for injuries 10-1-95 and later)

10-01-90	\$278.20	(rounded to \$279)
10-01-91	\$287.95	(rounded to \$288)
10-01-92	\$298.35	(rounded to \$299)
10-01-93	\$314.60	(rounded to \$315)
10-01-94	\$319.80	(rounded to \$320)
10-01-95	\$328.25	(rounded to \$329)*
10-01-96	\$340.60	(rounded to \$341)*
10-01-97	\$359.45	(rounded to \$360)*
10-01-98	\$376.35	(rounded to \$377)*
10-01-99	\$399.75	(rounded to \$400)*
10-01-00	\$417.30	(rounded to \$418)*
10-01-01	\$442.00	(round)
10-01-02	\$456.30	(rounded to \$457)*
10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*
10-01-07	\$525.20	(rounded to \$526)*
10-01-08	\$552.50	(rounded to \$553)*

*Rounding applies to supplementary benefits.

New benefit and provider fee levels effective October 2007

By Brian Zaidman, Research Analyst, Research and Statistics, and Kate Berger, Legal Services

The statewide average weekly wage (SAWW) effective Oct. 1, 2007, is \$808, a 3.32 percent increase over the current SAWW of \$782, which has been in effect since Oct. 1, 2006. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on the page 4. The statewide annual average wage will change to \$41,996 on Jan. 1, 2008.

The new SAWW is based on 2006 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes §176.011, subd. 20. The increase in the SAWW is the basis for the M.S. §176.645 annual benefit increases.

Only injured workers meeting the eligibility requirements of M.S. §176.645 will receive adjusted benefits. Benefit increases for workers injured prior to Oct. 1, 1992, are limited to 6 percent. Benefit increases for workers injured between Oct. 1, 1992, and Sept. 30, 1995, are limited to 4 percent. For workers injured on or after Oct. 1, 1995, the initial annual adjustment is made on the fourth anniversary of the date of injury and is limited to 2 percent.

The vocational rehabilitation annual adjustment of hourly fees is limited to the 2 percent maximum increase (Minnesota Rules 5220.1900 subp. 1b, 1c and 1e.) On Oct. 1, 2007, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase to \$88.06 and the maximum hourly rate for rehabilitation job development and placement services will increase to \$67.73.

Statewide average weekly wage Effective Oct. 1 of the indicated year

Year	Statewide average weekly wage	Percentage change from previous year
1994	\$492	1.65%
1995	\$505	2.64%
1996	\$524	3.76%
1997	\$553	5.53%
1998	\$579	4.70%
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%
2004	\$740	3.06%
2005	\$774	4.59%
2006	\$782	1.03%
2007	\$808	3.32%

Pursuant to M.S. §176.136, subd. 1a, which provides for annual adjustments of the medical fee schedule conversion factor by no more than the change in the statewide average weekly wage, the commissioner is adjusting the 2006 conversion factors by 0.9 percent, which is the percent change in the producer price index for offices of physicians (PPI-P) developed by the U.S. Department of Labor, Bureau of Labor Statistics.

Subject to the approval of an administrative law judge at the Office of Administrative Hearings, effective Oct. 1, 2007, the new conversion factors will be:

- medical/surgical services in part 5221.4030\$77.56
- pathology/laboratory services in part 5221.4040\$64.77
- physical medicine/rehabilitation services in part 5221.4050\$67.24
- chiropractic services in part 5221.4060.....\$55.85

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, the independent medical examination fees will be increased by 0.9 percent for services provided on or after Oct. 1, 2007, subject to approval by an administrative law judge.

An official notice of the medical fee schedule conversion factors and independent medical examination fees as approved by the administrative law judge will be published in the *State Register* in September.

Compensation rates as of Oct. 1, 2007

Statewide average weekly wage (SAWW) = \$808
Percentage change in SAWW from previous year = 3.32%
(Apply Minnesota Statutes §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. 176.101 and 176.111

<i>100% of SAWW</i>	
10-01-80	\$244.00
10-01-81	\$267.00
10-01-82	\$290.00
10-01-83	\$313.00
10-01-84	\$329.00
10-01-85	\$342.00
10-01-86	\$360.00
10-01-87	\$376.00
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00

105% of SAWW

10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60

Set by Statute

10-01-95	\$615.00
10-01-00	\$750.00

Minimum under M.S. 176.101, subd. 1(2)

<i>50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW</i>	
10-01-80	\$122.00 (gross wage - \$183.00)... \$ 48.80
10-01-81	\$133.50 (gross wage - \$200.25)... \$ 53.40
10-01-82	\$145.00 (gross wage - \$217.50)... \$ 58.00
10-01-83	\$156.50 (gross wage - \$234.75)... \$ 62.60
10-01-84	\$164.50 (gross wage - \$246.75)... \$ 65.80
10-01-85	\$171.00 (gross wage - \$256.50)... \$ 68.40
10-01-86	\$180.00 (gross wage - \$270.00)... \$ 72.00
10-01-87	\$188.00 (gross wage - \$282.00)... \$ 75.20
10-01-88	\$195.50 (gross wage - \$293.25)... \$ 78.20
10-01-89	\$206.50 (gross wage - \$309.75)... \$ 82.60
10-01-90	\$214.00 (gross wage - \$321.00)... \$ 85.60
10-01-91	\$221.50 (gross wage - \$332.25)... \$ 88.60

20% of the SAWW or the employee's actual weekly wage, whichever is less

10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40

Set by statute, the listed amount or the employee's actual weekly wage, whichever is less

10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under M.S. 176.132
(Minnesota Statutes 1994)

and permanent total minimum under M.S. 176.101, subd. 4 (for injuries 10-1-95 and later)

10-01-90	\$278.20	(rounded to \$279)
10-01-91	\$287.95	(rounded to \$288)
10-01-92	\$298.35	(rounded to \$299)
10-01-93	\$314.60	(rounded to \$315)
10-01-94	\$319.80	(rounded to \$320)
10-01-95	\$328.25	(rounded to \$329)*
10-01-96	\$340.60	(rounded to \$341)*
10-01-97	\$359.45	(rounded to \$360)*
10-01-98	\$376.35	(rounded to \$377)*
10-01-99	\$399.75	(rounded to \$400)*
10-01-00	\$417.30	(rounded to \$418)*
10-01-01	\$442.00	(round)
10-01-02	\$456.30	(rounded to \$457)*
10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*
10-01-07	\$525.20	(rounded to \$526)*

*Rounding applies to supplementary benefits.

New benefit and provider fee levels effective October 2006

By Brian Zaidman and David Berry, Research Analysts, Research and Statistics, and Kate Berger, Legal Services

The statewide average weekly wage (SAWW) effective Oct. 1, 2006, is \$782, a 1.03 percent increase over the current SAWW of \$774, which has been in effect since Oct. 1, 2005. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on the page 6. The statewide annual average wage will change to \$40,636 on Jan. 1, 2007.

The new SAWW is based on 2005 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes §176.011, subd. 20. The increase in the SAWW is the basis for the M.S. §176.645 annual benefit increases.

Only injured workers meeting the eligibility requirements of M.S. §176.645 will receive adjusted benefits. Benefit increases for workers injured prior to Oct. 1, 1992, are limited to 6 percent. Benefit increases for workers injured between Oct. 1, 1992, and Sept. 30, 1995, are limited to 4 percent. For workers injured on or after Oct. 1, 1995, the initial annual adjustment is made on the fourth anniversary of the date of injury and is limited to 2 percent.

Vocational rehabilitation provider hourly fees will be adjusted by the 1.03 percent SAWW increase, pursuant to Minnesota Rules 5220.1900 subp. 1b, 1c and 1e. On Oct. 1, 2006, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase to \$86.33 and the maximum hourly rate for rehabilitation job development and placement services will increase to \$66.40.

Statewide average weekly wage Effective Oct. 1 of the indicated year

Year	Statewide average weekly wage	Percentage change from previous year
1993	\$484	5.45%
1994	\$492	1.65%
1995	\$505	2.64%
1996	\$524	3.76%
1997	\$553	5.53%
1998	\$579	4.70%
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%
2004	\$740	3.06%
2005	\$774	4.59%
2006	\$782	1.03%

Minnesota Statutes §176.136, subd. 1a, as amended during the 2005 legislative special session, requires the conversion factor for chiropractic services to be increased to 72 percent of the medical/surgical conversion factor on Oct. 1, 2006. The law also provides that the annual adjustment of the conversion factors may be adjusted (by no less than zero) to offset the increase in payments resulting from the increase in the chiropractic conversion factor.

Pursuant to this law, the 2005 conversion factors are adjusted by 0.73 percent. Subject to the approval of an administrative law judge, effective Oct. 1, 2006, the new conversion factors will be:

- medical/surgical services in part 5221.4030\$76.87
- pathology/laboratory services in part 5221.4040\$64.19
- physical medicine/rehabilitation services in part 5221.4050\$66.64
- chiropractic services in part 5221.4060.....\$55.35

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, the independent medical examination fees will be increased by 0.73 percent for services provided on or after Oct. 1, 2006, subject to approval by an administrative law judge.

An official notice of the medical fee schedule conversion factors and independent medical examination fees as approved by the administrative law judge will be published in the *State Register* in September.

Compensation rates as of Oct. 1, 2006

Statewide average weekly wage (SAWW) = \$782

Percentage change in SAWW from previous year = 1.03%

(Apply Minnesota Statutes §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. 176.101 and 176.111

<i>100% of SAWW</i>	
10-01-77	\$197.00
10-01-78	\$209.00
10-01-79	\$226.00
10-01-80	\$244.00
10-01-81	\$267.00
10-01-82	\$290.00
10-01-83	\$313.00
10-01-84	\$329.00
10-01-85	\$342.00
10-01-86	\$360.00
10-01-87	\$376.00
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00
<i>105% of SAWW</i>	
10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60
<i>Set by Statute</i>	
10-01-95	\$615.00
10-01-00	\$750.00

Minimum under M.S. 176.101, subd. 1(2)

50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW

	<u>50%</u>	<u>20%</u>
10-01-77	\$ 98.50 (gross wage - \$147.75) ...	\$ 39.40
10-01-78	\$104.50 (gross wage - \$156.75) ...	\$ 41.80
10-01-79	\$113.00 (gross wage - \$169.50) ...	\$ 45.20
10-01-80	\$122.00 (gross wage - \$183.00) ...	\$ 48.80
10-01-81	\$133.50 (gross wage - \$200.25) ...	\$ 53.40
10-01-82	\$145.00 (gross wage - \$217.50) ...	\$ 58.00
10-01-83	\$156.50 (gross wage - \$234.75) ...	\$ 62.60
10-01-84	\$164.50 (gross wage - \$246.75) ...	\$ 65.80
10-01-85	\$171.00 (gross wage - \$256.50) ...	\$ 68.40
10-01-86	\$180.00 (gross wage - \$270.00) ...	\$ 72.00
10-01-87	\$188.00 (gross wage - \$282.00) ...	\$ 75.20
10-01-88	\$195.50 (gross wage - \$293.25) ...	\$ 78.20
10-01-89	\$206.50 (gross wage - \$309.75) ...	\$ 82.60
10-01-90	\$214.00 (gross wage - \$321.00) ...	\$ 85.60
10-01-91	\$221.50 (gross wage - \$332.25) ...	\$ 88.60

20% of the SAWW or the employee's actual

weekly wage, whichever is less

10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40

Set by statute, the listed amount or the employee's

actual weekly wage, whichever is less

10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under M.S. 176.132 (Minnesota Statutes 1994)

**and permanent total minimum under
M.S. 176.101, subd. 4
(for injuries 10-1-95 and later)**

10-01-84	\$213.85	(rounded to \$214)
10-01-85	\$222.30	(rounded to \$223)
10-01-86	\$234.00	(round)
10-01-87	\$244.40	(rounded to \$245)
10-01-88	\$254.15	(rounded to \$255)
10-01-89	\$268.45	(rounded to \$269)
10-01-90	\$278.20	(rounded to \$279)
10-01-91	\$287.95	(rounded to \$288)
10-01-92	\$298.35	(rounded to \$299)
10-01-93	\$314.60	(rounded to \$315)
10-01-94	\$319.80	(rounded to \$320)
10-01-95	\$328.25	(rounded to \$329)*
10-01-96	\$340.60	(rounded to \$341)*
10-01-97	\$359.45	(rounded to \$360)*
10-01-98	\$376.35	(rounded to \$377)*
10-01-99	\$399.75	(rounded to \$400)*
10-01-00	\$417.30	(rounded to \$418)*
10-01-01	\$442.00	(round)
10-01-02	\$456.30	(rounded to \$457)*
10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*
10-01-06	\$508.30	(rounded to \$509)*

*Rounding applies to supplementary benefits.

New benefit and provider fee levels effective October 2005

By Brian Zaidman, Research Analyst, Research and Statistics, and Kate Berger, Legal Services

The statewide average weekly wage (SAWW) effective Oct. 1, 2005, is \$774, a 4.59 percent increase over the current SAWW of \$740, which has been in effect since Oct. 1, 2004. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on the page 7. The statewide annual average wage will change to \$40,203 on Jan. 1, 2006.

The new SAWW is based on 2004 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes §176.011, subd. 20. The increase in the SAWW is the basis for the M.S. §176.645 annual benefit increases.

Only injured workers meeting the eligibility requirements of M.S. §176.645 will receive adjusted benefits. Benefit increases for workers injured prior to Oct. 1, 1992, are limited to 6 percent. Benefit increases for workers injured between Oct. 1, 1992, and Sept. 30, 1995, are limited to 4 percent. For workers injured on or after Oct. 1, 1995, the initial annual adjustment is made on the fourth anniversary of the date of injury and is limited to 2 percent.

The vocational rehabilitation annual adjustment of hourly fees is limited to the 2 percent maximum increase (Minnesota Rules 5220.1900 subp. 1b, 1c and 1e). On Oct. 1, 2005, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase to \$85.45 and the maximum hourly rate for rehabilitation job development and placement services will increase to \$65.72.

During the 2005 legislative special session, a new law was enacted amending the relative value fee schedule (2005 Laws of Minnesota, 1st special session, ch. 1, art. 4, sec. 40). This law:

- removes the scaling factors from the relative value units in the workers' compensation medical fee schedule.
- establishes four conversion factors for the sections of the fee schedule containing medical/surgical services, pathology and laboratory services, physical medicine and rehabilitation services and chiropractic services.
- requires the four conversion factors to be set so that the maximum fees for each service are the same as under the current fee schedule, except for chiropractic services.
- requires the conversion factor for chiropractic services to be increased to 72 percent of the medical/surgical conversion factor, with half of the increase to be implemented Oct. 1, 2005, and half implemented Oct. 1, 2006.
- provides that the annual adjustment of the conversion factors may be adjusted (by no less than zero) to offset the increase in payments resulting from the increase in the chiropractic conversion factor. **Fee levels, continues ...**

Statewide average weekly wage
Effective Oct. 1 of the indicated year

Year	Statewide average weekly wage	Percentage change from previous year
1992	\$459	3.61%
1993	\$484	5.45%
1994	\$492	1.65%
1995	\$505	2.64%
1996	\$524	3.76%
1997	\$553	5.53%
1998	\$579	4.70%
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%
2004	\$740	3.06%
2005	\$774	4.59%

Fee levels, continued ...

Pursuant to this law, effective Oct. 1, 2005, the new conversion factors will be:

- medical/surgical services in part 5221.4030.....\$76.31
- pathology/laboratory services in part 5221.4040.....\$63.72
- physical medicine/rehabilitation services in part 5221.4050.....\$66.16
- chiropractic services in part 5221.4060.....\$48.08

To offset the increase in the chiropractic conversion factor, as permitted by the new law, there will be no annual adjustment to the conversion factors.

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, because there is no annual adjustment to the conversion factors, there will be no increase in the independent medical examination fees on Oct. 1, 2005.

An official notice of the medical fee schedule conversion factors and independent medical examination fees as approved by the administrative law judge will be published in the *State Register* in September.

Role-playing injects fun into work comp training scenario



To liven up the afternoon session during a Department of Labor and Industry workers' compensation training for insurance adjusters, in July, Customer Assistance staff members take on roles, acting out a mediation session with an injured worker and two lawyers. For more training information, visit www.doli.state.mn.us/wctrain.html.

Above (l to r): injured employee Marv Williams (Ralph Hapness, in hat); attorney Lyle Litigator (Phil Moosbrugger). DLI mediator (John O'Loughlin); and the insurer's attorney Paula Perfect (Nancy Lane).

Compensation rates as of Oct. 1, 2005

Statewide average weekly wage (SAWW) = \$774
Percentage change in SAWW from previous year = 4.59%
(Apply Minnesota Statutes §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. 176.101 and 176.111

<i>100% of SAWW</i>	
10-01-77	\$197.00
10-01-78	\$209.00
10-01-79	\$226.00
10-01-80	\$244.00
10-01-81	\$267.00
10-01-82	\$290.00
10-01-83	\$313.00
10-01-84	\$329.00
10-01-85	\$342.00
10-01-86	\$360.00
10-01-87	\$376.00
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00
<i>105% of SAWW</i>	
10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60
<i>Set by Statute</i>	
10-01-95	\$615.00
10-01-00	\$750.00

Minimum under M.S. 176.101, subd. 1(2)

<i>50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW</i>	
10-01-77	\$ 98.50 (gross wage - \$147.75) ... \$ 39.40
10-01-78	\$104.50 (gross wage - \$156.75) ... \$ 41.80
10-01-79	\$113.00 (gross wage - \$169.50) ... \$ 45.20
10-01-80	\$122.00 (gross wage - \$183.00) ... \$ 48.80
10-01-81	\$133.50 (gross wage - \$200.25) ... \$ 53.40
10-01-82	\$145.00 (gross wage - \$217.50) ... \$ 58.00
10-01-83	\$156.50 (gross wage - \$234.75) ... \$ 62.60
10-01-84	\$164.50 (gross wage - \$246.75) ... \$ 65.80
10-01-85	\$171.00 (gross wage - \$256.50) ... \$ 68.40
10-01-86	\$180.00 (gross wage - \$270.00) ... \$ 72.00
10-01-87	\$188.00 (gross wage - \$282.00) ... \$ 75.20
10-01-88	\$195.50 (gross wage - \$293.25) ... \$ 78.20
10-01-89	\$206.50 (gross wage - \$309.75) ... \$ 82.60
10-01-90	\$214.00 (gross wage - \$321.00) ... \$ 85.60
10-01-91	\$221.50 (gross wage - \$332.25) ... \$ 88.60
<i>20% of the SAWW or the employee's actual weekly wage, whichever is less</i>	
10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40

Set by statute, the listed amount or the employee's actual weekly wage, whichever is less

10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under M.S. 176.132 (Minnesota Statutes 1994)

and permanent total minimum under M.S. 176.101, subd. 4 (for injuries 10-1-95 and later)

10-01-83	\$203.45	(rounded to \$204)
10-01-84	\$213.85	(rounded to \$214)
10-01-85	\$222.30	(rounded to \$223)
10-01-86	\$234.00	(round)
10-01-87	\$244.40	(rounded to \$245)
10-01-88	\$254.15	(rounded to \$255)
10-01-89	\$268.45	(rounded to \$269)
10-01-90	\$278.20	(rounded to \$279)
10-01-91	\$287.95	(rounded to \$288)
10-01-92	\$298.35	(rounded to \$299)
10-01-93	\$314.60	(rounded to \$315)
10-01-94	\$319.80	(rounded to \$320)
10-01-95	\$328.25	(rounded to \$329)*
10-01-96	\$340.60	(rounded to \$341)*
10-01-97	\$359.45	(rounded to \$360)*
10-01-98	\$376.35	(rounded to \$377)*
10-01-99	\$399.75	(rounded to \$400)*
10-01-00	\$417.30	(rounded to \$418)*
10-01-01	\$442.00	(round)
10-01-02	\$456.30	(rounded to \$457)*
10-01-03	\$466.70	(rounded to \$467)*
10-01-04	\$481.00	(round)
10-01-05	\$503.10	(rounded to \$504)*

*Rounding applies to supplementary benefits.

New benefit and provider fees levels effective October 2004

By Brian Zaidman, Research Analyst
Research and Statistics

The statewide average weekly wage (SAWW) effective Oct. 1, 2004, is \$740, a 3.06 percent increase over the current SAWW of \$718, which has been in effect since Oct. 1, 2003. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on the following page. The statewide annual average wage will change to \$38,441 on Jan. 1, 2005.

The new SAWW is based on 2003 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes §176.011, subd. 20. The increase in the SAWW is the basis for the M.S. §176.645 annual benefit increases.

Only injured workers meeting the eligibility requirements of M.S. §176.645 will receive adjusted benefits. Benefit increases for workers injured prior to Oct. 1, 1992, are limited to 6 percent. Benefit increases for workers injured between Oct. 1, 1992, and Sept. 30, 1995, are limited to 4 percent. For workers injured on or after Oct. 1, 1995, the initial annual adjustment is made on the fourth anniversary of the date of injury and is limited to 2 percent. [See *COMPACT*, February 1999, pages 10-11.]

The vocational rehabilitation annual adjustment of hourly fees is limited to the 2 percent maximum increase (Minnesota Rules 5220.1900 subp. 1b, 1c and 1e). On Oct. 1, 2004, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase to \$83.77 and the maximum hourly rate for rehabilitation job development and placement services will increase to \$64.43. Notices of hourly fee changes must be filed with the DLI commissioner. QRCs and registered rehabilitation vendors can ensure their hourly rates are on file by completing forms R-21 or R-23 (available on the Department of Labor and Industry Web site at www.doli.state.mn.us/wcforms1.html; scroll to bottom of page).

Pursuant to M.S. §176.136, subd. 1a, which provides for annual adjustments of the medical fee schedule

conversion factor by no more than the change in the statewide average weekly wage, the commissioner is adjusting the conversion factor by 1.5 percent, which is the percent change in the producer price index for offices of physicians (PPI-P) developed by the U.S. Department of Labor, Bureau of Labor Statistics. The conversion factor will increase to \$76.31 for services provided on or after Oct. 1, 2004, subject to approval by an administrative law judge.

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, the independent medical examination fees will be increased by 1.5 percent for services provided on or after Oct. 1, 2004, subject to approval by an administrative law judge. An official notice of the medical fee schedule conversion factor and independent medical examination fee increases approved by the administrative law judge will be published in the *State Register* in September.

Statewide average weekly wage
Effective Oct. 1 of the indicated year

Year	Statewide average weekly wage	Percentage change from previous year
1990.....	\$428.....	3.63%
1991.....	\$443.....	3.50%
1992.....	\$459.....	3.61%
1993.....	\$484.....	5.45%
1994.....	\$492.....	1.65%
1995.....	\$505.....	2.64%
1996.....	\$524.....	3.76%
1997.....	\$553.....	5.53%
1998.....	\$579.....	4.70%
1999.....	\$615.....	6.22%
2000.....	\$642.....	4.39%
2001.....	\$680.....	5.92%
2002.....	\$702.....	3.24%
2003.....	\$718.....	2.28%
2004.....	\$740.....	3.06%

Compensation rates as of Oct. 1, 2004

Statewide average weekly wage (SAWW) = \$740

Percentage change in SAWW from previous year = 3.06%

(Apply Minnesota Statutes §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. 176.101 and 176.111

<i>100% of SAWW</i>	
10-01-77	\$197.00
10-01-78	\$209.00
10-01-79	\$226.00
10-01-80	\$244.00
10-01-81	\$267.00
10-01-82	\$290.00
10-01-83	\$313.00
10-01-84	\$329.00
10-01-85	\$342.00
10-01-86	\$360.00
10-01-87	\$376.00
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00
<i>105% of SAWW</i>	
10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60
<i>Set by Statute</i>	
10-01-95	\$615.00
10-01-00	\$750.00

Minimum under M.S. 176.101, subd. 1(2)

<i>50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW</i>	
	<i>50%</i>
10-01-77	\$98.50 (gross wage - \$147.75) ... \$39.40
10-01-78	\$104.50 (gross wage - \$156.75) ... \$41.80
10-01-79	\$113.00 (gross wage - \$169.50) ... \$45.20
10-01-80	\$122.00 (gross wage - \$183.00) ... \$48.80
10-01-81	\$133.50 (gross wage - \$200.25) ... \$53.40
10-01-82	\$145.00 (gross wage - \$217.50) ... \$58.00
10-01-83	\$156.50 (gross wage - \$234.75) ... \$62.60
10-01-84	\$164.50 (gross wage - \$246.75) ... \$65.80
10-01-85	\$171.00 (gross wage - \$256.50) ... \$68.40
10-01-86	\$180.00 (gross wage - \$270.00) ... \$72.00
10-01-87	\$188.00 (gross wage - \$282.00) ... \$75.20
10-01-88	\$195.50 (gross wage - \$293.25) ... \$78.20
10-01-89	\$206.50 (gross wage - \$309.75) ... \$82.60
10-01-90	\$214.00 (gross wage - \$321.00) ... \$85.60
10-01-91	\$221.50 (gross wage - \$332.25) ... \$88.60
<i>20% of the SAWW or the employee's actual weekly wage, whichever is less</i>	
	<i>20%</i>
10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40
<i>Set by statute, the listed amount or the employee's actual weekly wage, whichever is less</i>	
10-01-95	\$104.00
10-01-00	\$130.00

Supplementary benefits under M.S. 176.132 (Minnesota Statutes 1994)

and permanent total minimum under M.S. 176.101, subd. 4 (for injuries 10-1-95 and later)	
10-01-82	\$188.50 (65% of \$290)
10-01-83	\$203.45 (rounded to \$204)
10-01-84	\$213.85 (rounded to \$214)
10-01-85	\$222.30 (rounded to \$223)
10-01-86	\$234.00 (round)
10-01-87	\$244.40 (rounded to \$245)
10-01-88	\$254.15 (rounded to \$255)
10-01-89	\$268.45 (rounded to \$269)
10-01-90	\$278.20 (rounded to \$279)
10-01-91	\$287.95 (rounded to \$288)
10-01-92	\$298.35 (rounded to \$299)
10-01-93	\$314.60 (rounded to \$315)
10-01-94	\$319.80 (rounded to \$320)
10-01-95	\$328.25 (rounded to \$329)*
10-01-96	\$340.60 (rounded to \$341)*
10-01-97	\$359.45 (rounded to \$360)*
10-01-98	\$376.35 (rounded to \$377)*
10-01-99	\$399.75 (rounded to \$400)*
10-01-00	\$417.30 (rounded to \$418)*
10-01-01	\$442.00 (round)
10-01-02	\$456.30 (rounded to \$457)*
10-01-03	\$466.70 (rounded to \$467)*
10-01-04	\$481.00 (round)

*Rounding applies to supplementary benefits.

New benefit and provider fees levels effective October 2003

By Brian Zaidman, Research Analyst
Research and Statistics

The statewide average weekly wage (SAWW) effective Oct. 1, 2003, is \$718, a 2.28 percent increase over the current SAWW of \$702, which has been in effect since Oct. 1, 2002. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on the following page. The statewide annual average wage will change to \$37,311 on Jan. 1, 2004.

The new SAWW is based on 2002 payroll and employment figures supplied by the Department of Employment and Economic Development and the calculation procedure in Minnesota Statutes §176.011, subd. 20. The increase in the SAWW is the basis for the M.S. §176.645 annual benefit increases.

Only injured workers meeting the eligibility requirements of M.S. §176.645 will receive adjusted benefits. Benefit increases for workers injured prior to Oct. 1, 1992, are limited to 6 percent. Benefit increases for workers injured between Oct. 1, 1992 and Sept. 30, 1995, are limited to 4 percent. For workers injured on or after Oct. 1, 1995, the initial annual adjustment is made on the fourth anniversary of the date of injury and is limited to 2 percent. [See *COMPACT*, February 1999, pages 10-11.]

The vocational rehabilitation annual adjustment of hourly fees is limited to the 2 percent maximum increase (Minnesota Rules 5220.1900 subp. 1b, 1c and 1e). On Oct. 1, 2003, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase to \$82.13 and the maximum hourly rate for rehabilitation job development and placement services will increase to \$63.17. Notices of hourly fee changes must be filed with the DLI commissioner. QRCs and registered rehabilitation vendors can ensure their hourly rates are on file by completing forms R-21 or R-23 (available on the Department of Labor and Industry Web site at www.doli.state.mn.us/wcforms1.html).

Pursuant to M.S. §176.136, subd. 1a, which provides for annual adjustments of the medical fee schedule

conversion factor by no more than the change in the statewide average weekly wage, the commissioner is adjusting the conversion factor by 0.0 percent, which is the percent change in the producer price index for offices of physicians (PPI-P) developed by the U.S. Department of Labor, Bureau of Labor Statistics. The conversion factor will remain at \$75.18 for services provided on or after Oct. 1, 2003, subject to approval by an administrative law judge.

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, the independent medical examination fees are not being changed for services provided on or after Oct. 1, 2003, subject to approval by an administrative law judge. An official notice of the medical fee schedule conversion factor and independent medical examination fee increases approved by the administrative law judge will be published in the *State Register* in September.

**Statewide average weekly wage
Effective Oct. 1 of the indicated year**

Year	Statewide average weekly wage	Percentage change from previous year
1990	\$428	3.63%
1991	\$443	3.50%
1992	\$459	3.61%
1993	\$484	5.45%
1994	\$492	1.65%
1995	\$505	2.64%
1996	\$524	3.76%
1997	\$553	5.53%
1998	\$579	4.70%
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%
2003	\$718	2.28%

Compensation rates as of Oct. 1, 2003

Statewide average weekly wage (SAWW) = \$718
 Percentage change in SAWW from previous year = 2.28%
 (Apply Minnesota Statutes §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. 176.101 and 176.111

<i>100% of SAWW</i>	
10-01-77	\$197.00
10-01-78	\$209.00
10-01-79	\$226.00
10-01-80	\$244.00
10-01-81	\$267.00
10-01-82	\$290.00
10-01-83	\$313.00
10-01-84	\$329.00
10-01-85	\$342.00
10-01-86	\$360.00
10-01-87	\$376.00
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00
<i>105% of SAWW</i>	
10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60
<i>Set by Statute</i>	
10-01-95	\$615.00
10-01-00	\$750.00

Minimum under M.S. 176.101, subd. 1(2)

<i>50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW</i>	
	<i>50%</i>
10-01-77 ... \$ 98.50 (gross wage - \$147.75) ...	\$ 39.40
10-01-78 .. \$104.50 (gross wage - \$156.75) ...	\$ 41.80
10-01-79 .. \$113.00 (gross wage - \$169.50) ...	\$ 45.20
10-01-80 .. \$122.00 (gross wage - \$183.00) ...	\$ 48.80
10-01-81 .. \$133.50 (gross wage - \$200.25) ...	\$ 53.40
10-01-82 .. \$145.00 (gross wage - \$217.50) ...	\$ 58.00
10-01-83 .. \$156.50 (gross wage - \$234.75) ...	\$ 62.60
10-01-84 .. \$164.50 (gross wage - \$246.75) ...	\$ 65.80
10-01-85 .. \$171.00 (gross wage - \$256.50) ...	\$ 68.40
10-01-86 .. \$180.00 (gross wage - \$270.00) ...	\$ 72.00
10-01-87 .. \$188.00 (gross wage - \$282.00) ...	\$ 75.20
10-01-88 .. \$195.50 (gross wage - \$293.25) ...	\$ 78.20
10-01-89 .. \$206.50 (gross wage - \$309.75) ...	\$ 82.60
10-01-90 .. \$214.00 (gross wage - \$321.00) ...	\$ 85.60
10-01-91 .. \$221.50 (gross wage - \$332.25) ...	\$ 88.60
<i>20% of the SAWW or the employee's actual weekly wage, whichever is less</i>	
10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40
<i>Set by Statute, the listed amount or the employee's actual weekly wage, whichever is less</i>	
10-01-95	\$104.00
10-01-00	\$130.00

Supplementary Benefits under M.S. 176.132
 (Minnesota Statutes 1994)

and Permanent Total Minimum under M.S. 176.101, subd. 4	
(for injuries 10-1-95 and later)	
10-01-80	\$158.60 (65% of \$244)
10-01-81	\$173.55 (65% of \$267)
10-01-82	\$188.50 (65% of \$290)
10-01-83	\$203.45 (rounded to \$204)
10-01-84	\$213.85 (rounded to \$214)
10-01-85	\$222.30 (rounded to \$223)
10-01-86	\$234.00 (round)
10-01-87	\$244.40 (rounded to \$245)
10-01-88	\$254.15 (rounded to \$255)
10-01-89	\$268.45 (rounded to \$269)
10-01-90	\$278.20 (rounded to \$279)
10-01-91	\$287.95 (rounded to \$288)
10-01-92	\$298.35 (rounded to \$299)
10-01-93	\$314.60 (rounded to \$315)
10-01-94	\$319.80 (rounded to \$320)
10-01-95	\$328.25 (rounded to \$329)*
10-01-96	\$340.60 (rounded to \$341)*
10-01-97	\$359.45 (rounded to \$360)*
10-01-98	\$376.35 (rounded to \$377)*
10-01-99	\$399.75 (rounded to \$400)*
10-01-00	\$417.30 (rounded to \$418)*
10-01-01	\$442.00 (round)
10-01-02	\$456.30 (rounded to \$457)*
10-01-03	\$466.70 (rounded to \$467)*

*Rounding applies to supplementary benefits.

Benefit levels and provider fees increase October 2002

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The statewide average weekly wage (SAWW) effective Oct. 1, 2002, is \$702, a 3.24 percent increase over the current SAWW of \$680, which has been in effect since Oct. 1, 2001. [See the table on this page.] The levels for minimum and maximum weekly benefit payments are presented in the table on the following page. The statewide annual average wage will change to \$36,457 on Jan. 1, 2003.

The new SAWW is based on 2001 payroll and employment figures supplied by the Department of Economic Security and the calculation procedure in Minnesota Statutes §176.011, subd. 20. The increase in the SAWW is the basis for the M.S. §176.645 annual benefit increases.

Only injured workers meeting the eligibility requirements of M.S. §176.645 will receive adjusted benefits. Benefit increases for workers injured prior to Oct. 1, 1992, are limited to 6 percent. Benefit increases for workers injured between Oct. 1, 1992 and Sept. 30, 1995, are limited to 4 percent. For workers injured on or after Oct. 1, 1995, the initial annual adjustment is made on the fourth anniversary of the date of injury and is limited to 2 percent. [See *COMPACT*, February 1999, pages 10-11.]

The vocational rehabilitation annual adjustment of hourly fees is limited to the 2 percent maximum increase (Minnesota Rules 5220.1900 subp. 1b, 1c and 1e). On Oct. 1, 2002, the maximum qualified rehabilitation consultant (QRC) hourly fee will increase to \$80.52 and the maximum hourly rate for rehabilitation job development and placement services will increase to \$61.93. Notices of hourly fee changes must be filed with the DLI commissioner. QRCs and registered rehabilitation vendors can ensure their hourly rates are on file by completing forms R-21 or R-23. These forms are on pages 31 and 33 in this edition.

Pursuant to M.S. §176.136, subd. 1a, which provides for annual adjustments of the medical fee schedule conversion factor by no more than the change in the

statewide average weekly wage, the commissioner is increasing the conversion factor by 2.8 percent, which is the percent change in the producer price index for offices of physicians (PPI-P) developed by the U.S. Department of Labor, Bureau of Labor Statistics. This will increase the conversion factor to \$75.18 for services provided on or after Oct. 1, 2002, subject to approval by an administrative law judge.

Minnesota Rules, part 5219.0500, subp. 4, provides for adjustment of the maximum fees for independent medical examinations in the same manner as the adjustment of the conversion factor. Therefore, the independent medical examination fees are also increased by the PPI-P of 2.8 percent for services provided on or after Oct. 1, 2002, subject to approval by an administrative law judge. An official notice of the medical fee schedule conversion factor and independent medical examination fee increases approved by the administrative law judge will be published in the *State Register* in September.

**Statewide average weekly wage
Effective Oct. 1 of the indicated year**

Year	Statewide average weekly wage	Percentage change from previous year
1990	\$428	3.63%
1991	\$443	3.50%
1992	\$459	3.61%
1993	\$484	5.45%
1994	\$492	1.65%
1995	\$505	2.64%
1996	\$524	3.76%
1997	\$553	5.53%
1998	\$579	4.70%
1999	\$615	6.22%
2000	\$642	4.39%
2001	\$680	5.92%
2002	\$702	3.24%

Compensation rates as of Oct. 1, 2002

Statewide average weekly wage (SAWW) = \$702
Percentage change in SAWW from previous year = 3.24%
(Apply Minnesota Statutes §176.645 adjustment as necessary based on date of injury.)

Maximum under M.S. 176.101 and 176.111

<i>100% of SAWW</i>	
10-01-77	\$197.00
10-01-78	\$209.00
10-01-79	\$226.00
10-01-80	\$244.00
10-01-81	\$267.00
10-01-82	\$290.00
10-01-83	\$313.00
10-01-84	\$329.00
10-01-85	\$342.00
10-01-86	\$360.00
10-01-87	\$376.00
10-01-88	\$391.00
10-01-89	\$413.00
10-01-90	\$428.00
10-01-91	\$443.00
<i>105% of SAWW</i>	
10-01-92	\$481.95
10-01-93	\$508.20
10-01-94	\$516.60
<i>Set by Statute</i>	
10-01-95	\$615.00
10-01-00	\$750.00

Minimum under M.S. 176.101, subd. 1(2)

<i>50% of the SAWW or gross wage, whichever is less, but in no case less than 20% of the SAWW</i>	
<i>50%</i>	
10-01-77 ...	\$ 98.50 (gross wage - \$147.75) ... \$ 39.40
10-01-78 ..	\$104.50 (gross wage - \$156.75) ... \$ 41.80
10-01-79 ..	\$113.00 (gross wage - \$169.50) ... \$ 45.20
10-01-80 ..	\$122.00 (gross wage - \$183.00) ... \$ 48.80
10-01-81 ..	\$133.50 (gross wage - \$200.25) ... \$ 53.40
10-01-82 ..	\$145.00 (gross wage - \$217.50) ... \$ 58.00
10-01-83 ..	\$156.50 (gross wage - \$234.75) ... \$ 62.60
10-01-84 ..	\$164.50 (gross wage - \$246.75) ... \$ 65.80
10-01-85 ..	\$171.00 (gross wage - \$256.50) ... \$ 68.40
10-01-86 ..	\$180.00 (gross wage - \$270.00) ... \$ 72.00
10-01-87 ..	\$188.00 (gross wage - \$282.00) ... \$ 75.20
10-01-88 ..	\$195.50 (gross wage - \$293.25) ... \$ 78.20
10-01-89 ..	\$206.50 (gross wage - \$309.75) ... \$ 82.60
10-01-90 ..	\$214.00 (gross wage - \$321.00) ... \$ 85.60
10-01-91 ..	\$221.50 (gross wage - \$332.25) ... \$ 88.60
<i>20% of the SAWW or the employee's actual weekly wage, whichever is less</i>	
<i>20%</i>	
10-01-92	\$91.80
10-01-93	\$96.80
10-01-94	\$98.40
<i>Set by Statute, the listed amount or the employee's actual weekly wage, whichever is less</i>	
10-01-95	\$104.00
10-01-00	\$130.00

Supplementary Benefits under M.S. 176.132
 (Minnesota Statutes 1994)

and Permanent Total Minimum under M.S. 176.101, subd. 4
 (for injuries 10-1-95 and later)

01-01-80	\$146.90	(65% of 226)
10-01-80	\$158.60	(65% of 244)
10-01-81	\$173.55	(65% of 267)
10-01-82	\$188.50	(65% of 290)
10-01-83	\$203.45	(rounded to 204)
10-01-84	\$213.85	(rounded to 214)
10-01-85	\$222.30	(rounded to 223)
10-01-86	\$234.00	(round)
10-01-87	\$244.40	(rounded to 245)
10-01-88	\$254.15	(rounded to 255)
10-01-89	\$268.45	(rounded to 269)
10-01-90	\$278.20	(rounded to 279)
10-01-91	\$287.95	(rounded to 288)
10-01-92	\$298.35	(rounded to 299)
10-01-93	\$314.60	(rounded to 315)
10-01-94	\$319.80	(rounded to 320)
10-01-95	\$328.25	(rounded to 329)*
10-01-96	\$340.60	(rounded to 341)*
10-01-97	\$359.45	(rounded to 360)*
10-01-98	\$376.35	(rounded to 377)*
10-01-99	\$399.75	(rounded to 400)*
10-01-00	\$417.30	(rounded to 418)*
10-01-01	\$442.00	(round)
10-01-02	\$456.30	(rounded to 457)*

*Rounding applies to supplementary benefits.