Workers' Comp

Workers' Compensation Medical Price Index: Q3 2017

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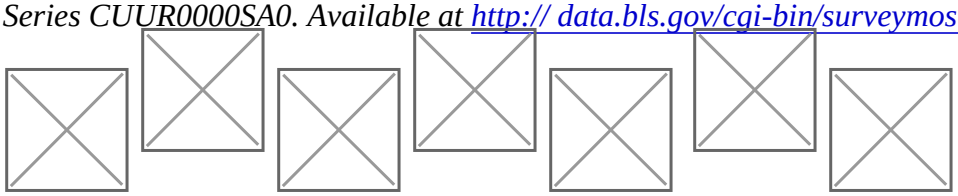
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The National CPI for All Services, as reported by the Bureau of Labor Statistics, in November 2017, is 123.6, which reflects a 0.4 percent increase since Q2 2017. For the same period of time, Q2 2017 to Q3 2017, the National Workers' Compensation MPI increased 2.3 percent and as of November 2017, sits at 113.03. Since Q1 2006, the MPI has increased 13.03 percent while the National CPI for All Services increased 23.6 percent.

- Charges associated with physical medicine services remained virtually unchanged having experienced a 2.22 percent increase in Q3 2016 from Q2 2017 that o set the 2.04 decrease seen between Q1 2017 and Q2 2017. Physical medicine has seen unit charge increase 8.3 percent since Q1 2006. Please recall that the physical medicine MPI is looking strictly at unit charge while holding utilization constant.
- In the workers' compensation industry, major radiology services experienced a 2.45 percent decrease in Q3 2017 when compared to Q2 2017, remaining below the average unit charge seen by the industry in Q1 2006. Since Q1 2006, the unit charge of major radiology services billed on the Centers for Medicare & Medicaid Services (CMS) form have decreased 11 percent.
- The unit cost for evaluation and management services increased 9.2 percent in Q3 2017 when compared with its Q2 2017 result. Over the past year, comparing Q3 2016 results with Q3 2017 results, the unit charge associated with evaluation and management services has increased 21 percent. Since Q1 2006, evaluation and management services have seen unit charges increase 39.9 percent as reflected by the index value 139.9.
- The unit charge for professional services in the emergency room experienced a 5.07 percent increase in unit charge in Q3 2017 when compared to Q2 2017. This increase serves to o set the 5 percent decrease in unit charge experienced in Q2 2017. At the end of Q3 2017, index remains 72.9 percent higher than the Q1 2006 unit charge benchmark.

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(Source: U.S. Bureau of Labor Statistics, adjusted. Consumer Price Index- All Services- All Urban Consumers, Series CUUR0000SA0. Available at http:// data.bls.gov/cgi-bin/surveymost?cu)



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