

Medicare Retracts 2006 Conversion Factor Jurisdictional Adjustment Update

State/Line of Business: Texas Workers' Compensation
Effective Date: January 1, 2006

How the Changes Affect Customers:

Intracorp is compliant with the rate rollback in the state of Texas. We anticipate an increase in provider requests for reconsideration and will address these requests through our standard reevaluation process.

Estimated Impact on Savings:

There is a -4.4% decrease to the conversion factor for 2006. By returning to the 2005 conversion factor, there will be an overall increase to fee schedule allowances.

Statutes or regulations adjusted:

The Medical Fee Guideline, Rule 134.202, uses the CMS conversion factor along with a Relative Value Unit (RVU), a Geographic Practice Cost Index (GPCI), and a Texas Department of Insurance, Division of Workers Compensation (DWC) Multiplier (125% or 1.25) to calculate reimbursement for professional medical services in the Texas workers' compensation system.

Description of the adjustments:

President Bush's approval of the Deficit Reduction Act, S. 1932, on February 8, 2006, which returns the Medicare conversion factor for calendar year (CY) 2006 back to the CY 2005 conversion factor of \$37.8975. TDI announced on 2/27/06 that bills paid using the 2006 conversion factor are warranted the difference in allowances.