

Submitted via [WCINFO@michigan.gov](mailto:WCINFO@michigan.gov)

December 5, 2024

Michigan Department of Labor and Economic Opportunity  
Workers' Compensation Agency  
Attn: Deb Outwater  
P.O. Box 30016  
Lansing, MI 48909

Re: Rule Set 2024-22 LE – "Workers' Compensation Health Care Services"

Dear Ms. Outwater:

The Michigan State Medical Society (MSMS) appreciates the opportunity to comment on the proposed updates to the Workers' Compensation Health Care Services Rule. MSMS is a professional association representing physicians, residents, and medical school students from all specialties and practice settings.

First of all, MSMS would like to thank the Agency and the Health Care Services Advisory Committee (HCSAC) for allowing MSMS to speak last year to the need for a new reimbursement model for the payment of workers compensation medical expenses. Our desire was to identify solutions to a fee schedule that lags most states and has discouraged participation by physicians and other health care professionals. During the ensuing subcommittee meetings on this topic, there was healthy discussion amongst participants about the inadequacy of payments in Michigan.

Secondly, MSMS appreciates that Rule Set 2024-22 LE recommends updating the rules to the most current CMS Relative Value Units and thereby, an update to the conversion factor. However, given that the last increase was effective for 2019, this proposed increase does not keep up with inflation for that time period. As noted in the related Regulatory Impact Statement (RIS), this change "will result in a 3% increase in the conversion factor resulting in a 4% increase in reimbursement for medical services..." Given that prices have risen 17 percent overall since 2019<sup>i</sup>, 4 percent is not sufficient. MSMS proposes that this amount be increased to more closely reflect the rate of health care inflation over the past five years.

The Agency acknowledges in the RIS that data from the Workers Compensation Research institute indicates that "medical payments per claim for claims with more than 7 days of lost time in Michigan were lower compared with the other 16 study states." These lower payments were attributable to "lower-than-typical prices paid for medical services." WCRI findings related to the "Comparison of Cumulative Growth Rate in Prices Paid for Professional Services across 31 Study States, 2008 to 2023" show Michigan in the bottom five<sup>ii</sup>.

Finally, creating a fee schedule at reimbursement rates for physicians and other practitioners near 140 percent of Medicare payments as referenced in the RIS is neither reasonable nor adequate. Not only does WCRI data comparing workers compensation fees to Medicare show that most states in the middle of this ranking (Michigan is near the bottom) are closer to 150-170 percent of Medicare, but Medicare rates are not sustainable, especially for smaller practices. As MSMS presented previously to the HCSAC, Medicare physician payments have increased just nine percent over the over the last 22 years, while the cost of running a medical practice increased 47 percent. And the reality of inadequate Medicare payments continues to worsen with recent data showing that Medicare payments to physicians actually declined 29 percent over the last two decades.

Unfortunately, when patients are unable to access physicians and other practitioners with the expertise to address their work-related injuries or illnesses, productivity declines or is lost and medical costs rise. In many instances, urgent care, which is ill-equipped to meet the long-term needs of employees and their employers, becomes the default pathway to receiving care.

Thank you for your consideration of our comments.

Sincerely,



Tom M. George, MD  
Chief Executive Officer

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<sup>i</sup> <https://www.usinflationcalculator.com/inflation/health-care-inflation-in-the-united-states/>

<sup>ii</sup> <https://www.wcrinet.org/reports/wcri-medical-price-index-for-workers-compensation-16th-edition-mpi-wc>



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

SUSAN CORBIN  
DIRECTOR

WORKERS' DISABILITY COMPENSATION AGENCY  
JACK A. NOLISH, DIRECTOR

# Memorandum

**TO:** [MOAHR-Rules@michigan.gov](mailto:MOAHR-Rules@michigan.gov)

**FROM:** Debra Outwater for Jack A. Nolish

**DATE:** February 13, 2025

**SUBJECT:** Proposed Changes to HCS Ruleset 2024-22LE (Source Documents)

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The Workers' Disability Compensation Agency has made only minor changes to the Workers' Compensation Health Care Services Ruleset 2024-22LE previously submitted to JCAR and withdrawn due to sine die.

These minor changes consist of updated source document publication dates (from 2024 to 2025) and include the minimal increases to the purchase price for individual copies of the source documents directly from the publishers.

It is the Agency's position that these minor updates will have **no** adverse impact on small or other size businesses. We respectfully request your approval to resubmit the ruleset as changed.



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

MARLON I. BROWN, DPA  
DIRECTOR

February 14, 2025

Sent Via Email

Jack A. Nolish, Director  
Workers' Disability Compensation Agency  
P.O Box 30016  
Lansing, MI 48909

Director Nolish:

On January 3, 2025, the Michigan Office of Administrative Hearings and Rules (MOAHR) notified the Joint Committee on Administrative Rules (JCAR) of the withdrawal of the rule set entitled "Workers' Compensation Health Care Services" (2024-22 LE).

Pursuant to the Rulemaking Manual, MOAHR reviewed the rules as changed and has determined that the regulatory impact or the impact on small businesses of the rules as changed would not be more burdensome than the regulatory impact or the impact on small businesses of the rule as originally proposed. Therefore, a second public hearing is not required.

The changes to the "Workers' Compensation Health Care Services" rule set update the source document publication date from 2024 to 2025, the item number for the source document publications, and the cost to obtain copies of the source document publications.

MOAHR has determined that the regulatory impact and the impact on small businesses would not be more burdensome, as the changes are merely updating the information pertaining to the source document publications that are adopted by reference in the rule set.

Sincerely,

A handwritten signature in black ink that reads "Ashlee N. Lynn".

Ashlee N. Lynn  
State Administrative Manager 15, Administrative Rules Division  
Michigan Office of Administrative Hearings and Rules

cc: Debra Outwater, Executive Secretary, LEO  
Sherry Anderson, Regulatory Affairs Officer, LEO  
Suzanne Sonneborn, Executive Director, MOAHR