



# **Medical Data Report**

For the state of

# **NEW JERSEY**

October 2021



NCCI's **Medical Data Report** and its content are intended to be used as a reference tool and for informational purposes only. No further use, dissemination, sale, assignment, reproduction, preparation of derivative works, or other disposition of this report or any part thereof may be made without the prior written consent of NCCI.

NCCI's **Medical Data Report** is provided "as is" and includes data and information available at the time of publication only. NCCI makes no representations or warranties relating to this report, including any express, statutory, or implied warranties including the implied warranty of merchantability and fitness for a particular purpose. Additionally, NCCI does not assume any responsibility for your use of, and for any and all results derived or obtained through, the report. No employee or agent of NCCI or its affiliates is authorized to make any warranties of any kind regarding this report. Any and all results, conclusions, analyses, or decisions developed or derived from, on account of, or through your use of the report are yours; NCCI does not endorse, approve, or otherwise acquiesce in your actions, results, analyses, or decisions, nor shall NCCI or other contributors to the **Medical Data Report** have any liability thereto.



## Introduction

Medical costs have been growing over the last 30 years. Today, in many states, close to 60% of workers compensation benefits are attributed to medical costs. Managing the cost and delivery of medical care is one of the major concerns facing workers compensation (WC) stakeholders now and in the foreseeable future. The availability of medical data on WC claims is essential for the pricing of proposed state legislation and assessing impacts of changes to fee schedules.

This publication is a data source for regulators and others who are interested in the driving forces behind changing medical costs in WC claims. The information in this report provides important benchmarks against which cost containment strategies may be measured and gives valuable insight into the medical cost drivers that underlie the financial soundness of the WC system. When making comparisons to the region and countrywide (CW), it is important to note that some states in this report do not have a fee schedule.

Knowing how payments for different services contribute to WC medical benefit costs provides insight into the growth of medical benefits. This report illustrates the breakdown of services by category, namely:

- Physician
- Hospital Outpatient
- Hospital Inpatient
- Ambulatory Surgical Centers
- Drugs
- Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)
- Other

The report drills down into these categories to show which procedures represent the greatest share of payments and which are performed the most.

There is one important caveat: Information in this report may not coincide with an analysis of a medical fee schedule change performed in the future. An analysis of a medical fee schedule change requires evaluation of the specific procedures covered by the fee schedule, which may be different from how payments are categorized in this report.

The data contained in this report represents medical transactions for Service Year 2020 (medical services delivered from January 1, 2020, to December 31, 2020), except where otherwise noted. WC insurance carriers must report paid medical transactions if, over the most recent three years, they write at least 1% of the market share in any one state for which NCCI collects medical data. Medical data for New Jersey is collected by NCCI on behalf of the New Jersey Compensation and Inspection Rating Bureau. Once a carrier meets the eligibility criteria, it is required to report for all applicable states in which it writes WC insurance. All carriers within an insurance group are required to report.

No data adjustments have been made for the reporting of COVID-19-related claims. For more information on impacts of COVID-19 on medical losses, please see the Medical Indicators & Trends dashboard<sup>1</sup> on **ncci.com**.

For New Jersey in Service Year 2020, the reported number of transactions was more than 2,156,500, with more than \$528,088,200 paid, for more than 75,400 claims. This represents data from 90% of the workers compensation premium written, which includes experience for large-deductible policies. Bulk payments and lump-sum settlements are not required to be reported. Also, self-insured data is not included.

---

<sup>1</sup> [www.ncci.com/Articles/Pages/Insights-Medical-Indicators-Trends-Dashboard.aspx](http://www.ncci.com/Articles/Pages/Insights-Medical-Indicators-Trends-Dashboard.aspx)



Unless otherwise noted, the source for all data in this report is:

- NCCI's Medical Data Call, Service Year 2020. Medical data for New Jersey is collected by NCCI on behalf of the New Jersey Compensation and Inspection Rating Bureau.
- Region includes data from the following states: CT, DC, MD, ME, NH, RI, and VT.
- Countrywide includes data from the following states: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NJ, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV

Additional information regarding the data underlying this report is available in the Appendix.



## Table of Contents

<b>Medical Cost Statistics .....</b>	<b>6</b>
Medical Share of Total Benefit Costs by Accident Year .....	6
Overall Medical Average Cost per Lost-Time Claim (in 000s) .....	7
Percentage of Medical Paid by Claim Maturity .....	8
Distribution of Medical Payments .....	9
<b>Physicians .....</b>	<b>10</b>
Physician Payments as a Percentage of Medicare .....	10
Distribution of Physician Payments by AMA Service Category .....	11
Top 10 Anesthesia Procedure Codes by Amount Paid .....	13
Top 10 Anesthesia Procedure Codes by Transaction Counts .....	14
Top 10 Surgery Procedure Codes by Amount Paid .....	15
Top 10 Surgery Procedure Codes by Transaction Counts .....	16
Time Until First Treatment for Major Surgery (in Days) .....	17
Top 10 Radiology Procedure Codes by Amount Paid .....	18
Top 10 Radiology Procedure Codes by Transaction Counts .....	19
Time Until First Treatment for Radiology (in Days) .....	20
Top 10 Physical and General Medicine Procedure Codes by Amount Paid .....	21
Top 10 Physical and General Medicine Procedure Codes by Transaction Counts .....	22
Time Until First Treatment for Physical and General Medicine (in Days) .....	23
Top 10 Evaluation and Management Procedure Codes by Amount Paid .....	24
Top 10 Evaluation and Management Procedure Codes by Transaction Counts .....	25
Time Until First Treatment for Evaluation and Management (in Days) .....	26
Office or Other Outpatient Visit for the Evaluation and Management of a New Patient .....	27
Office or Other Outpatient Visit for the Evaluation and Management of an Established Patient .....	28
Distribution of Telemedicine Payments by Physician Service Category .....	29
Top 10 Procedure Codes by Amount Paid for Telemedicine Services .....	30
Top 10 Procedure Codes by Transaction Counts for Telemedicine Services .....	31
<b>Hospital Inpatient .....</b>	<b>32</b>
Hospital Inpatient Payments as a Percentage of Medicare .....	32
Average Amount Paid per Stay for Hospital Inpatient Services .....	33
Average Amount Paid per Day for Hospital Inpatient Services .....	33
Average Number of Inpatient Stays per 1,000 Active Claims .....	34
Length of Stay for Hospital Inpatient Services (in Days) .....	34



Time Until First Treatment for Hospital Inpatient Stays (in Days).....	35
Top 10 Diagnosis Groups by Amount Paid for Hospital Inpatient Services .....	36
Top 10 DRG Codes by Amount Paid for Hospital Inpatient Services .....	37
<b>Hospital Outpatient .....</b>	<b>38</b>
Hospital Outpatient Payments as a Percentage of Medicare.....	38
Distribution of Payments for Outpatient Services by Hospital Outpatient Visit Type .....	39
Average Amount Paid for Hospital Outpatient Services per Emergency Visit .....	40
Average Number of Emergency Hospital Outpatient Visits per 1,000 Active Claims.....	40
Top 10 Diagnosis Groups by Amount Paid for Emergency Hospital Outpatient Visits.....	41
Distribution of Emergency Room Outpatient Services by Procedure Code .....	42
Emergency Room Outpatient Paid per Transaction by Procedure Code .....	42
Average Amount Paid for Hospital Outpatient Services per Nonemergency Major Surgery Visit.....	43
Average Number of Nonemergency Major Surgery Hospital Outpatient Visits per 1,000 Active Claims.....	43
Time Until First Treatment for Nonemergency Major Surgery Outpatient Visits (in Days) .....	44
Top 10 Diagnosis Groups by Amount Paid for Nonemergency Major Surgery Hospital Outpatient Visits .....	45
Top 10 Procedure Codes by Amount Paid for Hospital Outpatient Services in Nonemergency Major Surgery Visits.....	46
Average Amount Paid for Hospital Outpatient Services per Other Outpatient Visit .....	47
Average Number of Other Hospital Outpatient Visits per 1,000 Active Claims .....	47
Time Until First Treatment for Other Outpatient Visits (in Days).....	48
Top 10 Diagnosis Groups by Amount Paid for Other Hospital Outpatient Visits .....	49
Top 10 Procedure Codes by Amount Paid for Hospital Outpatient Services in Other Visits.....	50
<b>Ambulatory Surgical Centers .....</b>	<b>51</b>
ASC Payments as a Percentage of Medicare .....	51
Average Amount Paid per Major Surgery Visit for ASC Services .....	52
Average Number of ASC Major Surgery Visits per 1,000 Active Claims .....	52
Time Until First Treatment for ASC Major Surgery Visits (in Days) .....	53
Top 10 Diagnosis Groups by Amount Paid for ASC Major Surgery Visits .....	54
Top 10 Procedure Codes by Amount Paid for ASC Services in Major Surgery Visits.....	55
Major Surgery Outpatient Visit Comparisons for Procedure Codes in Chart 55 .....	56
<b>Prescription Drugs.....</b>	<b>57</b>
Distribution of Prescription Drug Payments by CSA Schedule .....	57
Top 10 Workers Compensation Drugs by Amount Paid .....	58
Top 10 Workers Compensation Drugs by Prescription Counts .....	59
Distribution of Drugs by Brand Name and Generic .....	60
Distribution of Drugs by Pharmacy and Nonpharmacy .....	61



Top 5 Nonpharmacy-Dispensed Drugs by Amount Paid with Pharmacy-Dispensed Comparison .....	62
<b>Durable Medical Equipment, Prosthetics, Orthotics, and Supplies .....</b>	<b>63</b>
Distribution of Payments by DMEPOS .....	63
Top Diagnosis Groups by Amount Paid for Dates of Injury in 2019 for Claims <i>With</i> an Implant or Prosthetic .....	64
Average Amount Paid per Claim <i>Without</i> an Implant or Prosthetic for Diagnosis Groups in Chart 64 .....	64
<b>Other Medical Services.....</b>	<b>65</b>
Distribution of Other Medical Services Payments.....	65
<b>Diagnosis Group and Body System .....</b>	<b>66</b>
Top Body Systems by Amount Paid for Dates of Injury in 2019 .....	66
Top Diagnosis Groups by Amount Paid for Dates of Injury in 2019 .....	66
<b>Comparison of Selected Results by Year .....</b>	<b>67</b>
<b>Glossary .....</b>	<b>71</b>
<b>Appendix .....</b>	<b>74</b>



## Medical Cost Statistics

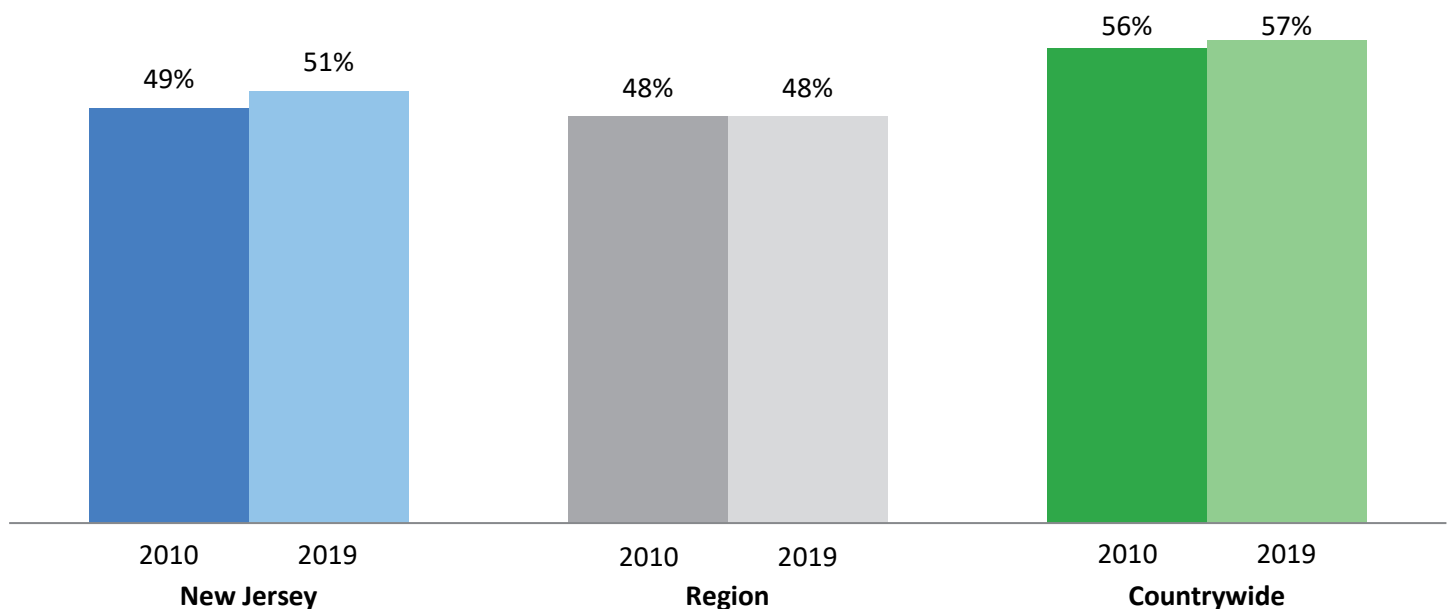
Traditional workers compensation policies cover two types of benefit payments: medical benefits and indemnity (lost wages) benefits.

Of the two, medical benefits resulting from a work-related injury or disease are the leading cost drivers for workers compensation claims on a countrywide basis. Because this is a relative measure and benefits for both indemnity and medical may vary from state to state, the share of medical benefit costs may vary across states. In particular, the medical share in a state may be large because the indemnity benefits are relatively less prominent.

Chart 1 displays the medical percentage of total benefit costs for New Jersey, the region, and countrywide for Accident Years 2010 and 2019.

**Chart 1**

**Medical Share of Total Benefit Costs by Accident Year**



Source: NJ data is provided by the New Jersey Compensation and Inspection Rating Bureau. Countrywide data is based on NCCI's Calendar-Accident Year Call for Compensation Experience. Region includes CT, DC, MD, ME, NH, RI, and VT. Countrywide data includes AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, and WV.





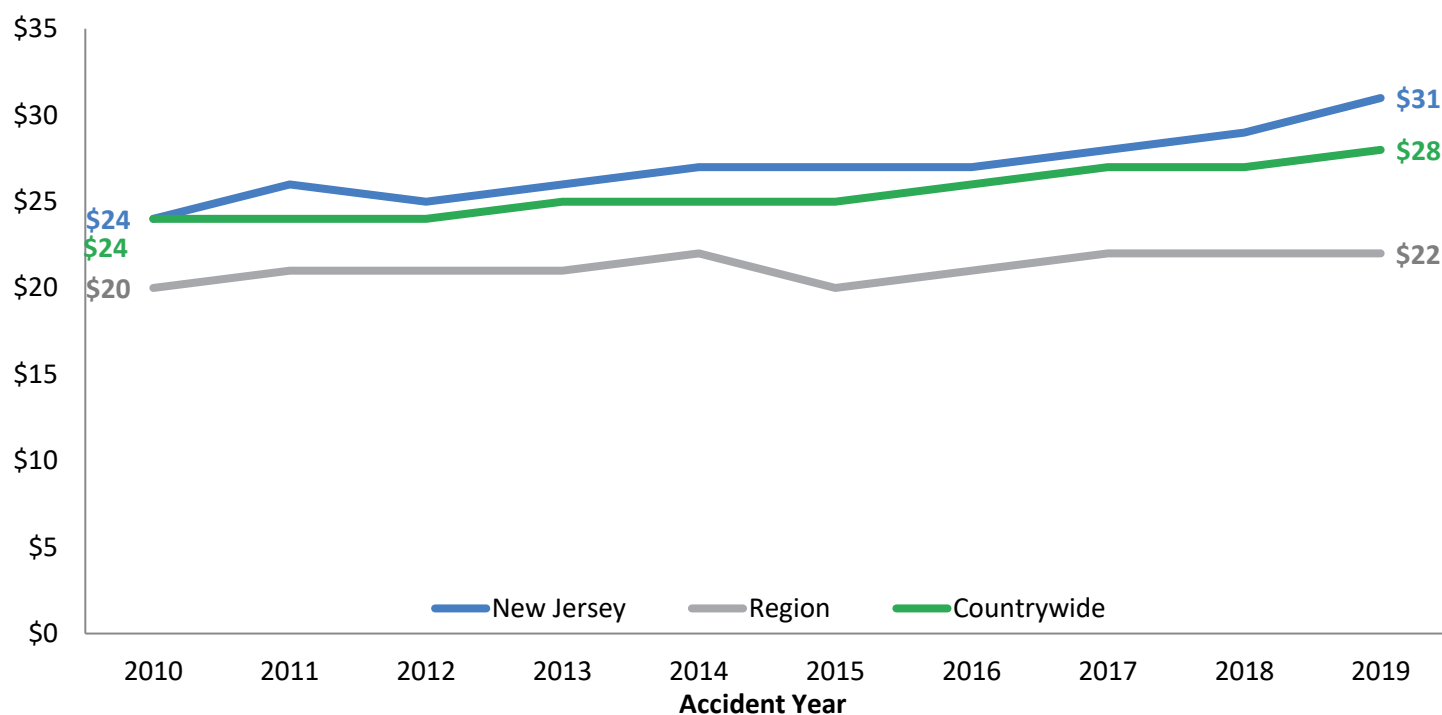
The countrywide overall medical average cost per claim has seen moderate increases in recent years, averaging about 2% from Accident Years 2010 to 2019; this has increased at a slightly higher rate than the United States Personal Healthcare Spending per capita.<sup>2</sup> Chart 2 displays the historical overall medical average cost per case (per lost-time claim) for the most recent 10 accident years. Results are displayed for New Jersey, the region, and countrywide.

Medical losses are at historical benefit levels and historical dollar values—meaning that no adjustment for inflation or changes in benefits has been made. Since the data is aggregated for all medical losses by accident year, the results shown in this chart provide a high-level perspective of the average medical cost per case.

This chart illustrates how New Jersey compares to the regional and countrywide average for each individual accident year and allows for the comparison of the growth in average medical costs.

**Chart 2**

**Overall Medical Average Cost per Lost-Time Claim (in 000s)**



Source: NJ data is provided by the New Jersey Compensation and Inspection Rating Bureau. Countrywide data is based on NCCI's Calendar-Accident Year Call for Compensation Experience. Region includes CT, DC, MD, ME, NH, RI, and VT. Countrywide data includes AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, and WV.

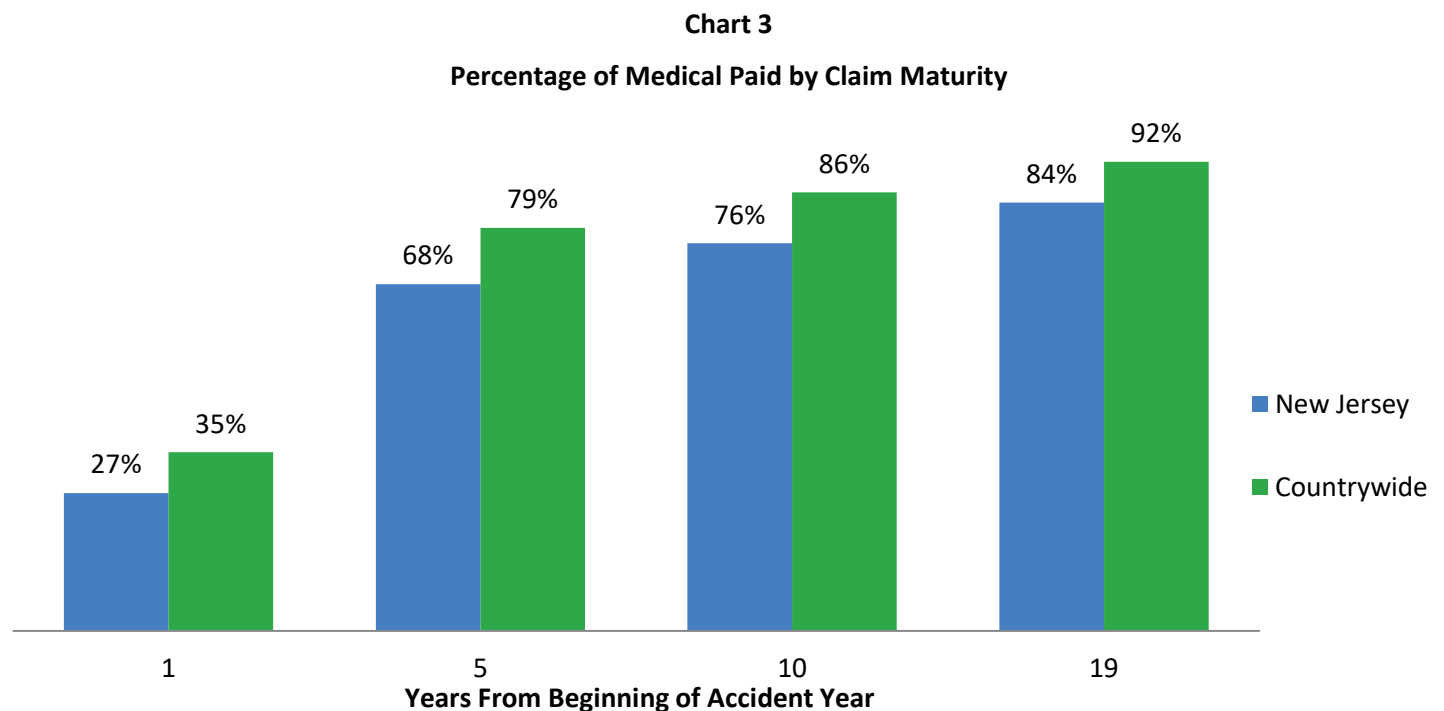
<sup>2</sup> State of the Line Report, *Annual Issues Symposium*, May 2021, [www.ncci.com/Articles/Documents/AIS2021-SOTL-Presentation.pdf](http://www.ncci.com/Articles/Documents/AIS2021-SOTL-Presentation.pdf)



One factor that impacts medical costs is the time over which medical services are used. Payments on a workers compensation claim often continue for many years. NCCI research has found that it is likely that about 10% of the cost of medical benefits for workplace injuries that occur this year will be for services provided more than two decades into the future.

A key determinant driving payment patterns for medical services is the effectiveness of dispute resolution processes, settlement practices, and statutory provisions for medical benefits. An aging workforce and continued changes in rules for Medicare set-asides have created a shifting environment for the settlement of claims and, particularly, medical benefits.

Chart 3 shows the percentage of medical benefits paid (including medical settlements) at different claim maturities for New Jersey and countrywide.



Source: NJ data is provided by the New Jersey Compensation and Inspection Rating Bureau. Countrywide data is based on NCCI's Calendar-Accident Year Call for Compensation Experience. Countrywide data includes AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NC, NE, NH, NM, OK, OR, RI, SC, SD, TN, UT, VA, and VT.

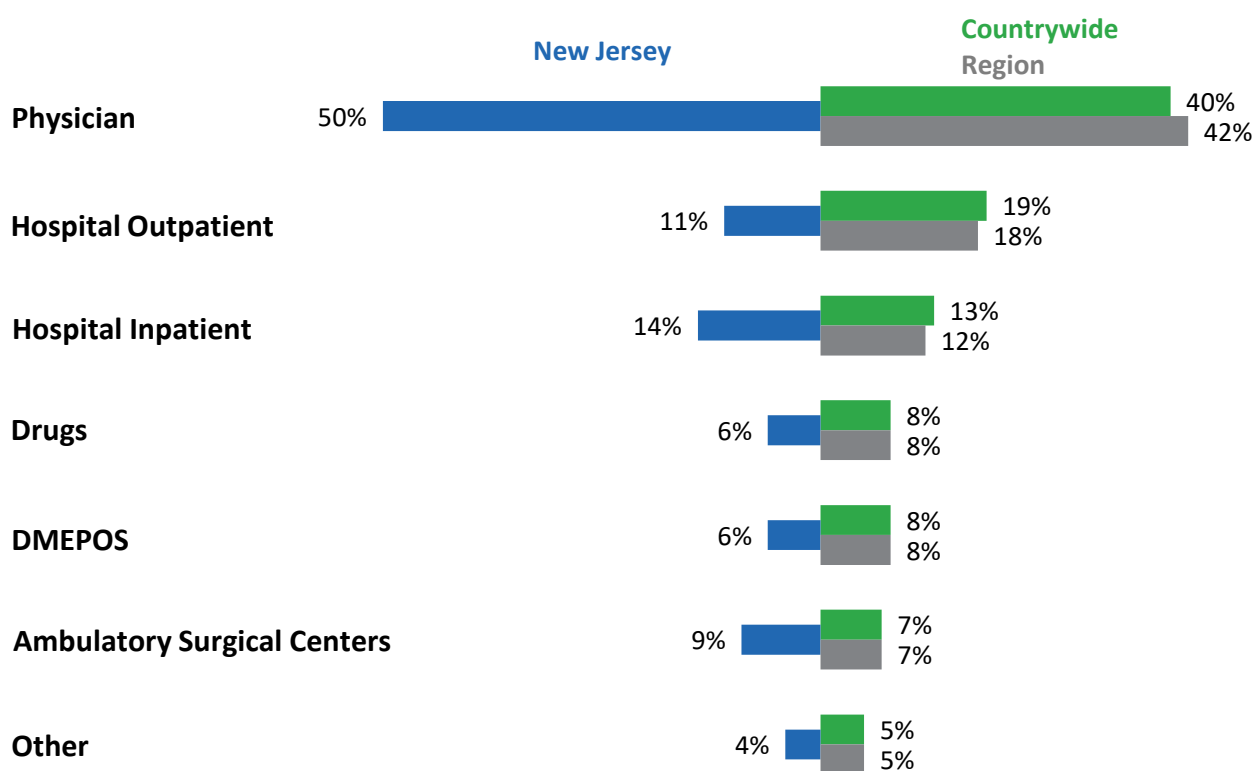
Knowing how payments for different medical services contribute to workers compensation medical benefit costs provides insight into the growth in medical benefits.

Payments are categorized as Drugs; DME, Supplies, and Implants; and Other (includes home health, transportation, vision, and dental services), based on the procedure code reported. Payments are mapped to these categories regardless of who provides the service or where the service is performed. For the remaining categories—Physicians, Hospital Outpatient, Hospital Inpatient, and Ambulatory Surgical Centers (ASC)—NCCI relies on a combination of:

- Provider taxonomy code—identifies the type of provider that billed for, and is being paid for, a medical service
- Procedure code—alphanumeric code used to identify procedures performed by medical professionals
- Place of services—alphanumeric code used to identify places where procedures were performed (e.g., physician’s office or ambulatory surgical center)

Chart 4 displays the distribution of medical payments by type of service.

**Chart 4**  
**Distribution of Medical Payments**



## Physicians

In the 1970s, fewer than a dozen states had physician fee schedules in place. In the 1990s, several states established such schedules. Today, few states remain without a physician fee schedule. Recent changes in the schedules indicate greater attention to provisions that often seek to balance cost containment with service provider availability. NCCI's most recent study, "The Impact of Fee Schedule Updates on Physician Payments" (December 2018), shows that:

- Approximately 80% of any change in the maximum allowable reimbursement (MAR) for a physician service will be realized as a change in prices paid
- Most of the impact of a MAR change on prices paid is realized within one year from the date of a fee schedule change

One measure of workers compensation medical costs is a comparison of current payments to the Medicare rates adjusted for your state.

The chart below shows the average percentage of Medicare schedule reimbursement<sup>3</sup> amounts for physician payments by category for New Jersey, the region, and countrywide. Note that "all physician services" in Chart 5 below refers only to the categories listed in the chart, and the state comparison reflects Medicare's geographic adjustments. In New Jersey, 92% of "all physician services" payments are included in the chart below.

**Chart 5**

### Physician Payments as a Percentage of Medicare

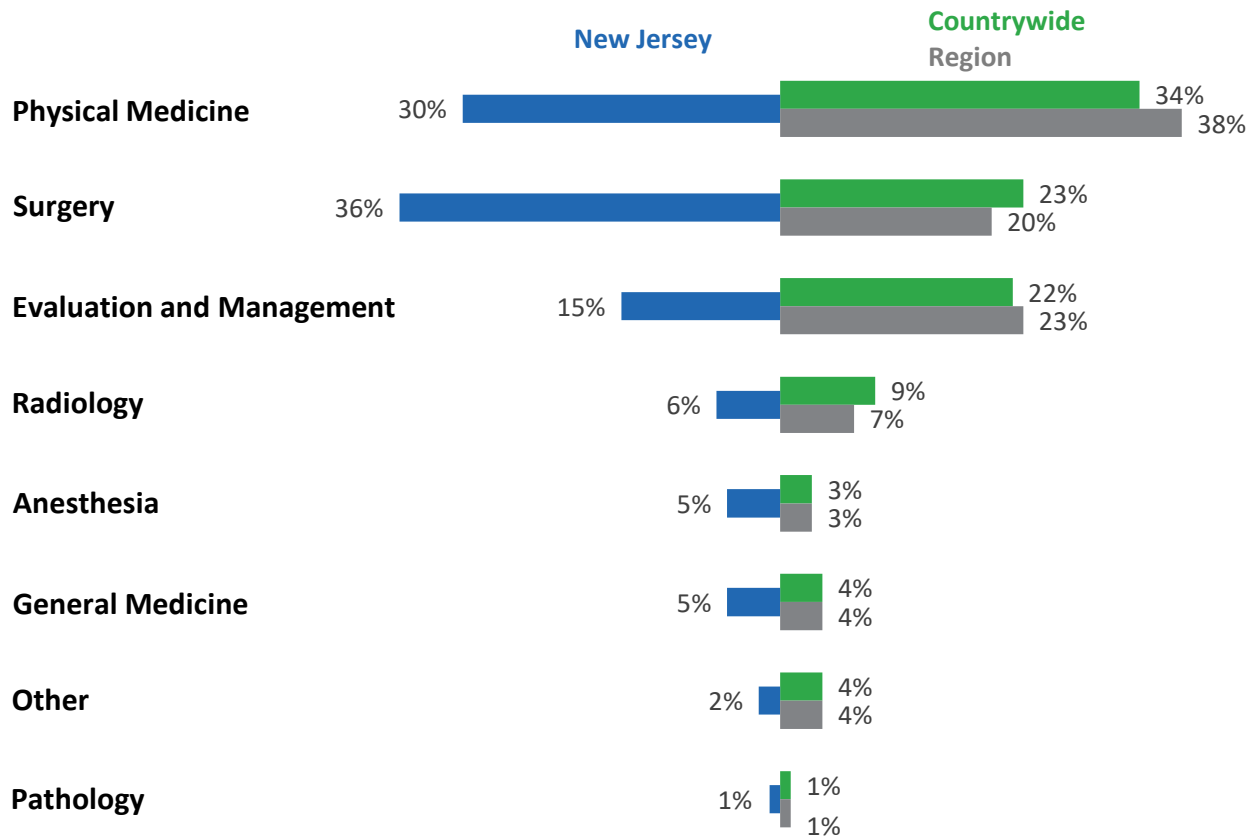
Physician Service Category	New Jersey	Region	Countrywide
General and Physical Medicine	146%	123%	132%
Surgery	510%	236%	270%
Evaluation and Management	136%	140%	144%
Radiology	208%	196%	227%
Anesthesia	530%	242%	309%
<b>All Physician Services</b>	<b>215%</b>	<b>152%</b>	<b>167%</b>

<sup>3</sup> The calculation for Surgery takes into account Medicare's endoscopic procedures reimbursement rules.

Chart 6 displays the distribution of physician payments by service category for New Jersey, the region, and countrywide.

**Chart 6**

## Distribution of Physician Payments by AMA Service Category





In 2019, NCCI conducted a review of physician costs in workers compensation as compared to group health (GH). Results<sup>4</sup> show that WC physician costs are 77% higher than GH in general, with variation across states ranging from 0% to 200%. The difference in costs for physician services is due to both prices and utilization of services. Most notably, physical medicine services in WC are almost three times the costs of physical medicine services in GH, largely due to the number of services provided.

Physicians typically use current procedure terminology (CPT) codes to identify the services that they provide to claimants. These codes are specific and provide detailed information on what service was performed. The charts below display the top 10 procedure codes reported by physicians for the following service categories: anesthesia, surgery, radiology, physical and general medicine, and evaluation and management. A brief description of each procedure code is displayed in the corresponding table below each chart.

Except for anesthesia codes and physical & general medicine codes, the charts also include the average amount paid per transaction (PPT) for these codes in New Jersey, in the region, and countrywide. The average PPT is calculated by taking the total payments for the procedure code and dividing by the number of transactions for the procedure code. Other fields, such as the secondary paid procedure code, modifier, diagnosis code, place of service, and quantity/units, may need to be considered when evaluating average payments per service. The charts for the top 10 anesthesia codes and physical & general medicine codes include the average amount paid per unit (PPU) for the codes in New Jersey, in the region, and countrywide. The PPU is calculated by taking the total payments for the procedure code and dividing by the number of units for the procedure code. For these codes, a unit is typically a measurement of time (15-minute increment, 30-minute increment, 1-hour increment, etc.) but can also be one transaction. The procedure code description will indicate the unit measurement.

The Top 10 charts rank the procedure codes for each service category using two different methods. The first method ranks procedure codes by total payments. Procedure codes are sorted from highest total payments to lowest total payments. The procedure code with the highest amount paid is ranked first, the procedure code with the second highest amount paid is ranked second, and so on. This method of ranking shows those procedures that represent the highest percentage share of payments.

The second method ranks procedure codes by total count of transactions. The procedure code with the highest total transaction count is ranked first, the procedure code with the second highest total transaction count is ranked second, and so on. This method reveals the most frequently used procedures.

Additional charts show time until first treatment and results for telemedicine services. Time to initial treatment (TTT) is a measure of the availability of medical services and is measured by the number of days between the date of injury and the date on which the worker first received medical services. Telemedicine services charts are based on transactions reported with a telemedicine-specific procedure code, modifier, or place of service and show the distribution, as well as the top 10 procedure codes, for telemedicine service.

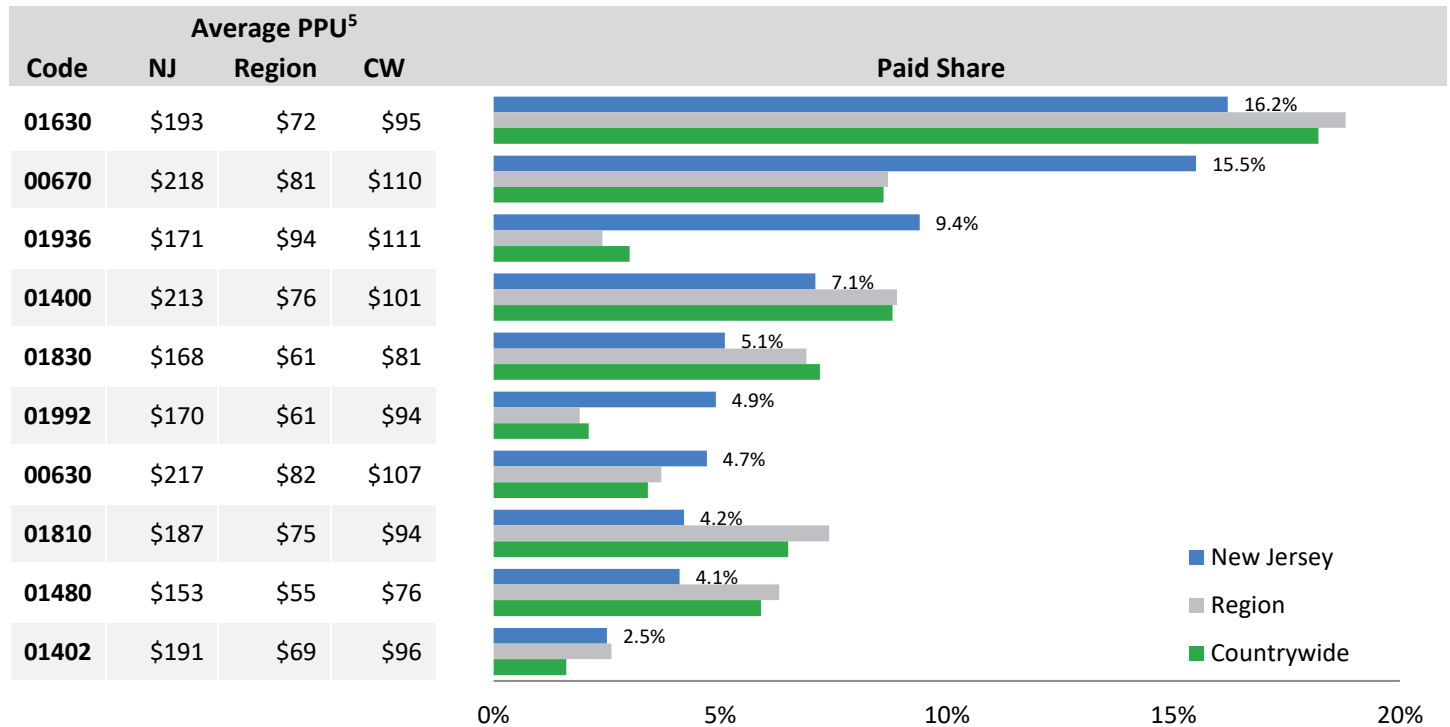
<sup>4</sup> Lipton, Barry, *Work Comp vs. Group Health—The Price We Pay* (Channel NCCI, video file), May 23, 2019, [www.youtube.com/watch?v=fb3tnbQoMSY](https://www.youtube.com/watch?v=fb3tnbQoMSY)



In New Jersey, physician payments for anesthesia services provided in 2020 are, on average, 530% of Medicare-scheduled reimbursement amounts, compared to 242% in the region and 309% countrywide. Payments for these services comprise 5% of physician payments, compared to 3% in the region and 3% countrywide.

Chart 7

## Top 10 Anesthesia Procedure Codes by Amount Paid

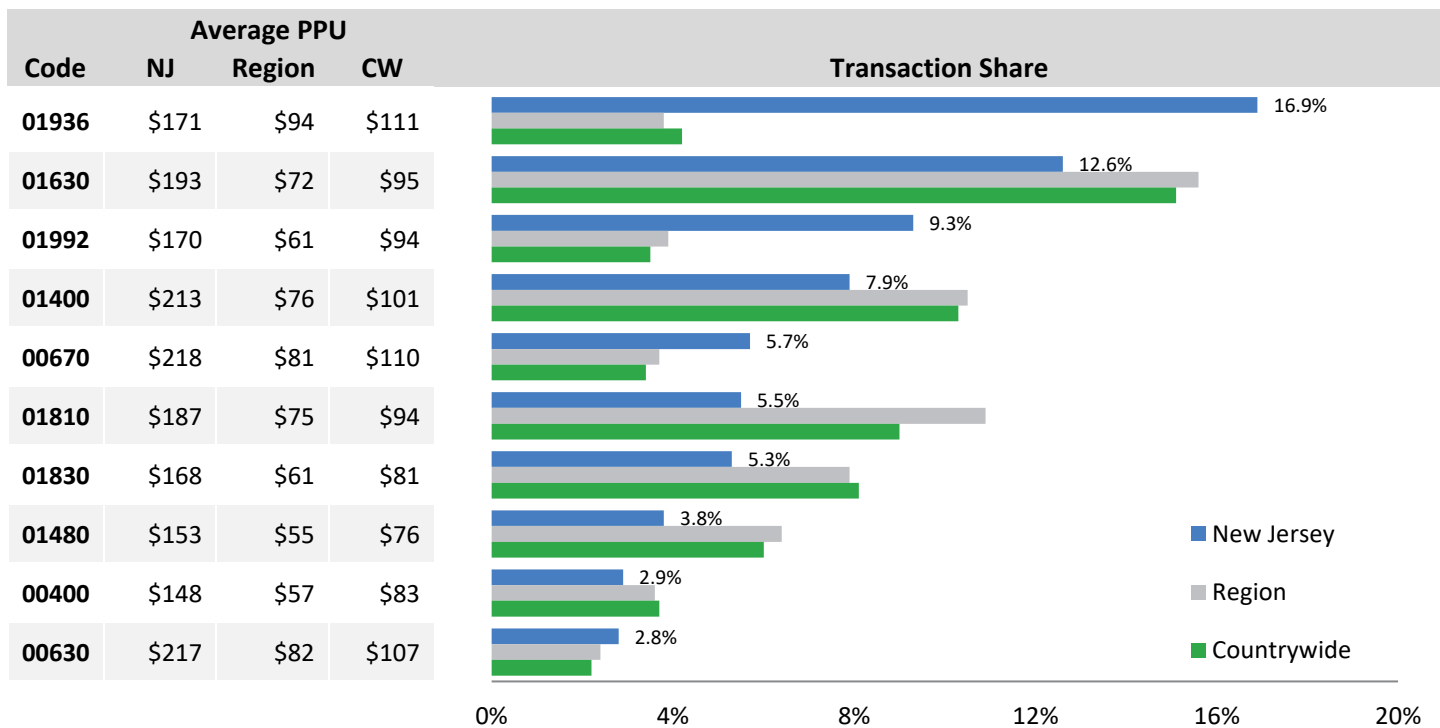


Code	Description
01630	Anesthesia for open or surgical arthroscopic procedures on humeral head and neck, sternoclavicular joint, acromioclavicular joint, and shoulder joint; not otherwise specified
00670	Anesthesia for extensive spine and spinal cord procedures (e.g., spinal instrumentation or vascular procedures)
01936	Anesthesia for percutaneous image guided procedures on the spine and spinal cord; therapeutic
01400	Anesthesia for open or surgical arthroscopic procedures on knee joint; not otherwise specified
01830	Anesthesia for open or surgical arthroscopic/endoscopic procedures on distal radius, distal ulna, wrist, or hand joints; not otherwise specified
01992	Anesthesia for diagnostic or therapeutic nerve blocks and injections (when block or injection is performed by a different physician or other qualified health care professional); prone position
00630	Anesthesia for procedures in lumbar region; not otherwise specified
01810	Anesthesia for all procedures on nerves, muscles, tendons, fascia, and bursae of forearm, wrist, and hand
01480	Anesthesia for open procedures on bones of lower leg, ankle, and foot; not otherwise specified
01402	Anesthesia for open or surgical arthroscopic procedures on knee joint; total knee arthroplasty

<sup>5</sup> A unit is an increment of 15 minutes unless otherwise defined in the description.

Chart 8

## Top 10 Anesthesia Procedure Codes by Transaction Counts



Code	Description
01936	Anesthesia for percutaneous image guided procedures on the spine and spinal cord; therapeutic
01630	Anesthesia for open or surgical arthroscopic procedures on humeral head and neck, sternoclavicular joint, acromioclavicular joint, and shoulder joint; not otherwise specified
01992	Anesthesia for diagnostic or therapeutic nerve blocks and injections (when block or injection is performed by a different physician or other qualified health care professional); prone position
01400	Anesthesia for open or surgical arthroscopic procedures on knee joint; not otherwise specified
00670	Anesthesia for extensive spine and spinal cord procedures (e.g., spinal instrumentation or vascular procedures)
01810	Anesthesia for all procedures on nerves, muscles, tendons, fascia, and bursae of forearm, wrist, and hand
01830	Anesthesia for open or surgical arthroscopic/endoscopic procedures on distal radius, distal ulna, wrist, or hand joints; not otherwise specified
01480	Anesthesia for open procedures on bones of lower leg, ankle, and foot; not otherwise specified
00400	Anesthesia for procedures on the integumentary system on the extremities, anterior trunk, and perineum; not otherwise specified
00630	Anesthesia for procedures in lumbar region; not otherwise specified

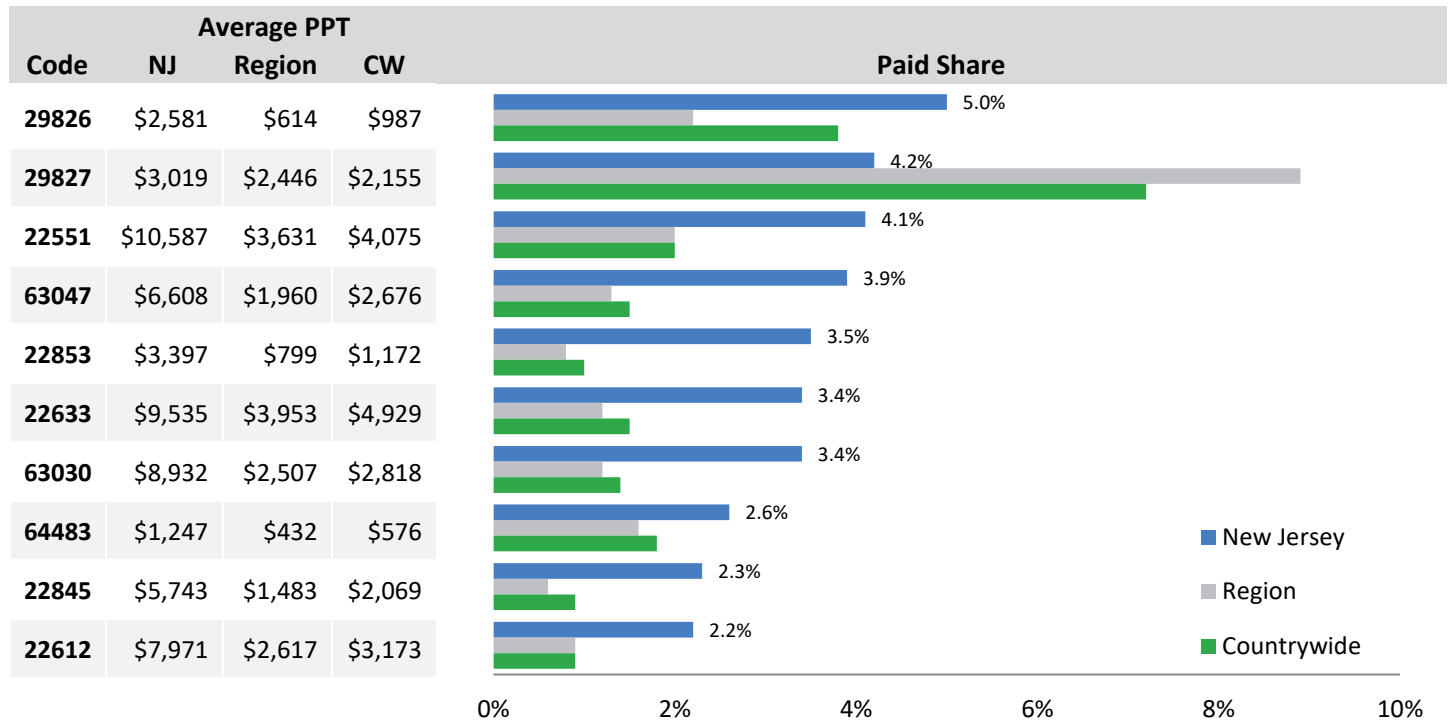




In New Jersey, physician payments for surgery services provided in 2020 are, on average, 510% of Medicare-scheduled reimbursement amounts, compared to 236% in the region and 270% countrywide. Payments for these services comprise 36% of physician payments, compared to 20% in the region and 23% countrywide.

Chart 9

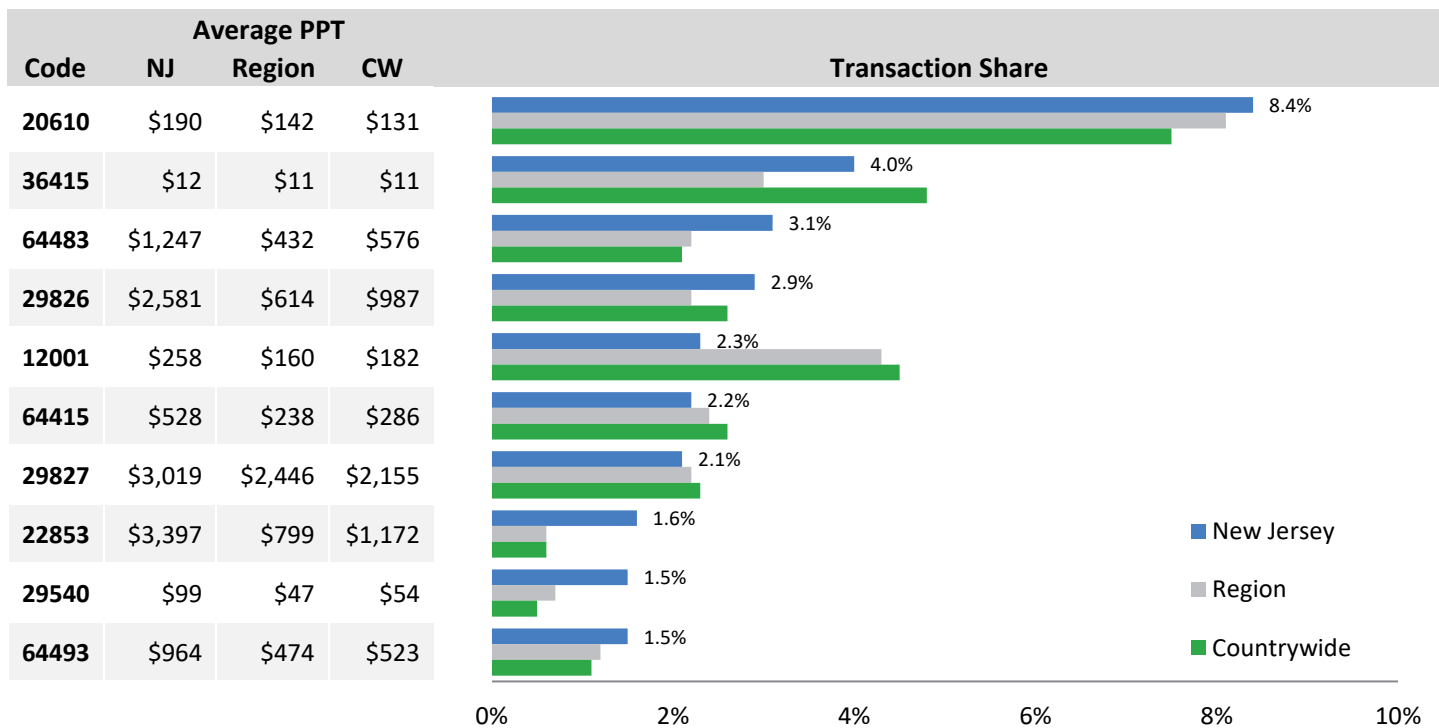
## Top 10 Surgery Procedure Codes by Amount Paid



Code	Description
29826	Arthroscopy, shoulder, surgical; decompression of subacromial space with partial acromioplasty, with coracoacromial ligament (i.e., arch) release, when performed
29827	Arthroscopy, shoulder, surgical; with rotator cuff repair
22551	Arthrodesis, anterior interbody, including disc space preparation, discectomy, osteophyctomy, and decompression of spinal cord and/or nerve roots; cervical below C2
63047	Laminectomy, facetectomy, and foraminotomy (unilateral or bilateral with decompression of spinal cord, cauda equine, and/or nerve root), single vertebral segment; lumbar
22853	Insertion of interbody biomechanical device, with integral anterior instrumentation for device anchoring, to intervertebral disc space, in conjunction with interbody arthrodesis; each interspace
22633	Arthrodesis, combined posterior or posterolateral technique with posterior interbody technique including laminectomy and/or discectomy sufficient to prepare interspace (other than for decompression), single interspace and segment; lumbar
63030	Laminotomy (hemilaminectomy) with decompression of nerve root(s) including partial facetectomy, foraminotomy, and/or excision of herniated intervertebral disc; 1 interspace lumbar
64483	Injection(s), anesthetic agent, and/or steroid, transforaminal epidural, with imaging guidance (fluoroscopy or computed tomography (CT)); lumbar or sacral, single level
22845	Anterior instrumentation; 2 to 3 vertebral segments
22612	Arthrodesis, posterior or posterolateral technique, single level; lumbar (with lateral transverse technique when performed)

Chart 10

## Top 10 Surgery Procedure Codes by Transaction Counts

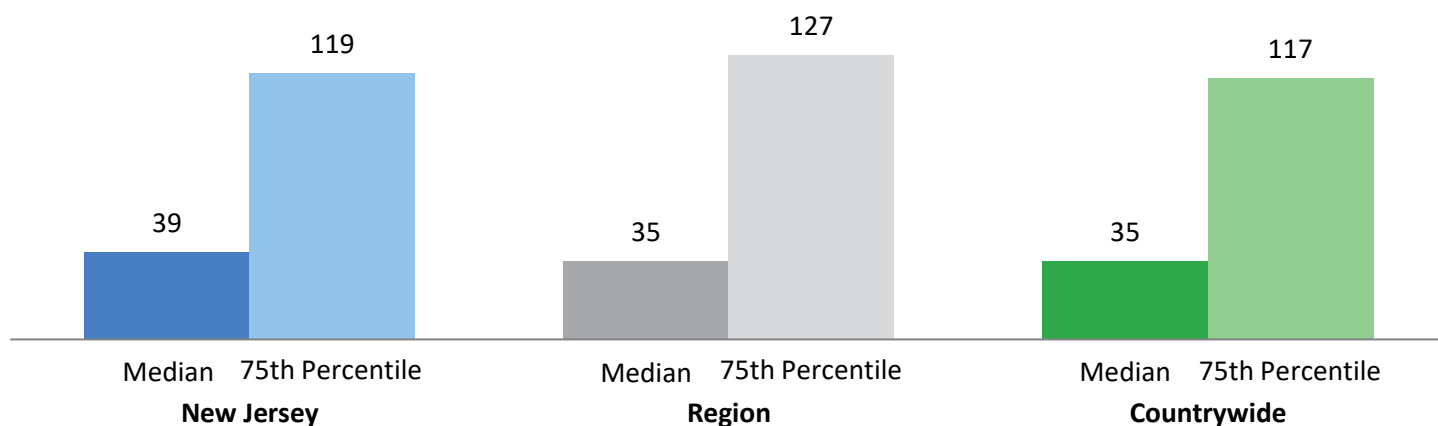


Code	Description
20610	Arthrocentesis, aspiration, and/or injection; major joint or bursa (e.g., shoulder, hip, knee, joint, subacromial bursa)
36415	Collection of venous blood by venipuncture
64483	Injection(s), anesthetic agent, and/or steroid, transforaminal epidural, with imaging guidance (fluoroscopy or computed tomography (CT)); lumbar or sacral, single level
29826	Arthroscopy, shoulder, surgical; decompression of subacromial space with partial acromioplasty, with coracoacromial ligament (i.e., arch) release, when performed
12001	Simple repair of superficial wounds of scalp, neck, axillae, external genitalia, trunk, and/or extremities (including hands and feet); 2.5 cm or less
64415	Injection, anesthetic agent; brachial plexus, single
29827	Arthroscopy, shoulder, surgical; with rotator cuff repair
22853	Insertion of interbody biomechanical device, with integral anterior instrumentation for device anchoring, to intervertebral disc space, in conjunction with interbody arthrodesis; each interspace
29540	Strapping; ankle and/or foot
64493	Injection(s), diagnostic or therapeutic agent, paravertebral facet (zygapophyseal) joint (or nerves innervating that joint), with image guidance (fluoroscopy or computed tomography (CT)), lumbar or sacral; single level



Chart 11 shows the median and 75th percentile<sup>6</sup> time until first treatment for major surgery for New Jersey, the region, and countrywide. No adjustment has been made to account for injuries that may take time to develop such as an occupational disease, which may extend the time between the date a work-related injury or disease is reported and the first medical treatment takes place.

**Chart 11**  
**Time Until First Treatment for Major Surgery<sup>7</sup> (in Days)**



Source: NCCI's Medical Data Call for Accident Year 2019 and Service Years 2019 and 2020.

<sup>6</sup> The median is the TTT where one-half of all TTT values are higher and one-half are lower. This statistic is less affected by extremely low or extremely high values. The 75th percentile is the TTT where 75% of all TTT values are lower and 25% are higher. For example, Chart 11 indicates that out of 100 claimants, 75 will receive a major surgery within 119 days of their accident date. Comparing the median to the 75th percentile illustrates the variation in TTT between claims.

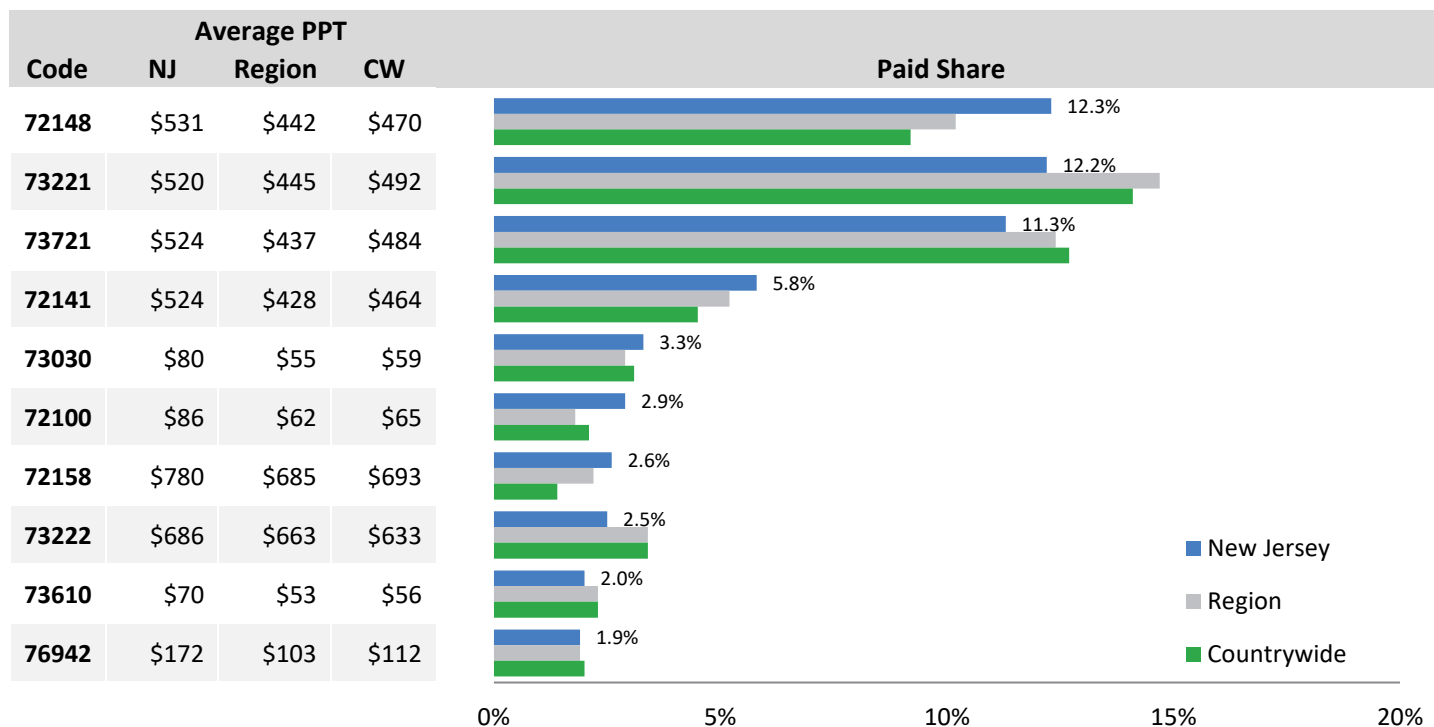
<sup>7</sup> A service is classified as "surgical" if it falls within the surgical category as defined by the AMA. A service is further classified as "major surgery" if it has a global follow-up period of 90 days as defined by the Centers for Medicare & Medicaid Services and is not an injection.



In New Jersey, physician payments for radiology services provided in 2020 are, on average, 208% of Medicare-scheduled reimbursement amounts, compared to 196% in the region and 227% countrywide. Payments for these services comprise 6% of physician payments, compared to 7% in the region and 9% countrywide.

Chart 12

## Top 10 Radiology Procedure Codes by Amount Paid

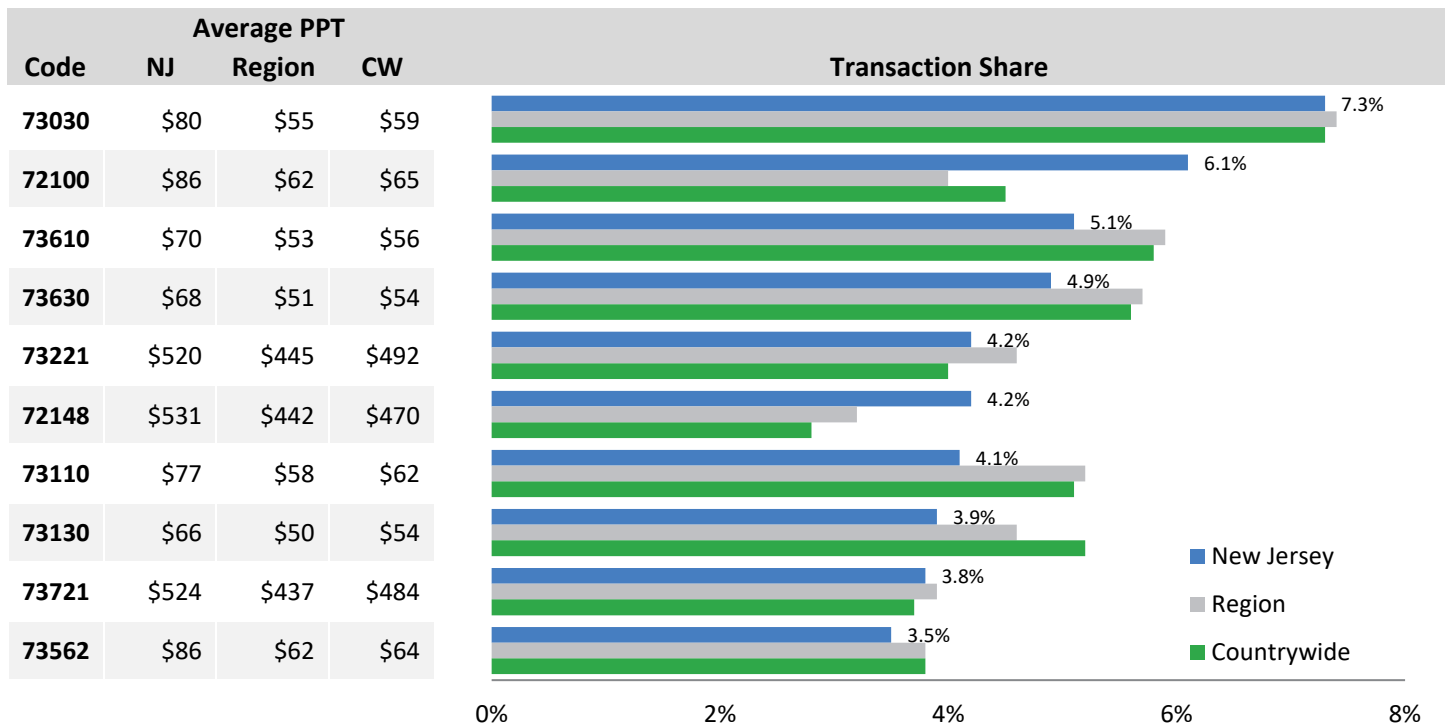


Code	Description
72148	Magnetic resonance (e.g., proton) imaging, spinal canal and contents, lumbar; without contrast material
73221	Magnetic resonance (e.g., proton) imaging, any joint of upper extremity; without contrast material
73721	Magnetic resonance (e.g., proton) imaging, any joint of lower extremity; without contrast material
72141	Magnetic resonance (e.g., proton) imaging, spinal canal and contents, cervical; without contrast material
73030	Radiologic examination, shoulder; complete minimum of 2 views
72100	Radiologic examination, spine, lumbosacral; 2 or 3 views
72158	Magnetic resonance (e.g., proton) imaging, spinal canal and contents, without contrast material, followed by contrast material(s) and further sequences; lumbar
73222	Magnetic resonance (e.g., proton) imaging, any joint of upper extremity; with contrast material
73610	Radiologic examination, ankle; complete minimum of 3 views
76942	Ultrasonic guidance for needle placement (e.g., biopsy, aspiration, injection, localization device)



Chart 13

## Top 10 Radiology Procedure Codes by Transaction Counts



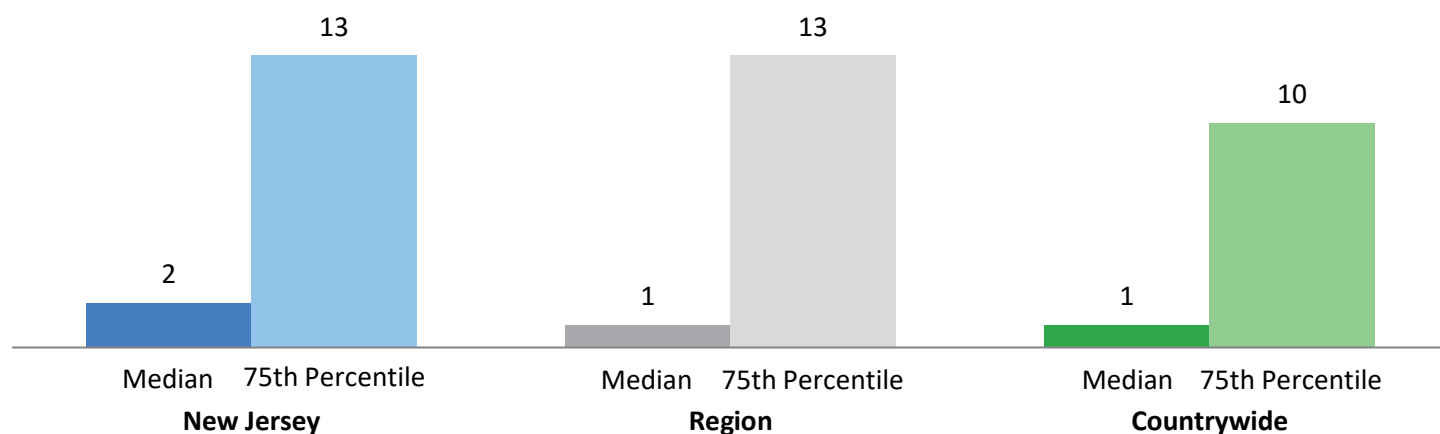
Code	Description
73030	Radiologic examination, shoulder; complete minimum of 2 views
72100	Radiologic examination, spine, lumbosacral; 2 or 3 views
73610	Radiologic examination, ankle; complete minimum of 3 views
73630	Radiologic examination, foot; complete minimum of 3 views
73221	Magnetic resonance (e.g., proton) imaging, any joint of upper extremity; without contrast material
72148	Magnetic resonance (e.g., proton) imaging, spinal canal and contents, lumbar; without contrast material
73110	Radiologic examination, wrist; complete minimum of 3 views
73130	Radiologic examination, hand; minimum of 3 views
73721	Magnetic resonance (e.g., proton) imaging, any joint of lower extremity; without contrast material
73562	Radiologic examination, knee; 3 views



Chart 14 shows the median and 75th percentile time until first treatment for radiology procedures for New Jersey, the region, and countrywide.

**Chart 14**

**Time Until First Treatment for Radiology (in Days)**



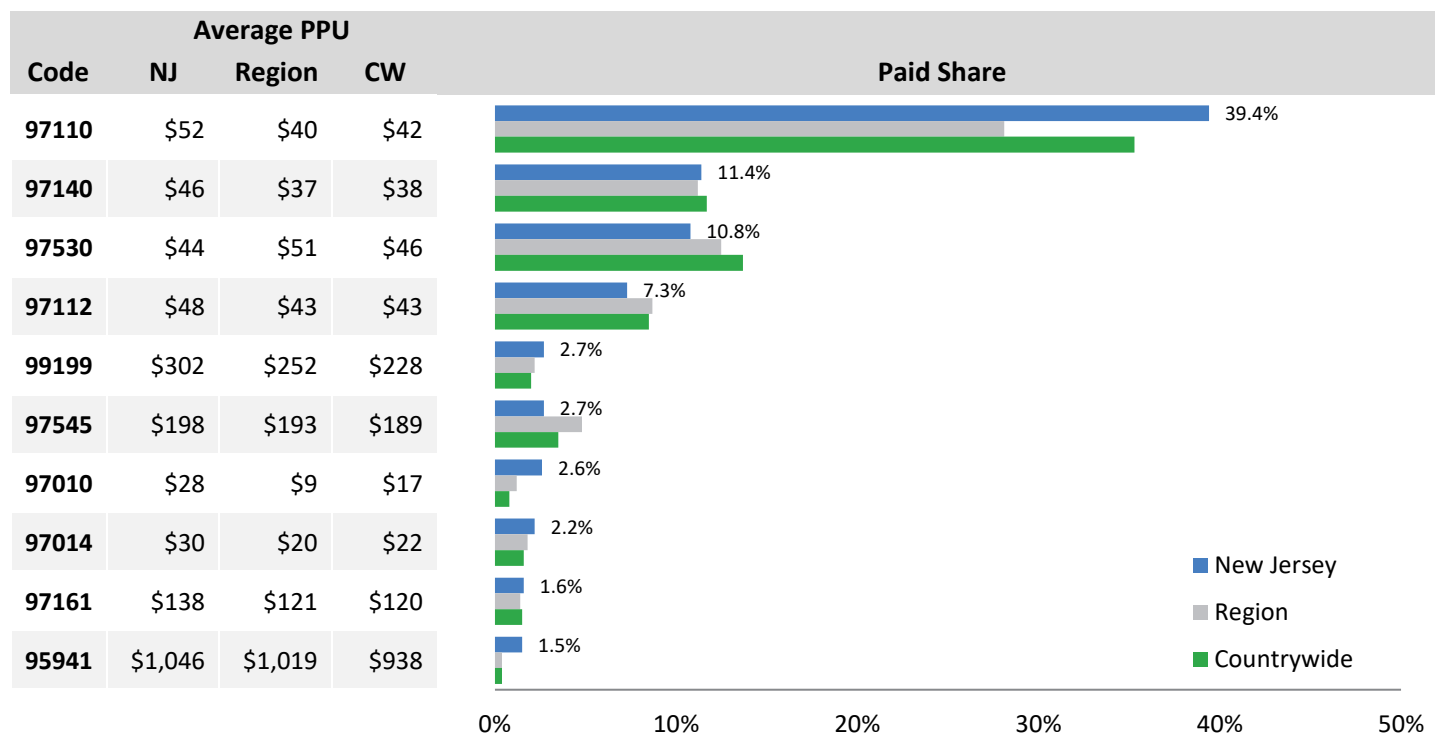
Source: NCCI's Medical Data Call for Accident Year 2019 and Service Years 2019 and 2020.



In New Jersey, physician payments for physical and general medicine services provided in 2020 are, on average, 146% of Medicare-scheduled reimbursement amounts, compared to 123% in the region and 132% countrywide. Payments for these services comprise 35% of physician payments, compared to 42% in the region and 38% countrywide.

Chart 15

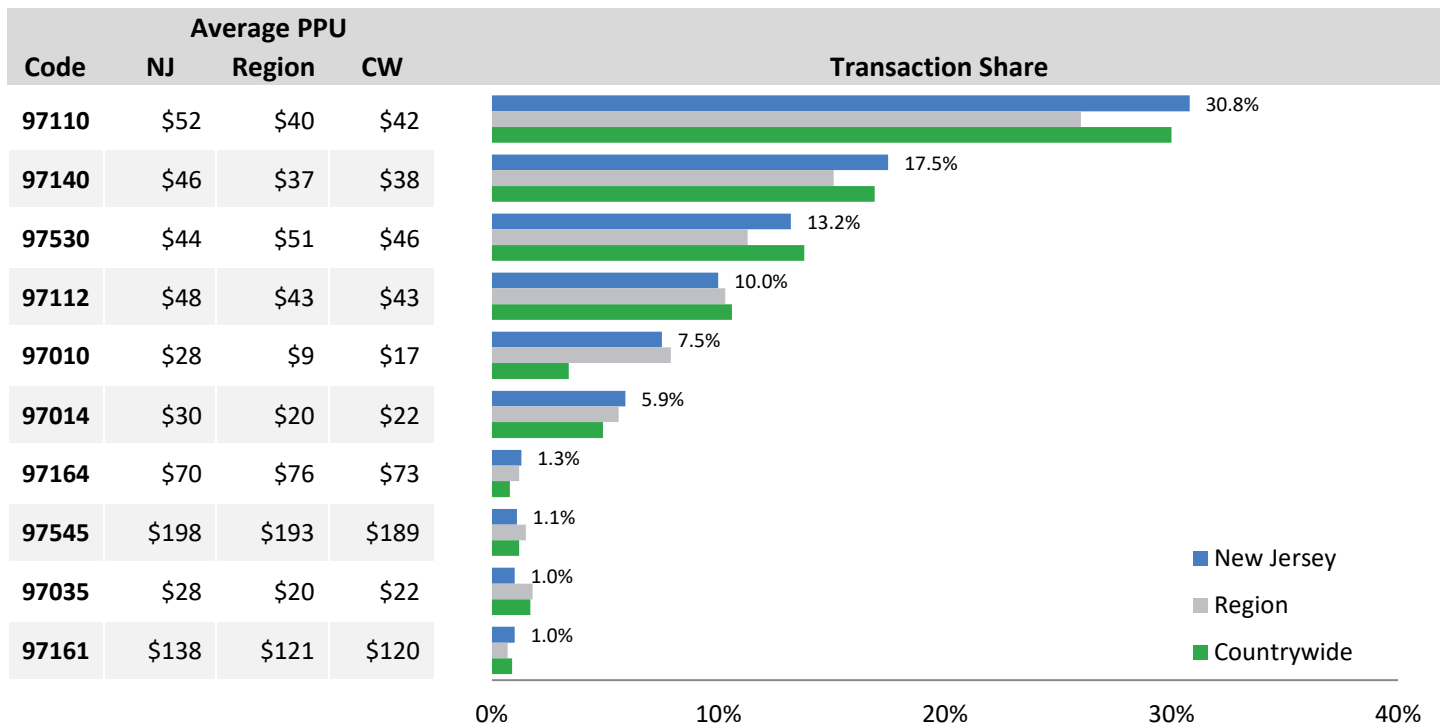
## Top 10 Physical and General Medicine Procedure Codes by Amount Paid



Code	Description
97110	Therapeutic procedure, 1 or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion, and flexibility
97140	Manual therapy techniques (e.g., mobilization/manipulation, manual lymphatic drainage, manual traction), 1 or more regions, each 15 minutes
97530	Therapeutic activities, direct (one-on-one) patient contact by the provider (use of dynamic activities to improve functional performance), each 15 minutes
97112	Therapeutic procedure, 1 or more areas, each 15 minutes; neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and/or proprioception for sitting and/or standing activities
99199	Unlisted special service procedure or report
97545	Work hardening/conditioning; initial 2 hours
97010	Application of a modality to 1 or more areas; hot or cold packs
97014	Application of a modality to 1 or more areas; electrical stimulation (unattended)
97161	Physical therapy evaluation of low complexity; typically, 20 minutes are spent with the patient and/or family
95941	Continuous intraoperative neurophysiology monitoring, from outside the operating room (remote or nearby) or for monitoring of more than one case while in the operating room, per hour

Chart 16

## Top 10 Physical and General Medicine Procedure Codes by Transaction Counts



Code	Description
97110	Therapeutic procedure, 1 or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion, and flexibility
97140	Manual therapy techniques (e.g., mobilization/manipulation, manual lymphatic drainage, manual traction), 1 or more regions, each 15 minutes
97530	Therapeutic activities, direct (one-on-one) patient contact by the provider (use of dynamic activities to improve functional performance), each 15 minutes
97112	Therapeutic procedure, 1 or more areas, each 15 minutes; neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and/or proprioception for sitting and/or standing activities
97010	Application of a modality to 1 or more areas; hot or cold packs
97014	Application of a modality to 1 or more areas; electrical stimulation (unattended)
97164	Re-evaluation of physical therapy and established plan of care; requires an examination with review of history and use of standardized tests and measures; revised plan of care using a standardized patient assessment instrument and/or measurable assessment of functional outcome; 20 minutes face-to-face with patient and/or family
97545	Work hardening/conditioning; initial 2 hours
97035	Application of a modality to 1 or more areas; ultrasound, each 15 minutes
97161	Physical therapy evaluation of low complexity; typically, 20 minutes are spent with the patient and/or family

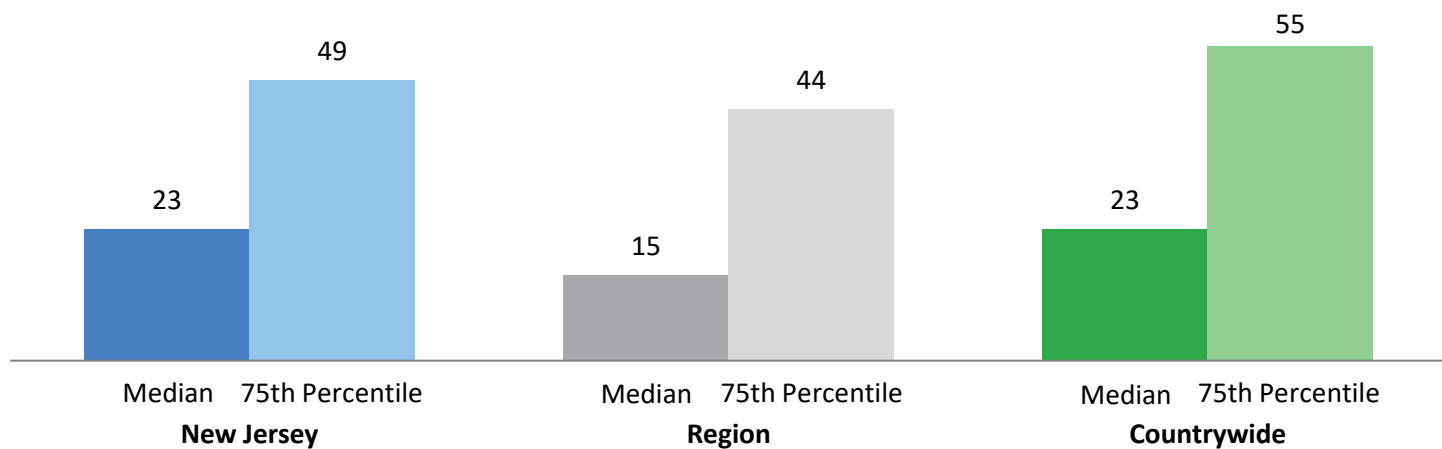




Chart 17 shows the median and 75th percentile time until first treatment for physical and general medicine procedures for New Jersey, the region, and countrywide.

**Chart 17**

**Time Until First Treatment for Physical and General Medicine (in Days)**

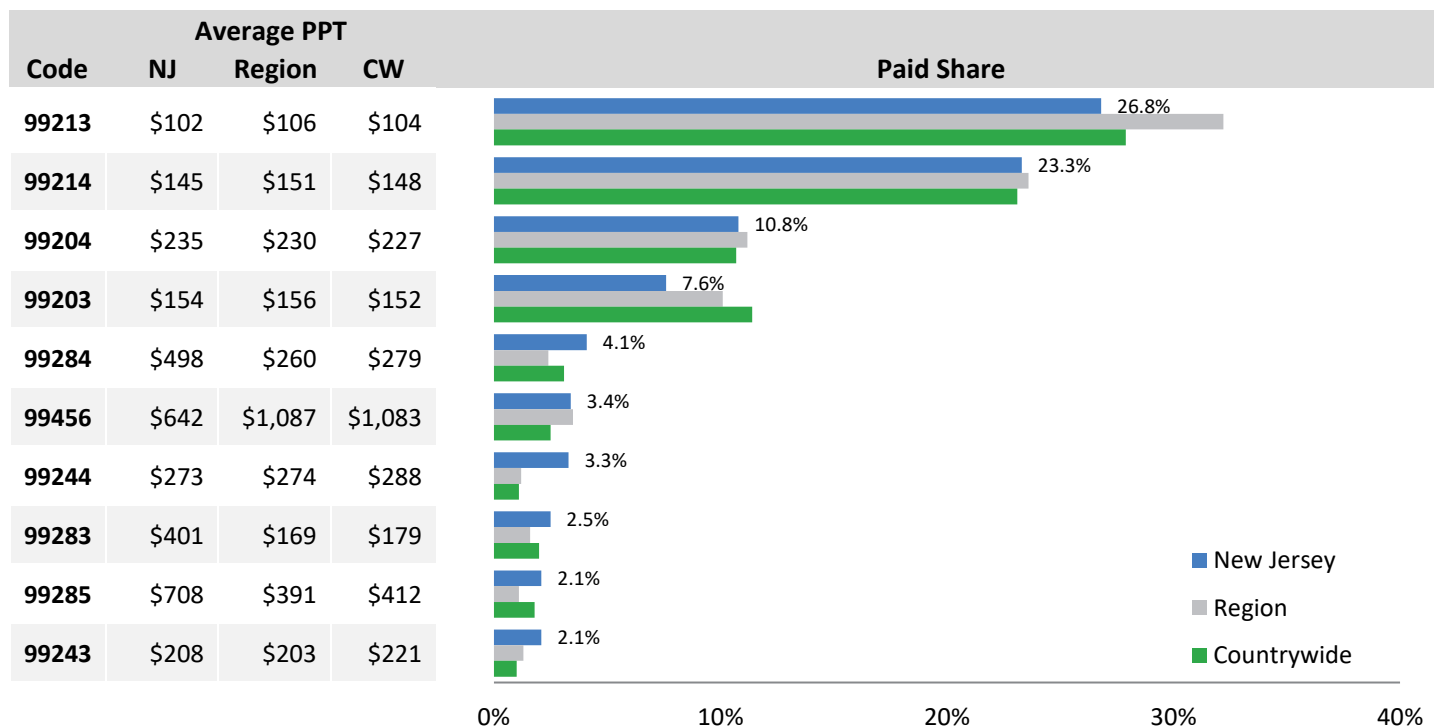


Source: NCCI's Medical Data Call for Accident Year 2019 and Service Years 2019 and 2020.

In New Jersey, physician payments for evaluation and management services provided in 2020 are, on average, 136% of Medicare-scheduled reimbursement amounts, compared to 140% in the region and 144% countrywide. Payments for these services comprise 15% of physician payments, compared to 23% in the region and 22% countrywide.

**Chart 18**

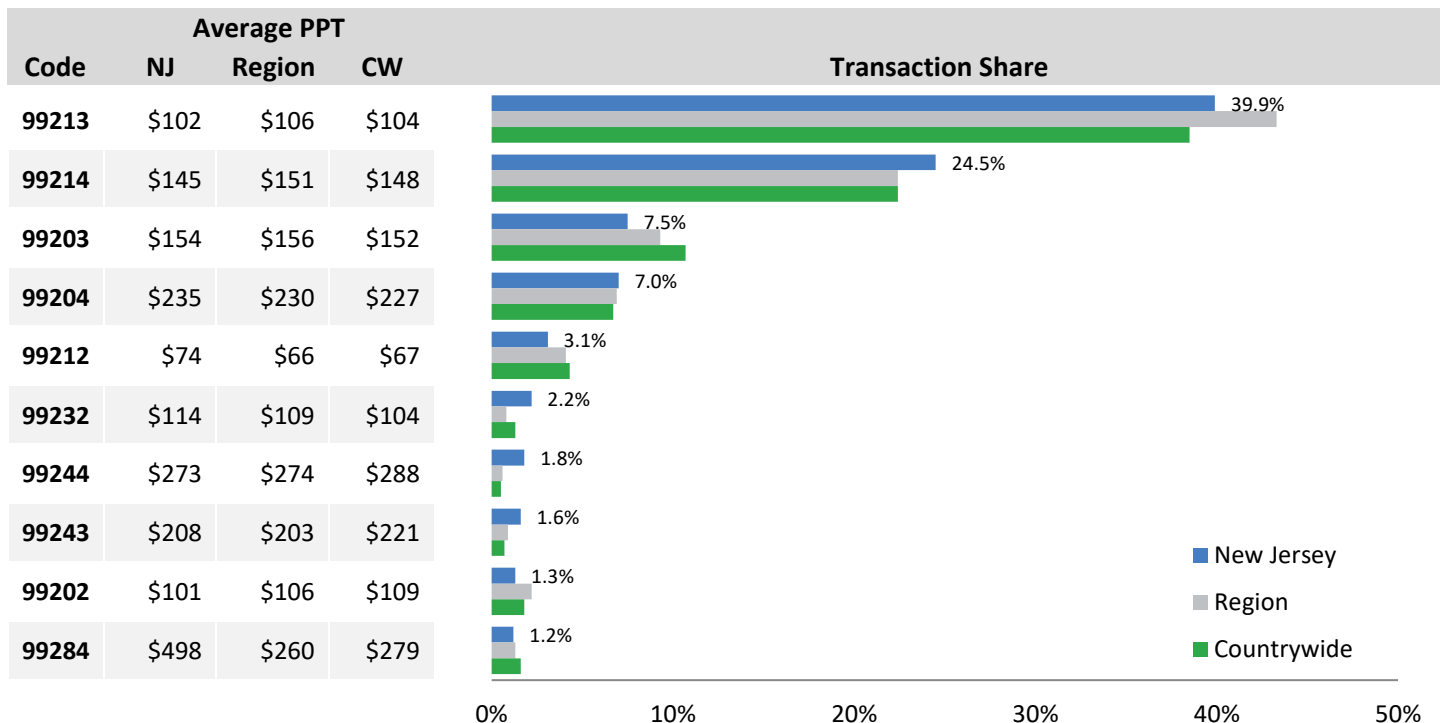
**Top 10 Evaluation and Management Procedure Codes by Amount Paid**



Code	Description
99213	Office or other outpatient visit for the evaluation and management of an established patient. Usually the presenting problem(s) are of low to moderate severity. Physicians typically spend 15 minutes face-to-face with the patient and/or family.
99214	Office or other outpatient visit for the evaluation and management of an established patient. Usually the presenting problem(s) are of moderate to high severity. Physicians typically spend 25 minutes face-to-face with the patient and/or family.
99204	Office or other outpatient visit for the evaluation and management of a new patient. Usually the presenting problem(s) are of moderate to high severity. Physicians typically spend 45 minutes face-to-face with the patient and/or family.
99203	Office or other outpatient visit for the evaluation and management of a new patient. Usually the presenting problem(s) are of moderate severity. Physicians typically spend 30 minutes face-to-face with the patient and/or family.
99284	Emergency department visit. Usually the presenting problem(s) are of high severity and require urgent evaluation by the physician but do not pose an immediate significant threat to life or physiologic function.
99456	Work related or medical disability examination by other than the treating physician.
99244	Office consultation for a new or established patient. Usually the presenting problem(s) are of moderate to high severity. Physicians typically spend 60 minutes face-to-face with the patient and/or family.
99283	Emergency department visit. Usually the presenting problem(s) are of moderate severity.
99285	Emergency department visit. Usually the presenting problem(s) are of high severity and pose an immediate significant threat to life or physiologic function.
99243	Office consultation for a new or established patient. Usually the presenting problem(s) are of moderate severity. Physicians typically spend 40 minutes face-to-face with the patient and/or family.

Chart 19

## Top 10 Evaluation and Management Procedure Codes by Transaction Counts



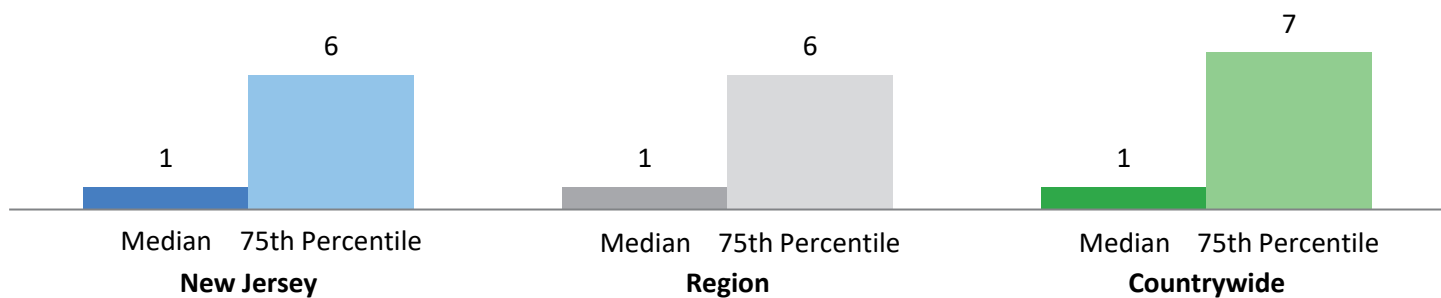
Code	Description
99213	Office or other outpatient visit for the evaluation and management of an established patient. Usually the presenting problem(s) are of low to moderate severity. Physicians typically spend 15 minutes face-to-face with the patient and/or family.
99214	Office or other outpatient visit for the evaluation and management of an established patient. Usually the presenting problem(s) are of moderate to high severity. Physicians typically spend 25 minutes face-to-face with the patient and/or family.
99203	Office or other outpatient visit for the evaluation and management of a new patient. Usually the presenting problem(s) are of moderate severity. Physicians typically spend 30 minutes face-to-face with the patient and/or family.
99204	Office or other outpatient visit for the evaluation and management of a new patient. Usually the presenting problem(s) are of moderate to high severity. Physicians typically spend 45 minutes face-to-face with the patient and/or family.
99212	Office or other outpatient visit for the evaluation and management of an established patient. Usually the presenting problem(s) are self limited or minor. Physicians typically spend 10 minutes face-to-face with the patient and/or family.
99232	Subsequent hospital care per day for the evaluation and management of a patient. Usually the patient is responding inadequately to therapy or has developed a minor complication. Physicians typically spend 25 minutes at the bedside and on the patient's hospital floor or unit.
99244	Office consultation for a new or established patient. Usually the presenting problem(s) are of moderate to high severity. Physicians typically spend 60 minutes face-to-face with the patient and/or family.
99243	Office consultation for a new or established patient. Usually the presenting problem(s) are of moderate severity. Physicians typically spend 40 minutes face-to-face with the patient and/or family.
99202	Office or other outpatient visit for the evaluation and management of a new patient. Usually the presenting problem(s) are of low to moderate severity. Physicians typically spend 20 minutes face-to-face with the patient and/or family.
99284	Emergency department visit. Usually the presenting problem(s) are of high severity and require urgent evaluation by the physician but do not pose an immediate significant threat to life or physiologic function.



Chart 20 shows the median and 75th percentile time until first treatment for evaluation and management procedures for New Jersey, the region, and countrywide.

**Chart 20**

**Time Until First Treatment for Evaluation and Management (in Days)**



Source: NCCI's Medical Data Call for Accident Year 2019 and Service Years 2019 and 2020.



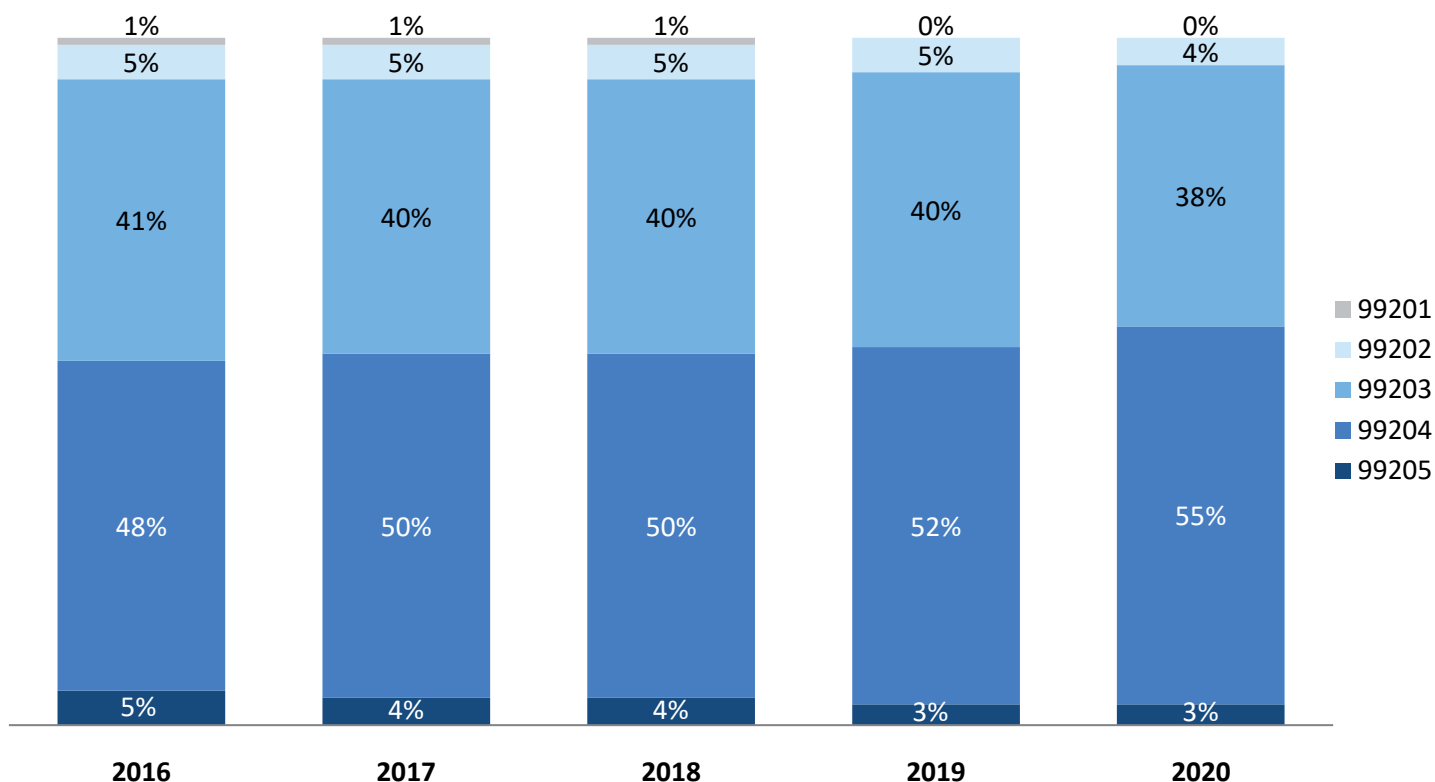
Evaluation and Management services consist largely of office or outpatient visits for a new patient or an established patient.

There are five periods of time spent with a *new* patient, ranging from 10 minutes for Procedure Code 99201 to 60 minutes for Procedure Code 99205. Chart 21 shows a five-year snapshot of experience for each procedure type and the average amount paid per transaction for new patients.

**Chart 21**

**Office or Other Outpatient Visit for the Evaluation and Management of a New Patient**

**Distribution of Payments by Procedure Code**



Source: NCCI's Medical Data Call, Service Years 2016 to 2020.

Code	Severity/Time	Average PPT				
		2016	2017	2018	2019	2020
99201	Low to Moderate; 10 minutes with patient	\$76	\$75	\$78	\$74	\$65
99202	Low to Moderate; 20 minutes with patient	\$95	\$97	\$101	\$98	\$101
99203	Moderate; 30 minutes with patient	\$137	\$137	\$140	\$145	\$154
99204	Moderate to High; 45 minutes with patient	\$196	\$201	\$208	\$219	\$235
99205	Moderate to High; 60 minutes with patient	\$223	\$224	\$227	\$230	\$240

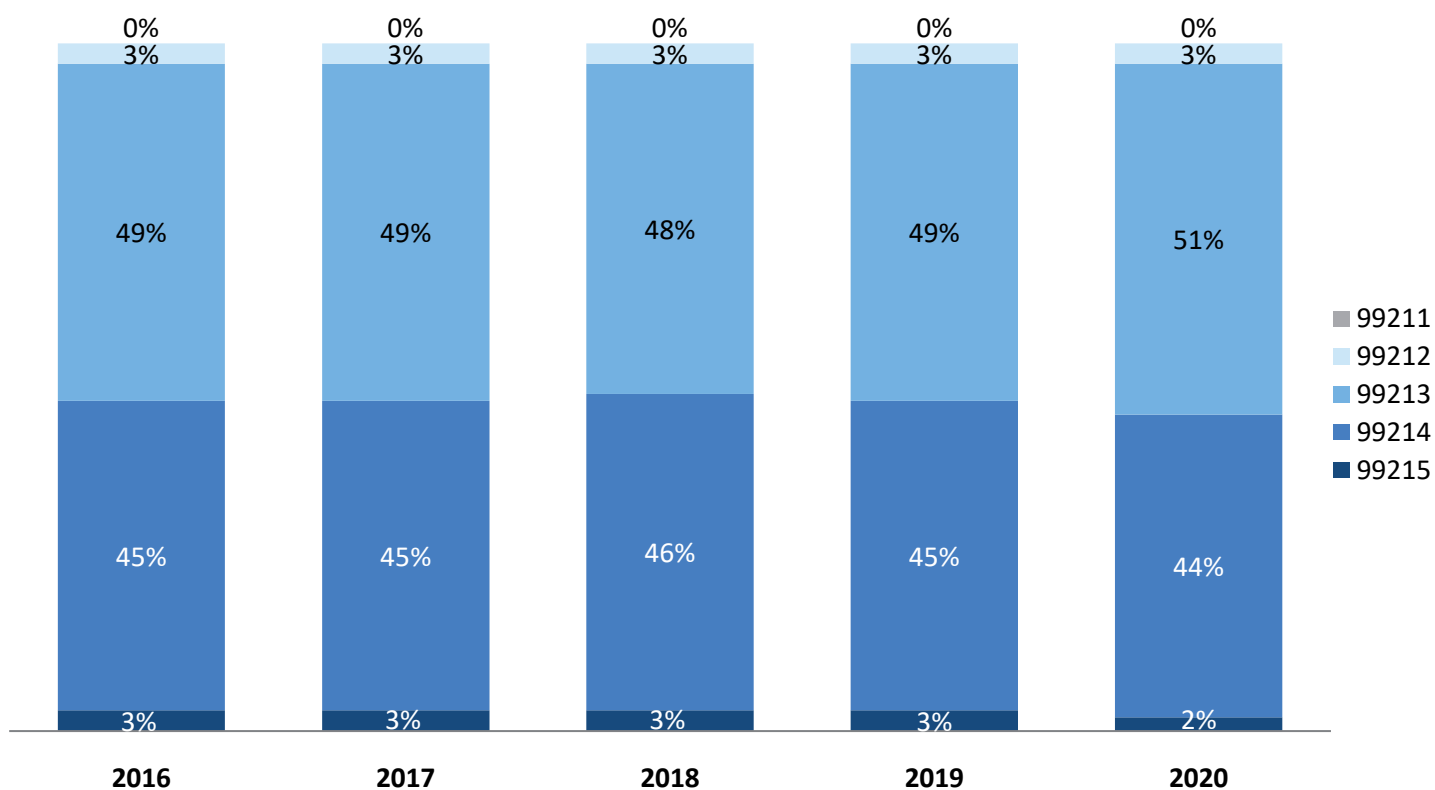


Similarly, for established patients, there are five periods of time spent with the patient, ranging from 5 minutes for Procedure Code 99211 to 40 minutes for Procedure Code 99215. Chart 22 shows a five-year snapshot of experience for each procedure type and the average amount paid per transaction for an established patient.

**Chart 22**

**Office or Other Outpatient Visit for the Evaluation and Management of an Established Patient**

**Distribution of Payments by Procedure Code**



Source: NCCI's Medical Data Call, Service Years 2016 to 2020.

Code	Severity/Time	Average PPT				
		2016	2017	2018	2019	2020
99211	Low to Moderate; 5 minutes with patient	\$35	\$31	\$33	\$32	\$35
99212	Low to Moderate; 10 minutes with patient	\$64	\$66	\$69	\$70	\$74
99213	Moderate; 15 minutes with patient	\$87	\$90	\$93	\$98	\$102
99214	Moderate to High; 25 minutes with patient	\$124	\$126	\$130	\$137	\$145
99215	Moderate to High; 40 minutes with patient	\$176	\$183	\$178	\$187	\$197

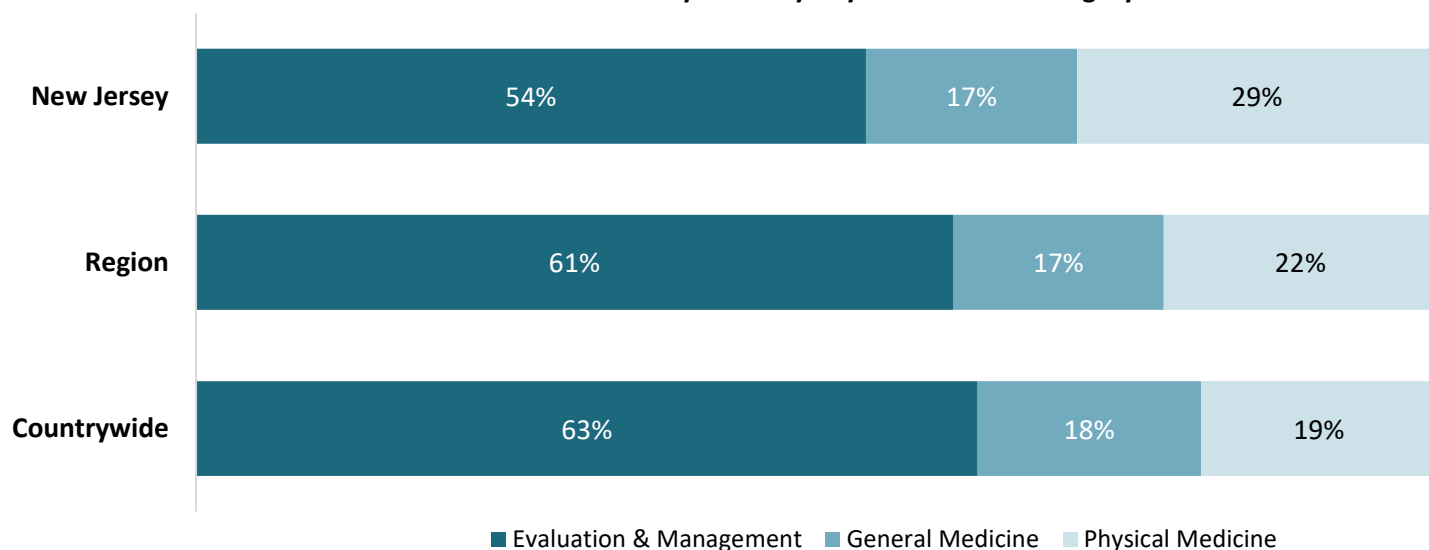


In Service Year 2020, telemedicine services were utilized more than in prior years<sup>8</sup> and were generally observed in the evaluation and management, physical medicine, and general medicine physician service categories. Telemedicine services represent about 2% of the physician costs in these categories countrywide. The share of payments varies across jurisdictions, ranging from about 1% to about 5%.

In New Jersey, the share of claimants receiving physician services (evaluation and management, physical medicine, and general medicine) who had telemedicine encounters increased from 0.2% in 2019 to 12.5% in 2020. Chart 23 shows the distribution of telemedicine payments for these physician service categories in New Jersey, the region, and countrywide.

**Chart 23**

**Distribution of Telemedicine Payments by Physician Service Category**



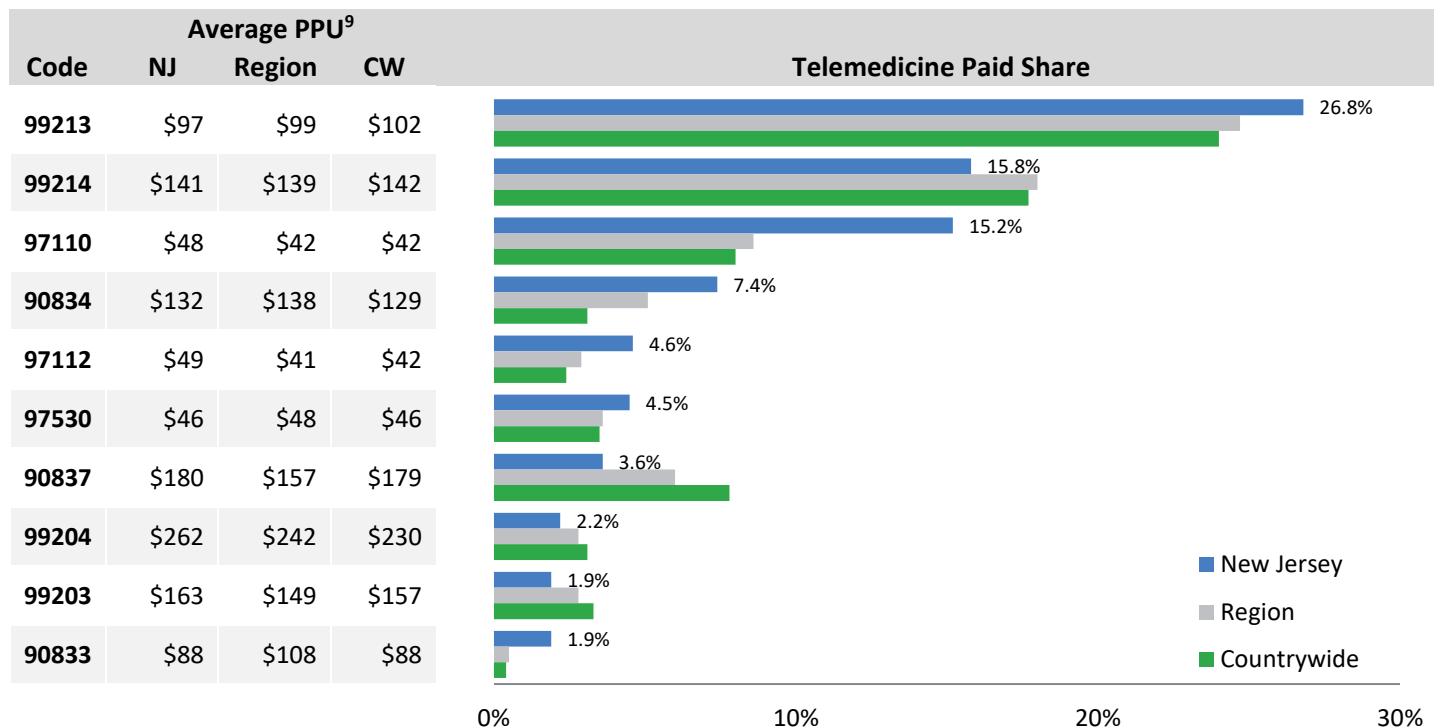
<sup>8</sup> [www.ncci.com/Articles/Documents/Insights-COVID-19-Impact-Medical-Treatment-Workers-Comp-3QTR-2020-Perspective.pdf](https://www.ncci.com/Articles/Documents/Insights-COVID-19-Impact-Medical-Treatment-Workers-Comp-3QTR-2020-Perspective.pdf)



Chart 24 shows the top 10 procedure codes reported as a telemedicine service by paid amount for New Jersey with comparative values for the region and countrywide.

Chart 24

## Top 10 Procedure Codes by Amount Paid for Telemedicine Services



Code	Description
99213	Office or other outpatient visit for the evaluation and management of an established patient. Usually the presenting problem(s) are of low to moderate severity. Physicians typically spend 15 minutes face-to-face with the patient and/or family.
99214	Office or other outpatient visit for the evaluation and management of an established patient. Usually the presenting problem(s) are of moderate to high severity. Physicians typically spend 25 minutes face-to-face with the patient and/or family.
97110	Therapeutic procedure, 1 or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion, and flexibility
90834	Psychotherapy, 45 minutes with patient
97112	Therapeutic procedure, 1 or more areas, each 15 minutes; neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and/or proprioception for sitting and/or standing activities
97530	Therapeutic activities, direct (one-on-one) patient contact by the provider (use of dynamic activities to improve functional performance), each 15 minutes
90837	Psychotherapy, 60 minutes with patient
99204	Office or other outpatient visit for the evaluation and management of a new patient. Usually the presenting problem(s) are of moderate to high severity. Physicians typically spend 45 minutes face-to-face with the patient and/or family.
99203	Office or other outpatient visit for the evaluation and management of a new patient. Usually the presenting problem(s) are of moderate severity. Physicians typically spend 30 minutes face-to-face with the patient and/or family.
90833	Psychotherapy, 30 minutes with patient when performed with an evaluation and management service (List separately in addition to the code for primary procedure)

<sup>9</sup> Based on the number of units for the procedure code (typically in increments of time) but can also be one transaction.

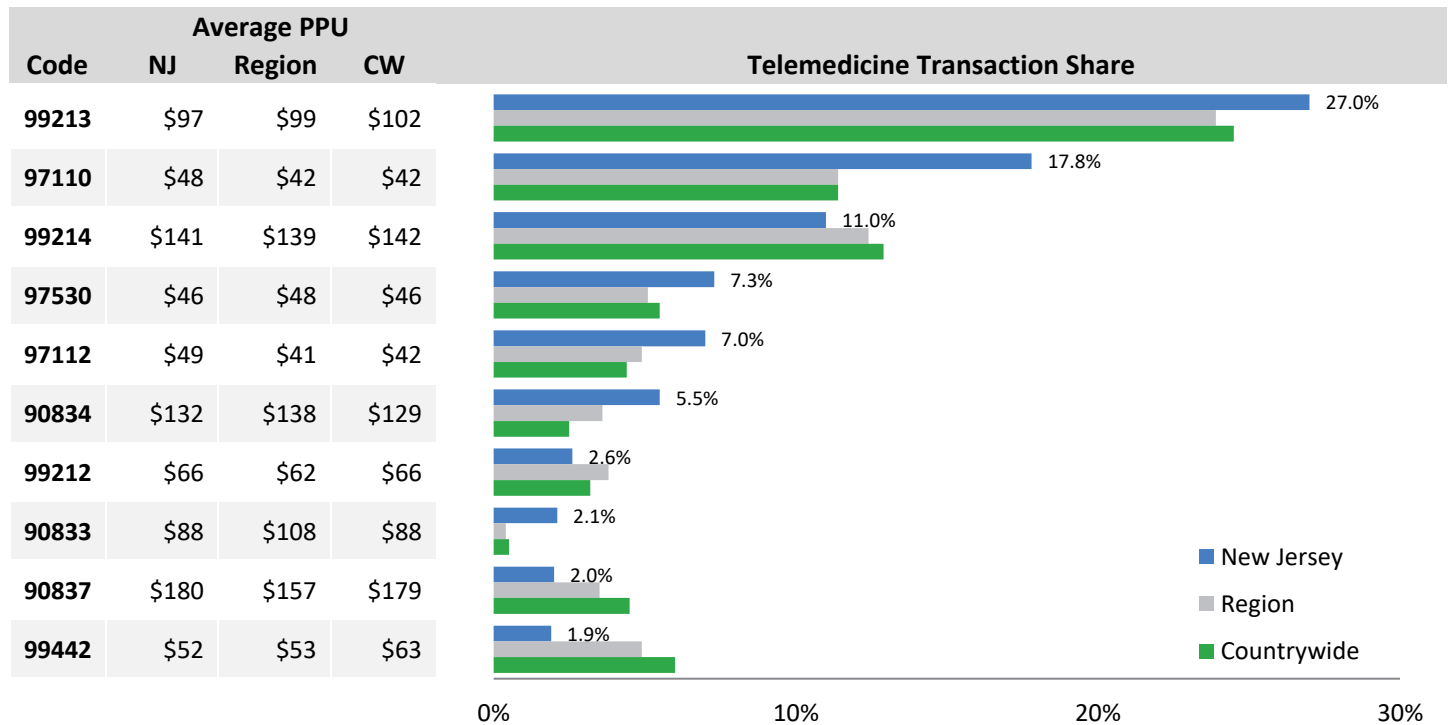




Chart 25 shows the top 10 procedure codes reported as a telemedicine service by transaction count for New Jersey with comparative values for the region and countrywide.

**Chart 25**

**Top 10 Procedure Codes by Transaction Counts for Telemedicine Services**



Code	Description
99213	Office or other outpatient visit for the evaluation and management of an established patient. Usually the presenting problem(s) are of low to moderate severity. Physicians typically spend 15 minutes face-to-face with the patient and/or family.
97110	Therapeutic procedure, 1 or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion, and flexibility
99214	Office or other outpatient visit for the evaluation and management of an established patient. Usually the presenting problem(s) are of moderate to high severity. Physicians typically spend 25 minutes face-to-face with the patient and/or family.
97530	Therapeutic activities, direct (one-on-one) patient contact by the provider (use of dynamic activities to improve functional performance), each 15 minutes
97112	Therapeutic procedure, 1 or more areas, each 15 minutes; neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and/or proprioception for sitting and/or standing activities
90834	Psychotherapy, 45 minutes with patient
99212	Office or other outpatient visit for the evaluation and management of an established patient. Usually the presenting problem(s) are self limited or minor. Physicians typically spend 10 minutes face-to-face with the patient and/or family.
90833	Psychotherapy, 30 minutes with patient when performed with an evaluation and management service (List separately in addition to the code for primary procedure)
90837	Psychotherapy, 60 minutes with patient
99442	Telephone evaluation and management service by a physician or other qualified health care professional; 11-20 minutes of medical discussion.



## Hospital Inpatient

Payments attributed to facilities represent hospital inpatient services, hospital outpatient services, and ambulatory surgical center services. General healthcare trends may be the primary driver of the cost distribution; however, the fee schedule may also play a role. In many states, the fee schedule varies by type of facility, which may help explain differences observed between states.

Hospital inpatient fee schedules in workers compensation vary across jurisdictions. Some states have fee schedules based on a group of facility services related to the hospital admission, such as a diagnosis-related group (DRG); others are on a per-diem basis, with some variation on the per-diem amount by type of admission. Other states have provisions for the reimbursement to be a certain percentage of hospital charges. Several states remain without any regulation today.

A hospital inpatient stay is typically reported with one of two types of codes: DRG code or revenue code. Data reporters are instructed to report the code that is consistent with how the reimbursement was determined.

If the hospital inpatient fee schedule is a Medicare-based fee schedule, then a greater share of payments reported by DRG codes would be expected. DRG codes are a system of hospital payment classifications that group patients with similar clinical problems who are expected to require similar amounts of hospital resources. DRG codes provide detailed information about the type of services performed during the inpatient stay. In New Jersey, 34% of hospital inpatient payments are reported with a DRG code.

Due to differences in fee schedules, which may result in varied reporting of codes across jurisdictions, the region, and countrywide, comparisons by procedure code for inpatient costs should be interpreted with caution. Some measures for hospital inpatient services include the average cost of an inpatient stay, the average length of stay, or the average cost per day.

Unless otherwise stated, the inpatient results are based on inpatient stays with a discharge date in 2020.

A measure of workers compensation hospital inpatient costs is a comparison of current payments to the Medicare rates. The chart below shows the average percentage of Medicare-scheduled reimbursement amounts for hospital inpatient payments for New Jersey, the region, and countrywide, based on hospital episodes that are reported with a DRG code.

**Chart 26**

### Hospital Inpatient Payments as a Percentage of Medicare

Medical Cost Category	New Jersey	Region	Countrywide
Hospital Inpatient	177%	187%	194%

Source: NCCI's Medical Data Call for inpatient stays discharged in Calendar Year 2020. Region includes CT, DC, ME, NH, RI, and VT. Countrywide data includes AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.

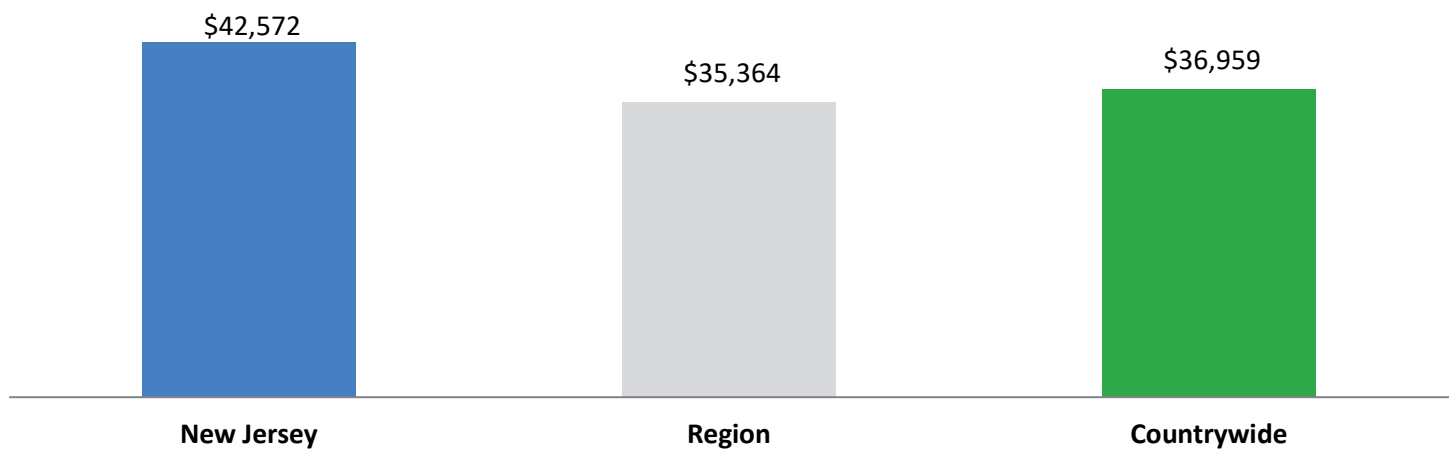


The distribution of medical payments for hospital inpatient is 14% for New Jersey, 12% for the region, and 13% for countrywide. One comparative measure of inpatient service costs is the average payment per inpatient stay. An inpatient stay is defined as any hospital service or set of services provided to a claimant during the period of time when the claimant is in an inpatient setting, for a specific diagnosis. Any stay may have more than one procedure performed, and any claimant may have more than one stay.

Chart 27 displays the average amount paid per stay for hospital inpatient services, while Chart 28 displays the average amount paid per day for hospital inpatient services for New Jersey, the region, and countrywide. Note that there are no controls for mix of diagnosis or severity of claims between jurisdictions.

**Chart 27**

**Average Amount Paid per Stay for Hospital Inpatient Services**



**Chart 28**

**Average Amount Paid per Day for Hospital Inpatient Services**

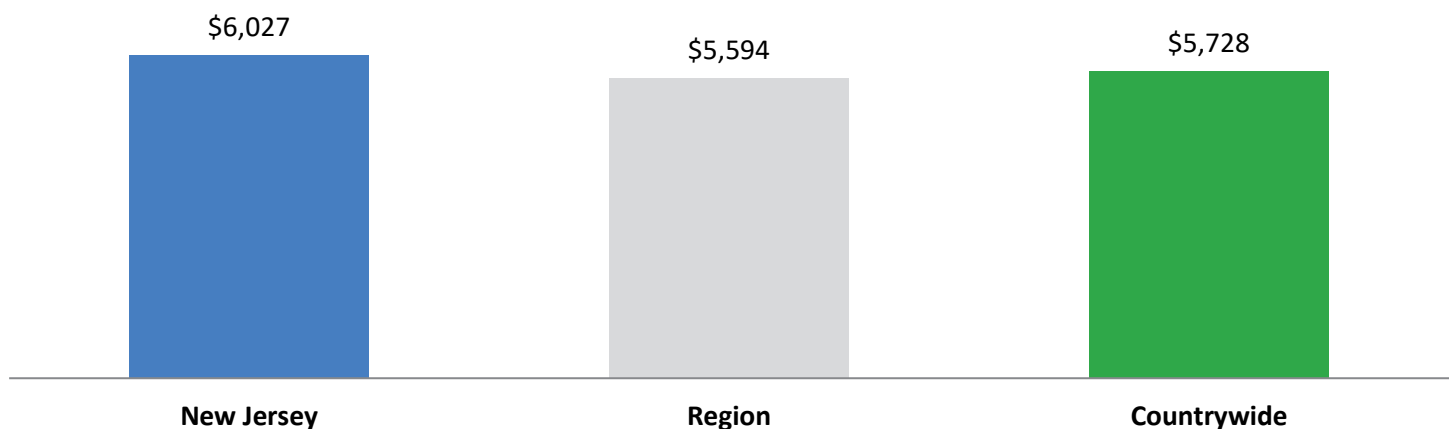
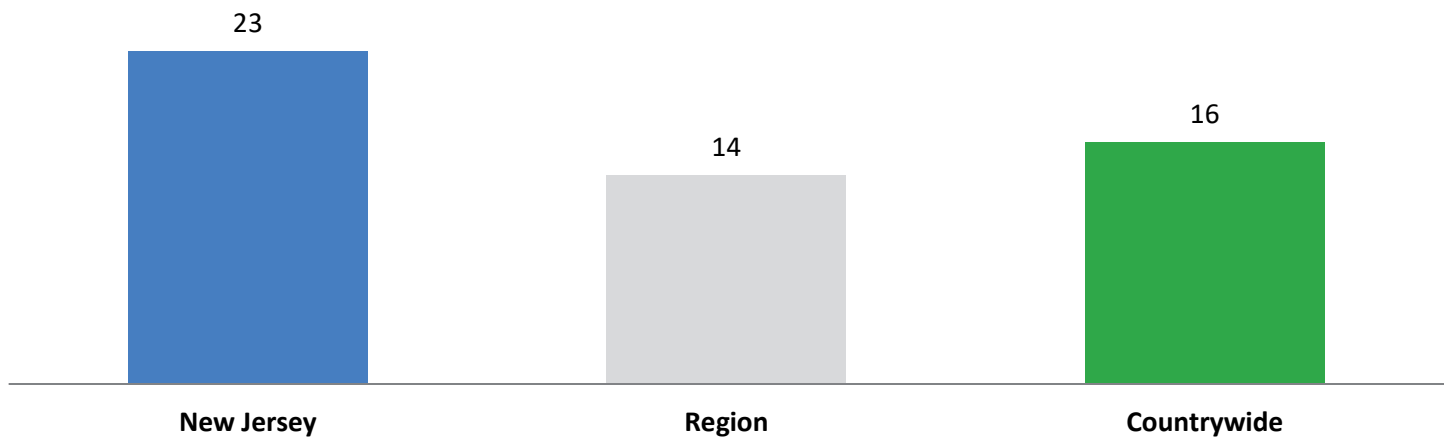




Chart 29 displays the average number of hospital inpatient stays per 1,000 active claims in 2020 for New Jersey, the region, and countrywide. An active claim is a workers compensation claim for which there is at least one medical service provided during that service year. Chart 30 displays the average and median length of stay for hospital inpatient services for New Jersey, the region, and countrywide. Note that there are no controls for mix of diagnosis or severity of claims between jurisdictions.

**Chart 29**

**Average Number of Inpatient Stays per 1,000 Active Claims**



**Chart 30**

**Length of Stay for Hospital Inpatient Services (in Days)**

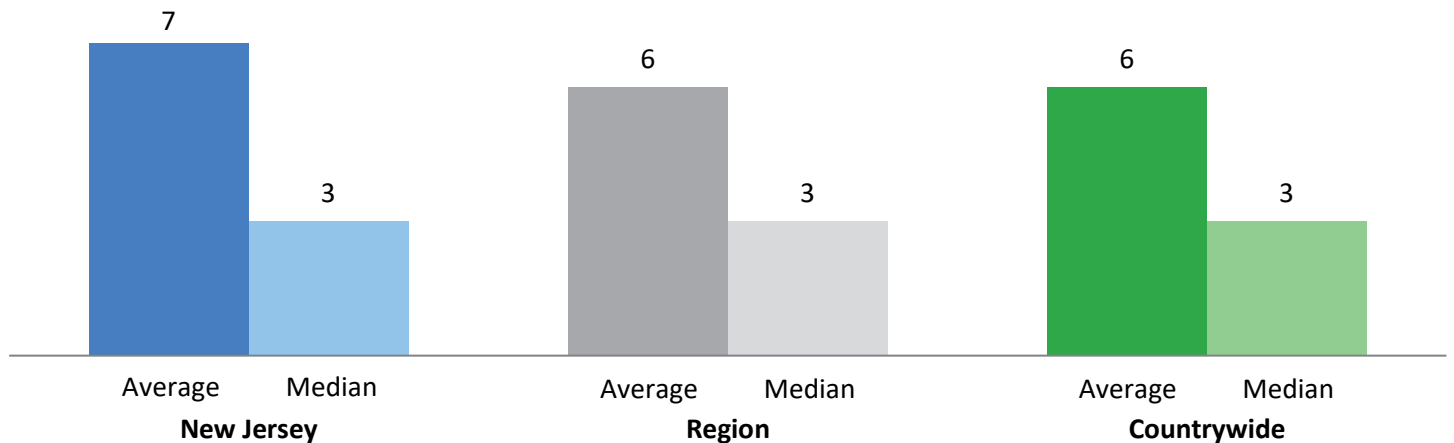
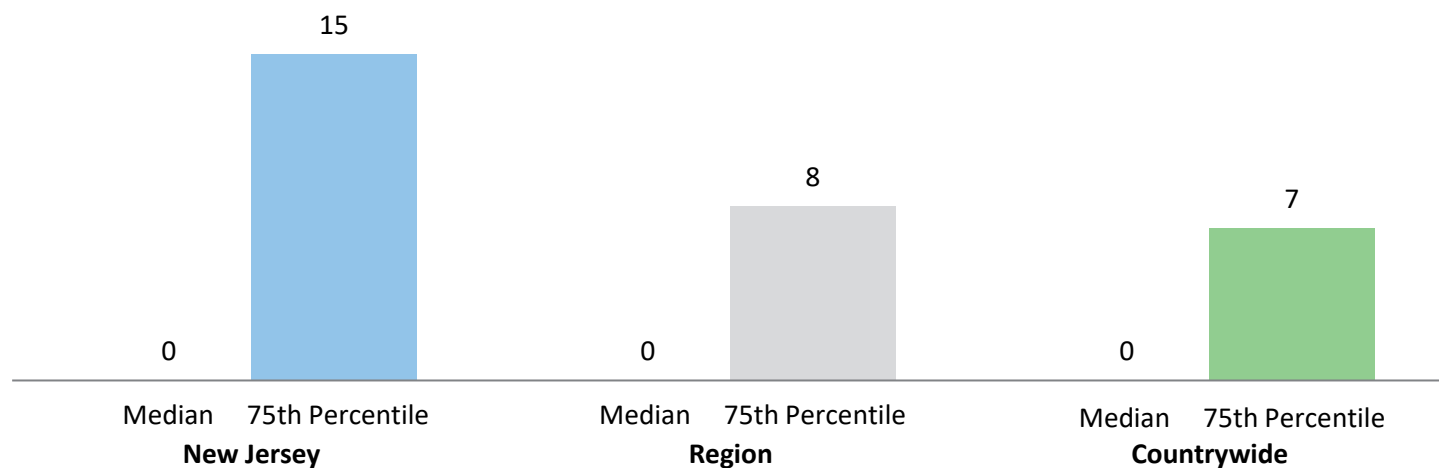




Chart 31 shows the median and 75th percentile time until first treatment for inpatient stays, other than emergency room visits, for New Jersey, the region, and countrywide.

**Chart 31**

**Time Until First Treatment for Hospital Inpatient Stays (in Days)**



Source: NCCI's Medical Data Call for Accident Year 2019 and Service Years 2019 and 2020.



Charts 32 and 33 display the top 10 diagnosis groups and top 10 DRG codes for hospital inpatient stays. A diagnosis group is identified for each stay based on an ICD-10 (International Classification of Diseases) code. The diagnosis groups and DRG codes are ranked based on total payments for hospital inpatient services in New Jersey. A brief description of each DRG code is displayed in the table below chart 33. The information is based on inpatient stays with a discharge date in 2019 or 2020.

**Chart 32**

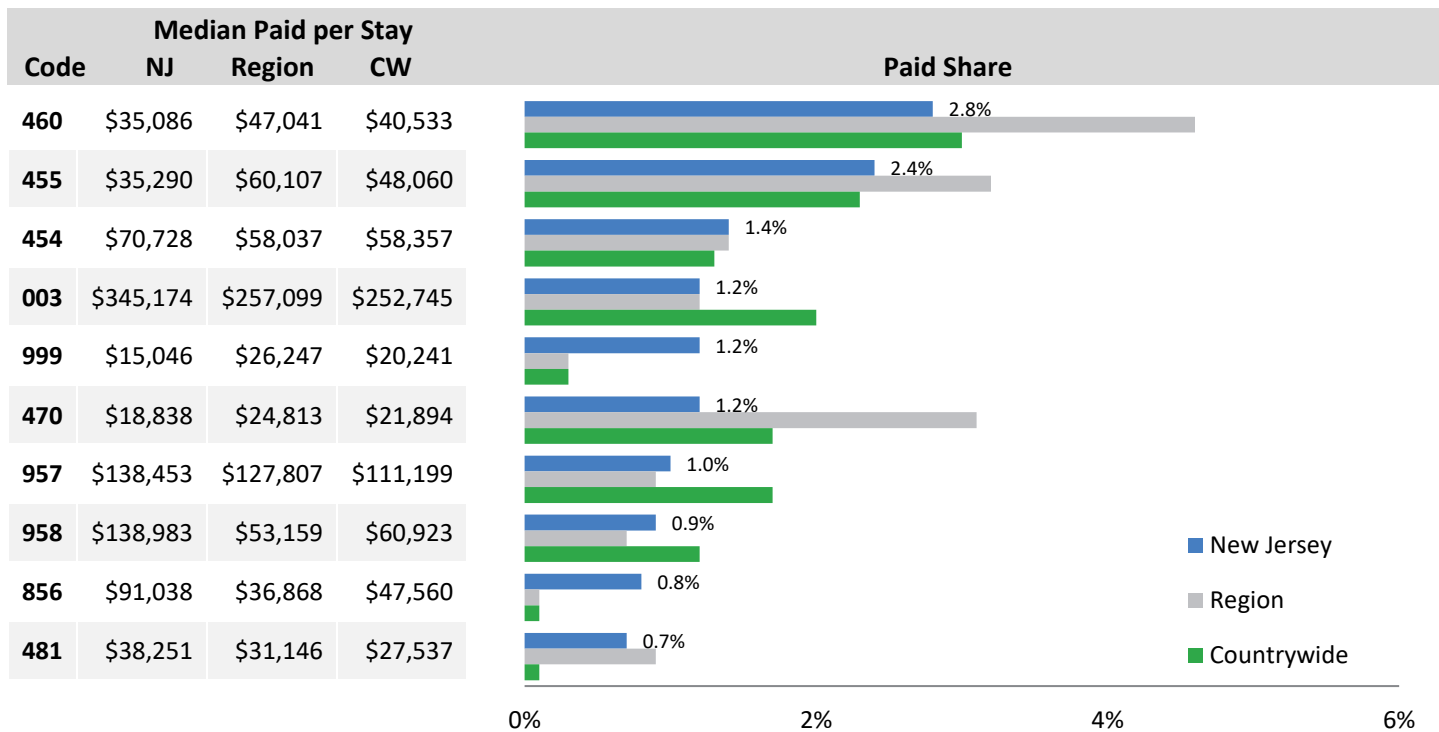
**Top 10 Diagnosis Groups by Amount Paid for Hospital Inpatient Services**

Diagnosis Group	Paid Share	Median Amount Paid per Stay		
		New Jersey	Region	Countrywide
Lumbar spine degeneration	9.2%	\$29,598	\$34,260	\$37,580
Lumbosacral intervertebral disc disorders	7.4%	\$28,508	\$28,906	\$30,566
Traumatic brain injury	5.1%	\$27,996	\$32,656	\$24,706
Tibia/fibula fracture	4.5%	\$22,287	\$25,793	\$23,339
Sepsis	4.1%	\$54,402	\$22,998	\$21,322
COVID-19	4.0%	\$35,906	\$22,461	\$20,611
Complication from surgical device	3.6%	\$27,700	\$25,056	\$24,149
Hip/pelvis fracture/major trauma	3.5%	\$23,539	\$21,895	\$21,518
Knee degenerative/overuse injuries	2.2%	\$20,770	\$21,411	\$20,008
Burn and corrosion, third degree, other than head, face, and neck	2.2%	\$66,058	\$28,621	\$44,946

Source: NCCI's Medical Data Call for inpatient stays with a discharge date in Calendar Year 2019 or 2020.

Chart 33

## Top 10 DRG Codes by Amount Paid for Hospital Inpatient Services



Code	Description
460	Spinal Fusion Except Cervical without major complications or comorbidities
455	Combined anterior and posterior spinal fusion without complications or comorbidities/major complications or comorbidities
454	Combined anterior and posterior spinal fusion with complications or comorbidities
003	ECMO or tracheostomy with mechanical ventilation >96 hours or principal diagnosis except face, mouth and neck with major operating room procedures
999	Ungroupable
470	Major hip and knee joint replacement or reattachment of lower extremity without major complications or comorbidities
957	Other operating room procedures for multiple significant trauma with major complications or comorbidities
958	Other operating room procedures for multiple significant trauma with complications or comorbidities
856	Postoperative or posttraumatic infections with operating room procedures with major complications or comorbidities
481	Hip and femur procedures except major joint with complications or comorbidities

Source: NCCI's Medical Data Call for inpatient stays with a discharge date in 2019 or 2020. Region includes CT, DC, MD, ME, NH, RI, and VT. Countrywide data includes AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.  
 Note: In New Jersey, 34% of hospital inpatient payments are reported with a DRG code.



## Hospital Outpatient

Hospital outpatient services are reported with several types of procedure codes. Data reporters are instructed to report the code that is consistent with the way the reimbursement was determined.

If the hospital outpatient fee schedule is a Medicare-based fee schedule, then a greater share of payments reported by current procedure terminology (CPT) or other healthcare common procedure coding system (HCPCS) codes would be expected. These codes are very specific and provide detailed information about the actual services performed. Some payments are also reported by a specific ambulatory payment classification (APC) code. An APC code represents a group of services provided by the facility on an outpatient basis.

If the hospital outpatient fee schedule is based on a discount from charged amounts, then revenue codes may be the more prevalent code type. Revenue codes are very generic and do not provide much information about the specific services that were performed.

Due to these differences in fee schedules, which may result in varied reporting of codes across jurisdictions, the region, and countrywide, comparisons by procedure code for outpatient benefits should be interpreted with caution. One comparative measure of outpatient service costs is the average cost per outpatient visit. A visit is defined as any service or set of services provided to a claimant on a specific date. Any visit may have more than one procedure performed, and any claim may have more than one visit.

Hospital outpatient visits can vary in nature. A service is classified as “surgical” if it falls within the surgical category as defined by the AMA. A service is further classified as “major surgery” if it has a global follow-up period of 90 days as defined by the Centers for Medicare & Medicaid Services and is not an injection. In this section, we provide measures of hospital outpatient payments that account for the type of visit because the level of reimbursement varies considerably by type of visit. A hospital outpatient visit could be the result of an emergency visit. Outpatient visits arising from emergency room services are shown separately. Next, nonemergency outpatient visits are shown for visits with major surgery services and for visits without major surgery services.

The distribution of medical payments for hospital outpatient is 11% for New Jersey, 18% for the region, and 19% for countrywide.

One measure of workers compensation hospital outpatient costs is a comparison of current payments to the Medicare rates. The chart below shows the average percentage of Medicare-scheduled reimbursement amounts for hospital outpatient payments for New Jersey, the region, and countrywide. In New Jersey, 82% of hospital outpatient payments are included in the chart below.

**Chart 34**

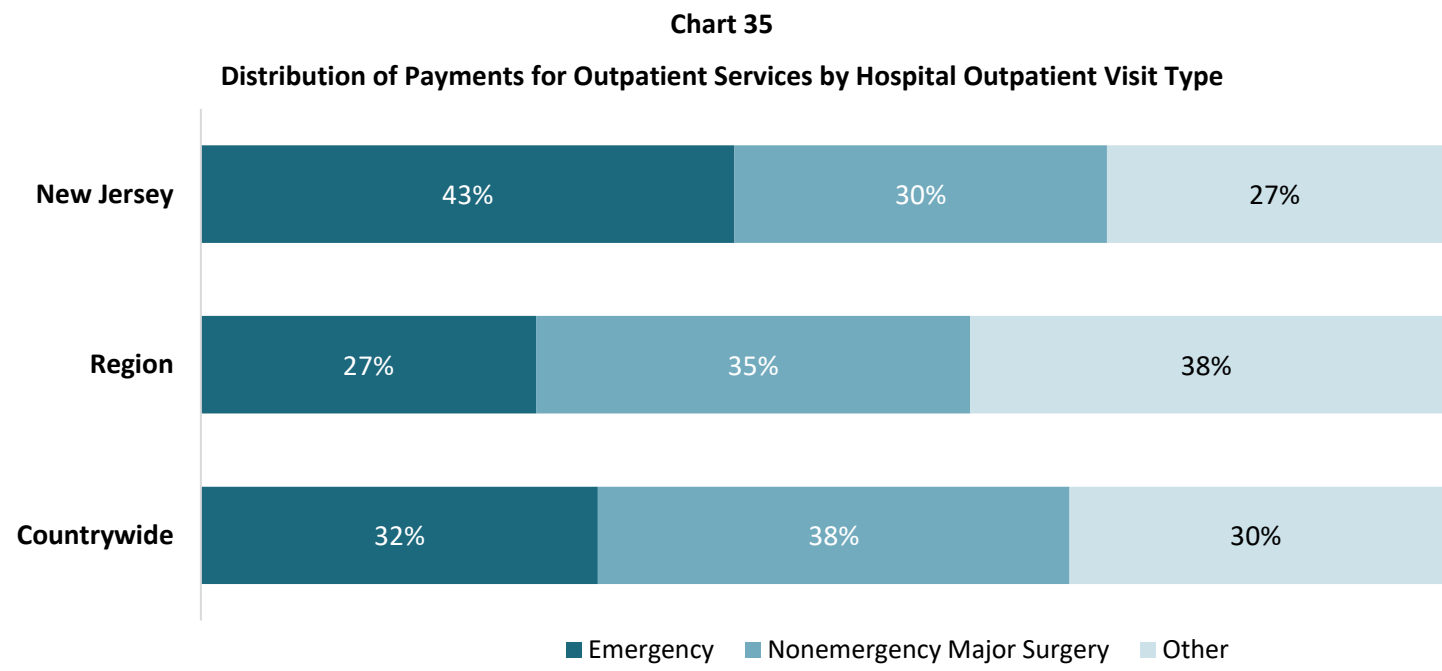
### Hospital Outpatient Payments as a Percentage of Medicare

Medical Cost Category	New Jersey	Region	Countrywide
Hospital Outpatient	273%	204%	242%

Source: NCCI's Medical Data Call for Service Year 2020. Region includes CT, DC, ME, NH, RI, and VT. Countrywide data includes AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MI, MN, MO, MS, MT, NC, NE, NH, NJ, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.



Chart 35 displays the distribution of hospital outpatient payments by visit type for New Jersey, the region, and countrywide.





Emergency hospital outpatient visits represent 43% of hospital outpatient payments in New Jersey. Chart 36 displays the average amount paid per emergency visit for outpatient services, while Chart 37 displays the average number of emergency hospital outpatient visits per 1,000 active claims for New Jersey, the region, and countrywide. Note that there are no controls for mix of diagnosis or severity of claims between jurisdictions.

**Chart 36**

**Average Amount Paid for Hospital Outpatient Services per Emergency Visit**



**Chart 37**

**Average Number of Emergency Hospital Outpatient Visits per 1,000 Active Claims**

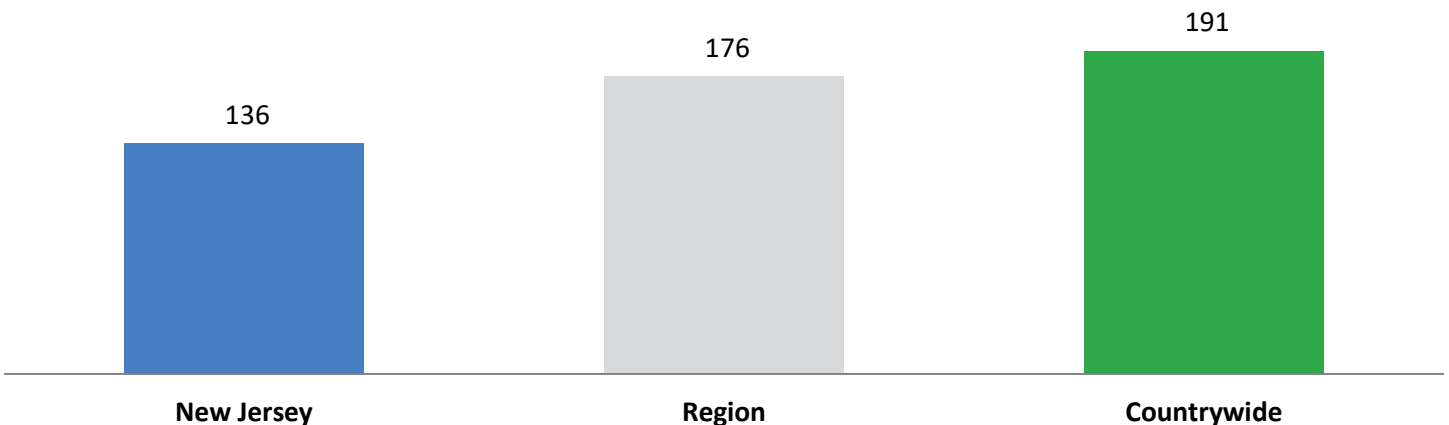




Chart 38 displays the top 10 diagnosis groups for emergency outpatient visits. The diagnosis groups are ranked based on total payments for outpatient services in New Jersey.

**Chart 38**

**Top 10 Diagnosis Groups by Amount Paid for Emergency Hospital Outpatient Visits**

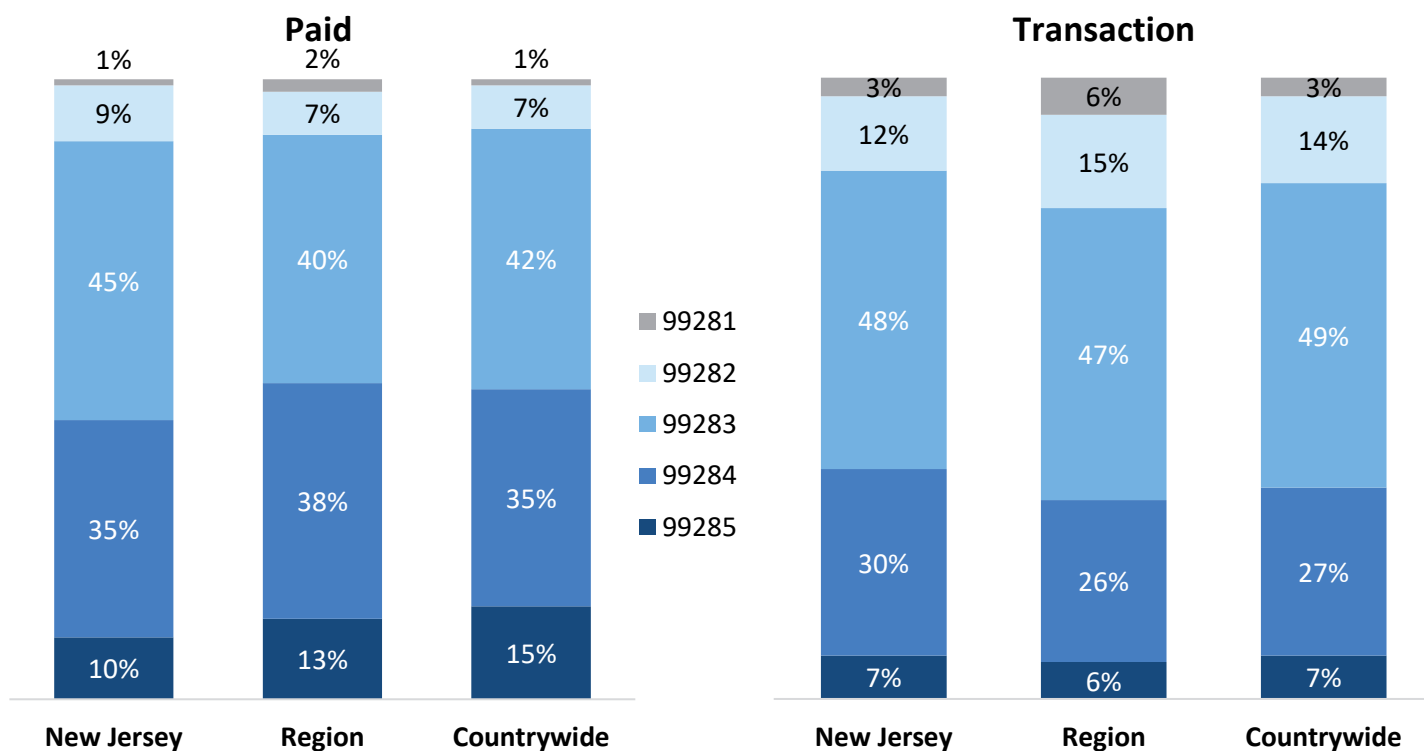
Diagnosis Group	Paid Share	Median Amount Paid Per Visit		
		New Jersey	Region	Countrywide
Minor hand/wrist injuries	14.7%	\$1,291	\$641	\$710
Low back pain	5.3%	\$1,302	\$654	\$794
Head injury not otherwise classified	4.8%	\$1,857	\$818	\$1,151
Hand/wrist fracture	4.4%	\$1,710	\$1,027	\$1,139
Head/face wound	4.3%	\$1,507	\$744	\$929
Minor ankle/foot injuries	3.1%	\$1,404	\$680	\$706
Neck pain	3.0%	\$1,679	\$893	\$1,218
Minor knee injury	3.0%	\$1,313	\$697	\$756
Concussion/minor traumatic brain injury	2.8%	\$2,064	\$992	\$1,206
Minor shoulder injury	2.4%	\$1,367	\$634	\$711



For emergency room visits, there are five levels of severity, ranging from limited or minor problems reported with Procedure Code 99281 to life-threatening situations reported with Procedure Code 99285. About 71% of all emergency visits had outpatient services. Chart 39 shows the distribution of emergency room outpatient services by procedure code for both paid amount and transactions for Service Year 2020 as well as the average payment per transaction.

Chart 39

## Distribution of Emergency Room Outpatient Services by Procedure Code



## Emergency Room Outpatient Paid per Transaction by Procedure Code

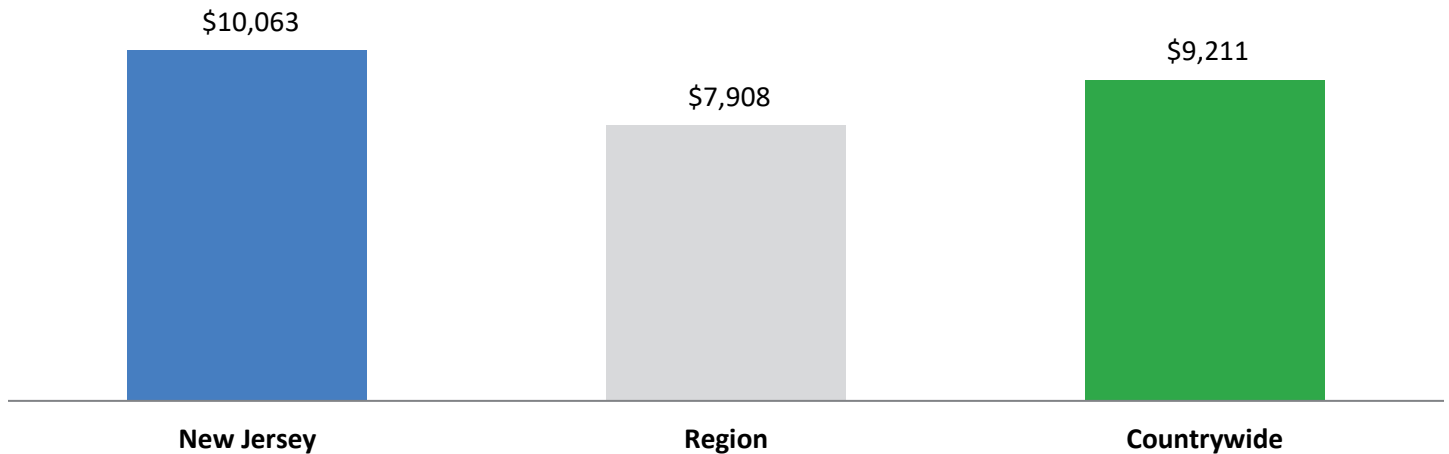
Code	Severity	Average PPT		
		New Jersey	Region	Countrywide
99281	Minor	\$477	\$198	\$190
99282	Low to Moderate	\$785	\$222	\$288
99283	Moderate	\$1,051	\$415	\$491
99284	High	\$1,312	\$702	\$739
99285	High and immediately life-threatening	\$1,711	\$1,073	\$1,153



Nonemergency outpatient visits with major surgery services represent 30% of hospital outpatient payments in New Jersey. Chart 40 displays the average amount paid per major surgery visit for outpatient services, while Chart 41 displays the average number of major surgery hospital outpatient visits per 1,000 active claims for New Jersey, the region, and countrywide. Note that there are no controls for mix of diagnosis or severity of claims between jurisdictions.

**Chart 40**

**Average Amount Paid for Hospital Outpatient Services per Nonemergency Major Surgery Visit**



**Chart 41**

**Average Number of Nonemergency Major Surgery Hospital Outpatient Visits per 1,000 Active Claims**

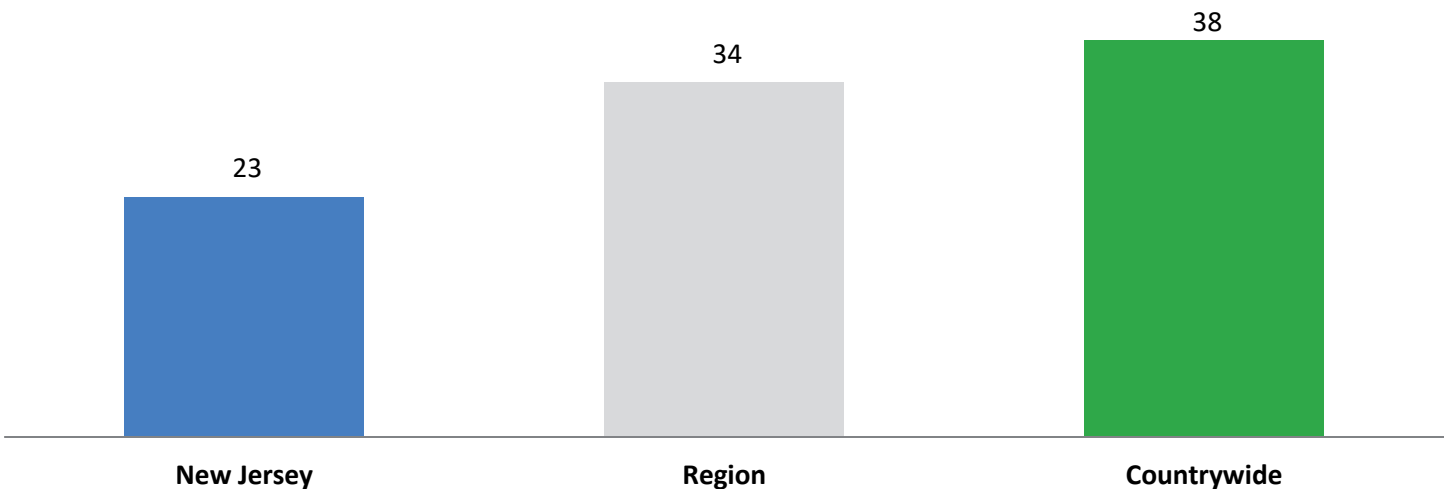
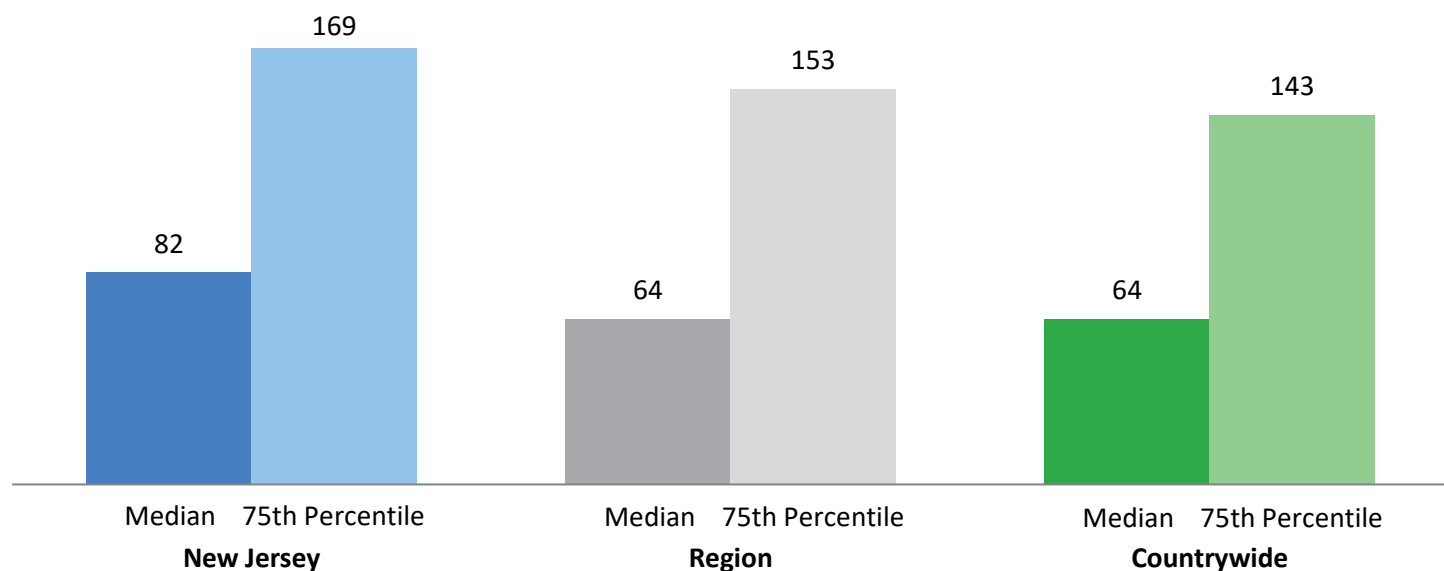




Chart 42 shows the median and 75th percentile time until first treatment for nonemergency major surgery outpatient visits for New Jersey, the region, and countrywide.

**Chart 42**

**Time Until First Treatment for Nonemergency Major Surgery Outpatient Visits (in Days)**



Source: NCCI's Medical Data Call for Accident Year 2019 and Service Years 2019 and 2020.



Chart 43 displays the top 10 diagnosis groups for nonemergency major surgery outpatient visits. The diagnosis groups are ranked based on total payments for outpatient services in New Jersey.

**Chart 43**

**Top 10 Diagnosis Groups by Amount Paid for Nonemergency Major Surgery Hospital Outpatient Visits**

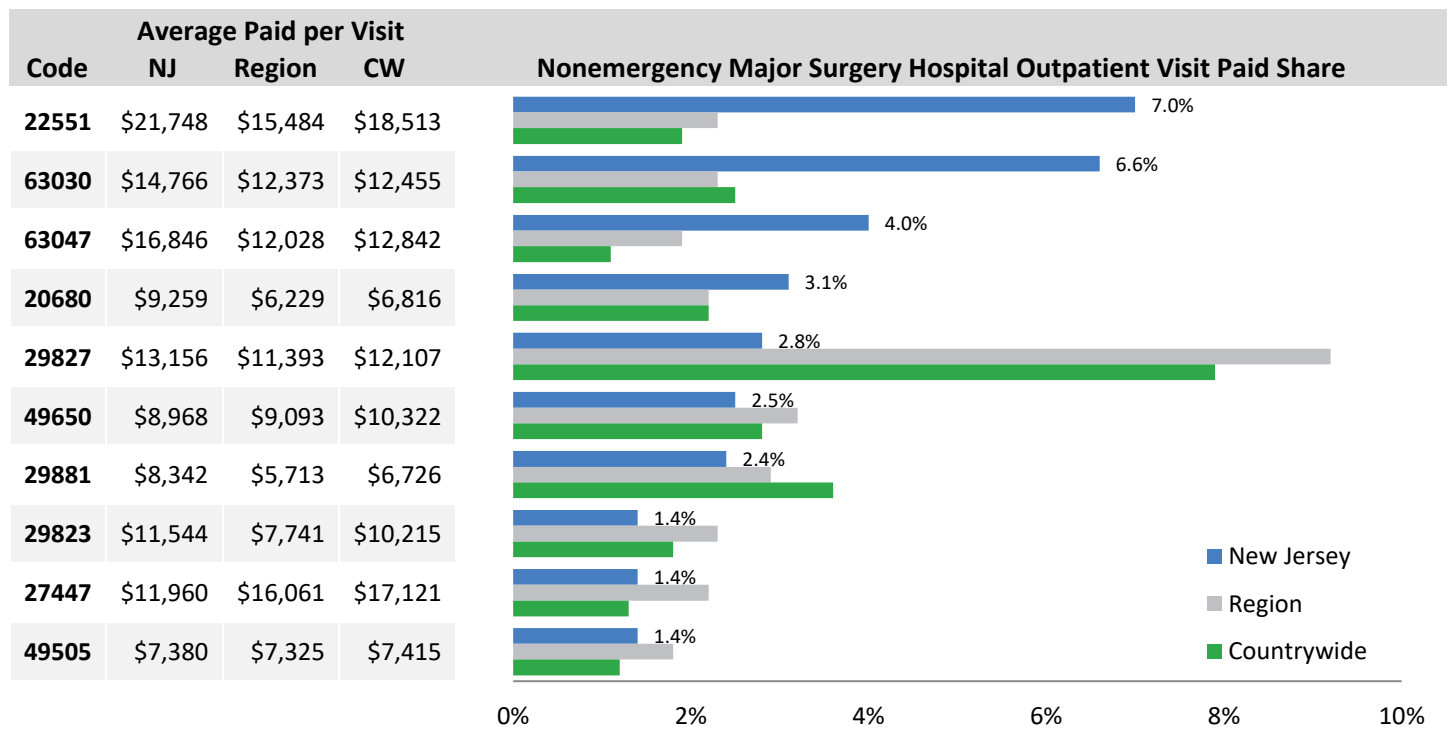
Diagnosis Group	Paid Share	Median Amount Paid Per Visit		
		New Jersey	Region	Countrywide
Lumbosacral intervertebral disc disorders	8.6%	\$9,557	\$10,387	\$10,417
Rotator cuff tear	7.2%	\$9,092	\$8,910	\$9,808
Cervical disc disorders	6.7%	\$11,307	\$14,367	\$15,093
Inguinal hernia	4.9%	\$7,370	\$7,543	\$7,809
Lumbar spine degeneration	4.5%	\$9,916	\$11,112	\$10,344
Knee internal derangement - meniscus injury	3.9%	\$6,939	\$5,001	\$5,219
Complication from surgical device	3.5%	\$7,738	\$5,011	\$5,209
Ventral incisional hernia	3.4%	\$6,553	\$7,284	\$6,748
Minor shoulder injury	3.3%	\$8,253	\$7,638	\$8,814
Knee degenerative/overuse injuries	3.2%	\$6,871	\$6,792	\$7,603



Charts 44 displays the average amount paid per nonemergency major surgery visit for outpatient services in New Jersey, the region, and countrywide for the top 10 CPT codes in New Jersey. The codes are ranked based on total outpatient payments in New Jersey, where the code shown below is the code with the highest total paid on a nonemergency major surgery visit. In 2020, 92% of Hospital Outpatient costs were reported with a CPT code being the highest paid code. A brief description of each code is displayed in the table below.

Chart 44

## Top 10 Procedure Codes by Amount Paid for Hospital Outpatient Services in Nonemergency Major Surgery Visits



Code	Description
22551	Arthrodesis, anterior interbody, including disc space preparation, discectomy, osteophytectomy, and decompression of spinal cord and/or nerve roots; cervical below C2
63030	Laminotomy (hemilaminectomy) with decompression of nerve root(s) including partial facetectomy, foraminotomy, and/or excision of herniated intervertebral disc; 1 interspace lumbar
63047	Laminectomy, facetectomy, and foraminotomy (unilateral or bilateral with decompression of spinal cord, cauda equine, and/or nerve root), single vertebral segment; lumbar
20680	Removal of implant; deep (e.g., buried wire, pin, screw, metal, band, nail, rod, or plate)
29827	Arthroscopy, shoulder, surgical; with rotator cuff repair
49650	Laparoscopy, surgical; repair initial inguinal hernia
29881	Arthroscopy, knee, surgical; with meniscectomy (medial or lateral, including any meniscal shaving), including debridement/shaving of articular cartilage
29823	Arthroscopy, shoulder, surgical; debridement, extensive
27447	Arthroplasty, knee condyle and plateau; medial and lateral compartments, with or without patella resurfacing (total knee arthroplasty)
49505	Repair initial inguinal hernia, age 5 years or older; reducible

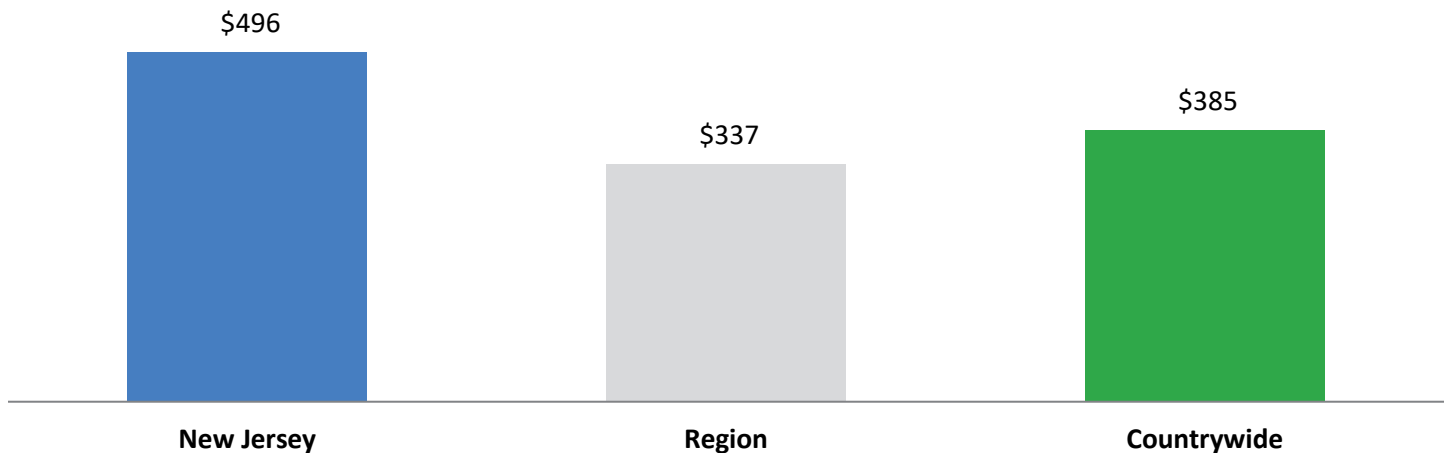




Nonemergency outpatient visits without a major surgery service, referred to as “Other” outpatient visits, represent 27% of hospital outpatient payments in New Jersey. Chart 45 displays the average amount paid per other visit for hospital outpatient services, while Chart 46 displays the average number of other visits per 1,000 active claims for hospital outpatient services for New Jersey, the region, and countrywide. Note that there are no controls for mix of diagnosis or severity of claims between jurisdictions.

**Chart 45**

**Average Amount Paid for Hospital Outpatient Services per Other Outpatient Visit**



**Chart 46**

**Average Number of Other Hospital Outpatient Visits per 1,000 Active Claims**

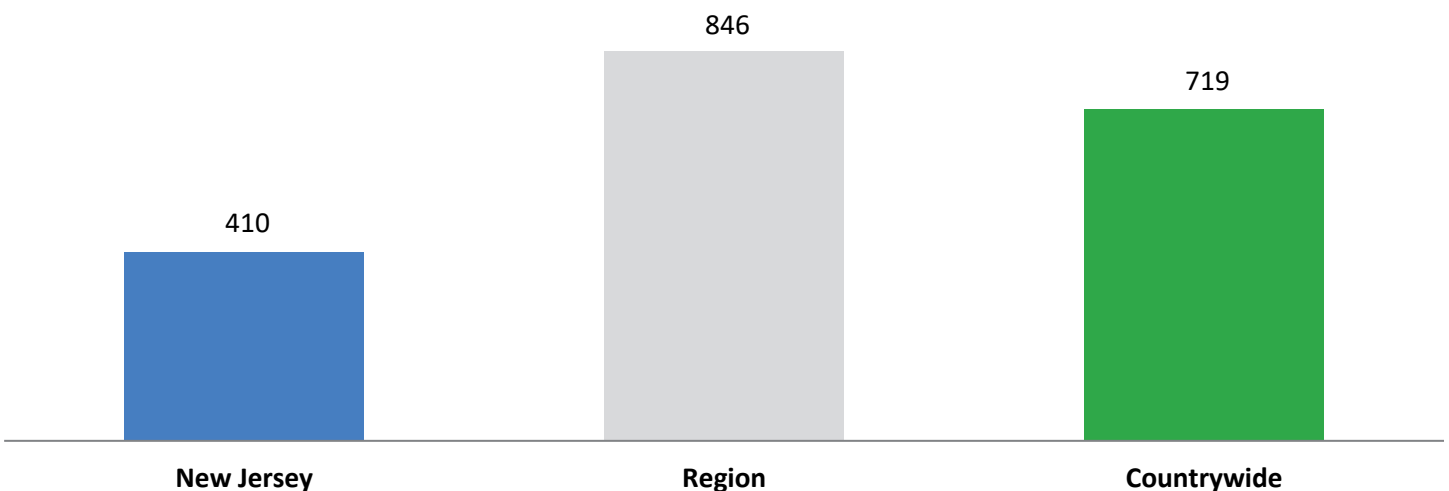
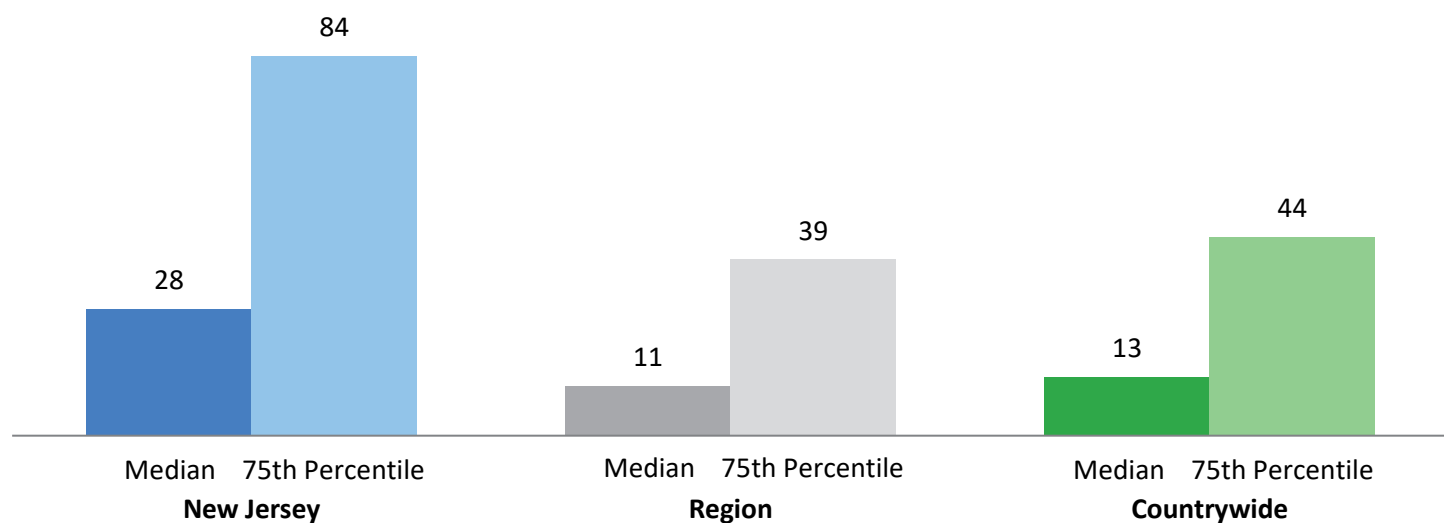




Chart 47 shows the median and 75th percentile time until first treatment for other outpatient visits for New Jersey, the region, and countrywide.

**Chart 47**

**Time Until First Treatment for Other Outpatient Visits (in Days)**



Source: NCCI's Medical Data Call for Accident Year 2019 and Service Years 2019 and 2020.



Chart 48 displays the top 10 diagnosis groups for other outpatient visits. The diagnosis groups are ranked based on total payments for outpatient services in New Jersey.

**Chart 48**

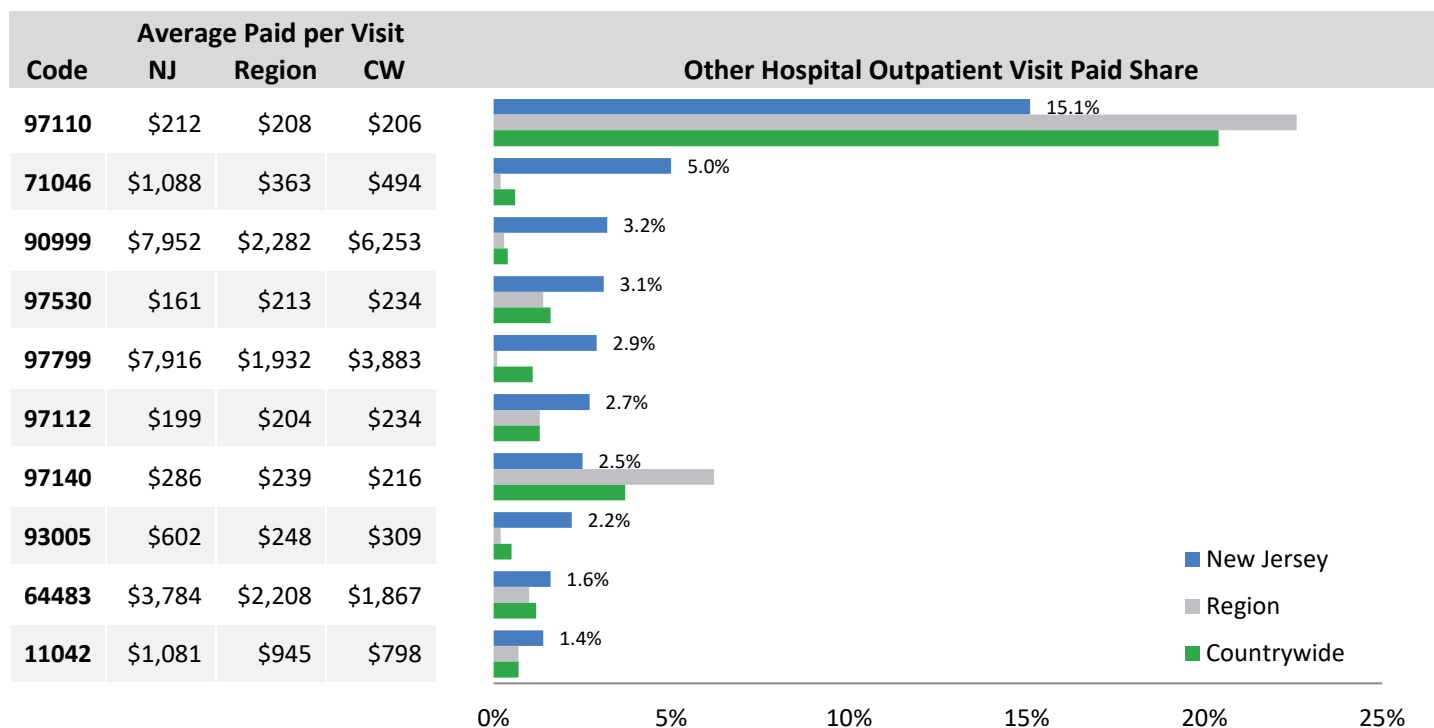
**Top 10 Diagnosis Groups by Amount Paid for Other Hospital Outpatient Visits**

Diagnosis Group	Paid Share	Median Amount Paid per Visit		
		New Jersey	Region	Countrywide
Traumatic brain injury	4.4%	\$400	\$201	\$312
Lumbar spine degeneration	4.2%	\$441	\$274	\$349
Minor shoulder injury	3.7%	\$115	\$196	\$175
Low back pain	3.7%	\$114	\$162	\$166
Encounter for other special examination without complaint, suspected or reported diagnosis	3.7%	\$567	\$151	\$147
Lumbosacral intervertebral disc disorders	3.3%	\$125	\$264	\$279
Chronic kidney disease	3.2%	\$5,738	\$2,126	\$3,354
Chronic pain	3.1%	\$423	\$195	\$194
Lumbar radiculopathy/sciatica	2.9%	\$173	\$212	\$208
Rotator cuff tear	2.7%	\$111	\$215	\$173

Charts 49 displays the average amount paid per other visit for outpatient services in New Jersey, the region, and countrywide for the top 10 CPT codes in New Jersey. The codes are ranked based on total outpatient payments in New Jersey, where the code shown below is the code with the highest total paid on an “Other” outpatient visit. A brief description of each code is displayed in the table below.

**Chart 49**

**Top 10 Procedure Codes by Amount Paid for Hospital Outpatient Services in Other Visits**



Code	Description
97110	Therapeutic procedure, 1 or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion, and flexibility
71046	Radiologic examination, chest; 2 views
90999	Unlisted dialysis procedure, inpatient or outpatient
97530	Therapeutic activities, direct (one-on-one) patient contact by the provider (use of dynamic activities to improve functional performance), each 15 minutes
97799	Unlisted physical medicine/rehabilitation service or procedure
97112	Therapeutic procedure, 1 or more areas, each 15 minutes; neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and/or proprioception for sitting and/or standing activities
97140	Manual therapy techniques (e.g., mobilization/manipulation, manual lymphatic drainage, manual traction), 1 or more regions, each 15 minutes
93005	Electrocardiogram, routine ECG with at least 12 leads; tracing only, without interpretation and report
64483	Injection(s), anesthetic agent, and/or steroid, transforaminal epidural, with imaging guidance (fluoroscopy or computed tomography (CT)); lumbar or sacral, single level
11042	Debridement, subcutaneous tissue (includes epidermis and dermis, if performed); first 20 sq cm or less



## Ambulatory Surgical Centers

An Ambulatory Surgical Center (ASC) is often used as an alternative facility to a hospital for conducting outpatient surgeries. The distribution of medical payments for ASCs is 9% for New Jersey, 7% for the region, and 7% for countrywide.

Typically, surgery-related services are performed in ASCs. The most prevalent procedure code types reported are CPT codes and revenue codes.

One measure of workers compensation ASC costs is a comparison of current payments to the Medicare rates. The chart below shows the average percentage of Medicare-scheduled reimbursement amounts for ASC payments for New Jersey, the region, and countrywide. In New Jersey, 81% of ASC payments are included in the chart below.

**Chart 50**

### ASC Payments as a Percentage of Medicare

Medical Cost Category	New Jersey	Region	Countrywide
Ambulatory Surgical Center	209%	299%	265%

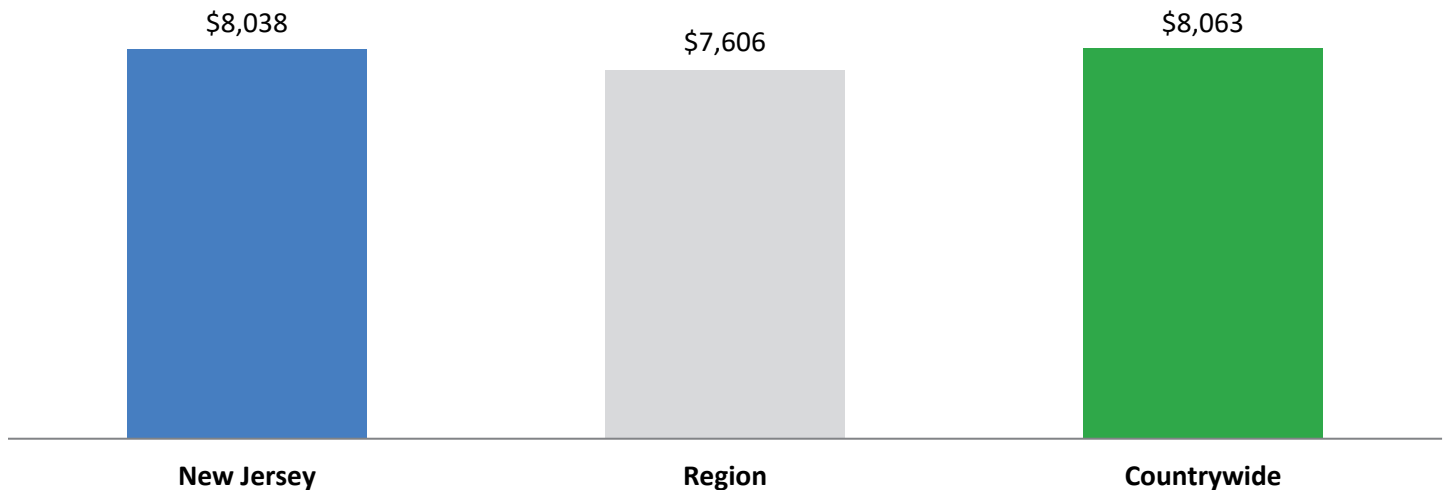
Source: NCCI's Medical Data Call for Service Year 2020. Region includes CT, DC, ME, NH, RI, and VT. Countrywide data includes AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MI, MN, MO, MS, MT, NC, NE, NH, NJ, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, and WV.



ASC visits with major surgery services represent 63% of ASC payments in New Jersey. Other ASC visits typically include minor procedures, with injections for therapeutic or diagnostic purposes being the most common. Chart 51 displays the average amount paid per major surgery visit for ASC services, while Chart 52 displays the average number of major surgery ASC visits per 1,000 active claims for New Jersey, the region, and countrywide. Note that there are no controls for mix of diagnosis or severity of claims between jurisdictions.

**Chart 51**

**Average Amount Paid per Major Surgery Visit for ASC Services**



**Chart 52**

**Average Number of ASC Major Surgery Visits per 1,000 Active Claims**

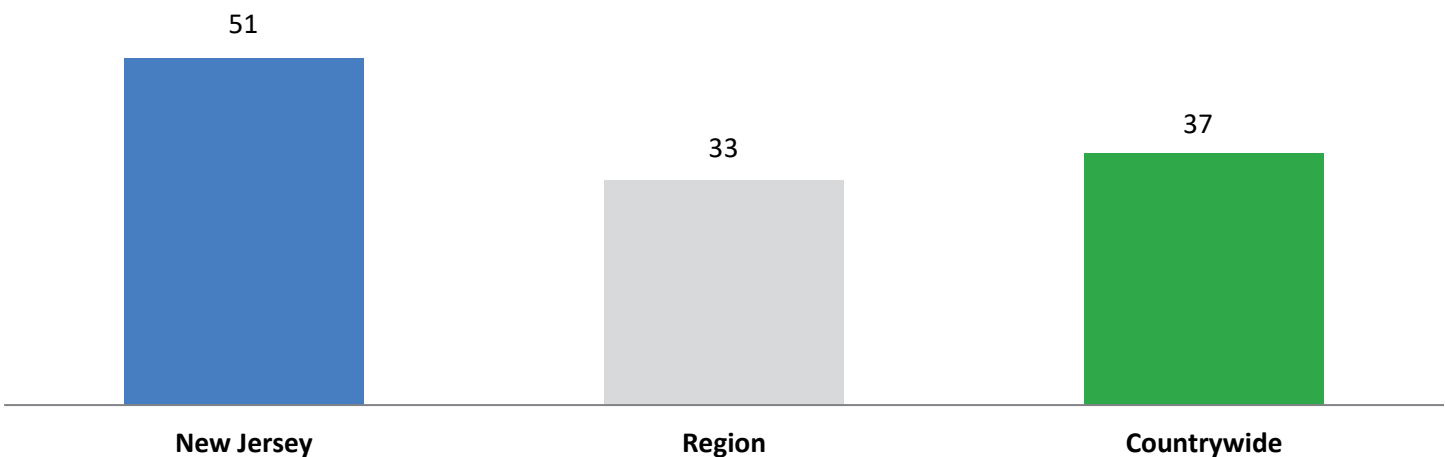
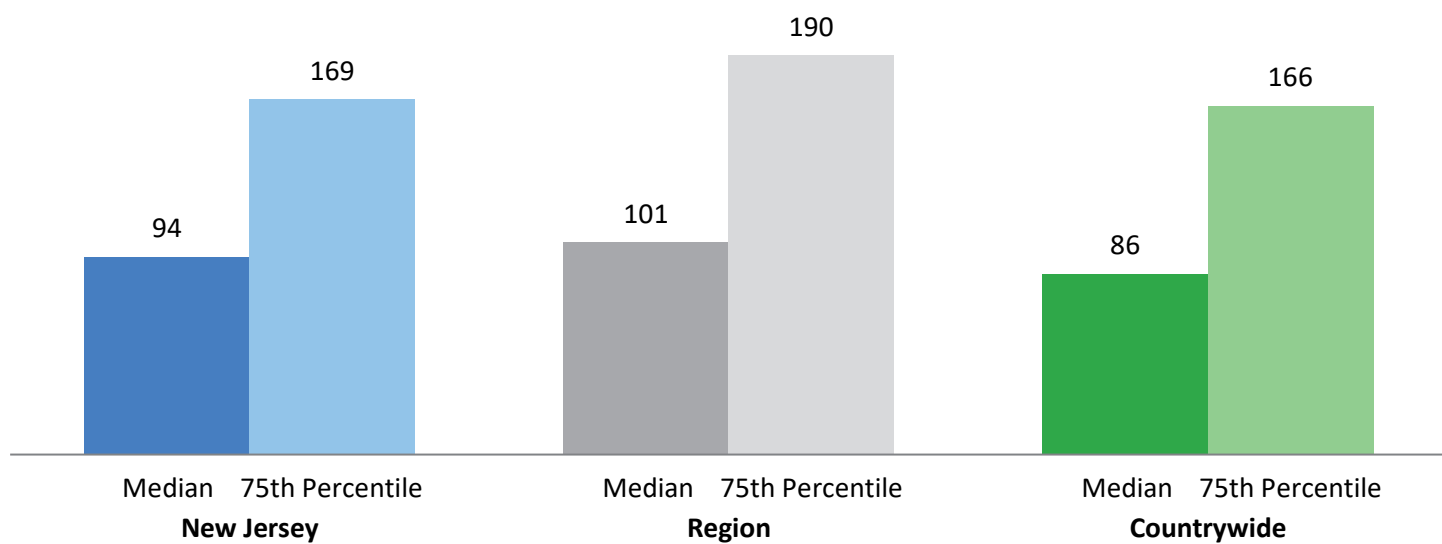




Chart 53 shows the median and 75th percentile time until first treatment for ASC major surgery visits for New Jersey, the region, and countrywide.

**Chart 53**

**Time Until First Treatment for ASC Major Surgery Visits (in Days)**



Source: NCCI's Medical Data Call for Accident Year 2019 and Service Years 2019 and 2020.



Chart 54 displays the top 10 diagnosis groups for ASC major surgery visits. The diagnosis groups are ranked based on total payments for ASC services in New Jersey.

**Chart 54**

**Top 10 Diagnosis Groups by Amount Paid for ASC Major Surgery Visits**

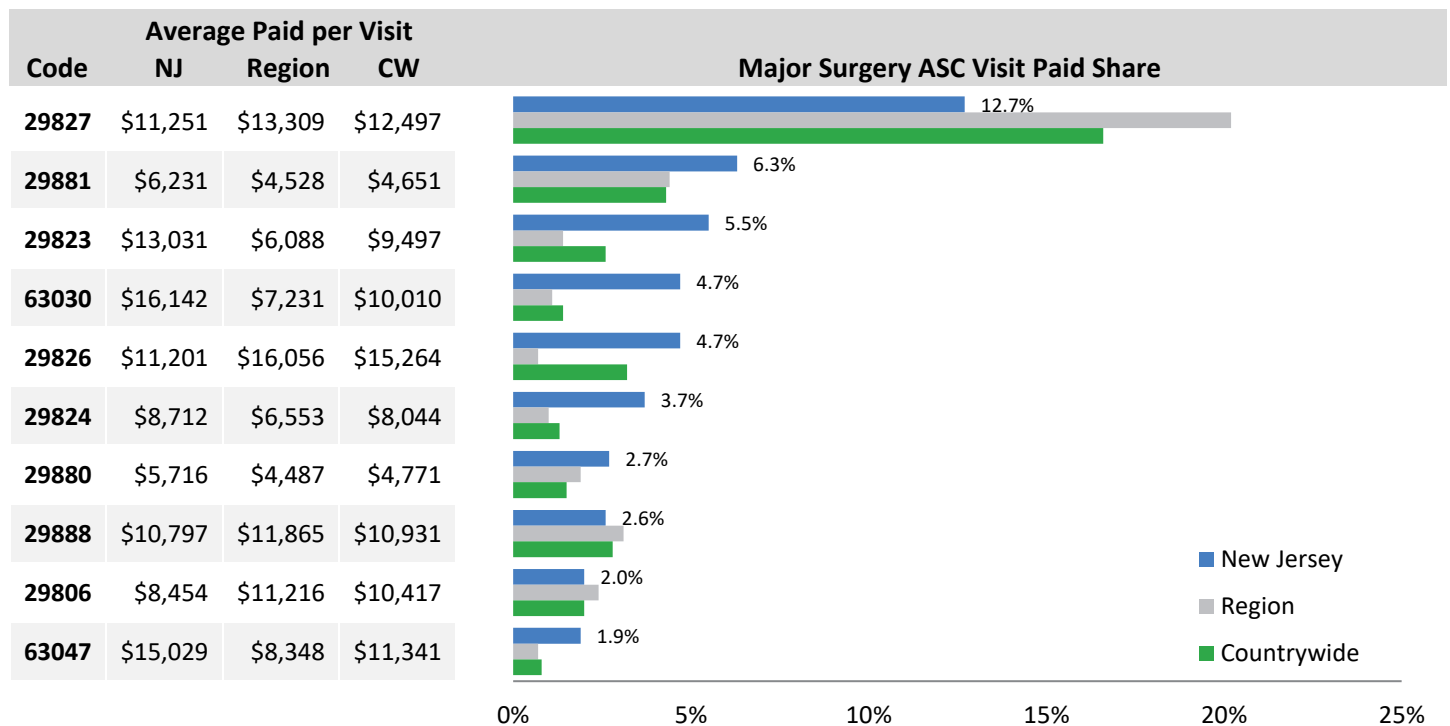
Diagnosis Group	Paid Share	Median Amount Paid per Visit		
		New Jersey	Region	Countrywide
Rotator cuff tear	16.9%	\$8,102	\$11,731	\$10,347
Knee internal derangement - meniscus injury	9.1%	\$5,500	\$5,406	\$4,196
Minor shoulder injury	5.6%	\$5,736	\$6,700	\$7,932
Degenerative shoulder	4.4%	\$7,915	\$9,098	\$8,092
Superior labral tear from anterior to posterior (SLAP) lesion	4.4%	\$7,469	\$6,002	\$8,833
Lumbosacral intervertebral disc disorders	4.1%	\$7,700	\$6,421	\$8,793
Shoulder impingement syndrome	4.1%	\$6,823	\$7,328	\$9,263
Knee degenerative/overuse injuries	3.0%	\$5,552	\$6,418	\$5,651
Hand/wrist fracture	3.0%	\$4,506	\$5,022	\$5,351
Carpal tunnel syndrome	2.5%	\$3,778	\$3,013	\$3,053



Chart 55 displays the average amount paid per major surgery visit for ASC services in New Jersey, the region, and countrywide for the top 10 CPT codes in New Jersey. The codes are ranked based on total ASC payments in New Jersey, where the code shown below is the code with the highest total paid on a major surgery visit. A brief description of each procedure code is displayed in the table beneath the chart. Chart 56 displays similar results for visits in an outpatient setting for the list of codes in Chart 55, if applicable.

**Chart 55**

**Top 10 Procedure Codes by Amount Paid for ASC Services in Major Surgery Visits**



Code	Description
29827	Arthroscopy, shoulder, surgical; with rotator cuff repair
29881	Arthroscopy, knee, surgical; with meniscectomy (medial or lateral, including any meniscal shaving), including debridement/shaving of articular cartilage
29823	Arthroscopy, shoulder, surgical; debridement, extensive
63030	Laminotomy (hemilaminectomy) with decompression of nerve root(s) including partial facetectomy, foraminotomy, and/or excision of herniated intervertebral disc; 1 interspace lumbar
29826	Arthroscopy, shoulder, surgical; decompression of subacromial space with partial acromioplasty, with coracoacromial ligament (i.e., arch) release, when performed
29824	Arthroscopy, shoulder, surgical; distal claviclectomy including distal articular surface (Mumford procedure)
29880	Arthroscopy, knee, surgical; with meniscectomy (medial and lateral, including any meniscal shaving), including debridement/shaving of articular cartilage
29888	Arthroscopically aided anterior cruciate ligament repair/augmentation or reconstruction
29806	Arthroscopy, shoulder, surgical; capsulorrhaphy
63047	Laminectomy, facetectomy, and foraminotomy (unilateral or bilateral with decompression of spinal cord, cauda equine, and/or nerve root), single vertebral segment; lumbar



Chart 56

## Major Surgery Outpatient Visit Comparisons for Procedure Codes in Chart 55

Code	Average Paid per Visit in NJ		Distribution of Major Surgery Visits in NJ in an ASC or Outpatient Setting	
	ASC	Outpatient		
29827	\$11,251	\$13,156	90%	10%
29881	\$6,231	\$8,342	86%	14%
29823	\$13,031	\$11,544	86%	14%
63030	\$16,142	\$14,766	54%	46%
29826	\$11,201	\$12,093	86%	14%
29824	\$8,712	\$7,674	87%	13%
29880	\$5,716	\$7,395	82%	18%
29888	\$10,797	\$14,454	89%	11%
29806	\$8,454	\$7,492	89%	11%
63047	\$15,029	\$16,846	48%	52%



## Prescription Drugs

The distribution of medical payments for drugs is 6% for New Jersey, 8% for the region, and 8% for countrywide. Prescription drugs are uniquely identified by a national drug code (NDC). Charts 57 through 62 provide greater detail on payments for prescription drugs reported with an NDC, whether the drugs were provided in a pharmacy, physician's office, hospital, or other place of service. Payments are categorized as drugs if the code reported on the transaction is an NDC. Payments for drugs can also be reported using codes other than NDCs, such as revenue codes, HCPCS codes, and other state-specific procedure codes. The results in these charts are based only on payments reported with an NDC.

The Controlled Substances Act (CSA) was passed in 1970 to regulate the manufacture, distribution, possession, and use of certain drugs. There are five schedules, or groups of drugs, determined by varying qualifications, such as the drug's medical uses, if any, and its potential for abuse. For example, Schedule V drugs are defined as having the lowest potential for abuse, while Schedule I drugs are illegal at the federal level, mainly because they are defined as having no currently accepted medical uses and a high potential for abuse.

In New Jersey, the share of claims observed in Service Year 2020 with at least one controlled substance was 10%. This compares to the region and countrywide shares of 8% and 10%, respectively. In 2020, New Jersey spent \$8.9M on Schedule II and Schedule III drugs for workers compensation claims.

Chart 57 shows the distribution of prescription drug payments by CSA schedule in New Jersey, the region, and countrywide.

**Chart 57**

### Distribution of Prescription Drug Payments by CSA Schedule

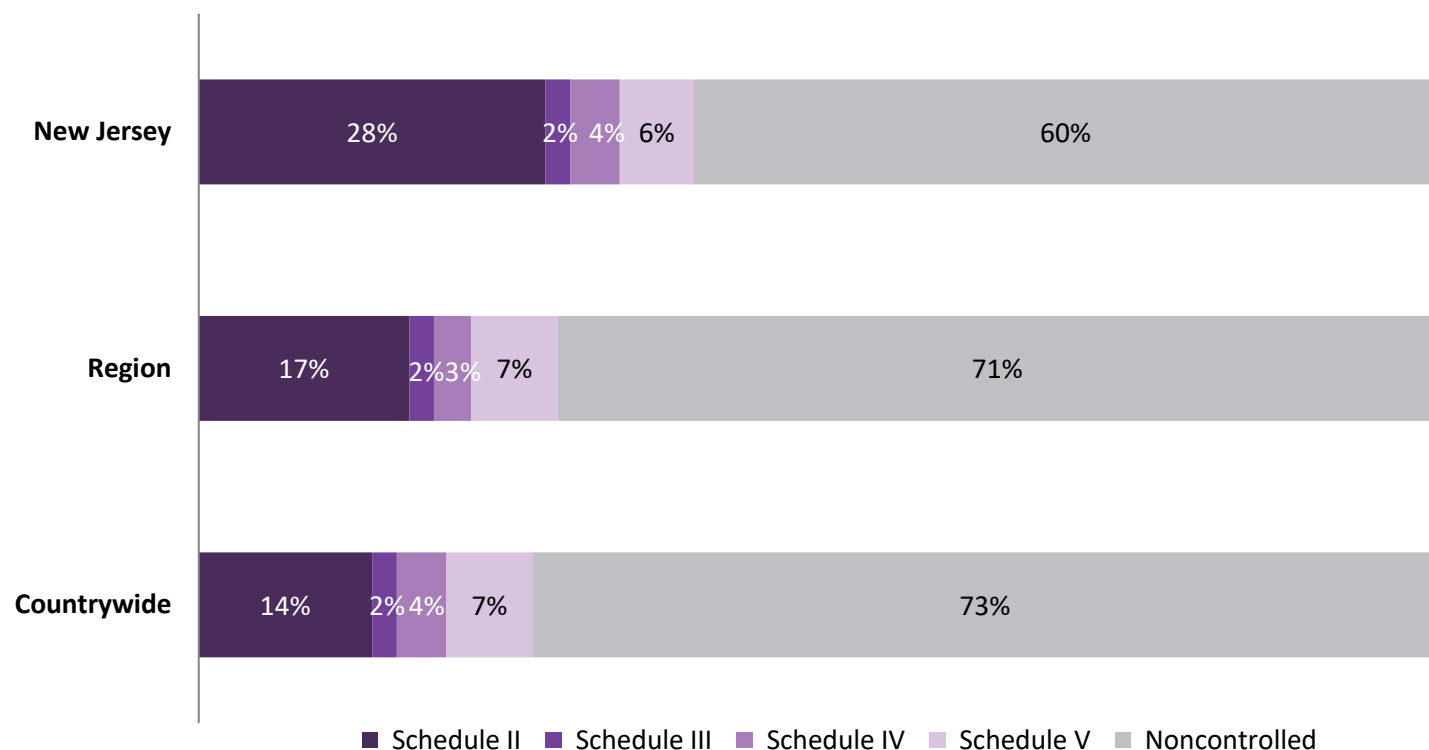




Chart 58 displays the shares of the payments of prescription medication for the top 10 drugs used in workers compensation treatment, by amount paid in New Jersey. This chart also indicates whether the drugs are generic (G) or brand name (B); for generic drugs, a commonly used brand name equivalent is also provided. This method of ranking shows which drugs have the highest percentage share of payments. Also included is the average price per unit (PPU). (See the Glossary for the definition of *unit*.)

Chart 58

## Top 10 Workers Compensation Drugs by Amount Paid

Drug Name	Average PPU			New Jersey Paid Share
	NJ	Region	CW	
Oxycontin®	\$10.90	\$9.33	\$9.67	8.4%
Percocet®	\$25.24	\$23.74	\$24.94	5.1%
Pregabalin	\$3.84	\$4.83	\$4.61	4.7%
Gabapentin	\$0.82	\$0.97	\$0.91	2.6%
Duloxetine HCl	\$3.60	\$4.53	\$4.44	2.6%
Oxycodone HCl	\$0.87	\$0.84	\$0.80	2.2%
Lidocaine	\$4.70	\$6.92	\$6.49	2.2%
Oxycodone HCl-Acetaminophen	\$0.90	\$1.20	\$0.97	2.1%
Nucynta®	\$9.02	\$8.58	\$8.86	1.9%
Celecoxib	\$3.46	\$4.77	\$5.11	1.3%

Drug Name	B/G	Common Brand Name	Category	CSA Schedule	CW Rank
Oxycontin®	B	N/A	Analgesics/Antipyretics	II	5
Percocet®	B	N/A	Analgesics/Antipyretics	II	18
Pregabalin	G	Lyrica®	Miscellaneous Central Nervous System Agents	V	1
Gabapentin	G	Neurontin®	Anticonvulsants	None	4
Duloxetine HCl	G	Cymbalta®	Psychotherapeutic Agents	None	8
Oxycodone HCl	G	Oxycontin®	Analgesics/Antipyretics	II	19
Lidocaine	G	Lidoderm®	Antipruritics/Local Anesthesia, Skin/Mucous Membrane	None	3
Oxycodone HCl-Acetaminophen	G	Percocet®	Analgesics/Antipyretics	II	10
Nucynta®	B	N/A	Analgesics/Antipyretics	II	20
Celecoxib	G	Celebrex®	Analgesics/Antipyretics	None	6

Chart 59 displays the top 10 drugs used in workers compensation treatment, according to the number of prescriptions in New Jersey. This chart reveals the most frequently prescribed drugs and the average PPU.

Chart 59

Top 10 Workers Compensation Drugs by Prescription Counts

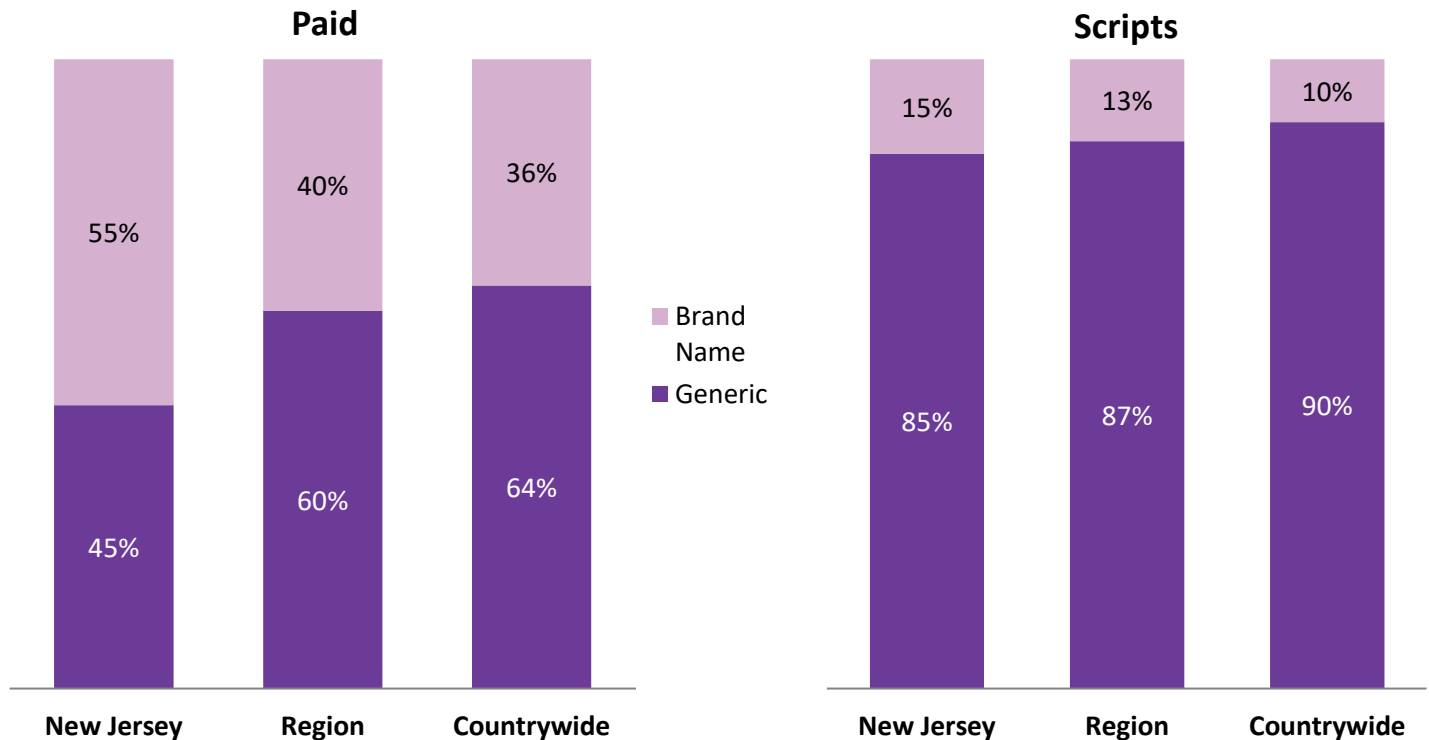
Drug Name	Average PPU			New Jersey Prescription Share
	NJ	Region	CW	
Gabapentin	\$0.82	\$0.97	\$0.91	5.2%
Ibuprofen	\$0.54	\$0.56	\$0.44	5.2%
Oxycodone HCl	\$0.87	\$0.84	\$0.80	4.9%
Oxycodone HCl-Acetaminophen	\$0.90	\$1.20	\$0.97	4.6%
Cyclobenzaprine HCl	\$1.14	\$1.74	\$1.74	3.8%
Naproxen	\$0.88	\$0.97	\$0.92	3.1%
Pregabalin	\$3.84	\$4.83	\$4.61	2.7%
Tramadol HCl	\$0.66	\$0.98	\$0.90	2.7%
Duloxetine HCl	\$3.60	\$4.53	\$4.44	2.5%
Oxycontin®	\$10.90	\$9.33	\$9.67	2.0%

Drug Name	B/G	Common Brand Name	Category	CSA Schedule	CW Rank
Gabapentin	G	Neurontin®	Anticonvulsants	None	2
Ibuprofen	G	Advil®	Analgesics/Antipyretics	None	4
Oxycodone HCl	G	Oxycontin®	Analgesics/Antipyretics	II	9
Oxycodone HCl-Acetaminophen	G	Percocet®	Analgesics/Antipyretics	II	7
Cyclobenzaprine HCl	G	Flexeril®	Muscle Relaxants, Skeletal	None	3
Naproxen	G	Aleve®	Analgesics/Antipyretics	None	11
Pregabalin	G	Lyrica®	Miscellaneous Central Nervous System Agents	V	12
Tramadol HCl	G	Ultram®	Analgesics/Antipyretics	IV	6
Duloxetine HCl	G	Cymbalta®	Psychotherapeutic Agents	None	14
Oxycontin®	B	N/A	Analgesics/Antipyretics	II	22

Chart 60 shows the distribution of prescription drugs by brand name and generic for New Jersey, the region, and countrywide. The share between brand name and generic is displayed based on the prescription counts and the payments. Typically, a higher percentage of drugs is given in the generic form; however, higher costs occur when brand name drugs are prescribed. In many states, a prescription drug fee schedule includes rules regarding the dispensing and reimbursement rates for brand name and generic drugs.

**Chart 60**

## Distribution of Drugs by Brand Name and Generic



The rules on drug dispensing vary from state to state. Some states allow physician dispensing of drugs, while other states limit or prohibit physician dispensing. Analysis of the share of drugs dispensed from a pharmacy and from a nonpharmacy (e.g., physicians and hospitals) may provide insight into the drivers of drug costs.

Chart 61 shows the distribution of prescription drugs dispensed by pharmacies and nonpharmacies. The share between pharmacy-dispensed and nonpharmacy-dispensed is displayed, based on both prescription counts and payments, for New Jersey, the region, and countrywide.

**Chart 61**

## Distribution of Drugs by Pharmacy and Nonpharmacy

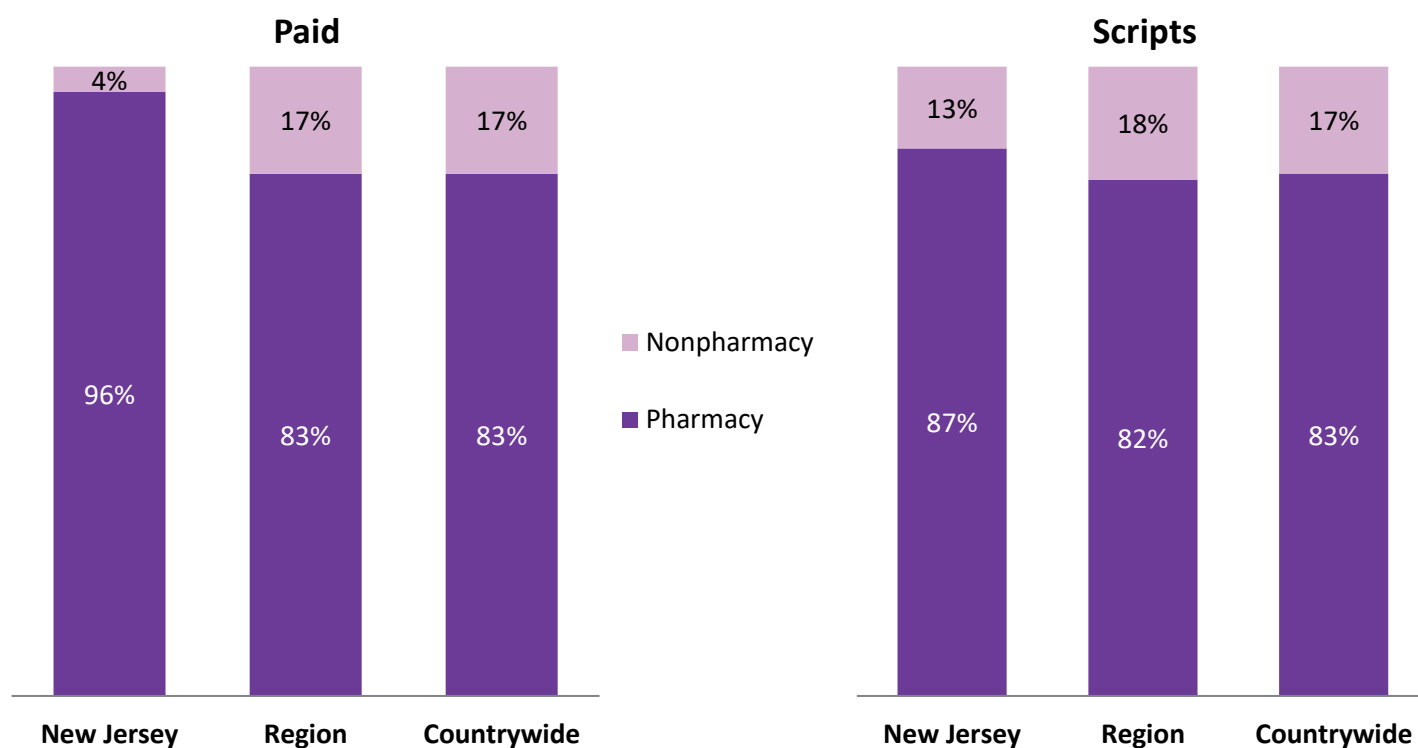


Chart 62 displays the shares of the payments for the top 5 nonpharmacy-dispensed prescription drugs used in workers compensation treatment, by amount paid in New Jersey. A pharmacy-dispensed comparison, along with values for the region and countrywide, are also included. All values shown below are specific either to nonpharmacy-dispensed prescription drugs or to pharmacy-dispensed prescription drugs.

**Chart 62**
**Top 5 Nonpharmacy-Dispensed Drugs by Amount Paid with Pharmacy-Dispensed Comparison**

Drug Name	Nonpharmacy-dispensed				Pharmacy-dispensed			
	Paid Share	NJ PPU	Region PPU	CW PPU	Paid Share	NJ PPU	Region PPU	CW PPU
<b>Botox®</b>	9.6%	\$313.31	\$317.99	\$252.95	0.4%	\$673.92	\$870.18	\$650.14
<b>Orthovisc®</b>	8.8%	\$277.82	\$249.59	\$260.10	0.2%	\$251.39	\$110.79	\$221.39
<b>Ibuprofen</b>	5.8%	\$0.80	\$0.95	\$0.46	0.4%	\$0.45	\$0.47	\$0.44
<b>Diclofenac Sodium (3% Gel)</b>	3.8%	\$11.80	\$12.15	\$10.30	0.3%	\$6.99	\$10.03	\$9.28
<b>Naproxen</b>	3.5%	\$1.35	\$1.46	\$1.28	0.4%	\$0.78	\$0.76	\$0.83

Drug Name	B/G	Common Brand		CSA Schedule	Nonpharmacy CW Rank
		Name	Category		
<b>Botox®</b>	B	N/A	Toxins	None	9
<b>Orthovisc®</b>	B	N/A	Biological Lubricant	None	35
<b>Ibuprofen</b>	G	Advil®	Analgesics/Antipyretics	None	22
<b>Diclofenac Sodium (3% Gel)</b>	G	Solaraze®	Skin/Mucous Membrane	None	6
<b>Naproxen</b>	G	Aleve®	Analgesics/Antipyretics	None	26





## Durable Medical Equipment, Prosthetics, Orthotics, and Supplies

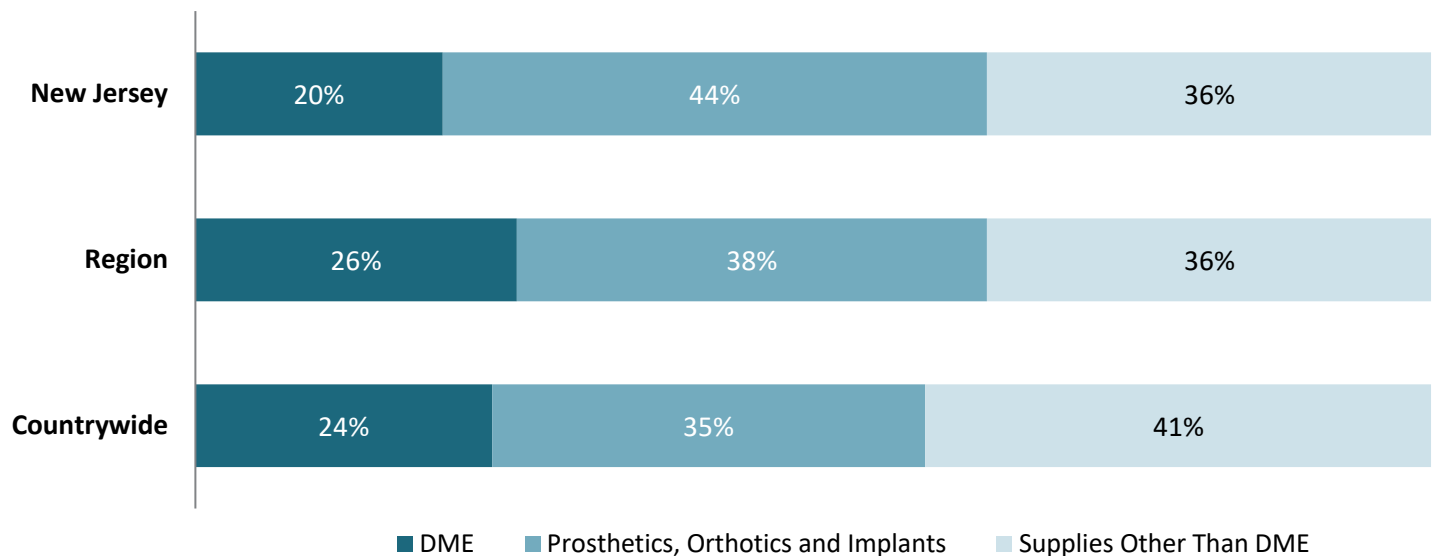
The distribution of medical payments for DMEPOS is 6% for New Jersey, 8% for the region, and 8% for countrywide.

Chart 63 displays the distribution of payments among three separate DMEPOS categories:

- Durable Medical Equipment (DME)
- Prosthetics, Orthotics and Implants
- Supplies Other Than DME

Payments are mapped to each of these categories based on the procedure code reported, regardless of who provides the service or where the service is performed.

**Chart 63**  
**Distribution of Payments by DMEPOS**





Injuries that include an implant or prosthetic device tend to be more expensive than other injuries. Chart 64 shows the top 10 diagnosis groups for claims that include an implant or a prosthetic device by total paid amount. Chart 65 shows the same diagnosis groups with the average amount paid per claim for claims that do not include an implant or prosthetic.

**Chart 64**

**Top Diagnosis Groups by Amount Paid for Dates of Injury in 2019 for Claims *With* an Implant or Prosthetic**

Diagnosis Group	Paid Share	Average Amount Paid Per Claim		
		New Jersey	Region	Countrywide
Rotator cuff tear	6.1%	\$52,643	\$37,100	\$39,641
Lumbar spine degeneration	5.4%	\$128,510	\$77,469	\$93,739
Lumbosacral intervertebral disc disorders	5.3%	\$122,210	\$76,313	\$82,573
Cervical disc disorders	5.0%	\$114,810	\$49,796	\$65,604
Tibia/fibula fracture	3.8%	\$85,216	\$85,165	\$78,888
Traumatic brain injury	3.5%	\$254,188	\$202,920	\$274,511
Hip/pelvis fracture/major trauma	3.4%	\$113,760	\$78,016	\$80,031
Minor shoulder injury	3.3%	\$42,772	\$25,172	\$31,575
Burn and corrosion, third degree, other than head, face, and neck	3.3%	\$1,033,668	\$127,771	\$343,955
Spinal cord injury	2.9%	\$680,798	\$712,064	\$691,774

**Chart 65**

**Average Amount Paid per Claim *Without* an Implant or Prosthetic for Diagnosis Groups in Chart 64**

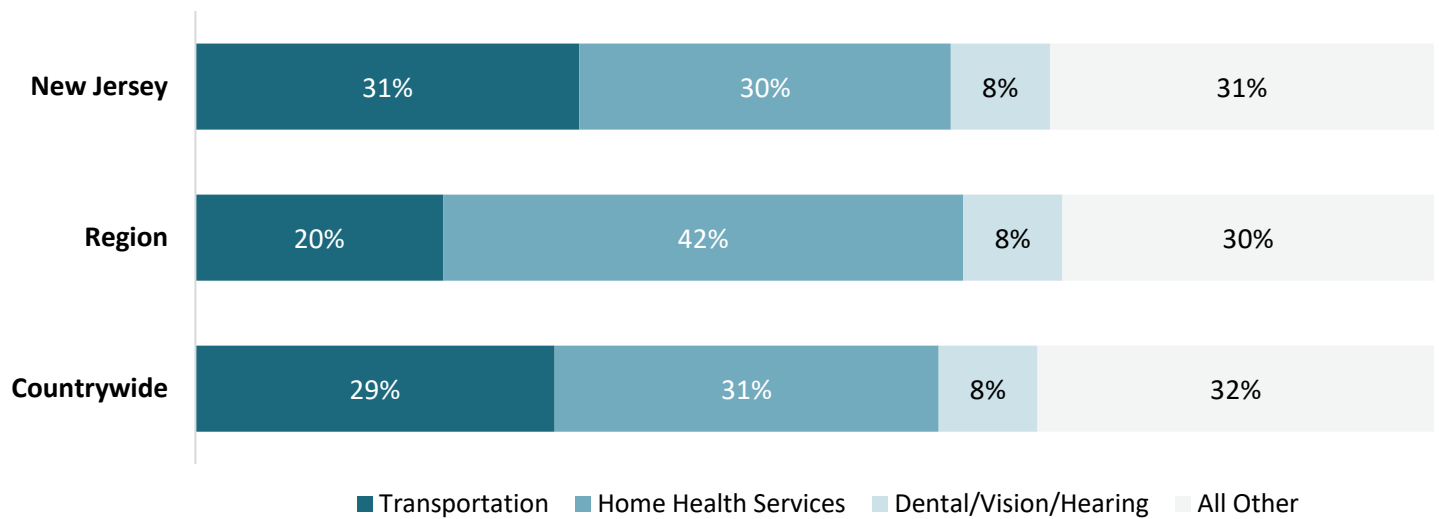
Diagnosis Group	Average Amount Paid Per Claim		
	New Jersey	Region	Countrywide
Rotator cuff tear	\$23,518	\$15,482	\$19,965
Lumbar spine degeneration	\$32,533	\$12,496	\$14,043
Lumbosacral intervertebral disc disorders	\$25,744	\$12,280	\$16,061
Cervical disc disorders	\$34,479	\$15,968	\$18,885
Tibia/fibula fracture	\$28,200	\$12,821	\$18,063
Traumatic brain injury	\$106,081	\$31,959	\$46,768
Hip/pelvis fracture/major trauma	\$37,083	\$34,965	\$38,263
Minor shoulder injury	\$4,881	\$3,601	\$4,051
Burn and corrosion, third degree, other than head, face, and neck	\$37,804	\$40,982	\$46,480
Spinal cord injury	\$581,189	\$447,028	\$472,200



## Other Medical Services

For Service Year 2020, other medical services represent 5% of total medical costs countrywide. Chart 66 shows the distribution of these services by four categories: transportation, home health services, dental/vision/hearing, and all other. The “All Other” category typically includes services that may have a missing, invalid, or unlisted procedure, in addition to some other valid services (e.g., payments for interpreters, vehicle modifications, etc.).

**Chart 66**  
**Distribution of Other Medical Services Payments**



## Diagnosis Group and Body System

Charts 67 and 68 display the top 10 body systems and diagnosis groups, respectively. A body system and diagnosis group are identified for each claim based on an ICD-10 code. The ICD-10 code indicates the condition for which the care is provided. NCCI assigns an ICD-10 code to each workers compensation claim based on the severity of the ICD-10 codes reported on bills by medical providers for services provided to the injured worker.

The top 10 body systems and diagnosis groups are ranked by total claim payments for New Jersey. This method of ranking shows which body systems and diagnosis groups have the highest percentage share of payments. Payments are based on claims with dates of injury between January 1, 2019, and December 31, 2019, and they include all reported services provided for those claims through December 31, 2020.

**Chart 67**

### Top Body Systems by Amount Paid for Dates of Injury in 2019

Body System	Paid Share	Average Amount Paid Per Claim		
		New Jersey	Region	Countrywide
Shoulder	16.9%	\$12,277	\$8,357	\$9,995
Lumbar spine	16.1%	\$8,154	\$3,959	\$4,584
Hand/wrist	10.6%	\$3,059	\$1,989	\$2,427
Knee	9.4%	\$8,035	\$5,430	\$6,096
Neck	7.4%	\$11,447	\$4,754	\$6,178
Ankle/foot	6.9%	\$4,687	\$3,083	\$3,666
Head	5.0%	\$5,446	\$2,554	\$3,934
Leg	4.8%	\$8,167	\$6,469	\$6,606
Arm	3.1%	\$6,326	\$4,336	\$5,895
Nervous system	2.3%	\$48,423	\$23,463	\$22,776

**Chart 68**

### Top Diagnosis Groups by Amount Paid for Dates of Injury in 2019

Diagnosis Group	Paid Share	Average Amount Paid Per Claim		
		New Jersey	Region	Countrywide
Rotator cuff tear	6.0%	\$26,946	\$18,298	\$23,192
Minor shoulder injury	5.1%	\$5,625	\$4,137	\$4,660
Low back pain	4.9%	\$3,152	\$2,274	\$2,427
Minor hand/wrist injuries	4.5%	\$1,691	\$1,206	\$1,330
Lumbosacral intervertebral disc disorders	4.0%	\$33,882	\$15,249	\$20,240
Lumbar spine degeneration	3.1%	\$46,147	\$16,771	\$19,630
Lumbar radiculopathy/sciatica	2.9%	\$15,127	\$5,263	\$6,364
Knee internal derangement - meniscus injury	2.6%	\$16,988	\$11,714	\$13,347
Minor knee injury	2.6%	\$3,211	\$2,435	\$2,647
Hand/wrist fracture	2.5%	\$8,587	\$5,881	\$7,480



## Comparison of Selected Results by Year

The charts in this section provide a comparison of results for New Jersey. These comparisons are over the latest five service years unless otherwise noted. Analysis in the growth of shares may provide additional insight into medical cost drivers above and beyond an analysis at a specific point in time.

Results in the charts below may vary compared to medical reports from previous years. This is due to a lag in reporting, as well as improved derivations affecting categories for certain charts.

**Distribution of Medical Payments (Chart 4)**

Medical Category	2016	2017	2018	2019	2020
Physician	52%	51%	52%	50%	50%
Hospital Outpatient	9%	10%	10%	11%	11%
Hospital Inpatient	14%	13%	12%	13%	14%
Drugs	8%	8%	7%	6%	6%
DMEPOS	6%	6%	6%	7%	6%
ASC	8%	8%	9%	9%	9%
Other	3%	4%	4%	4%	4%

**Distribution of Physician Payments by AMA Service Category (Chart 6)**

AMA Service Category	2016	2017	2018	2019	2020
Physical Medicine	26%	26%	27%	29%	30%
Surgery	38%	38%	37%	36%	36%
Evaluation and Management	15%	15%	15%	15%	15%
Radiology	7%	7%	7%	7%	6%
Anesthesia	6%	6%	6%	6%	5%
General Medicine	4%	4%	4%	4%	5%
Other	2%	2%	2%	2%	2%
Pathology	2%	2%	2%	1%	1%

**Median Time Until First Treatment (in Days) (Charts 11, 14, 17, 20, 31, 42, 47, and 53)<sup>10</sup>**

Medical Category	AY 2015	AY 2016	AY 2017	AY 2018	AY 2019
Physicians – Major Surgery	40	40	41	39	39
Physicians – Radiology	1	1	1	2	2
Physicians – Physical and General Medicine	24	22	23	24	23
Physicians – Evaluation and Management	1	1	1	1	1
Hospital Inpatient	0	1	0	0	0
Hospital Outpatient – Major Surgery	70	69	71	73	82
Hospital Outpatient – All Other	16	17	21	26	28
ASC – Major Surgery	93	86	88	92	94

**75th Percentile of Time Until First Treatment (in Days) (Charts 11, 14, 17, 20, 31, 42, 47, and 53)<sup>10</sup>**

Medical Category	AY 2015	AY 2016	AY 2017	AY 2018	AY 2019
Physicians – Major Surgery	116	117	118	121	119
Physicians – Radiology	12	13	13	14	13
Physicians – Physical and General Medicine	50	48	48	50	49
Physicians – Evaluation and Management	6	6	6	6	6
Hospital Inpatient	51	28	13	14	15
Hospital Outpatient – Major Surgery	142	158	155	154	169
Hospital Outpatient – All Other	66	69	83	87	84
ASC – Major Surgery	164	156	155	164	169

**Hospital Inpatient Statistics (Charts 27 and 29)**

	2016	2017	2018	2019	2020
Average Amount Paid Per Stay	\$31,789	\$32,788	\$34,745	\$38,351	\$42,572
Number of Stays per 1,000 Active Claims	27	25	21	20	23

<sup>10</sup> In the charts displaying the distribution of time until first treatment, the data is organized by the year in which the injury occurred, rather than by service year, and includes services performed within 365 days of the date of injury.

**Distribution of Hospital Outpatient Payments by Outpatient Visit Type (Chart 35)**

Visit Type	2016	2017	2018	2019	2020
Emergency	51%	51%	51%	50%	43%
Nonemergency Major Surgery	25%	27%	27%	26%	30%
Other	24%	22%	22%	24%	27%

**Emergency Hospital Outpatient Statistics (Charts 36 and 37)**

	2016	2017	2018	2019	2020
Average Amount Paid Per Visit	\$1,840	\$1,884	\$1,958	\$2,121	\$2,406
Number of Visits per 1,000 Active Claims	168	166	168	169	136

**Emergency Room Outpatient Services Paid per Transaction (Chart 39)**

Code	Severity	2016	2017	2018	2019	2020
99281	Minor	\$408	\$401	\$443	\$468	\$477
99282	Low to moderate	\$645	\$655	\$683	\$750	\$785
99283	Moderate	\$873	\$900	\$931	\$993	\$1,051
99284	High	\$1,185	\$1,160	\$1,246	\$1,244	\$1,312
99285	High and immediately life-threatening	\$1,702	\$1,592	\$1,579	\$1,568	\$1,711

**Nonemergency Major Surgery Hospital Outpatient Statistics (Charts 40 and 41)**

	2016	2017	2018	2019	2020
Average Amount Paid Per Visit	\$7,053	\$8,136	\$9,021	\$9,521	\$10,063
Number of Visits per 1,000 Active Claims	21	21	19	20	23

**Other Hospital Outpatient Statistics (Charts 45 and 46)**

	2016	2017	2018	2019	2020
Average Amount Paid Per Visit	\$521	\$521	\$549	\$478	\$496
Number of Visits per 1,000 Active Claims	271	261	259	362	410

**ASC Major Surgery Statistics (Charts 51 and 52)**

	2016	2017	2018	2019	2020
Average Amount Paid Per Visit	\$7,767	\$8,246	\$8,132	\$8,393	\$8,038
Number of Visits per 1,000 Active Claims	42	42	41	44	51

**Distribution of Prescription Drug Payments by CSA Schedule (Chart 57)**

CSA Schedule	2016	2017	2018	2019	2020
Schedule II	37%	35%	32%	29%	28%
Schedule III	2%	2%	2%	2%	2%
Schedule IV	6%	5%	5%	4%	4%
Schedule V	6%	8%	9%	8%	6%
Noncontrolled	49%	50%	52%	57%	60%

**Distribution of Drug Payments by Brand Name and Generic (Chart 60)**

Type of Drug	2016	2017	2018	2019	2020
Brand Name	58%	58%	59%	59%	55%
Generic	42%	42%	41%	41%	45%

**Distribution of Drug Payments by Pharmacy and Nonpharmacy (Chart 61)**

Type of Provider	2016	2017	2018	2019	2020
Pharmacy	97%	97%	96%	95%	96%
Nonpharmacy	3%	3%	4%	5%	4%

**Distribution of Payments by DMEPOS (Chart 63)**

Category	2016	2017	2018	2019	2020
DME	22%	21%	22%	21%	20%
Prosthetics, Orthotics and Implants	47%	45%	45%	43%	44%
Supplies Other Than DME	31%	34%	33%	36%	36%

**Distribution of Payments by Other Medical Services (Chart 66)**

Category	2016	2017	2018	2019	2020
Transportation	34%	30%	34%	34%	30%
Home Health Services	34%	31%	31%	30%	30%
Dental/Vision/Hearing	9%	8%	10%	10%	8%
All Other	23%	31%	25%	26%	30%





## Glossary

**75th Percentile:** The point on a distribution that is higher than 75% of observations and lower than 25% of observations.

**Accident Year:** A loss accounting definition in which experience is summarized by the calendar year in which an accident occurred.

**Ambulatory Payment Classification (APC):** Unit of payment under Medicare's Outpatient Prospective Payment System (OPPS) for hospital outpatient services where individual services are grouped based on similar characteristics and similar costs.

**Ambulatory Surgical Center (ASC):** A state-licensed facility that is used mainly to perform outpatient surgery, has a staff of physicians, has continuous physician and nursing care, and does not provide for overnight stays. An ASC can bill for facility fees much like a hospital, but it generally has a separate fee schedule.

**Controlled Substances:** Drugs that are regulated by the Controlled Substances Act (CSA) of 1970. Each controlled substance is contained in one of five schedules based on its medical use(s) and its potential for abuse and addiction.

**CPT Code Modifiers:** Modifiers are codes added to a CPT code that further describe the procedure performed without changing the meaning of the original code.

**Current Procedure Terminology (CPT):** A numeric coding system maintained by the American Medical Association (AMA). The CPT coding system consists of five-digit codes that are primarily used to identify medical services and procedures performed by physicians and other healthcare professionals.

**Diagnosis Groups:** Based on ICD-10 codes; groups based on similar injuries and parts of body.

**Diagnosis-Related Groups (DRG):** A system of hospital payment classifications that groups patients with similar clinical problems who are expected to require similar amounts of hospital resources.

**Drugs:** Includes any data reported by a National Drug Code (NDC), which is referred to as a prescription drug. Also included are data for revenue codes, the Healthcare Common Procedure Code System (HCPCS), and other state-specific codes that represent drugs.

**Durable Medical Equipment (DME):** Equipment that is primarily and customarily used to serve a medical purpose, can withstand repeated use, could normally be rented and used by successive patients, is appropriate for use in the home, and is not generally useful to a person in the absence of an illness or injury.

**Emergency Services:** Services performed for patients requiring immediate attention.

**Emergency Visit:** A visit where emergency services are performed.



**Healthcare Common Procedure Coding System (HCPCS):** Alphanumeric codes that include mostly nonphysician items or services such as medical supplies, ambulatory services, prostheses, etc. These are items and services not covered by Current Procedure Terminology (CPT) procedures.

**ICD-10 Codes:** The *International Classification of Diseases, Tenth Revision*, is a system used by physicians and other healthcare providers to classify and code all diagnoses, symptoms, and procedures recorded in conjunction with hospital care in the United States.

**Hospital Inpatient Service:** Services for a patient who is admitted to a hospital for treatment that requires at least one overnight stay (more than 24 hours in a hospital).

**Hospital Inpatient Stay:** A hospital admission of a patient requiring hospitalization of at least one 24-hour period.

**Hospital Outpatient Service:** Any type of medical or surgical care, performed at a hospital, that is not expected to result in an overnight hospital stay (less than 24 hours in a hospital).

**International Statistical Classification of Diseases and Related Health Problems (ICD-10):** A classification of diseases and other health problems based on a diagnosis maintained by the World Health Organization (WHO).

**Length of Stay:** The amount of time, in days, between admission to a hospital and discharge.

**Major Surgery Visit:** A visit in which at least one surgery procedure is performed based on the reported procedure code, and where the surgery procedure has a global follow-up period of 90 days, as defined by the Centers for Medicare & Medicaid Services, and is not an injection.

**Medical Data Call:** Captures transaction-level detail for medical billings that were processed on or after July 1, 2010. All medical transactions with the jurisdiction state in any applicable Medical Data Call state are reportable. This includes all workers compensation claims, including medical-only claims.

**Other Outpatient Visit:** A nonemergency outpatient visit where no major surgery services are performed.

**(Paid) Procedure Code:** A code from the jurisdiction-approved code table that identifies the procedure associated with the reimbursement. Examples include CPT code or revenue code.

**Revenue Code:** A numeric coding system used in hospital billings that provides broad classifications of the types of services provided. Some examples are emergency room, operating room, recovery room, room and board, and supplies.

**Service Year:** A loss accounting definition where experience is summarized by the calendar year in which a medical service was provided.

**Taxonomy Code:** A code that identifies the type of provider that billed for, and is being paid for, a medical service. Data reporters are instructed to use the provider taxonomy list of standard codes maintained by the National Uniform Claim Committee.



**Telemedicine Service:** Services reported with a telemedicine-specific procedure code, modifier, or place of service.

**Time to Treatment (TTT):** The amount of time, measured in days, between the date on which an accident occurs and the date on which the first medical service in a given category is provided.

**Transaction:** A line item of a medical bill.

**Units:** The number of units of service performed or the quantity of drugs dispensed. For Paid Procedure Codes related to medications, the quantity/units depend on the type of drug:

- For tablets, capsules, suppositories, nonfilled syringes, etc., *units* represent the actual number of the drug provided. For example, a bottle of 30 pills would have 30 units.
- For liquids, suspensions, solutions, creams, ointments, bulk powders, etc., dispensed in standard packages, the units are specified by the procedure code. For example, a cream is dispensed in a standard tube, which is defined as a single unit.
- For liquids, suspensions, solutions, creams, ointments, bulk powders, etc., that are not dispensed in standard packages, the number of units is the amount provided in its standard unit of measurement, such as milliliters, grams, or ounces. For example, codeine cough syrup dispensed by a pharmacist into a four-ounce bottle would be reported as four units.

**Visit:** Any hospital outpatient or ASC service or set of services provided to a claimant on a specific date. Any visit may have more than one procedure performed, and any claimant may have more than one visit.



## Appendix

The data contained in this report is reported under the jurisdiction state—the state under whose workers compensation act the claimant’s benefits are being paid. Medical transactions must continue to be reported until the transactions no longer occur (i.e., the claim is closed) or 30 years from the accident date. There are nearly 30 data elements reported.

Wherever possible, standard industry codes are used because they provide a clear definition of the data, improve its accuracy and quality, and increase efficiency of computer systems.

Carriers differ in their handling of medical data reporting. Some carriers retain all medical claims handling internally and submit the data themselves. Others use business partners for various aspects of medical claim handling, such as third party administrators or medical bill review vendors. It is possible for a carrier to authorize its vendor to report the data on its behalf. Some carriers may use a combination of direct reporting and vendors. Although data may have been provided by an authorized vendor on behalf of a carrier, the quality, timeliness, and completeness of the data is the responsibility of the carrier.

Before a medical data provider can send files, each submitter’s electronic data file must pass certification testing. This ensures that all connections, data files, and systems are functioning and processing correctly. Each medical data provider within a reporting group is required to pass certification testing. If a medical data provider reports data for more than one reporting group, that data must be certified for each group.

For more information about the Medical Data Call, please refer to the ***Medical Data Call Reporting Guidebook*** on **ncci.com**.