

# Chapter 22: Resource-based Relative Value Scale (RBRVS)

Payment Policies for Healthcare Services

Provided to Injured Workers and Crime Victims

Effective July 1, 2025



### How to navigate this document

Use the keyboard command **CTRL+F** on Windows (**Command+F** on Mac) to search for specific topics. If you can't find what you're looking for, try different keywords or combinations of words.

The Table of Contents lists each policy. To jump to a policy, click on the page number.



### Links to appendices

For definitions of terms used throughout these payment policies, see <a href="Appendix A: Definitions">Appendix A: Definitions</a>.

For explanations of modifiers referenced throughout these payment policies, see <u>Appendix B:</u> <u>Modifiers</u>.

For information about place of service codes, see Appendix C: Place of Service (POS).

### **Updates and corrections**

An annual update of the entire payment policies and fee schedules (MARFS) is published routinely to coincide with the beginning of each state fiscal year (July 1).

Throughout the year, updates and corrections may be needed to modify existing policies and fees or create new ones. Updated and corrected information supersedes the policies in MARFS. Look for possible <u>updates and corrections</u> to these payment policies and fee schedules on L&I's website.

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# Payment policy: Basis for calculating RBRVS payment levels

#### **Payment methods**

#### Relative value units (RVUs)

Under the Centers for Medicare and Medicaid Services (CMS) approach, RVUs are assigned to each procedure based on the resources required to perform the procedure, comprised of:

- The work,
- Practice expense, and
- Liability insurance (malpractice expense).

A procedure with an RVU of 2 requires half the resources of a procedure with an RVU of 4.

Link: A list of current RVUs can be accessed on Medicare's website.

#### Fee development

RBRVS fee schedule allowances are based on:

- Relative value units (RVUs),
- Geographic adjustment factors for Washington State, and
- A conversion factor

Geographic adjustment factors are used to correct for differences in the cost of operating in different states and metropolitan areas producing an adjusted RVU (see RVU geographic adjustments, below).

The maximum fee for a procedure is obtained by multiplying the adjusted RVUs by the conversion factor. The maximum fees are published as dollar values in the Professional Services Fee Schedule.

The conversion factor has the same value for all services priced according to the **RBRVS**. L&I may annually adjust the conversion factor.

**Links**: The conversion factor is published in <u>WAC 296-20-135</u>, and the process for adjusting the conversion factor is defined in WAC 296-20-132.

#### **RVU** geographic adjustments

The state agencies geographically adjust the RVUs for each of these components based on the costs for Washington State.

The Washington State geographic adjustment factors for July 1, 2025 are:

- 101.3% of the work component RVU,
- 107.8% of the practice expense RVU, and
- 78.5% of the malpractice RVU.

#### Calculation for maximum fees

To calculate the insurer's maximum fee for each procedure:

- 1. Multiply each RVU component by its geographic adjustment factor, then
- 2. Sum the geographically adjusted RVU components, rounding to the nearest hundredth, then
- 3. Multiply the rounded sum by L&I's RBRVS conversion factor, and finally
- 4. Round to the nearest penny.



**Note**: L&I and Health Care Authority (HCA) use a common set of RVUs and geographic adjustment factors for procedures, but use different conversion factors.

#### Place of service payment differential

Based on where the service was performed, the insurer will pay professional services at the **RBRVS** rates for:

- Facility settings (such as hospitals and ASCs), and
- Non-facility settings.

The place of service payment differential is based on CMS's payment policy.



**Link**: Payment rates for each place of service (POS) code are available in <u>Appendix C: Place of Service (POS) Codes</u>.

The maximum fees for facility and non-facility settings are published in the <u>Professional Services Fee Schedule</u>.

#### Requirements for billing

Due to the site of service payment differential (see above), it is required to include a valid 2-digit place of service code on your bill.

# Payment policy: Facility setting services paid at the RBRVS rate

#### **Payment methods**

When services are performed in a facility setting, the insurer makes 2 payments:

- 1 to the professional provider, and
- 1 to the facility.

Payment to the provider includes medical procedures and services provided by a licensed individual provider. The payment to the facility includes resource costs such as:

- Labor,
- Room and board,
- Operating rooms,
- · Medical materials & supplies, and
- Medical equipment.



**Note**: To avoid duplicate payment of resource costs, these costs are excluded from the **RBRVS** rates for professional services in facility settings.

#### Anesthesia services paid using the RBRVS method

Some services commonly performed by anesthesiologists and CRNAs are paid using the Resource-Based Relative Value Scale (RBRVS) payment method, including:

- Anesthesia evaluation and management services, and
- Most pain management services, and
- Other selected services.

**Links**: For more information on payment calculations for Anesthesia services paid using the **RBRVS** method, see <u>Chapter 12</u>: <u>Injections and Medication Administration</u>.

#### Requirements for billing

Remember to include a valid 2-digit place of service code (POS) on your bill. Bills without a POS code will be processed at the **RBRVS** rate for facility settings, which could result in lower payment.

# Payment policy: Non-facility setting services paid at the RBRVS rate

#### **Payment methods**

When services are provided in non-facility settings, the professional provider typically bears the costs of:

- Labor,
- Medical supplies, and
- Medical equipment

These costs are included in the **RBRVS** rate for non-facility settings. Non-facilities are not eligible for separate facility reimbursement.

Professional services will be paid at the **RBRVS** rate for non-facility settings when the insurer doesn't make a separate payment to a facility.

#### Requirements for billing

Remember to include a valid 2-digit place of service code on your bill. Bills without a place of service code will be processed at the **RBRVS** rate for facility settings, which could result in lower payment.

**Link**: Payment rates for each place of service (POS) code are available in <u>Appendix C: Place of Service (POS) Codes</u>.



### Links to related topics

If you're looking for more information about	Then see
Administrative rules for the conversion factor	Washington Administrative Code (WAC) 296-20-132 WAC 296-20-135
Becoming an L&I provider	Become A Provider on L&I's website
<b>Billing</b> instructions and forms	Chapter 2: Information for All Providers
Fee schedules for all healthcare professional services	Fee schedules on L&I's website
A list of the current RVUs used in calculating the insurer's conversion factor	RVUs on the CMS website

#### Need more help?

Contact Provider Hotline with billing and authorization questions by emailing PHL@Lni.wa.gov or calling 1-800-848-0811 between 8 am and 12 pm PT Monday through Friday.