



[Workers' Comp](#)

Workers' Compensation Medical Price Index: Q1 2018

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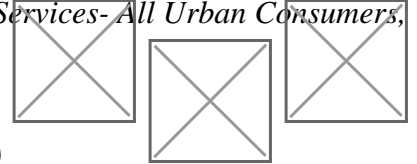
Director of Claims Performance Consulting, CPCU

The National Consumer Price Index, or CPI, for All Services, as reported by the Bureau of Labor Statistics, in May 2018, was 124.14, which reflects a 0.6 percent increase since Q3 2017 and further eliminates the decrease experienced in the Q1 2017 results. For the same period of time, Q3 2017 to Q4 2017, the National Workers' Compensation Medical Price Index (MPI) increased 2.0 percent and was at 115.04 in May 2018. Since Q1 2006, the MPI has increased 15.04 percent while the National CPI for All Services increased 24.14 percent

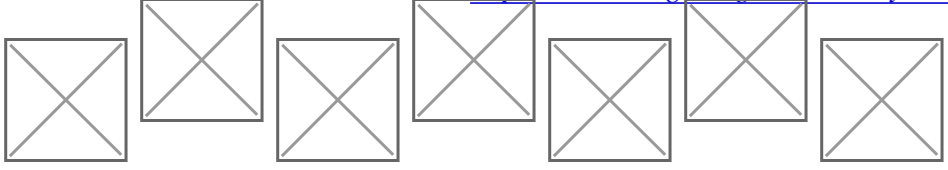
- Charges associated with physical medicine services experienced a 1.13 percent increase since Q4 2017 relative to Q2 2017. This increase brings the total unit cost change for physical medicine since Q1 2006 to 9.4 percent—significantly below the National CPI for All Services reported by the Bureau of Labor Statistics. Please recall that the physical medicine MPI is looking strictly at unit charge while holding utilization constant.
- Major radiology services experienced by the workers' compensation industry experienced a 0.64 percent decrease in Q4 2017 when compared to Q3 2017. It remains approximately 12 percent below the average unit charge seen by the industry in Q1 2006 for major radiology services.
- The unit cost for evaluation and management services increased 5.57 percent in Q4 2017 when compared with its Q3 2017 result. Over the past four reporting periods, the net change in the MPI for this category has been a 13.4 percent increase. Since Q1 2006, evaluation and management services have seen unit charge increase 45.5 percent as reflected by the index value 145.5.
- The unit charge for professional services in the emergency room experienced a 2.03 percent increase in the medical price index between Q3 2017 and Q4 2017. Since Q1 2006, emergency room evaluation and management services have seen unit charge increase 74.93 percent as reflected by the index value of 174.93. Similar to evaluation and management services described above, over the past four reporting periods, the emergency room medical price index has increased 13.6 percent.

The National Workers' Compensation MPI increased 2.3 percent and as of February 2018, sits at 113.03.

(Source: U.S. Bureau of Labor Statistics, adjusted. Consumer Price Index- All Services- All Urban Consumers,



Series CUUR0000SA0. Available at [http:// data.bls.gov/cgi-bin/surveymost?cu](http://data.bls.gov/cgi-bin/surveymost?cu))



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