Washington State Department of Labor & Industries

Payment Policies for Healthcare Services

Provided to Injured Workers and Crime Victims

Chapter 13: Independent Medical Exams (IME)

Effective July 1, 2022

Link: Look for possible **updates and corrections** to these payment policies on L&I's website. The temporary telehealth policy for IMEs is in effect until December 31, 2022.

Table of Contents

Definitions

The following terms are utilized in this chapter and are defined as follows:

Body areas: For IMEs, the following body areas are recognized:

- Head, including the face,
- Neck,
- Chest, including breasts and axilla,
- Abdomen,
- Genitalia, groin, buttock,
- Back, and
- Each extremity (each extremity is counted once per extremity examined when determining standard or complex codes)

By Report (BR): A code listed in the fee schedule as BR doesn't have an established fee because the service is too unusual, variable, or new. When billing for the code, the provider must provide a report that defines or describes the services or procedures. The insurer will determine an appropriate fee based on the report.

Link: For the legal definition of **By Report (BR)**, see WAC 296-20-01002.

Organ systems: For IMEs, the following organ systems are recognized:

- Eyes,
- Ears, nose, mouth, and throat,
- Cardiovascular,
- Gastrointestinal,
- Genitourinary,
- Respiratory,
- Musculoskeletal,
- Skin,
- Neurologic,
- Psychiatric, and
- Hematologic/ Lymphatic/ Immunologic.

Modifiers

The following CPT®, HCPCS, and/or local code modifiers are utilized in this chapter:

–7N (X-rays and laboratory services in conjunction with an IME)

When X-rays, laboratory, neuropsychological testing and other diagnostic tests are requested for the IME, identify the service(s) by adding the modifier – 7N to the usual procedure number.

–26 (Professional component)

Certain procedures are a combination of the professional (—26) and technical (—TC) components. This modifier should be used when only the professional component is performed. When a global service is performed, the —26 modifier can't be used.

Link: Procedure codes are listed in the L&I Professional Services Fee Schedules, Radiology and Laboratory Sections.

Payment policy: Independent Medical Exams (IMEs)

General information

Independent medical exams (IMEs) are medical examinations requested by the department or self-insured employers to answer medical and legal questions about the claim. Performing IME or ratings requires considerable judgement and understanding of specialized terms and a mastery of skills that may not be part of a doctor's original training. IME providers must be familiar with and follow the Medical Examiners' Handbook.

Per RCW 51.36.070(2), the department or self-insurer shall provide the physician performing the exam all relevant medical records from the worker's claim file.

Who must perform services to qualify for payment

Only **department approved** IME Providers with an IME provider account number can bill IME codes. Applications are available on our website.

For more information on **becoming an approved IME provider** or to perform impairment ratings, see the Medical Examiners' Handbook.

To receive email updates on IMEs, subscribe to the ListServ.

Services that can be billed

Interpretation services during IMEs

Interpreter services are covered during IMEs. All interpreter requests must be scheduled through the scheduling system. For additional information regarding interpreter services, see Chapter 14: Language Access Services. For Sign Language interpretation, see Chapter 22: Other Services.

IME fee schedule

Local code	Description and notes	Maximum fee
1104M	**IME, addendum report. Requested and authorized by claim manager** Addendum report for information that isn't requested in original assignment, which necessitates review of records. Additional charges aren't payable. Not to be used in place of a new IME, if requested by the insurer. Fee already includes additional reimbursement for file review. May only be used for review of job analysis when records are re-reviewed and a report attesting to that re-review is submitted with the job analysis. The review of diagnostic testing or study results ordered by the examiner isn't payable under this code. Not payable with **1066M**.	**$162.46**
1105M	**IME Physical Capacities Estimate** (F242-387-000) Must be requested by the insurer. Bill under one examiner's provider account number for multi-examiner exams. (Bill once per exam.)	**$35.56**

Local code	Description and notes	Maximum fee
1108M	**IME, standard exam – 1-3 body areas or organ systems** Use this code if there are only 1-3 **body areas** or **organ systems** examined for sufficient evaluation of the accepted condition(s). L&I expects that these exams will typically involve at least 30 minutes of face-to-face time with the patient. Use of this code requires: • Records reviewed by examiner and a report included with detailed chronology of the injury or condition as described in the Medical Examiners' Handbook. • Physical exam directed only toward the affected **body areas** or **organ systems**. • Appropriate diagnostic tests ordered and interpreted. • Impairment rating performed if requested. • The IME report containing the required elements noted in the Medical Examiners' Handbook. • Report conclusions addressing how the examined **body areas** or **organ systems** relate to the accepted or contended work related injury(s) or condition(s). • Review of up to 2 job analyses. **Note**: Additional examiners use **1112M**.	**$700.56**

Local code	Description and notes	Maximum fee
1109M	**IME, complex exam – 4 or more body areas or organ systems** Use this code if there are 4 or more **body areas** or **organ systems** examined for sufficient evaluation of the accepted condition(s). L&I expects that these exams will typically involve at least 45 minutes of face-to-face time with the worker. Use of this code requires: • Records reviewed by examiner and a report included with detailed chronology of the injury or condition as described in the Medical Examiners' Handbook. • Physical exam directed only toward the affected **body areas** or **organ systems**. • Appropriate diagnostic tests ordered and interpreted. • Impairment rating performed if requested. • The IME report containing the required elements noted in the Medical Examiners' Handbook. • Report conclusions addressing how the examined **body areas** or **organ systems** relate to the accepted or contended work related injury(s) or condition(s). • Review of up to 2 job analyses. **Note**: Additional complex examiners use **1126M**.	**$875.69**
1112M	**IME, additional examiner for Standard IME** Use where input from more than 1 examiner is combined into 1 report. Includes: • Record review, • Exam, *and* • Contribution to combined report. L&I expects these exams will typically involve at least 30 minutes of face-to-face time with the worker. **Note**: One examiner on IMEs with a combined report should bill a standard (**1108M**).	**$700.56**

Local code	Description and notes	Maximum fee
1118M	**IME by psychiatrist** Psychiatric diagnostic interview with or without direct observation of a physical exam. L&I expects these exams will typically involve at least 60 minutes of face-to-face time with the worker. Includes: • Review of records, other specialist's exam results, if any. • Consultation with other examiners and submission of a joint report if scheduled as part of a panel. • Report with a detailed chronology of the injury or condition, as described in the Medical Examiners' Handbook. • Review of up to 2 job analyses. Also includes impairment rating, if applicable.	**$1,269.76**
1123M	**IME, communication issues** Exam was unusually difficult due to expressive problems, such as a stutter, aphasia or need for an interpreter in a case that required an extensive history as described in the report. If an interpreter is needed, verify and record name of interpreter in report. Bill once per examiner per exam. Isn't payable with a no show fee (**1144M**).	**$233.14**

Local code	Description and notes	Maximum fee
1124M	**IME, other, by report** Requires preauthorization and prepay review: For State Fund claims, contact the claims manager, or For self-insured claims, contact the self-insured employer or third party administrator. Billable services under this code are limited to: • Research and review for chemically related illness claims to be billed only by contracted providers authorized to perform CRI IMEs, • Security services for potentially violent workers, or • Guard services for incarcerated workers.	**By Report**
1125M	**Physician travel per mile** Allowed when roundtrip exceeds 14 miles using Personally Owned Vehicles. Code usage is limited to extremely rare circumstances, such as IMEs in correctional facilities. Requires preauthorization and prepay review: • For State Fund claims, call Provider Quality and Compliance at **800-468-7870**, or • For self-insured claims, contact the self-insured employer or third party administrator.	**$5.70**

Local code	Description and notes	Maximum fee
1126M	**IME, additional examiner for Complex IME** Use where input from more than 1 examiner is combined into 1 report. Includes: • Record review, • Exam, and • Contribution to combined report. L&I expects these exams will typically involve at least 45 minutes of face-to-face time with the worker. **Note**: One examiner on an IME that has a combined report should bill a complex exam code. The IME report must meet the criteria required for a complex IME (**1109M**).	**$875.69**
1128M	**Occupational disease report** (Doctor's Assessment of Work Relatedness for Occupational Diseases) Must be requested by insurer. Examples of conditions which L&I considers occupational diseases are: • Occupational carpal tunnel syndrome, • Noise-induced hearing loss, • Occupational dermatitis, and • Occupational asthma. The legal standard is different for occupational diseases from occupational injuries. Refer to RCW 51.080.140 on the definition for occupational disease. This is a detailed assessment of work relatedness, with the exact content presented in the Medical Examiners' Handbook. A doctor may bill this code **only once for each worker.**	**$215.60**

Local code	Description and notes	Maximum fee
1129M	**IME, extensive file review by examiner** Units of service are based on the number of hardcopy pages reviewed by the IME examiner on microfiche, paper, Claim and Account Center, or other medium. Review of the **first 400 hardcopy pages** is included in the base exam fee (**1108M**, **1109M**, **1112M**, **1118M**, **1126M, 1130M, 1141M, 1142M, 1146M** or **1147M**). Bill for each additional page reviewed beyond the first 400 hardcopy pages. Isn't payable with IME late cancellations (**1143M**) or IME no show fee (**1144M**)**.** Only the following document categories will be paid for **unless** the authorizing letter requests a review of **all** documents: • Medical files, • History, • Report of Accident, • Reopen Application, *and* • Other documents specified by claim manager or requestor. Bill per examiner. Not payable for review of duplicate documents. **Note**: To be eligible for payment, a detailed chronology of the injury or condition must be included in the report as defined by the Medical Examiners' Handbook.	**$1.17**

Local code	Description and notes	Maximum fee
1130M	**IME, terminated exam** Bill for exam ended prior to completion. Requires file review, partial exam by the examiner and report (including reasons for early termination of exam). Bill per examiner. Terminated exams don't include failure to obtain an interpreter. Terminated exams could be payable when the worker is uncooperative or becomes ill in the middle of the exam. **Note**: A partial exam is face-to-face time between the examiner and the worker where, at a minimum, the worker's history is obtained.	**$413.00**
1139M	**No show fee for missed neuropsychological testing.** Must be scheduled or approved by department or self-insurer as part of an independent medical examination. (For more information, see: WAC 296-20-010(5).) This code is payable only once per independent medical examination assignment. Must notify department or self-insurer of no-show as soon as possible. Bill only if worker fails to show and appointment can't be filled.	**$1,036.71**
1140M	**No show fee for missed Functional Capacity Evaluation (FCE).** Must be scheduled or approved by department or self-insurer as part of an independent medical examination. (For more information, see: WAC 296-20-010(5) This code is payable only once per independent medical examination assignment. Must notify department or self-insurer of no show as soon as possible. Bill only if worker fails to show and appointment can't be filled.	**$331.63**

Local code	Description and notes	Maximum fee
1141M	**IME, rare specialty exam – 1-4 or more body areas or organ systems** Use this code in lieu of 1108M or 1109M when exam is performed by one of the following rare provider specialties: • Allergy and Immunology • Cardiology • Dermatology • Endocrinology • Gastroenterology • Hematology • Obstetrics and Gynecology • Oncology • Ophthalmology • Pain Medicine/Dolorology • Pulmonology • Urology L&I expects these exams will typically involve at least 30 minutes of face-to-face time with the worker. **Note**: Follow the exam requirements for either 1108M or 1109M depending on number of body areas or organ systems involved. This specialty list may be updated depending on the number of examiners available. For additional rare specialty examiners use 1142M. 1108M or 1109M may be billed with an 1141M if one of the examiners is completing a standard or complex exam, and the other is completing a rare specialty exam. Only the rare specialty examiner may bill 1141M.	**$1,269.76**

Local code	Description and notes	Maximum fee
1142M	**IME, additional examiner for Rare Specialty IME** Use where input from more than 1 rare specialty examiner is combined into 1 report. Includes: • Record review, • Exam, *and* • Contribution to combined report. L&I expects these exams will typically involve at least 30 minutes of face-to-face time with the worker. **Note**: One rare specialty examiner on IMEs with a combined report should bill the rare specialty IME exam fee (1141M).	**$1,269.76**
1143M	**IME late cancellation fee, per examiner** Bill only if worker cancels the appointment within 5 business days prior to exam. Billable if appointment time can't be filled. (Business days are Monday through Friday.) Isn't payable for no shows of IME related services (for example, neuropsychological evaluations).	**$382.42**
1144M	**IME no show fee, per examiner** Bill only if worker fails to show, and appointment time can't be filled. Isn't payable for no shows of IME related services (for example, neuropsychological evaluations). For more information, see WAC 296-20-010.	**$382.42**

Local code	Description and notes	Maximum fee
1145M	**IME, one or more additional claims included in evaluation, up to five additional claims total**. Bill by unit (1 unit = 1 additional claim). Payable when medical examination includes one, two, three, four or five additional claims evaluated by the medical examiner. Bill this code by unit where each unit equals an additional claim included in the evaluation. Don't bill a unit for the first claim. The first claim must be billed using a base exam code (such as **1108M)**. This code is used in addition to the primary IME exam code (**1108M, 1109M, 1112M, 1118M, 1126M, 1130M, 1141M, 1142M, 1146M** or **1147M**) only. This can't be reported as a stand-alone code A maximum of five additional claims (units) are billable with this code. Anytime six or more additional claims are included, special review and authorization is required by the insurer. Not payable when only one claim is examined. Bill once per examiner. **Note:** This code must be preauthorized by the insurer.	**$134.40 per unit**
1146M	**Forensic IME** Bill only if the worker is unavailable for the physical portion of the IME exam. Isn't payable for no shows of IME related services (for example, neuropsychological evaluations). **Note:** This code must be preauthorized by the insurer.	**$413.00**
1147M	**Correctional facility IME** Bill for IMEs conducted at a correctional facility, if the examiner travels to the facility. This code requires prior authorization. Examiners may also bill travel for IMEs conducted at a correctional facility; bill using **1125M**, which requires prior authorization.	**$2,627.07**

Modifier	Description	Fee
Modifier **-7N**	**X-rays and laboratory services in conjunction with an IME** When X-rays, laboratory, neuropsychological testing and other diagnostic tests are provided with an exam, identify the service(s) by adding the modifier – 7N to the usual procedure number. **Link**: Procedure codes are listed in the L&I Professional Services Fee Schedules, Radiology and Laboratory Sections, or the other payment policies available at: https://lni.wa.gov/patient-care/billing-payments/fee-schedules-and-payment-policies/.	**N/A**
Modifier **-26**	**Radiology services in conjunction with an IME-Professional Component** Certain procedures are a combination of the professional (**–26**) and technical (**–TC**) components. Modifier **–26** must be used when only the professional component is performed. When a global service is performed, neither modifier can be used. Payment will be made at the established professional component (modifier **–26**) rate for each specific radiology service. The professional interpretation or reinterpretation of all imaging studies reviewed must be documented within the IME report. Additionally, modifier **–7N** must be appended to all imaging study billings. When modifier **–26** is appended, it must appear prior to **–7N**. **Link**: Fees are listed in the L&I Professional Services Fee Schedules, available at: https://lni.wa.gov/patient-care/billing-payments/fee-schedules-and-payment-policies/. Additional information on documentation requirements is listed under the Payment Policy “Radiology Reporting Requirements for IMEs” below.	**N/A**

Requirements for billing

State Fund (L&I) provider account number requirements for IMEs

For IMEs, examiners need one IME provider account number for each payee they wish to designate.

An IME examiner who isn't working through any IME firms will need just one IME number, which will also serve as their payee number.

Bills for testing or other services performed in conjunction with an IME must be submitted by the provider who rendered the service (WAC 296-20-125(3)(o)). These services include:

- X-ray, diagnostic laboratory tests in conjunction with IME (append modifier **–26** and **–7N**).
- Neuropsychological evaluations and testing CPT® codes – **90791**, **96101**, **96102**, **96118**, **96119**. (For more detailed information on neuropsychological services, refer to Chapter 17: Mental Health Services.)
- Functional Capacity Evaluations (FCE) – **1045M.**

Standard and complex coding

The exam should be sufficient to achieve the purpose and reason the exam was requested.

Choose the code based on the number of **body areas** or **organ systems** that need to be examined to fully evaluate the accepted condition(s) or the condition(s) contended as work related.

Be sure the report documents the relationship of the areas examined to the accepted or contended conditions.

The definitions of **body areas** and **organ systems** from the Current Procedural Terminology (CPT®) book must be used to distinguish between standard and complex IMEs.

Payment limits

Limit on total scheduled exams per day

L&I has placed a limit of 12 independent medical examinations scheduled per examiner per day. For psychiatrist examiners, the limit is 8 per day. A psychiatric examiner must spend at least 60 minutes of face-to-face time with the worker. This limit includes IMEs scheduled for State Fund and self-insured claims. The applicable codes include:

- **1108M IME**, standard exam – 1-3 **body areas** or **organ systems**,
- **1109M IME**, complex exam – 4 or more **body areas** or **organ systems**,
- **1112M IME**, additional examiner for Standard IME,
- **1118M IME** by psychiatrist,
- **1126M IME** additional examiner for Complex IME,
- **1130M IME**, terminated exam,
- **1141M IME,** rare specialty exam,
- **1142M IME,** additional examiner for Rare Specialty IME,
- **1143M IME,** late cancellation fee,
- **1144M IME,** no show fee,
- **1145M IME,** one or more additional claims included in exam,
- **1146M IME,** forensic exam,
- **1147M IME,** correctional facility exam

Payment policy: Radiology reporting requirements for IMEs

Requirements for billing

Documentation for the professional interpretation of radiology procedures is required for all professional component billing.

Documentation includes:

- Charting of justification,
- Findings,
- Diagnoses, *and*
- Test result integration, including a comparison between repeat radiology studies where applicable.

When billing for the professional component of radiology services, bill using modifier **–26** and modifier **–7N**.

IME providers who read imaging studies they order in relation to an IME, or reinterpret imaging studies previously performed, are required to document their findings within the IME report. Each imaging study must be separately documented in its own section and include all of the following:

- Date the imaging study was performed, *and*
- The anatomic location of the procedure and type of procedure (lumbar spine plain films, abdomen CT, cervical spine MRI, etc.), *and*
- Specific views (AP, lateral, oblique, weight bearing, axial, sagittal, coronal, with or without contrast, etc., as applicable), *and*
- When ordering imaging studies, a brief sentence describing the reason for the study, such as:
    - "Lower back pain; evaluate for degenerative changes and rule out leg length inequality."
    - "Neck pain radiating to upper extremity; rule out disc protrusion," *and*
- Description of, or listing of, imaging findings:
    - **Advanced imaging reports** should follow generally accepted standards to include relevant findings related to the particular type of study, *and*
    - Radiology **reports on plain films of skeletal structures** should include evaluation of osseous density and contours, important postural/mechanical

considerations, assessment of any joint space abnormalities, and assessment of any important abnormal soft tissue findings, *and*

- Radiology **reports on chest plain films** should include assessment of lung fields, bronchovascular markings, apices, tracheal air shadow, mediastinal and hilar contours, cardiovascular contours, costophrenic recesses, any abnormalities below the diaphragm, and assessment of any important osseous abnormalities shown incidentally (ribs, clavicles, scapulae, proximal humeri, spine), *and*

- Imaging impressions, which summarize and provide significance for the imaging findings described in the body of the IME report. If the same imaging study was performed on multiple dates of service, the provider must document a comparison between the studies, in sequential order, noting any significant changes that occurred. For example:
  - For a neck comparison where there is a difference between the original imaging study and the most recent findings, the impression could be: “A comparison of this recent study from 7/1/2019 is made to the study of 5/1/2018. 5/1/2018 which noted narrowing of the disc space at C-5 with bony protuberance at right facet causing impingement. New image from 7/1/2019 shows bony protuberance has grown 5mm and is contributing to increased impingement of the nerve root. This appears to be a continuation of a natural growth process.”

In addition to the above information, when reinterpreting imaging studies, the IME provider must document whether they are or aren’t in agreement with original interpretation of the imaging study.

Note: Documentation such as "X-rays are negative" or "X-rays are normal" don’t fulfill the reporting requirements described in this section and the insurer **won’t pay** for the professional component in these circumstances.

Payment limits

Reinterpretation of imaging studies

Reinterpretation of imaging studies may only be billed once per panel exam. The reinterpretation is only payable for studies related to the accepted or contended condition.

In addition, services must be billed with the correct CPT® code for the specific imaging study reinterpreted, along with modifier **-26** and modifier **-7N**.

Example of how to bill for IME services including reinterpretation of imaging studies

The following example demonstrates how to bill when IME providers perform a reinterpretation of imaging studies. This example isn't reflective of the documentation requirements for an IME.

Example: A panel IME is performed on 7/1/21 meeting the documentation criteria for a complex IME. The IME providers review the following imaging studies, all related to the accepted conditions:

- 1 – 3 view knee x-ray performed 6/1/19
- 2 – 2 view shoulder x-rays performed 6/1/19 and 8/2/20
- 1 – Shoulder MRI without contrast

The correct billing for the services is:

Examiner 1

Line item	Procedure code (and modifiers)	Number of Units
1	**1109M**	1
2	CPT® **73562-26-7N**	1
3	CPT® **73030-26-7N**	2
4	CPT® **73221-26-7N**	1

Examiner 2

Line item	Procedure code (and modifiers)	Number of Units
1	**1126M**	1

Note: Reinterpretation is only payable once per panel exam.

Links to related topics

If you're looking for more information about…	Then see…
Administrative rules for Billing procedures	Washington Administrative Code (WAC 296-20-125)
Administrative rules for IME no shows	WAC 296-20-010
Administrative rules and other Washington state laws for impairment ratings	WAC 296-20-19000 through WAC 296-20-690 available in WAC 296-20 Revised Code of Washington (RCW) 51.32.080
Application to become an IME provider	F245-046-000
Becoming an L&I IME provider	Become an IME Provider on L&I's website
Billing instructions and forms	Chapter 2: Information for All Providers
Fee schedules for all healthcare professional services	Fee schedules on L&I's website
Mental Health Services	Chapter 17: Mental Health Services
Receiving **email updates on IMEs**	Subscribe to L&I's ListServ
Performing **impairment ratings**	Medical Examiner's Handbook

Need more help?

Call L&I's Provider Hotline at **1-800-848-0811** or email **PHL@lni.wa.gov**

