

Texas Department of Insurance  
Division of Workers' Compensation



Designated Doctor  
Plan-Based Audit

*Follow-Up Audit to the  
April 2010 Designated Doctor Review*

May 27, 2011

## **Section I: General Statement and Overview**

The Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) is required by Texas Labor Code §413.002 to "monitor health care providers, insurance carriers, independent review organizations, and workers' compensation claimants who receive medical services to ensure the compliance of those persons with rules adopted by the commissioner relating to health care, including medical policies and fee guidelines." The TDI-DWC will manage the medical quality review process in a manner that is fair to all system participants, open, and transparent to the extent consistent with state confidentiality laws, and provide the subject of a review the opportunity to participate throughout the review process.

Medical quality reviews may be initiated from either a complaint, a plan-based audit, or monitoring resulting from a consent order. The TDI-DWC's Medical Advisor oversees the medical quality review process conducted by the Medical Quality Review Panel (MQRP). Medical quality reviews performed by the MQRP Experts (Expert) aid the TDI-DWC both to monitor compliance with the Texas Workers' Compensation Act (Act) and Rules and to help ensure that injured employees in the workers' compensation system receive medically necessary and appropriate health care that is timely and cost-effective, and facilitates functional recovery and appropriate return-to-work outcomes.

Texas Labor Code section 413.0512 requires the Medical Advisor and Medical Quality Review Panel (MQRP) to focus increased attention on the quality of designated doctor examinations and to impose sanctions on designated doctors found to be in non-compliance with the TDI-DWC rules.

## **Section II: Purpose for Plan-Based Audit**

- Follow-up audit to the April 2010 Designated Doctor Review;
- Promote the delivery of quality health care in a cost-effective manner, including protection of injured employee safety; and
- Assure that designated doctors adhere to reasonable standards for conducting designated doctor examinations.

## **Section III: Scope and Methodology for Plan-Based Audit**

- Accuracy of certifications of maximum medical improvement and impairment ratings assigned using the 4th edition of the *AMA Guides to the Evaluation of Permanent Impairment*.
- The basis for determining the accuracy and appropriateness of health care services is outlined in Section II of the Medical Quality Review Procedure and pursuant to the Texas Labor Code section and the Texas Administrative Code.

## **Section IV: Selection Criteria for Plan-Based Audit**

- Subject Selection:
  - Select the 11 designated doctors that received a letter of education as a result of the April 2010 Designated Doctor Review.
- The statistical toolbox developed by the State Auditor's Office will be used to determine:
  - Case Selection - decision sample size at a 95% confidence level.
- Time frame to select data:
  - Examinations conducted during 11/1/10 through 4/30/11.
- Exclusions:
  - Designated doctors removed or suspended.

- Examinations that were disputed with codes I-10 or I-11 in TXCOMP.

## Section V: Roles and Responsibilities

Information Management Services (IMS), Division of Workers' Compensation

- Selects the subjects and cases for medical quality review based on the scope, methodology, and selection criteria.

Health Care Quality Review, Division of Workers' Compensation

- Notifies subjects chosen for medical quality review and requests documents.
- Requests from IMS another case if the nurse investigator verifies in writing that the decision was not selected in accordance with the approved plan-based audit criteria.
- Selects MQRP members to perform a review in accordance with Texas Labor Code sections 408.0043, 408.0044, or 408.0045.
- Concludes plan-based audit in six months.
- Provides Executive Summary to the Commissioner of Workers' Compensation upon conclusion of plan-based audit.

Medical Advisor, Division of Workers' Compensation

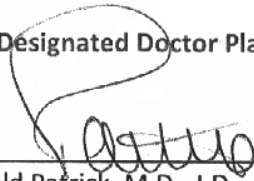
- The Medical Advisor shall use questions approved in the 2010 Designated Doctor Review for the MQRP Experts. Those questions shall be approved by all undersigned parties prior to any records being sent to the MQRP Experts.

## Section VI: Conflicts

This designated doctor plan-based audit incorporates the approved Medical Quality Review Procedure. However, if a specific conflict exists between this plan-based audit and the Medical Quality Review Procedure, this plan-based audit prevails.

## Section VII: Approvals

This Designated Doctor Plan-Based Audit is respectfully submitted by:

  
\_\_\_\_\_  
Donald Patrick, M.D., J.D.  
Medical Advisor

5-27-11  
\_\_\_\_\_  
Date

This Designated Doctor Plan-Based Audit is respectfully approved by:

  
\_\_\_\_\_  
Rod Bordelon  
Commissioner of Workers' Compensation

5/27/11  
\_\_\_\_\_  
Date