

Texas Department of Insurance
Division of Workers' Compensation



Independent Review Organization
Plan-Based Audit

October XX, 2016

Section I: General Statement and Overview

The Division of Workers' Compensation (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." Furthermore, Texas Labor Code §413.0512 allows the Medical Quality Review Panel (MQRP) to recommend to the medical advisor appropriate action regarding doctors, other health care providers, insurance carriers, utilization review agents, and independent review organizations.

DWC will manage the medical quality review process in a manner that is fair to all workers' compensation 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 Medical Quality Review Process.

Medical quality reviews help DWC monitor compliance with the Texas Workers' Compensation (Act) and DWC rules, and 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.

Independent review organizations (IROs) are third parties certified by the Texas Department of Insurance (TDI) to review an insurance carrier's utilization review agent decision regarding the medical necessity or appropriateness, or the experimental or investigational nature, of health care services. TDI assigns the next available IRO to resolve disputes regarding adverse determinations made by utilization review agents or insurance carriers for network and non-network claims. IROs assign individual health care providers to review all submitted documentation and render a decision. IROs must comply with applicable provisions pursuant to the 28 Texas Administrative Code §180.22(j).

Section II: Purpose for Plan-Based Audit

- Promote the delivery of quality health care in a cost-effective manner.
- Ensure that IRO reviewers adhere to TDI and DWC standards for conducting and reporting on IRO reviews, and that IRO reviewers hold the appropriate credentials.

Section III: Scope and Methodology for Plan-Based Audit

- Appropriateness of workers' compensation-related decisions made by IROs for prospective, concurrent, and retrospective review of the medical necessity and appropriateness of health care services proposed to be provided, or previously provided to, an injured employee.
- The basis for determining the medical necessity and appropriateness of health care services is outlined in Section II of the Medical Quality Review Process and Texas Labor Code §413.031.

Section IV: Selection Criteria for Plan-Based Audit

- Time frame to select data:
 - IRO decisions issued for workers' compensation claims between January 1, 2016, and June

30, 2016.

- Exclusions:
 - Decisions that have been appealed.
 - Decisions with treatments and services focused on dental, podiatric, or psychological therapies.
 - Decisions in which the IRO reviewer is not a doctor as defined in Texas Labor Code §401.011.
- Subject/Case Selection
 - Randomly select 5% of the IRO decisions issued between January 1, 2016, and June 30, 2016 per the selection criteria.

Section V: Roles and Responsibilities

Managed Care Quality Assurance (MCQA)

- MCQA provides a list of IRO decisions based on the scope, methodology, and selection criteria.

Information Management Services (IMS)

- Selects the decisions for medical quality review based on the selection criteria.

Health Care Quality Review (HCQR), Division of Workers' Compensation:

- Notifies IROs of the decisions chosen for medical quality review, requests documents, and requests the identity of the IRO reviewer.
- Upon receipt of documents, HCQR identifies the IRO reviewers associated with the selected decisions and notifies those IRO reviewers of the medical quality review. IRO reviewers identified as part of the selection criteria will be selected as the subjects of this plan-based audit, unless an exclusion applies.
- Requests another decision from IMS if the nurse investigator verifies in writing that the subject or 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 §§ 408.0043, 408.0044, or 408.0045.
- Provides an executive summary to the Commissioner of Workers' Compensation upon conclusion of plan-based audit.

Medical Advisor, Division of Workers' Compensation

- Develops questions for the MQRP experts. Those questions must be approved by all undersigned parties before any records are sent to the MQRP experts.

Section VI: Conflicts

This IRO plan-based audit incorporates the approved Medical Quality Review Process in effect. If a specific conflict exists between this plan-based audit and the Medical Quality Review Process, however, this plan-based audit prevails.

Section VII: Approvals

This IRO Plan-Based Audit is respectfully submitted by:

Patrick Palmer, M.D. Date
Medical Advisor

This IRO Plan-Based Audit is respectfully approved by:

W. Ryan Brannan Date
Commissioner of Workers' Compensation

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