

PERFORMANCE BASED OVERSIGHT WORKING GROUP

MEETING NOTES

July 27, 2011 Meeting
1:30 p.m. to 3:00 p.m.

Attendees

Diana Johnson – Gallagher Bassett*
Jo Betsy Norton – Texas Mutual Insurance Co*
Pam Beachley – Texas Group Insurance Association*
Ron Cobb – AIA/American Insurance Association*
Sarita Shipe – TASB/Texas Association of School Boards*
Steve Nichols – ICT/Insurance Council of Texas*
Stuart Colburn – Downs Stanford*
Warren Cooper - Texas Medical Association (TMA)*
Bill Weldon – Travelers
Nick Huestis – BAOB / AFA
Terry Eliason – Texas Mutual Insurance Co
Lee Ann Alexander – Liberty Mutual*
Michael Berkowitz – KSF Orthopaedic Center*
Lin Kindred – City of Austin*
Herb Harris – Harris & Harris*
Nick Canady – Downs Stanford
Melissa Steger – UT System
Simone Hilton – JI Companies
**Denotes PBO Working Group Member*

Welcome/Introductions

Teresa Carney - Welcomed and thanked everyone for their interest to plan the fourth assessment of Performance Based Oversight (PBO) and requested each member to introduce themselves, who they are associated with, and how much experience with PBO they have had in the past.

PBO Overview/PBO Planning Process

PBO Overview

Teresa gave an overview of:

- Texas Labor Code § 402.075, regarding *Incentives; Performance-Based Oversight*
- 28 Texas Administrative Code (TAC) §180.19, regarding *Incentives*

PBO Planning Process:

- Stakeholder meetings through mid September every other Wednesday
- Discuss measures
- Discuss methodology
- Discuss selection criteria
- Discuss timeframes
- Discuss administrative processes

Teresa advised that meetings can continue past mid September if needed. She also reminded the group that only current PBO tier rankings are posted on the agency's website as previous PBO assessments are pulled from the website.

Discussion of 2010 Insurance Carrier Assessment

Teresa invited the group to provide feedback relating to their "Likes and Dislikes" and to offer any possible recommendations.

The group addressed and discussed the following issues:

- Would like more feedback on insufficient evidence findings from DWC in management responses.
- EDI results
- Would like DWC to consider having “informal conferences” with carriers for those “unique” situations involving the initial payment of TIBS to discuss what would be considered sufficient evidence.
- Would like to consider annotating who the TPA is with the insurance carrier assessed.
- Liked “Audit Exemption” for high performers.
- Wished the 8th day of disability was captured in DWC’s automated system to avoid validating and proving intermittent lost time and delayed lost time in their claims. Florida is using release 3 that captures the 8th day.
- Denials of compensability – A 148-04 EDI transaction must be filed with the PLN-1 to be considered a timely dispute. If a 148-04 denial was reported to DWC, these claims were automatically excluded from review.
- If full salary (FS) was electronically reported to DWC, these claims were automatically excluded from review.
- The due date for the initial payment of TIBs considers the notice of “injury” and the accrual date (8th day), not notice of lost time.

Discussion Possible Insurance Carrier Measures

Teresa reviewed the Key Regulatory Goals (KRG) with the group:

1. General Regulatory Goals: High levels of Workplace Safety
Key Regulatory Goals: Promote safe and healthy workplaces
2. General Regulatory Goals: Improved Return-to-Work Outcomes
Key Regulatory Goals: Encourage the safe and timely return of injured employees to productive roles
3. General Regulatory Goals: Benefits are Paid Timely and Accurately
Key Regulatory Goals: Provide timely and accurate income benefits and medical benefits
4. General Regulatory Goals: Prompt, High Quality, Cost-Effective Medical Care
Key Regulatory Goals: Ensure each injured employees shall have access to prompt, high-quality, cost-effective medical care
5. General Regulatory Goals: Increased communications within the system
Key Regulatory Goal: Increase timely and accurate communications within system
6. General Regulatory Goal: Minimize the likelihood of dispute and resolved promptly
Key Regulatory Goal: Limit dispute to those appropriate and necessary

Teresa reminded the group that she will take all recommendations from the group to the Commissioner for his consideration as the Commissioner has **final** approval. Group discussed elements that make a “viable” measure by reviewing the questions posed on the back of their name cards. **PBO member** summarized by stating that the questions to ask if a measure is viable are:

1. Is it measurable? (Can we count something?)
2. Is it significant? (Does it mean something?)
3. Are resources available? (This includes Division staff as well as insurance carrier staff.)

PBO members expressed return to work (RTW) measures are dependent on employers and the insurance carriers have no control on employers using or not using a RTW program. Some members suggested having an Accident Prevention Services (APS) measure and a Return to Work (RTW) Program measure by a simple survey to the carriers asking if they have these services available to their employers. Some disliked this because the measure would be a “yes/no” question. Participant would either be a high performer or a poor performer in those measures, no average performers.

PBO members raised the question as to what data the Division has in its possession that could possibly be used for new measures to avoid data calls to the insurance carriers. Members would like a list of data elements that are data entered into the Division's automated system from forms filed with the Division (i.e.: DWC Form-69) or reported through EDI. **Teresa** instructed the group to use the EDI Implementation guides for data fields used in EDI reporting. Division staff will compile a list of DWC Forms and data elements captured in the Division's automated system.

PBO members expressed the fact that the four measures used in the 2009 and 2010 assessments seem to be working and would like to keep the existing measures with no new measures. **Teresa** advised that she would take this recommendation to the Commissioner but would also like to see other recommendations.

Homework

PBO Working Group – continue to explore for possible new measures to present at the next scheduled PBO meeting.

DWC Staff - compile a list of DWC Forms and data elements captured in the Division's automated system. Post documents referenced in this meeting to the Division's website. Post prior measure ideas and if possible annotate if new data availability would affect the measure.

Next Meeting

August 10, 2011 from 1:30 p.m. to 3:00 p.m., Tippy Foster Rm., Metro location.

Closing

Teresa Carney – Thanked everyone for attending and participating in the PBO planning process.

Meeting adjourned at 3:00 p.m.

PBO Results link

<http://www.tdi.state.tx.us/wc/pbo/pboresults.html>

Past PBO Planning Documents:

<http://www.tdi.state.tx.us/wc/pbo/pbo.html#pldoc>