

Quarterly Insurance Carrier Meeting

October 27, 2016
1:30 p.m. to 3:00 p.m.

Texas Department of Insurance
Division of Workers' Compensation

Agenda Items

- Welcome
- Complaint Data Update
- Enforcement Update
- Office of the Medical Advisor Update
- Medical Fee Dispute Resolution Update
- Audit Update
- Q&A
- Closing

WELCOME

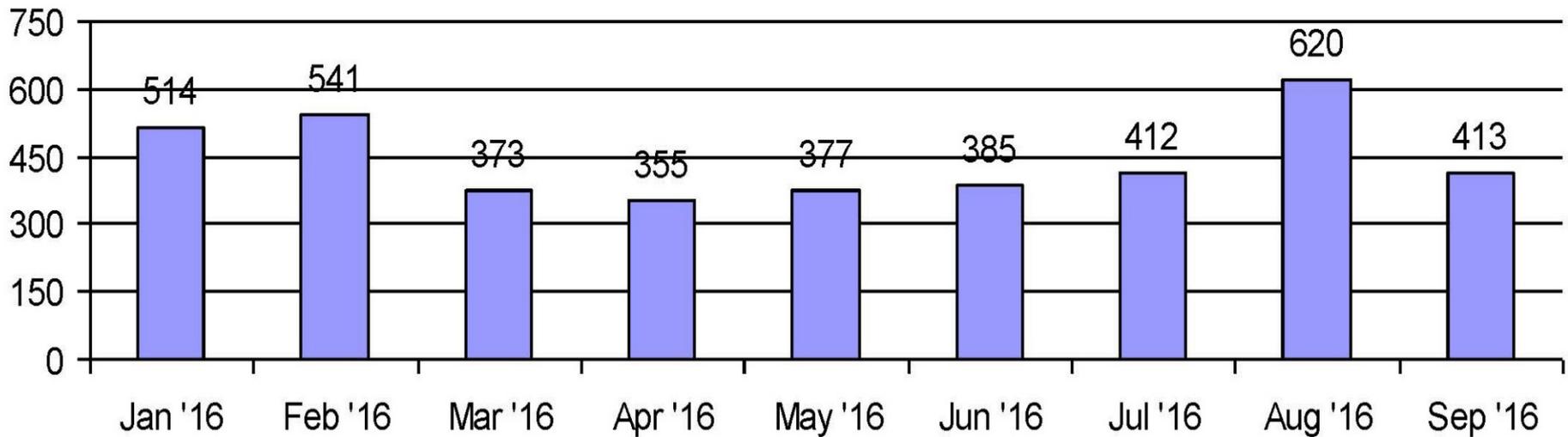
Ryan Brannan, Commissioner
Division of Workers' Compensation

COMPLAINT DATA UPDATE

Teresa Carney, Director
System Monitoring & Oversight

Complaints Received CY2016

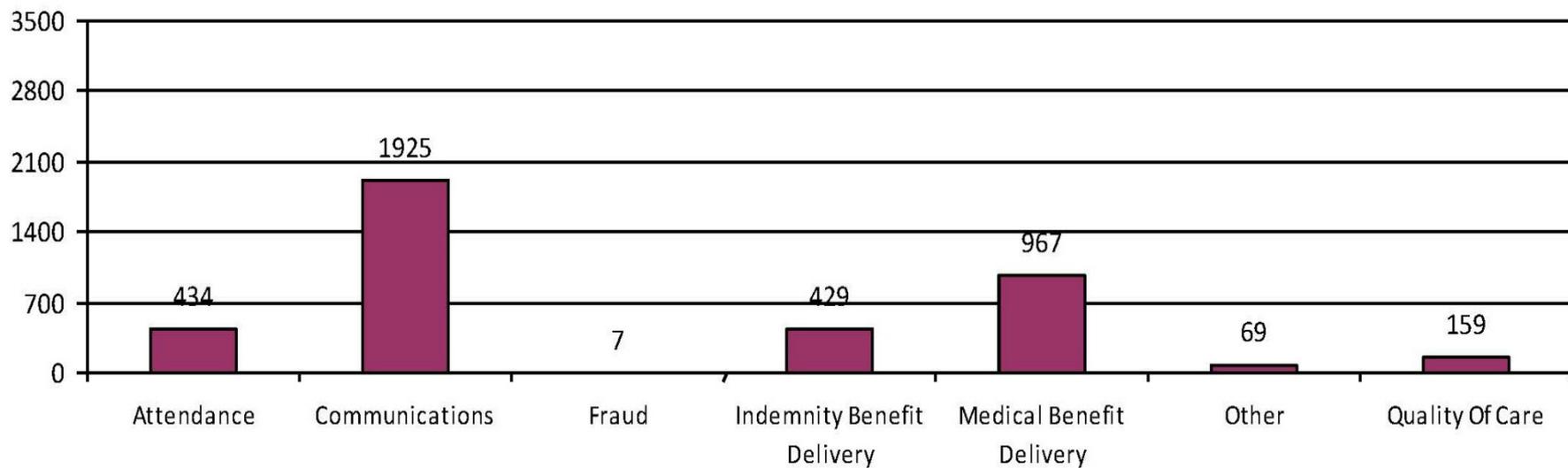
Complaints Received in CY 2016



Jan '16	Feb '16	Mar '16	Apr '16	May '16	Jun '16	Jul '16	Aug '16	Sep '16
514	541	373	355	377	385	412	620	413

Complaints Received CY2016 by Category

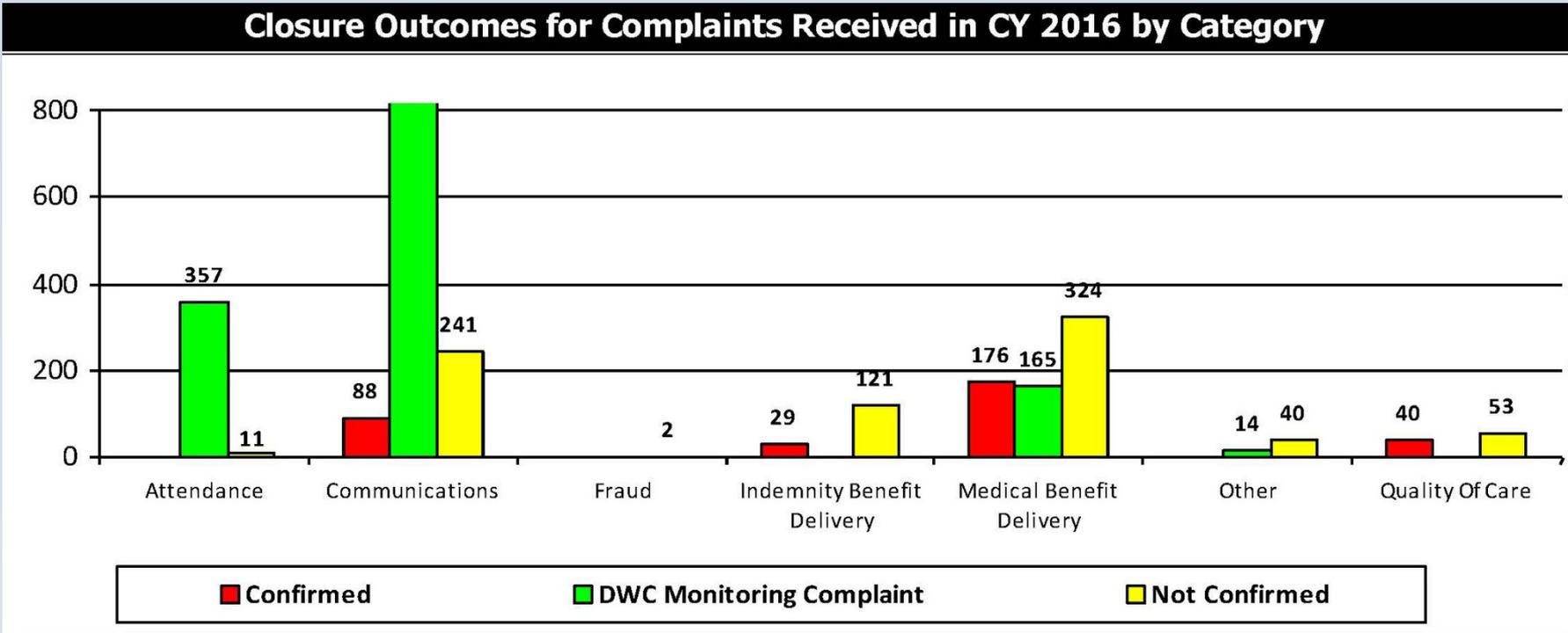
Complaints Received in CY 2016 by Category



Attendance	Communication	Fraud	Indemnity Benefit Delivery	Medial Benefit Delivery	Other	Quality of Care
434	1925	7	429	967	69	159

Complaints Received CY2016

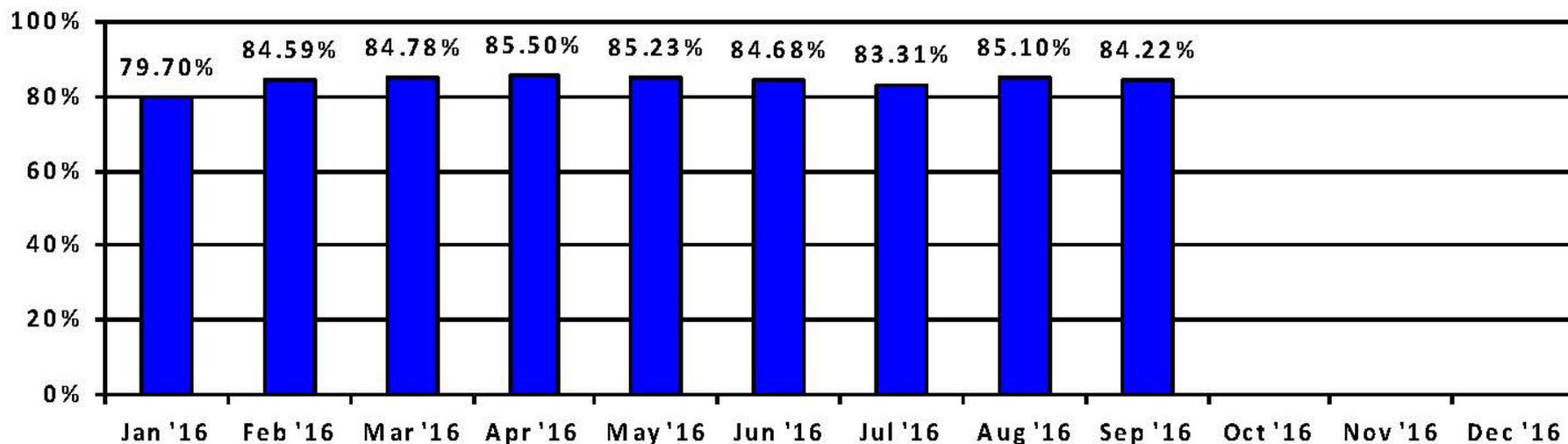
“Closed” Status



	Attendance	Communication	Fraud	Indemnity Benefit Delivery	Medical Benefit Delivery	Other	Quality Of Care
Confirmed Complaint	0	88	0	29	176	0	40
DWC Monitoring Complaint	357	910	0	0	165	14	0
Not Confirmed	11	241	2	121	324	40	53

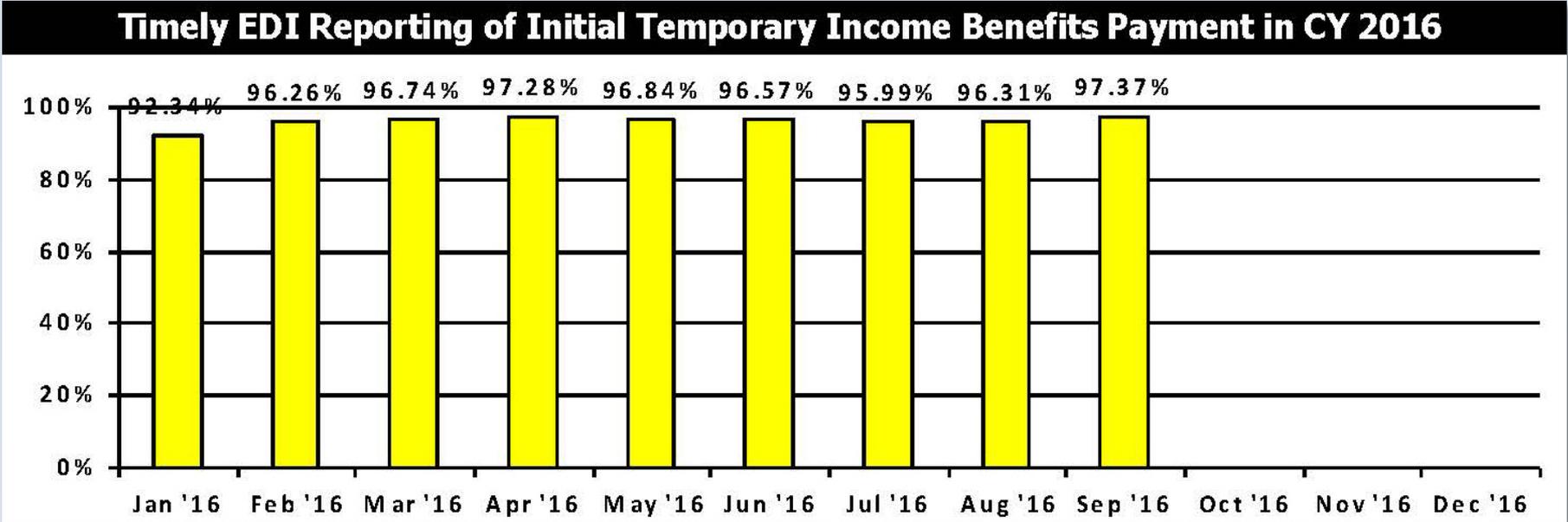
Initial TIBs Payment Performance CY2016

Timely Payment of Initial Temporary Income Benefits in CY 2016



Jan '16	Feb '16	Mar '16	Apr '16	May '16	Jun '16	Jul '16	Aug '16	Sep '16
79.70%	84.59%	84.78%	85.50%	85.23%	84.68%	83.31%	85.10%	84.22%

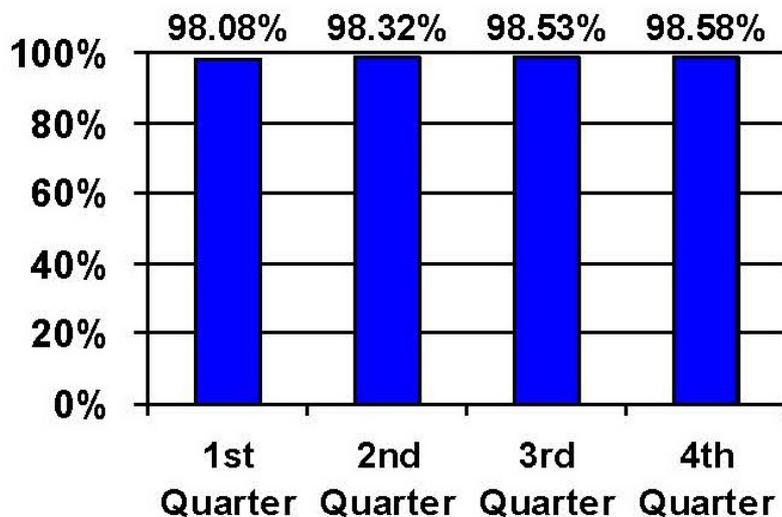
TIBs Initial Payment Reporting Performance CY2016



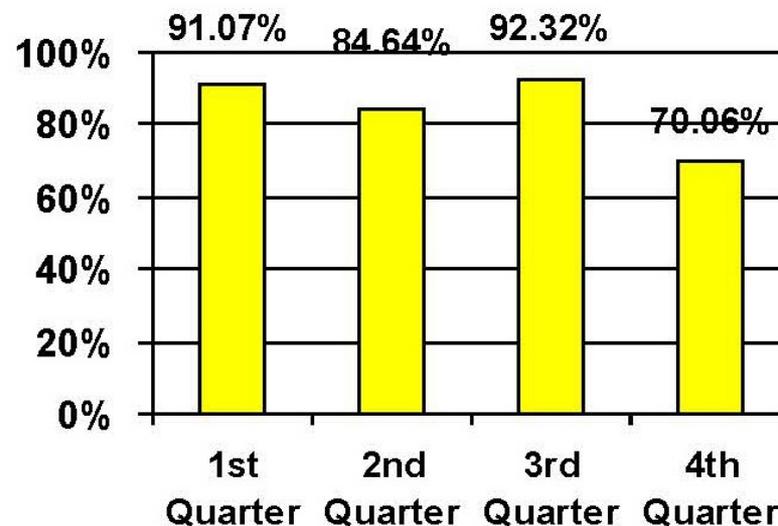
Jan'15	Feb'15	Mar'15	Apr '16	May '16	Jun '16	Jul '16	Aug '16	Sep '16
93.48%	94.78%	93.64%	97.28%	96.84%	96.57%	95.99%	96.31%	97.37%

Medical Bill Processing and Reporting Performance FY2016

Timely Processing of Medical Bills in FY 2016



Timely EDI Reporting of Medical Billing Data in FY 2016



	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Processing Medical Bills	98.08%	98.32%	98.53%	98.58%
Reporting of Medical Billing Data	91.07%	84.64%	92.32%	70.06%

DIVISION OF WORKERS' COMPENSATION (DWC)

ENFORCEMENT UPDATE

Marisa Lopez Wagley, Deputy Commissioner,
DWC Enforcement

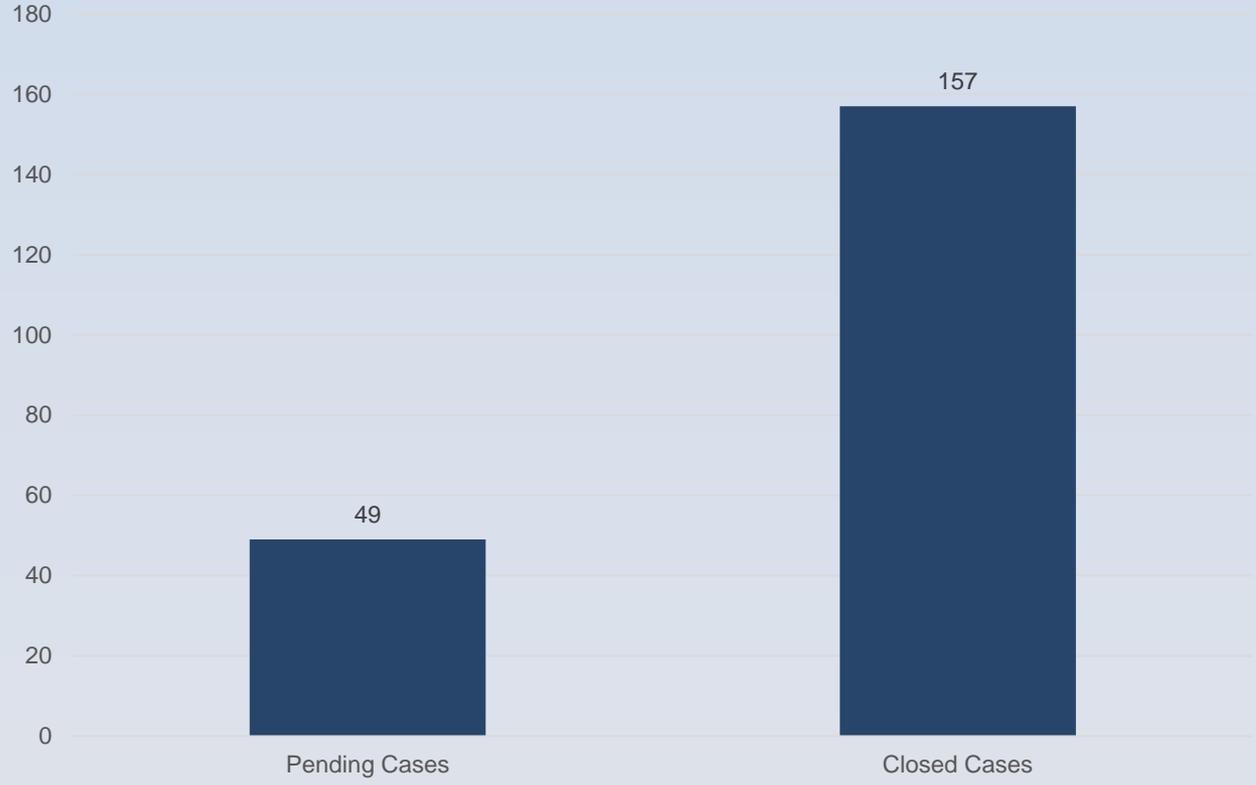
Toya Lutz, Director
DWC Enforcement

Enforcement Key Initiatives

Ways the DWC Enforcement section pursues strategies to improve efficiencies in market compliance and case processing:

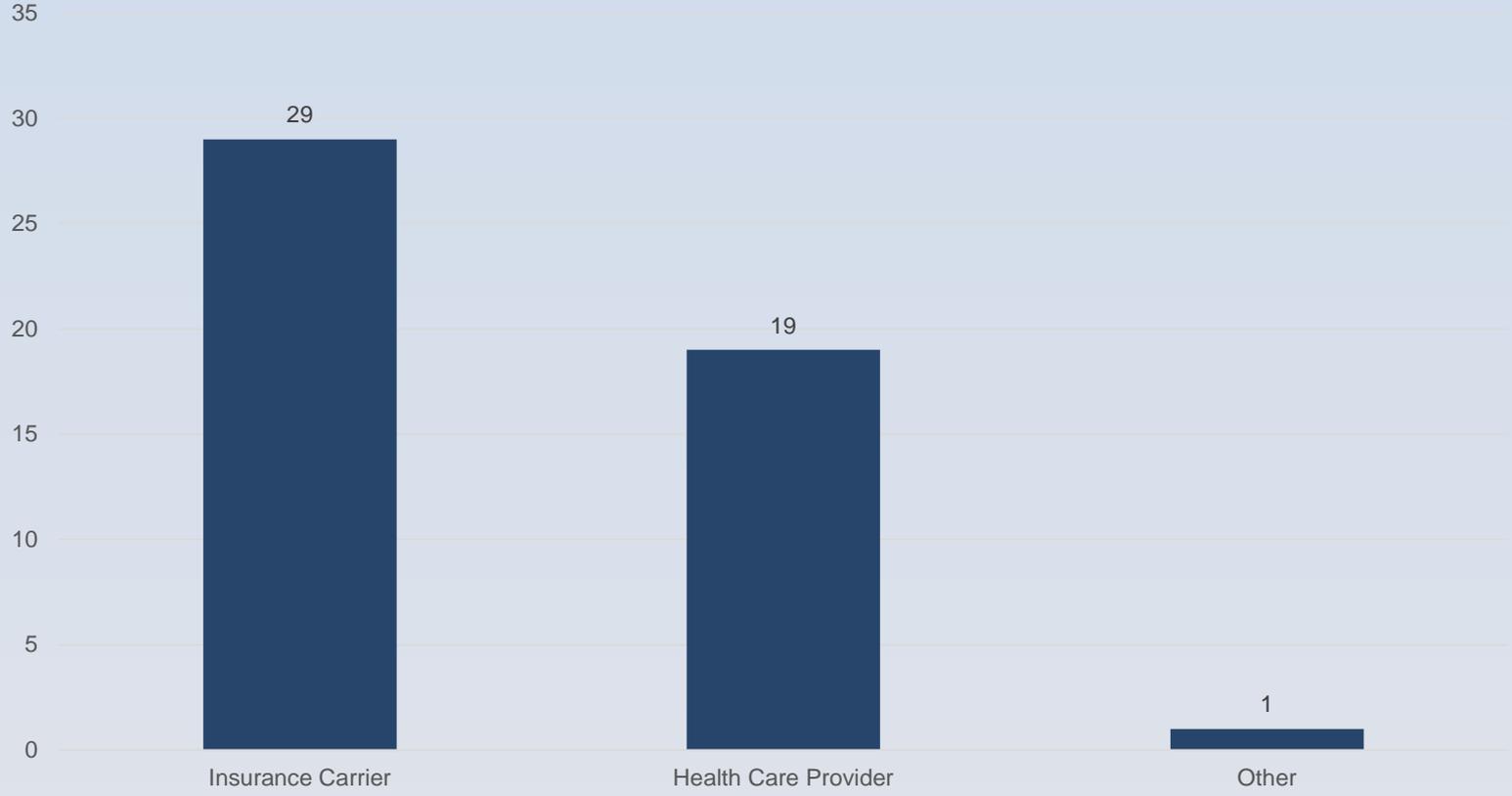
- Use clear, express statutory authority for all enforcement cases
- Inform workers' compensation stakeholders about compliance goals
- Partner with Division of Workers' Compensation program areas to foster compliance
- Assist the Office of the Medical Advisor
- Provide swift, appropriate actions for statutory and rule violations

Enforcement Case Status through 3rd Quarter, CY 2016



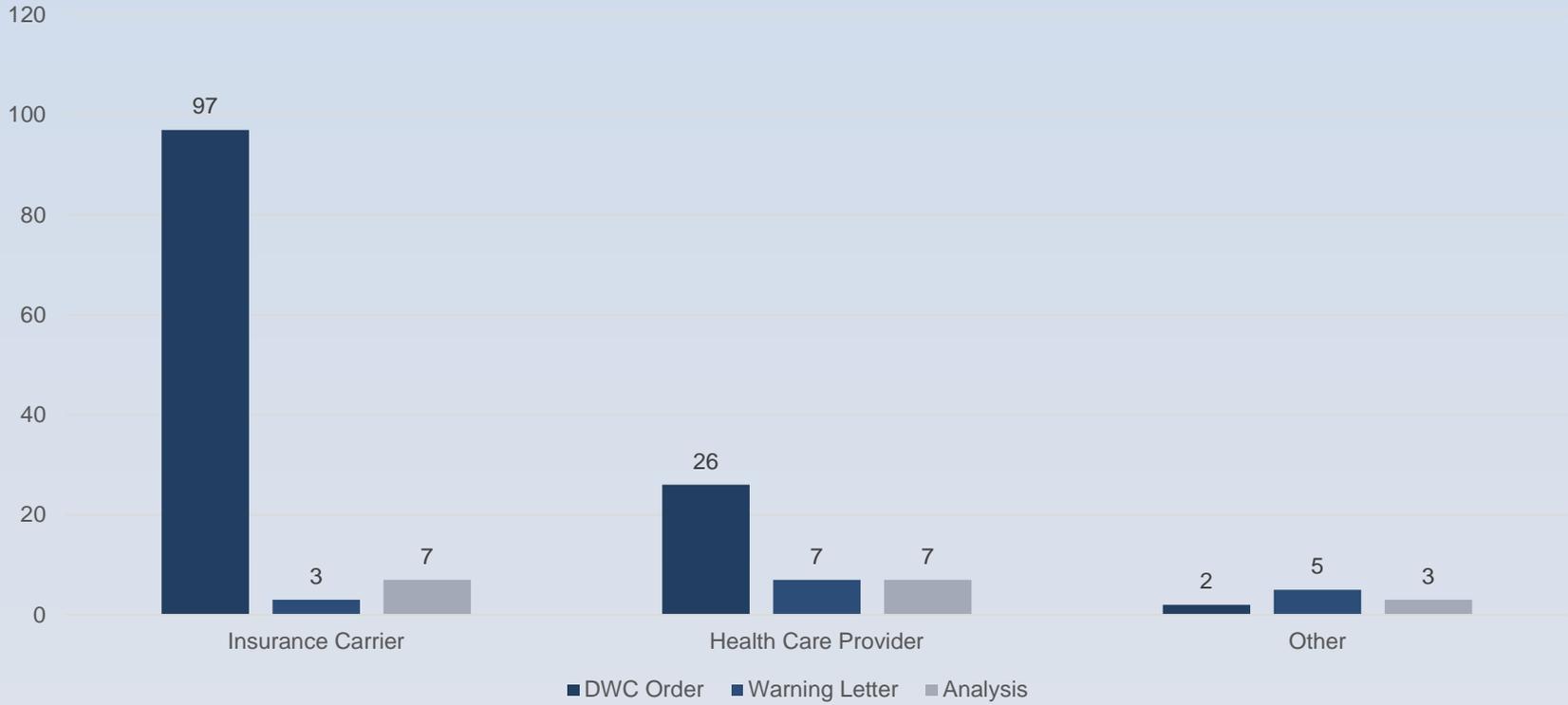
2016	Pending Cases	Closed Cases
Cases	49	157

Cases Pending by Subject Type as of September 30, 2016



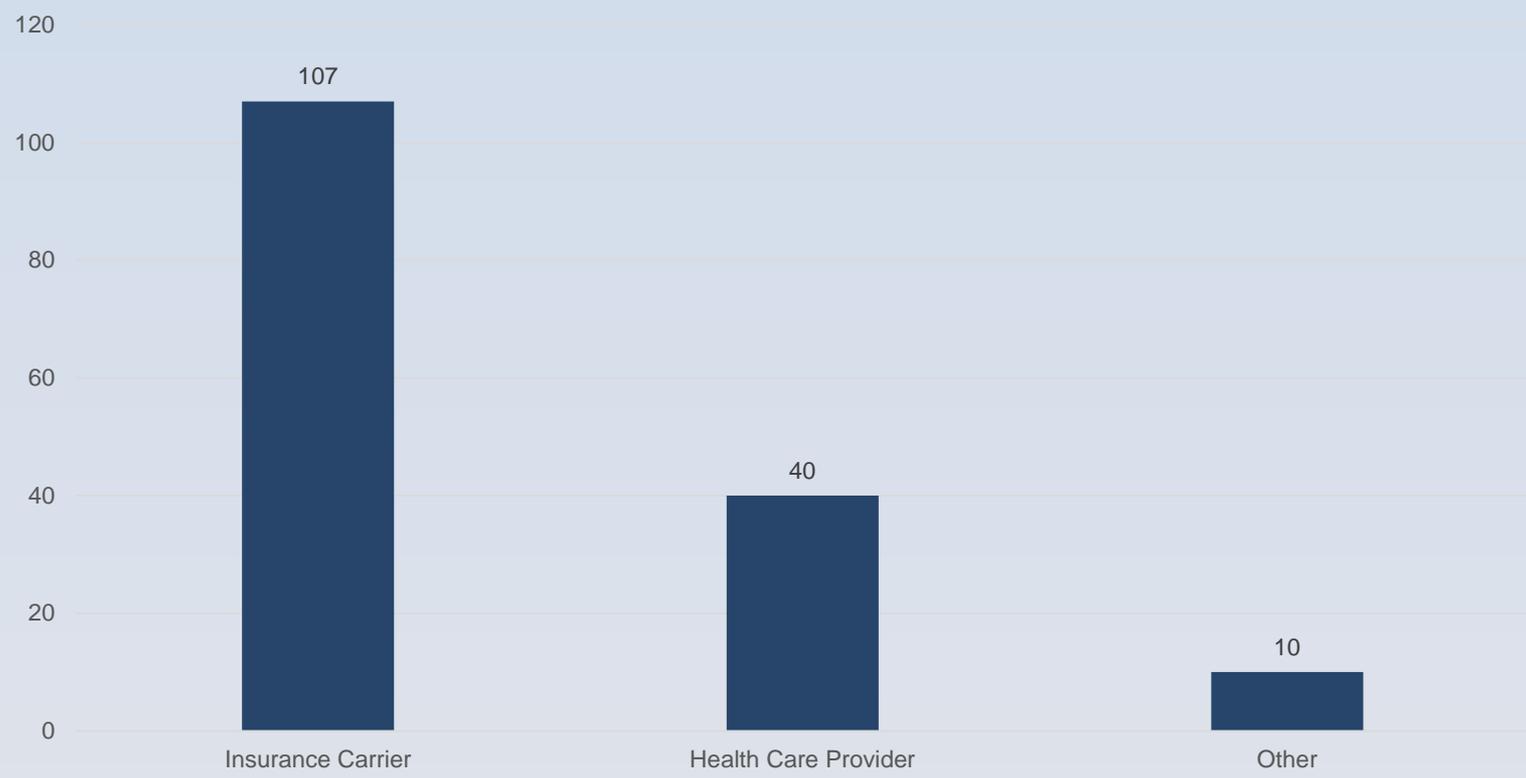
2016	Insurance Carrier	Health Care Provider	Other
Cases	29	19	1

Cases Closed by Disposition Type through 3rd Quarter, CY 2016



2016	Insurance Carrier	Health Care Provider	Other
DWC Order	97	26	2
Warning Letter	3	7	5
Regulatory Analysis Completed	7	7	3

Cases Closed by Subject Type through 3rd Quarter, CY 2016



2016	Insurance Carrier	Health Care Provider	Other
Cases	107	40	10

OFFICE OF THE MEDICAL ADVISOR UPDATE

Mary Landrum, Director
Health Care Business Management

Quality of Care Complaints

- Calendar Year 2016
 - 185 complaints forwarded to OMA
(includes external complaints & internal referrals)
 - 146 complaints investigated by OMA
 - 61% closed with no action
 - 11% issued letters of education
 - 3% initiated an medical quality review
 - 25% referred to enforcement

Source: Texas Department of Insurance, Division of Workers' Compensation, data as of 10/25/16

Medical Quality Reviews

- Calendar Year 2016
 - 22 reviews initiated
 - includes complaint, audit, or monitoring based reviews
 - assigned to MQRP members for review
 - 25 reviews concluded
 - 72% referred to Enforcement
 - 28% recommended other actions
(includes letters of education, referrals to medical licensing boards, and closures with no action)

Source: Texas Department of Insurance, Division of Workers' Compensation, data as of 10/25/16

OMA Enforcement Cases

- Calendar Year 2016
 - 36 referrals received in Enforcement
 - 22 OMA cases concluded by Enforcement
 - 14 consent orders/final orders
 - 7 warning letters
 - 1 no further action
 - 23 OMA cases pending in Enforcement
 - 8 OMA cases pending at SOAH

Source: Texas Department of Insurance, Division of Workers' Compensation, data as of 10/25/16

MEDICAL FEE DISPUTE RESOLUTION UPDATE

Martha Luévano, Director
Greg Arendt, Team Lead
Medical Fee Dispute Resolution

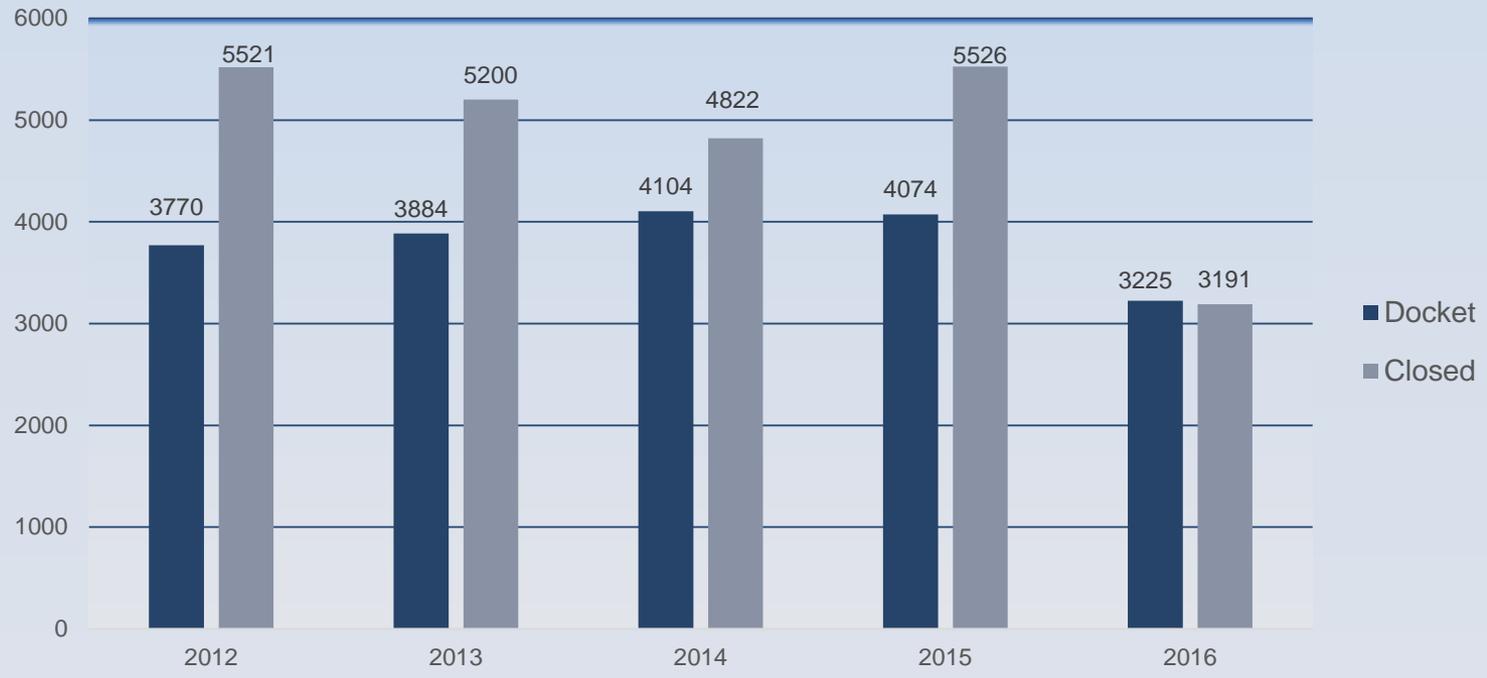
Goals

- **2016 Goals**

- Reduce active disputes from 939 to under 500 by January 1st 2016
 - MFDR is currently at 582 active non-air ambulance disputes
- Adjudicate 90% of disputes within 90 days from docket
 - For disputes received in July 2016, 92% were closed by October 1st

Total Dockets & Closures

Annual Trends



Status	2012	2013	2014	2015	2016 (through Oct 21st)
Docket	3,770	3,884	4,104	4,074	3,225
Closed	5,521	5,200	4,822	5,526	3,191

Active Medical Fee Disputes

October 21, 2016

1226 Active
Disputes

Est. 4,000 Projected
Incoming Disputes for
2016

Active Categories

Dispute Type	Total
Air Ambulance	643
Division Specific Services	160
Professional	108
Pharmacy	82
95 Day Billing Deadline	31
Other	202

Incoming 2016

Dispute Type	%
Division Specific Services	29%
Professional	19%
95 Day Billing Deadline	8%
Air Ambulance	8%
Certified Network Disputes	7%
Other	29%

Carrier Responses

- 28 TAC §133.307(d)(2) in part requires the carrier to:
 - respond timely
 - MFDR does not receive a response 15% of the time
 - provide initial and appeal EOBs not already provided
 - provide PLN if the EOB denial is compensability, extent, or liability
 - provide documentation that supports that an adverse determination was made in accordance with §19.2005, if EOB denial relates to medical necessity

MFDR Contact Information

- Director, Martha Luévano
512-804-4858
martha.luevano@tdi.texas.gov
- Team Lead, Greg Arendt
512-804-4859
greg.arendt@tdi.texas.gov
- Email MDRInquiry@tdi.texas.gov
- MFDR Fax 512-804-4811

AUDIT UPDATE

Darrell Cooper, Manager
Audits & Investigations
System Monitoring & Oversight

System Monitoring & Oversight

TDI-DWC

System Monitoring & Oversight

Fiscal Year 2016 Audit Results

Fiscal Year 2017 Audit Plan

System Monitoring & Oversight

Audits & Investigations Team

- Manager – Darrell Cooper
 - Team Leads – Diana Ramos, Rebecca Chesser
 - Auditors – Anita Johnson, Irma Harvey, Rosalinda Hamilton, Melissa Smith, Myrna Marinelarena, Melissa Trevino, Teresa Luna

FY 2016 Audits

- Total of 62 desk audits completed
 - Initial Payment of Temporary Income Benefits
 - Medical Bill Processing
 - Indemnity Benefit Accuracy

FY16 Insurance Carrier Audits

- **Initial Payment of TIB Audits**
 - 22 insurance carriers
 - selected based on data analysis
 - Review of timely IP and EDI timeliness/accuracy

FY16 Insurance Carrier Audits

- **Initial Pay Audit Final Results**

- IP timeliness (average): **69.76%**

- Highest: 95.65%

- Lowest: 31.25%

- IP reporting timeliness (average): **91.54%**

- Highest: 100%

- Lowest: 40.00%

FY16 Insurance Carrier Audits

- **Initial Pay Audit Final Results**
 - IP Data Accuracy (average):
 - First day of disability: **73.19%**
 - First written notice: **82.99%**
 - Initial TIB from date: **96.66%**
 - Initial TIB end date: **95.04%**
 - Initial TIB paid date: **84.81%**

FY16 Insurance Carrier Audits

- **Medical Bill Processing Audits**
 - 31 insurance carriers
 - selected based on data analysis
 - Review of payment and reporting timeliness and data accuracy (8 data elements)

FY16 Insurance Carrier Audits

- **Medical Bill Processing Audit Final Results**
 - Payment Timeliness (average): **87.45%**
 - Highest: 98.70%
 - Lowest: 50.00%
 - Reporting Timeliness (average): **89.12%**
 - Highest: 100%
 - Lowest: 0.00%

FY16 Insurance Carrier Audits

- **Medical Bill Processing Audit Final Results**
 - Medical Data Accuracy (average)
 - Rendering Line Provider NPI: **70.31%**
 - Rendering Line Provider State Lic#: **79.08%**
 - Referring Provider Last Name: **59.51%**
 - Referring Provider State Lic#: **86.30%**

FY16 Insurance Carrier Audits

- **Medical Bill Processing Audit Final Results**
 - Medical Data Accuracy (average) – cont'd
 - Service Facility Postal Code: **95.24%**
 - ANSI Reason Adjustment Code 1: **98.79%**
 - Date Bill Received: **69.27%**
 - Date Bill Paid or Denied: **87.63%**

FY16 Insurance Carrier Audits

- **Indemnity Benefit Accuracy Audits**
 - 9 insurance carriers
 - 86 DB claims
 - 4 LIB claims
 - Selected based on DB claim volume
 - Review of Lifetime Income Benefit and Death Benefit payment and data reporting accuracy (3 data elements)

FY16 Insurance Carrier Audits

- **IBA Audit Final Results**
 - Accurate Payment of Benefits
 - DBs (average): **73.05%**
 - LIBs (average): **100%** (3 carriers)
 - Restitution, including interest (total, all audits): **\$283,895.55**
 - Highest (audit): \$88,610.71
 - Lowest (audit): \$0.00
 - Highest (claim): \$82,418.64

FY16 Insurance Carrier Audits

- **IBA Audit Final Results**
 - Claim Data Accuracy (average)
 - DB terminations timely reported: **12.96%**
 - LIB annual increases reported: **50.00%**

FY16 Insurance Carrier Audits

- Causes of Benefit Underpayments:
 - Failure to obtain a wage statement
 - Improperly completed wage statement
 - Calculation errors
 - Paying benefits at 70% instead of 75% of AWW
 - Failure to include non-pecuniary wages in AWW
 - Failure to recalculate 104 weeks after remarriage
 - Failure to pay 3% annual increase (LIBs)
 - Inaccurate monthly payments
 - Failure to pay balance of 364 weeks to the SIF

FY 2017 Audit Plan

- Audit Plan online:
<http://www.tdi.texas.gov/wc/smo/documents/auditplan17.pdf>
- Initial payment of TIBs audits
- Medical bill processing and data accuracy audits
- Indemnity benefit accuracy audits

Questions about audits?

- Darrell Cooper, Manager,
Audits & Investigations
 - (512) 804-4768
 - darrell.cooper@tdi.texas.gov

Q & A

Teresa Carney

CLOSING

Teresa Carney