

Quarterly Insurance Carrier Meeting

July 14, 2016
1:30 p.m. to 3:00 p.m.

Texas Department of Insurance
Division of Workers' Compensation

Agenda Items

- Welcome
- Health Care Management Update
- Complaint Data Update
- Enforcement Update
- Office of the Medical Advisor Update
- Medical Fee Dispute Resolution Update
- Designated Doctor Outreach Update
- Q&A
- Closing

WELCOME

Ryan Brannan, Commissioner
Division of Workers' Compensation

HEALTH CARE MANAGEMENT UPDATE

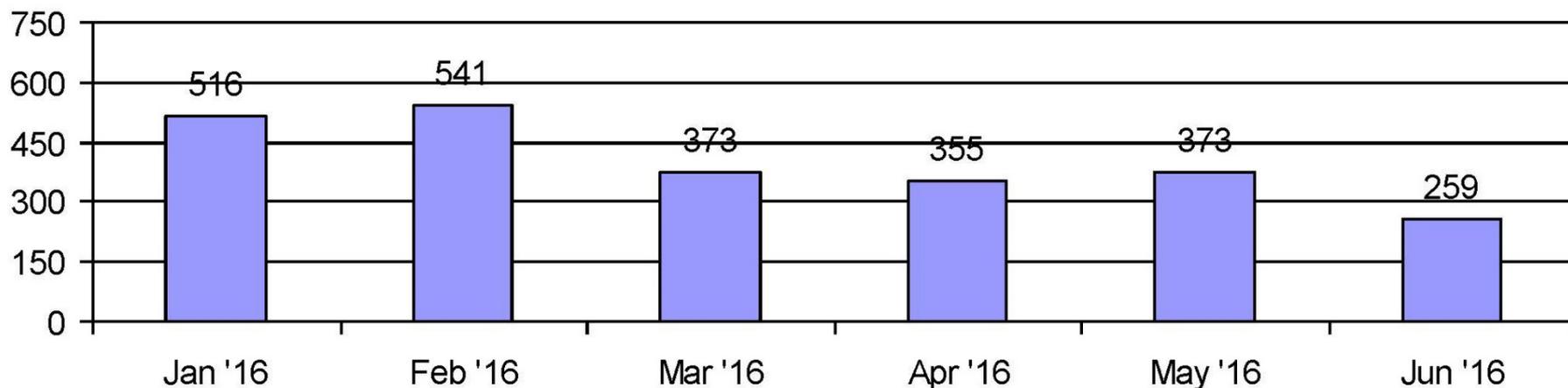
Matt Zurek, Deputy Commissioner
Healthcare Management & System Monitoring

COMPLAINT DATA UPDATE

Teresa Carney, Director
System Monitoring & Oversight

Complaints Received CY2016

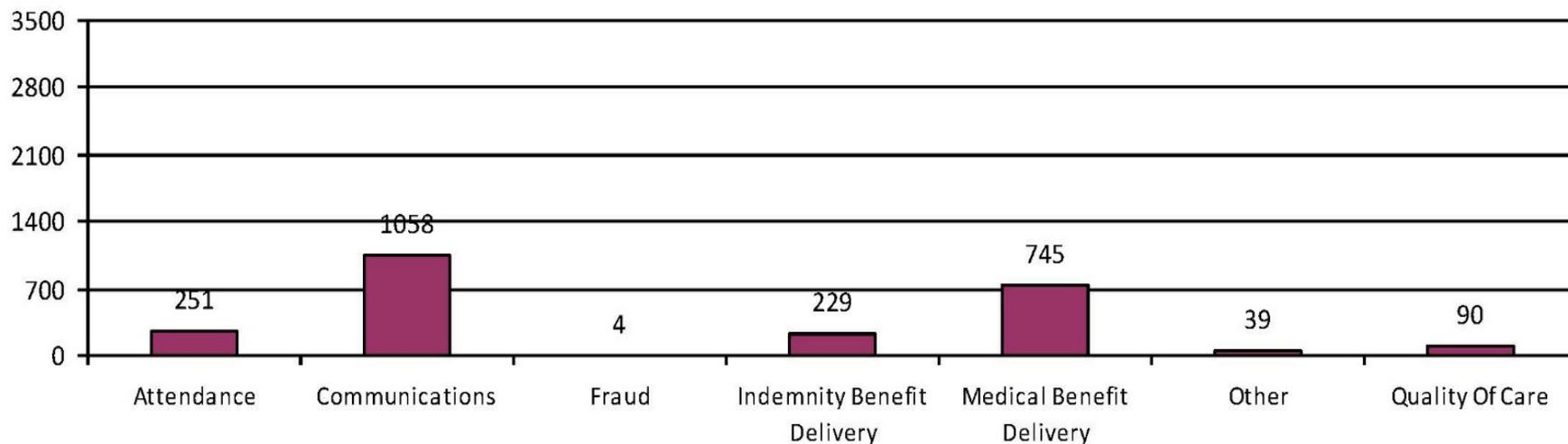
Complaints Received in CY 2016



| Jan '16 | Feb '16 | Mar '16 | Apr '16 | May '16 | Jun '16 |
|---------|---------|---------|---------|---------|---------|
| 516 | 541 | 373 | 355 | 373 | 259 |

Complaints Received CY2016 by Category

Complaints Received in CY 2016 by Category

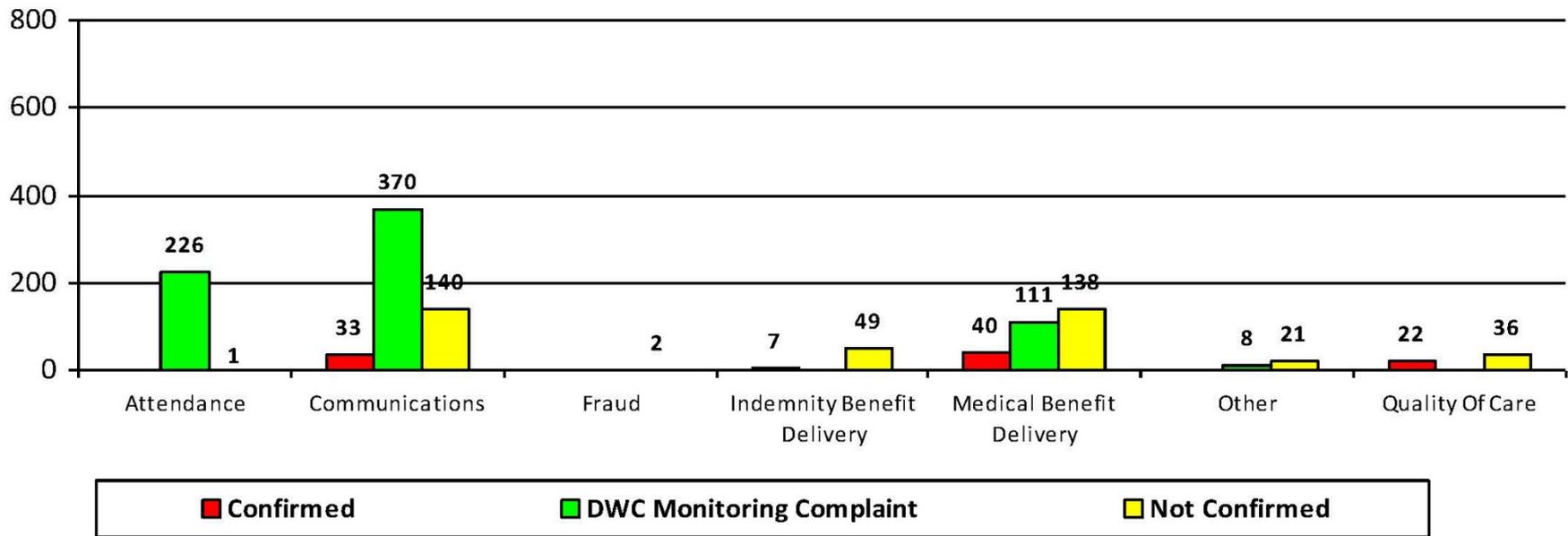


| Attendance | Communication | Fraud | Indemnity Benefit Delivery | Medial Benefit Delivery | Other | Quality of Care |
|------------|---------------|-------|----------------------------|-------------------------|-------|-----------------|
| 251 | 1058 | 4 | 229 | 745 | 39 | 90 |

Complaints Received CY2016

“Closed” Status

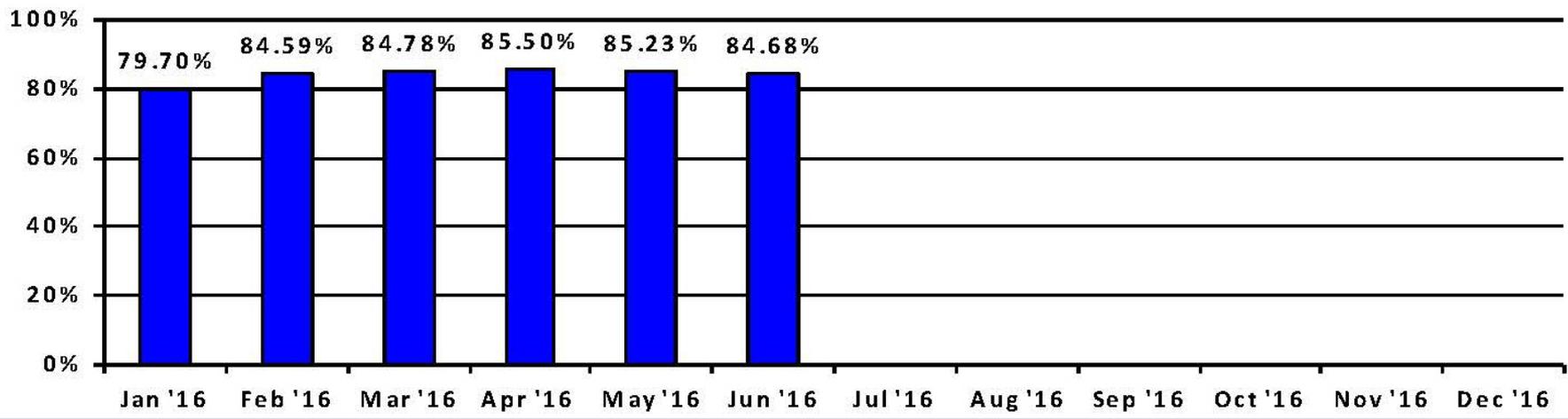
Closure Outcomes for Complaints Received in CY 2016 by Category



| | Attendance | Communication | Fraud | Indemnity Benefit Delivery | Medical Benefit Delivery | Other | Quality Of Care |
|--------------------------|------------|---------------|-------|----------------------------|--------------------------|-------|-----------------|
| Confirmed Complaint | 0 | 33 | 0 | 7 | 40 | 0 | 22 |
| DWC Monitoring Complaint | 226 | 370 | 0 | 0 | 111 | 8 | 0 |
| Not Confirmed | 1 | 140 | 2 | 49 | 138 | 21 | 36 |

Initial TIBs Payment Performance CY2016

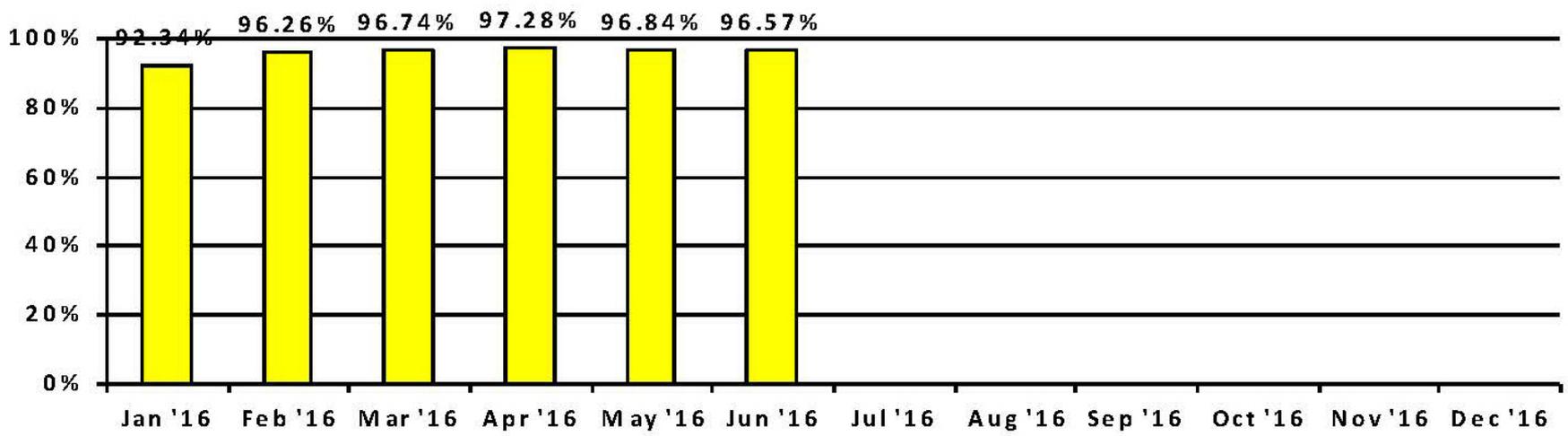
Timely Payment of Initial Temporary Income Benefits in CY 2016



| Jan '16 | Feb '16 | Mar '16 | Apr '16 | May '16 | Jun '16 |
|---------|---------|---------|---------|---------|---------|
| 79.70% | 84.59% | 84.78% | 85.50% | 85.23% | 84.68% |

TIBs Initial Payment Reporting Performance CY2016

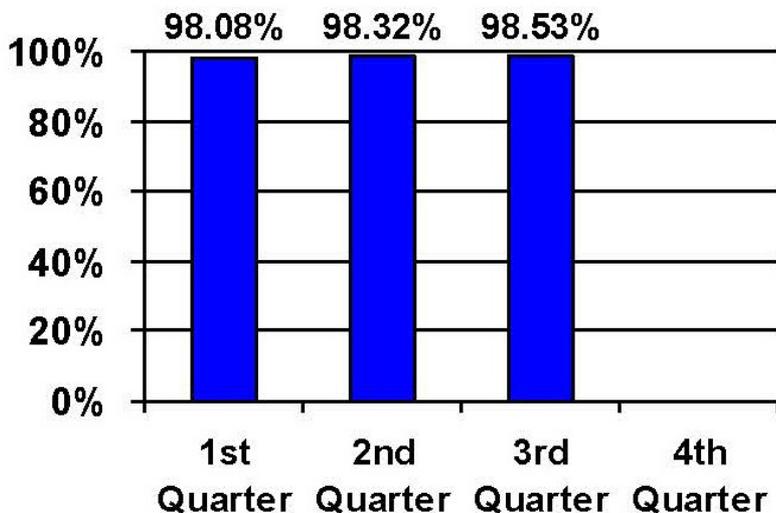
Timely EDI Reporting of Initial Temporary Income Benefits Payment in CY 2016



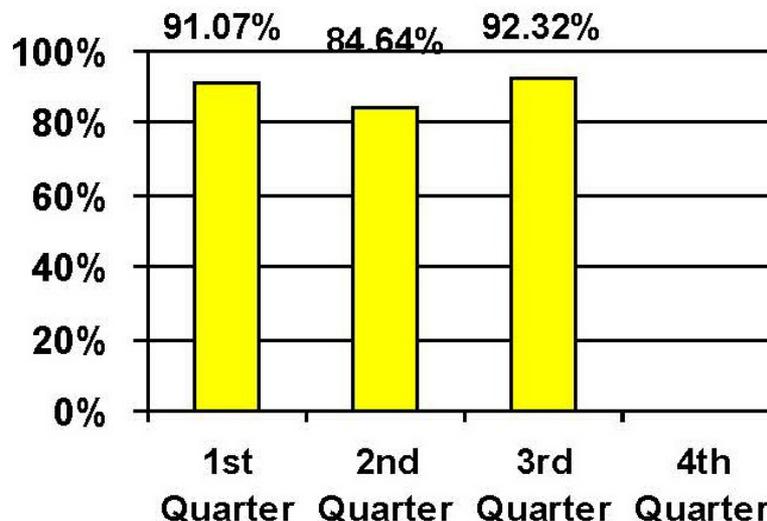
| Jan'15 | Feb'15 | Mar'15 | Apr '16 | May '16 | Jun '16 |
|--------|--------|--------|---------|---------|---------|
| 93.48% | 94.78% | 93.64% | 97.28% | 96.84% | 96.57% |

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



| | 1st Quarter | 2nd Quarter | 3rd Quarter |
|-----------------------------------|-------------|-------------|-------------|
| Processing Medical Bills | 98.08% | 98.32% | 98.53% |
| Reporting of Medical Billing Data | 91.07% | 84.64% | 92.32% |

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:

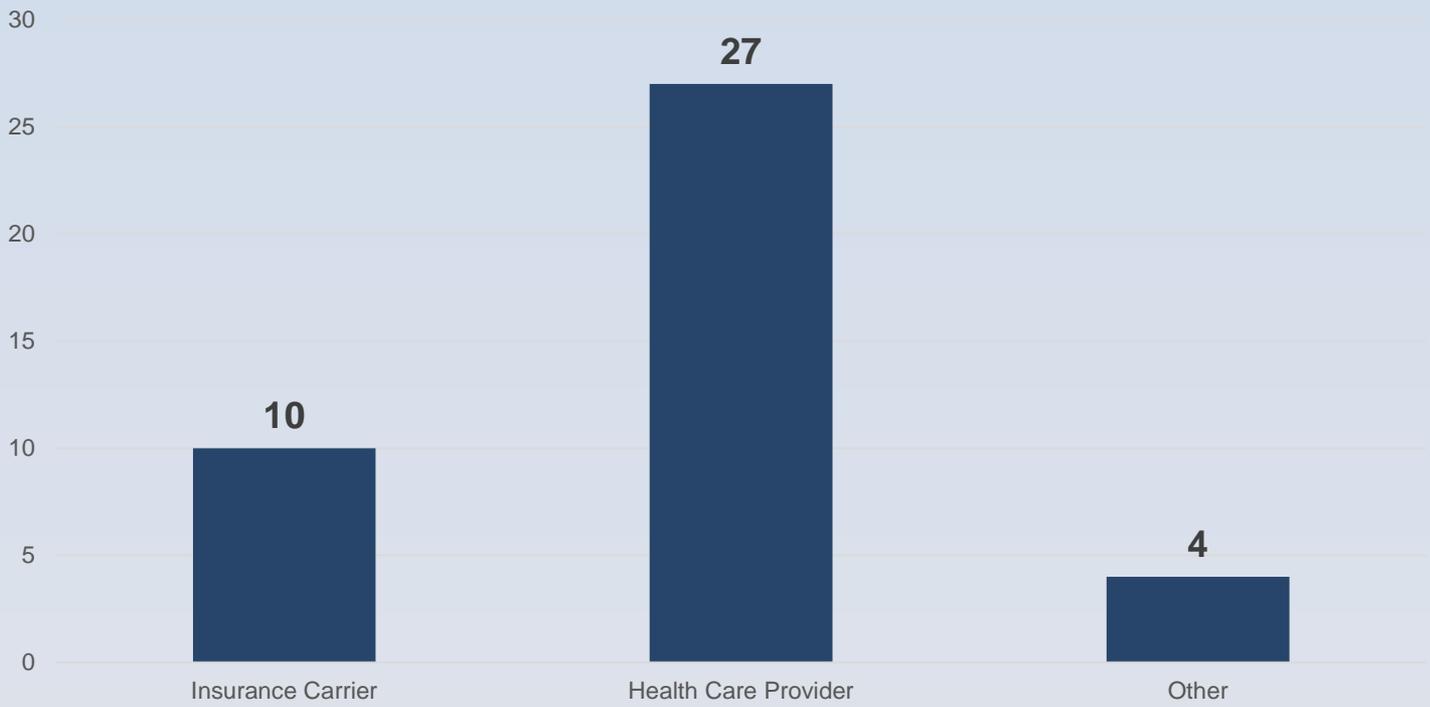
- Use clear, express statutory authority for all enforcement cases
- Inform workers' compensation stakeholders about compliance goals
- Partner with Division of Workers' Compensation program areas to foster compliance
- Assist the Office of the Medical Advisor
- Provide swift, appropriate actions for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

Enforcement Case Status through 2nd Quarter, CY 2016



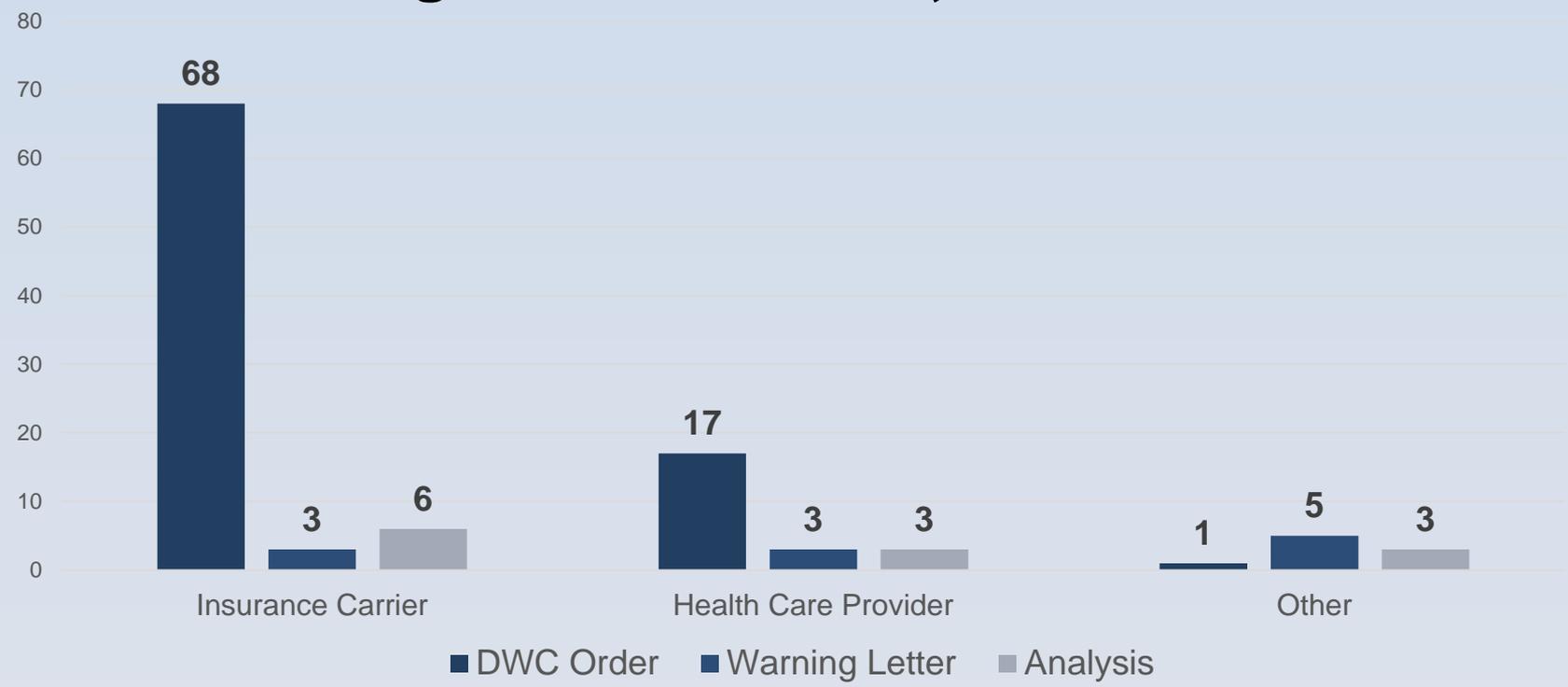
| 2016 | Pending case | Closed Cases |
|-------|--------------|--------------|
| Cases | 41 | 109 |

Cases Pending by Subject Type as of June 30, 2016



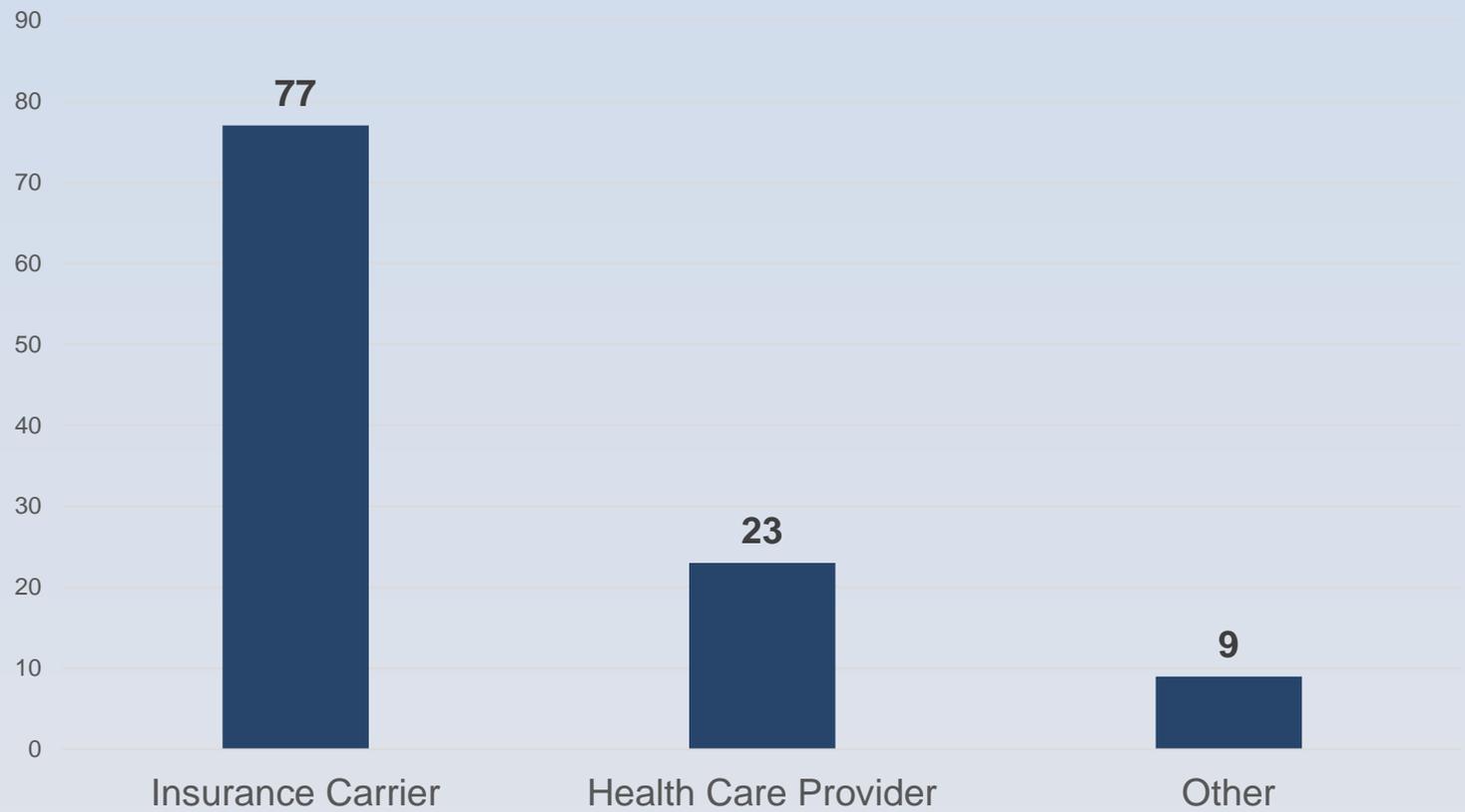
| 2016 | Insurance Carrier | Health Care Provider | Other |
|-------|-------------------|----------------------|-------|
| Cases | 10 | 27 | 4 |

Cases Closed by Disposition Type through 2nd Quarter, CY 2016



| 2016 | Insurance Carrier | Health Care Provider | Other |
|-------------------------------|-------------------|----------------------|-------|
| DWC Order | 68 | 17 | 1 |
| Warning Letter | 3 | 3 | 5 |
| Regulatory Analysis Completed | 6 | 3 | 3 |

Cases Closed by Subject Type through 2nd Quarter, CY 2016



| 2016 | Insurance Carrier | Health Care Provider | Other |
|-------|-------------------|----------------------|-------|
| Cases | 77 | 23 | 9 |

OFFICE OF THE MEDICAL ADVISOR UPDATE

Mary Landrum, Director
Health Care Business Management

Quality of Care Complaints

- Calendar Year 2016
 - 96 complaints forwarded to OMA
 - (includes external complaints & internal referrals)
 - 115 complaints investigated by OMA
 - 64% closed with no action
 - 11% issued letters of education
 - 3% initiated an medical quality review
 - 22% referred to enforcement

Source: Texas Department of Insurance, Division of Workers' Compensation, data as of 07/12/16

Medical Quality Reviews

- Calendar Year 2016
 - 10 reviews initiated
 - includes complaint, audit, or monitoring based reviews
 - assigned to MQRP members for review
 - 14 reviews concluded
 - 57% referred to Enforcement
 - 43% 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 07/18/2016

OMA Enforcement Cases

- Calendar Year 2016
 - 22 OMA referrals received in Enforcement
 - 13 OMA cases concluded by Enforcement
 - 7 consent orders/final orders
 - 5 warning letters
 - 1 no further action
 - 20 OMA cases pending in Enforcement
 - 4 OMA cases pending at SOAH

Source: Texas Department of Insurance, Division of Workers' Compensation, data as of 07/19/2016

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 September 1st 2016
 - MFDR is currently at 572 active non-air ambulance disputes
- Adjudicate 90% of disputes within 90 days from docket
 - For disputes received in April 2016, 96% were closed by July 1st

Total Dockets & Closures

Annual Trends



| Status | 2012 | 2013 | 2014 | 2015 | 2016 (through July 11 th) |
|--------|-------|-------|-------|-------|--|
| Docket | 3,770 | 3,884 | 4,104 | 4,074 | 2,248 |
| Closed | 5,521 | 5,200 | 4,822 | 5,526 | 2,232 |

Active Medical Fee Disputes

July 11, 2016

1123 Active
Disputes

Est. 4,000 Projected
Incoming Disputes for
2016

Active Categories

| Dispute Type | Total |
|----------------------------|-------|
| Air Ambulance | 551 |
| Division Specific Services | 173 |
| Professional | 97 |
| Pharmacy | 55 |
| 95 Day Billing Deadline | 42 |
| Other | 205 |

Incoming 2016

| Dispute Type | % |
|----------------------------|-----|
| Division Specific Services | 30% |
| Professional | 17% |
| 95 Day Billing Deadline | 10% |
| Air Ambulance | 8% |
| Certified Network Disputes | 7% |
| Other | 28% |

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
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- Team Lead, Greg Arendt
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- Email MDRInquiry@tdi.texas.gov
- MFDR Fax 512-804-4811

DESIGNATED DOCTOR OUTREACH UPDATE

Bill DeFoyd, D.C.

Designated Doctor Outreach

Q & A

Teresa Carney

CLOSING

Teresa Carney