

Insurance Carrier Quarterly Meeting

September 5, 2024 – 2:30 p.m. to 4 p.m.

TDI Division of Workers'
Compensation

Agenda

- Welcome.
- Compliance and Investigations update.
- Business Process update.
- Health and Safety update.
- Operations and External Relations update.
- Hearings update.
- Q&A.
- Closing remarks.

Welcome

Jeff Nelson, Commissioner of Workers' Compensation

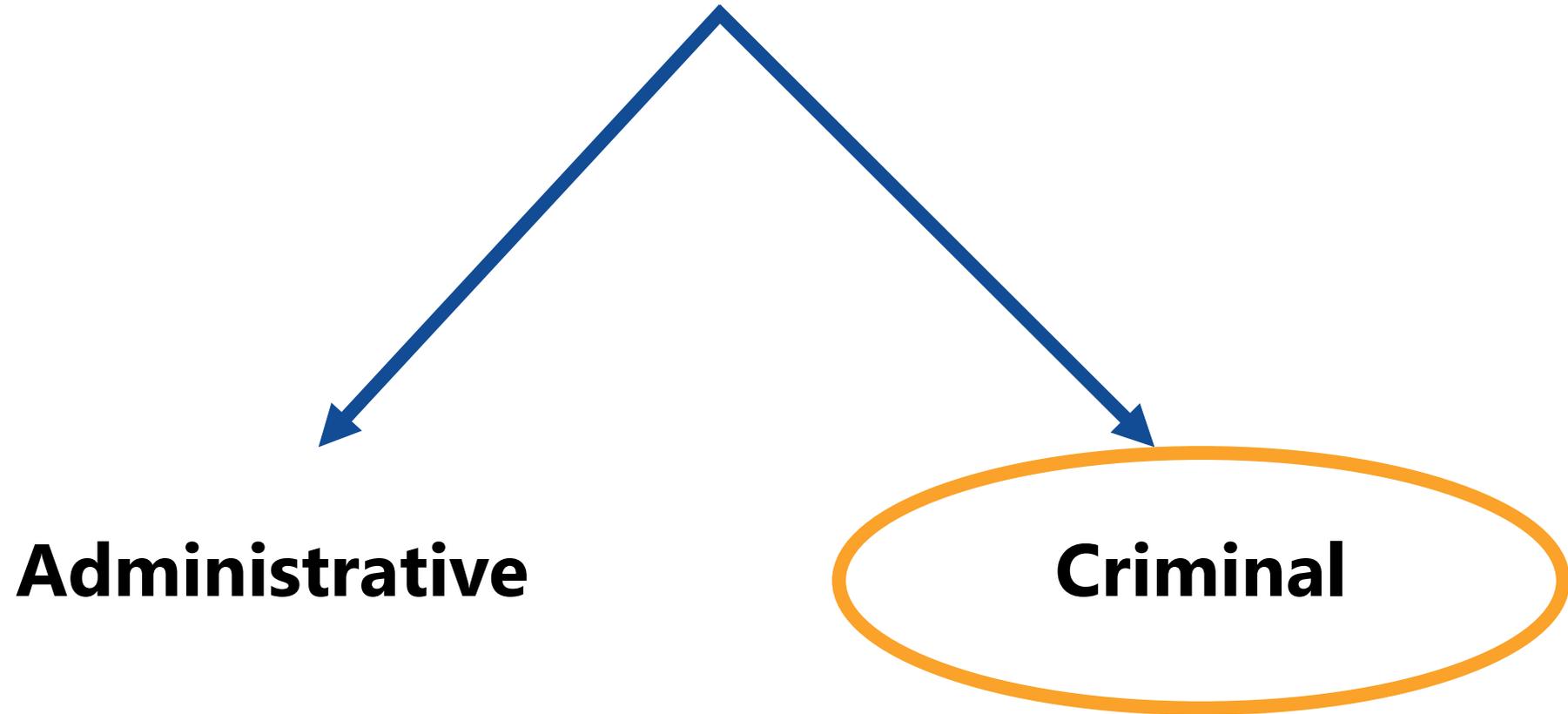


Compliance and Investigations

Dan LaBruyere, Deputy Commissioner of Compliance & Investigations



Compliance and Investigations



Lifecycle of a fraud case

Fraud

Intentionally lying to receive workers' compensation benefits.

Allegation



DWC Fraud Investigations



TCDAO – Fraud Prosecution Unit



Insurance

State Fire Marshal

Workers' Compensation

Home

Injured Employees

Empleados Lesionados

Employers

Health Care Providers

Carriers

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Division of Workers' Compensation Fraud Unit

Workers' compensation fraud increases system costs, which results in higher insurance premiums for Texas employers and drains resources from the system that could be allocated to providing benefits for injured employees. DWC is charged with administering and regulating the workers' compensation system to ensure that employees receive the benefits they deserve at a reasonable cost for Texas employers.

What is workers' compensation fraud?

Workers' compensation fraud occurs when someone willfully makes a false statement or conceals information in order to receive workers' compensation benefits or prevents someone from receiving benefits to which they might be entitled. Workers' compensation fraud is usually motivated by greed.

Why do people commit workers' compensation fraud?

People who normally would not engage in criminal behavior commit workers' compensation fraud because they:

- Perceive it as a victimless crime perpetrated against a faceless insurance company.
- Hope to make up for premiums they have paid in the past.
- Think many people inflate or falsify insurance claims.
- Believe they will not get caught.
- See it as a quick and easy way to make money.

Workers' compensation fraud links

[Poster](#)

[Brochure](#)

[Report workers' compensation fraud](#)

[News](#)

[Contact us](#)

Investigation

Fraud Investigation Unit

5 investigators

3 data analysts

1 program specialist

1 director

Referral sources

- Special Investigation Units.
- Outside allegations of fraud from tipsters.
- Local and federal law enforcement.
- National Insurance Crime Bureau.

Subpoena authority

- Commissioner may issue subpoena for witnesses and materials.
- Texas and other states.

Grand jury

- Prosecutor may issue grand jury subpoena.
- Attendance and document production.

[Texas Code of Criminal Procedure Article 20.10](#)

Search warrant

- District attorney investigator.
- [Code of Criminal Procedure Chapter 18.](#)

Investigative process



Grand jury

Grand jury

- Meet and deliberate in secret.
- Investigative body.
- Twelve people – nine for a quorum.
- “True bill” or “no true bill.”
- True bill goes to court.



Offenses we charge

- Theft.
- Securing execution of document by deception.
- Insurance fraud.
- Money laundering.
- Engaging in organized crime.
- Labor code violations – [Labor Code Chapter 418](#) (state jail felony maximum punishment).
- Election of prosecution under [Labor Code § 418.003](#).

Workers' compensation

- Arrests occur after indictment.
- Process is usually secretive.
- Warrant for individuals.
- Summons for corporate defendants.
- Corporation appears by counsel.



Corporate defendants

- Agent acting on behalf of corporation within scope of employment.
- Majority of governing board authorized or tolerated the criminal act.



Corporate defendants

- Actor is a high managerial agent acting on behalf of the corporation.
- Corporations – can be tried *in absentia*.



Penalties

- State jail felony – 180 days to two years, \$10,000 fine.
- F3 – two to 10 years in prison.
- F2 – two to 20 years in prison, \$10,000 fine.
- F1 – five to 99 years/life in prison, \$10,000 fine.



Corporate penalties

- No probation.
- \$20,000 – felony offenses.
- \$50,000 if Class A or higher and the victim suffers SBI or death.
- Option – court can double the amount of money lost by victim or gained by the corporation.



Outcomes - individuals

- Pretrial diversion.
- Restitution.
- Deferred adjudication (conditions).
- Probation (conditions).
- Jail.
- Prison.



Restitution

- Not limited by offense level.
- Factual basis in record.
- State must prove restitution – proximate cause of loss.
- Contract recovery does not equal criminal restitution.

Questions?

Dan.LaBruyere@tdi.texas.gov



Business Process

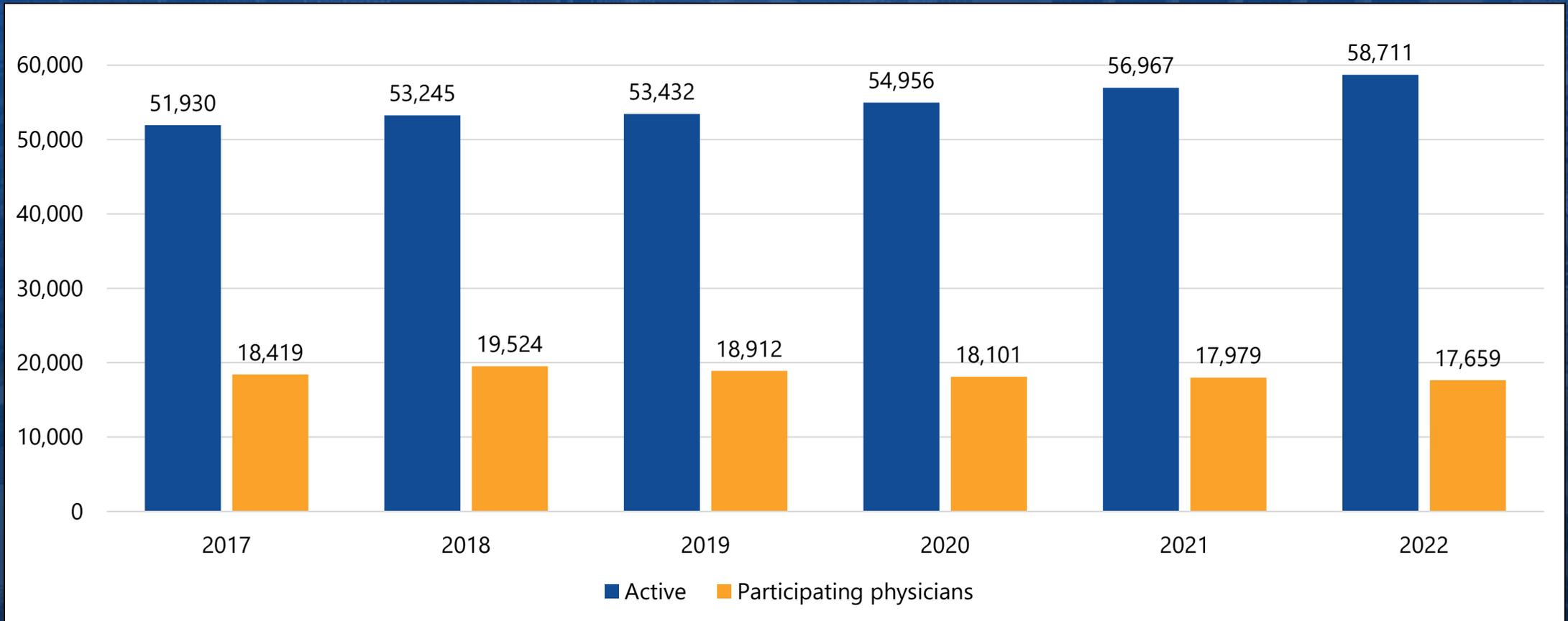
Tammy Campion, Deputy Commissioner of Business Process



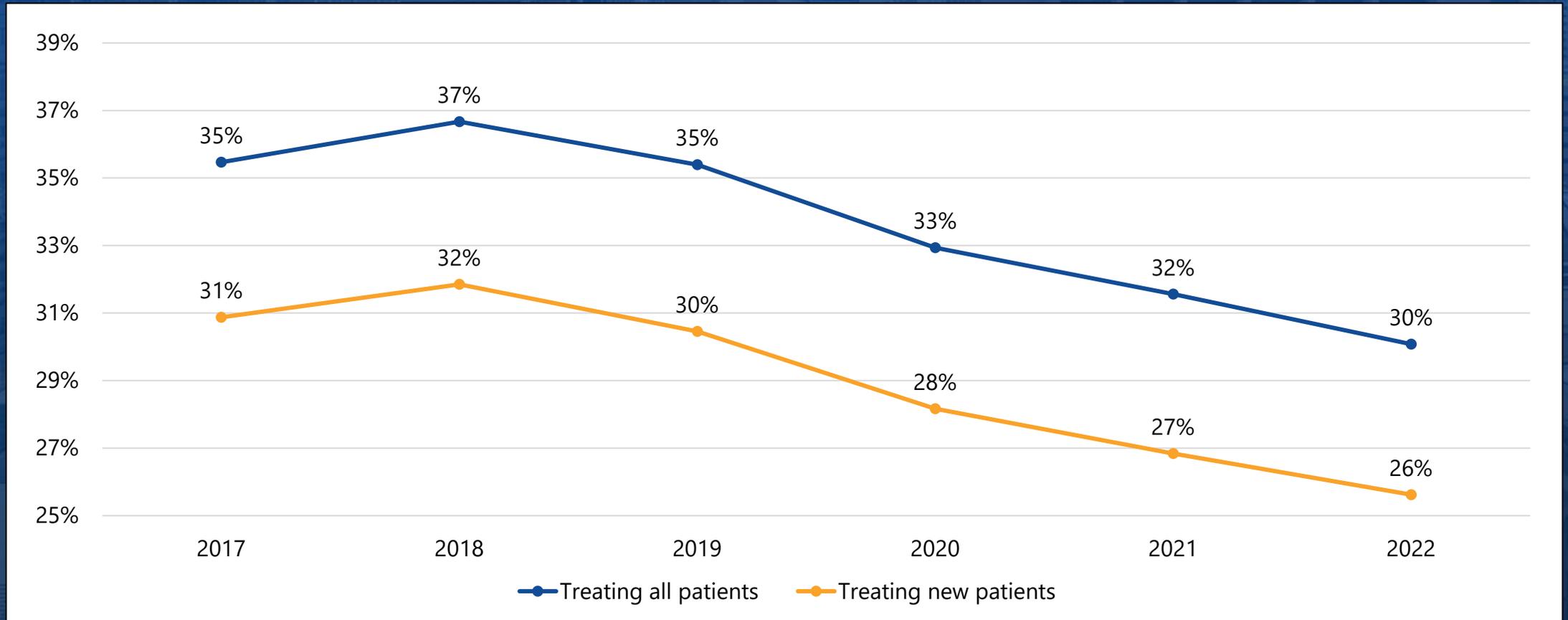
Access to Medical Care in the Texas Workers' Compensation System

Texas Workers' Research and Evaluation Group

Number of active physicians and participating physicians



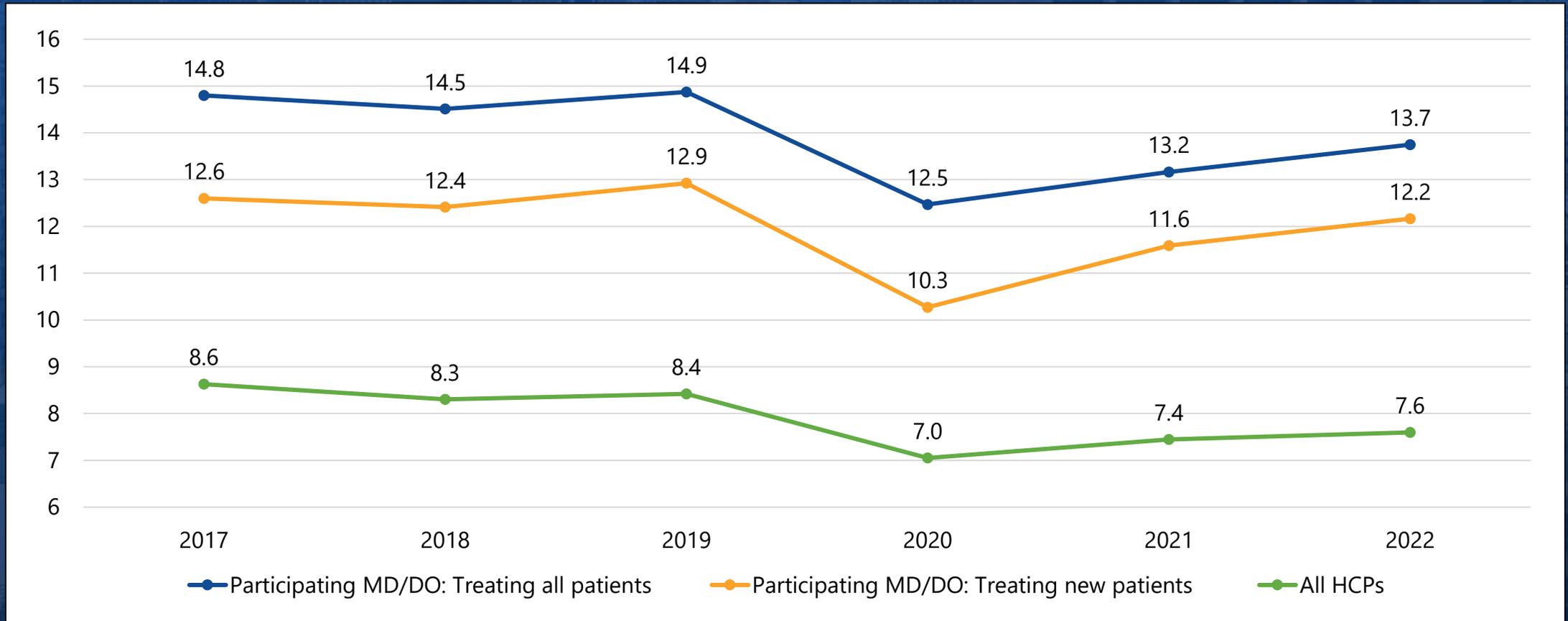
Physician participation rate



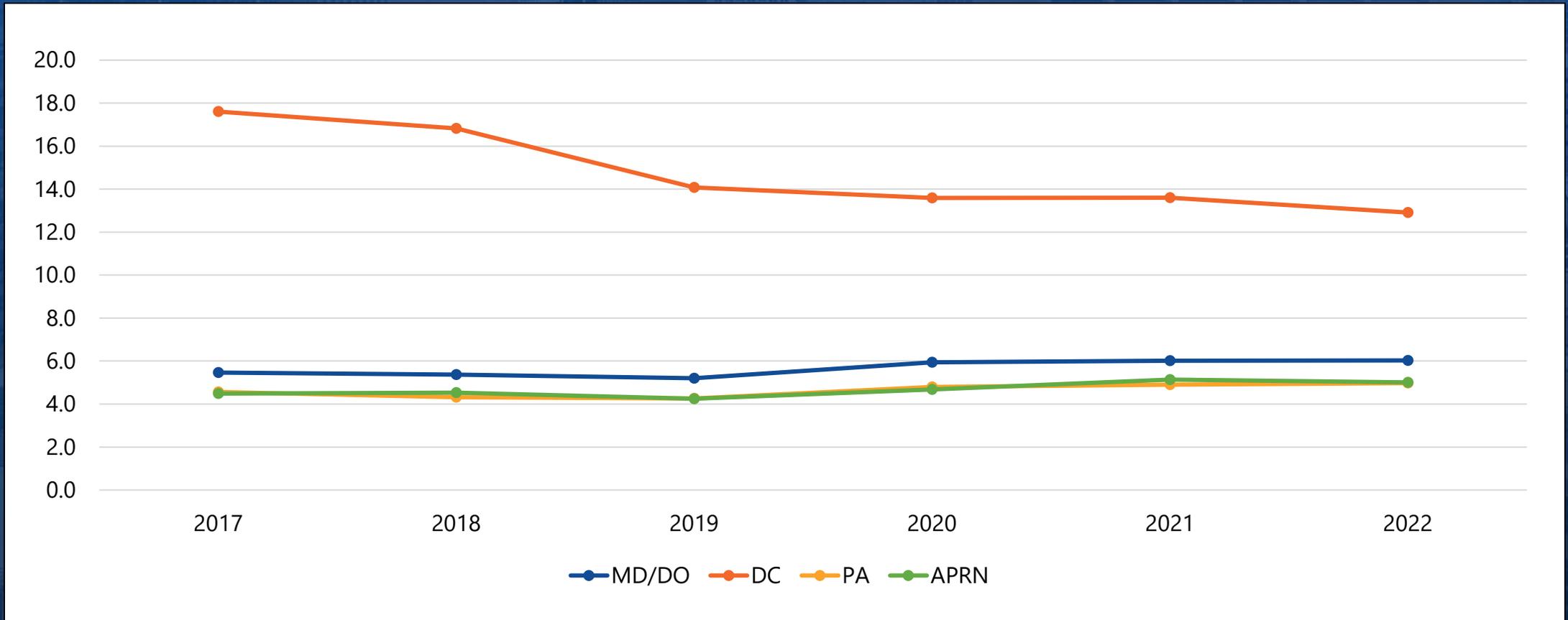
Number of participating health care providers

Service year	Participating MD/DO	Other billing MD/DO	Doctor of Chiropractic (DC)	Physician assistants (PA)	Advanced practice registered nurses (APRN)	Total
2017	18,419	5,849	1,312	2,527	3,574	31,681
2018	19,524	6,990	1,188	2,081	4,337	34,120
2019	18,912	6,684	1,107	2,164	4,539	33,406
2020	18,101	6,943	902	2,035	4,033	32,014
2021	17,979	6,949	842	2,167	3,839	31,776
2022	17,659	7,510	760	2,280	3,751	31,960

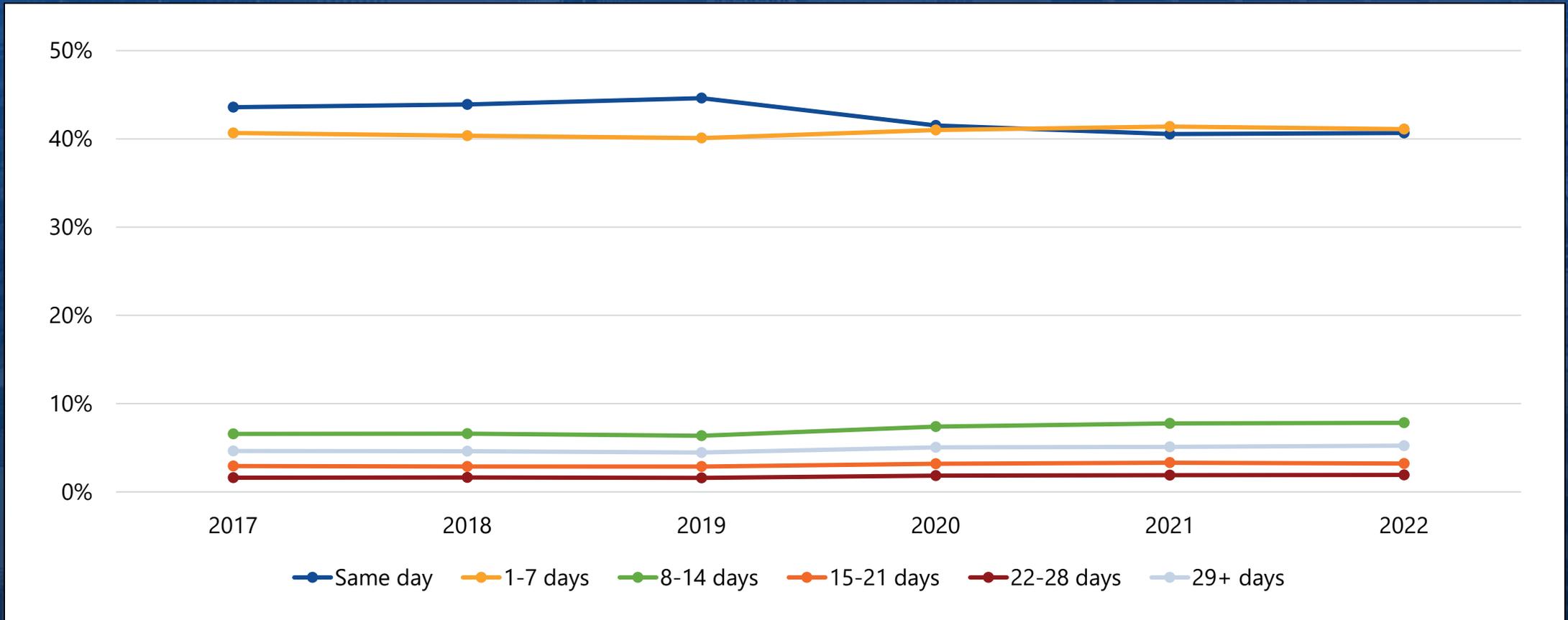
Number of claims per health care provider



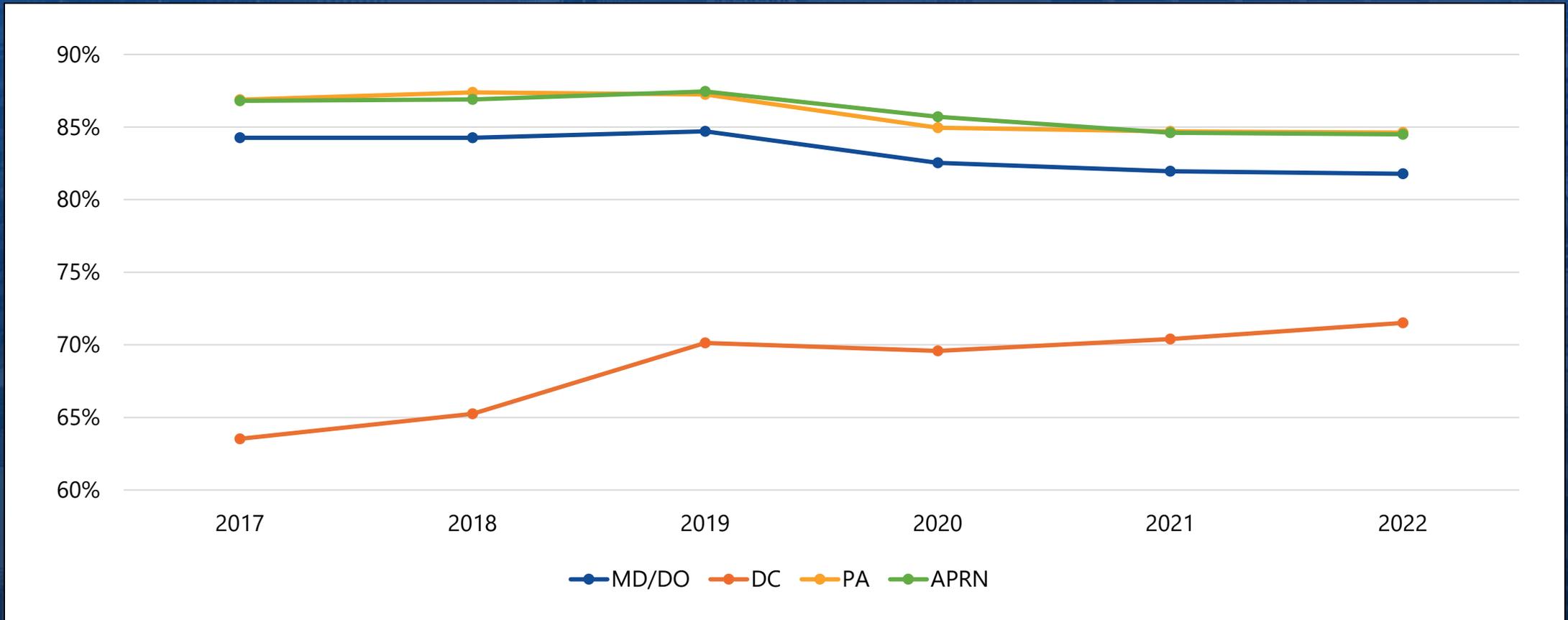
Average number of days from injury to first treatment by type of health care provider



Percent of claims by numbers of days from injury to first treatment by physician



Percent of claims with seven days or less between injury and first treatment by type of health care provider



Proposed FY 2025 research agenda

1. A study to evaluate the feasibility and impact of adopting a more current version of the American Medical Association Guides to the Evaluation of Permanent Impairment.
2. An update of medical costs and utilization in the Texas workers' compensation system.
3. An analysis of DDs and scheduling companies in the Texas workers' compensation system by evaluating the performance of DDs and scheduling companies using metrics such as rescheduled exams, timeliness of reports, and timeliness of payments.

Proposed FY 2025 research agenda

Submit written comments on proposed by:

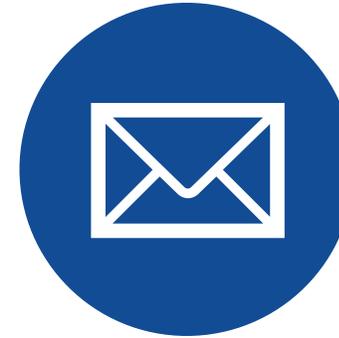
- Email: RuleComments@tdi.texas.gov.
- Mail.

Deadline: 5 p.m. Central time September 16, 2024

Agenda available at:



Questions? Contact us!



WCResearch@tdi.texas.gov

EDI updates and Form-20SI changes

Martha Luévano, Director for Enterprise Automation Services (EAS)

Compliance topics

DWC Form-029 requests for data

DWC

- Approval.
- Scorecard detail for claim and medical.
- Raw medical state reporting data.

Verisk

- Raw claim EDI data email: txdwcedi@verisk.com.

Claim EDI outreach

- DWC requests for FROI or SROI – [28 Texas Administrative Code \(TAC\) Section 124.105 \(a\)\(5\)](#).
- Compliance coordinator role – [28 TAC Section 124.108](#).

Governmental entity coverage reporting

Paperless DWC Form-020SI:

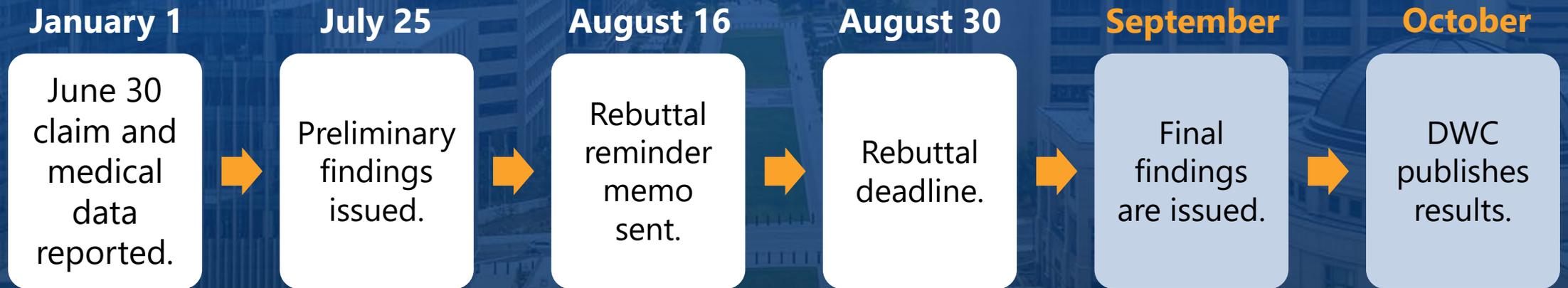
- ✓ No login needed.
- ✓ Acknowledgement provided.

Instructions:

1. Go to [TXCOMP](#).
2. Select [File Online](#) from main menu.
3. Choose DWC Form-020SI.
4. Enter all required* information.
5. Save.
6. Get you acknowledgement.

The screenshot shows a web form titled "Add Self-Insured Governmental Entity Coverage Information". At the top, it states "Items marked with an asterisk (*) are required." The form is divided into three main sections: I. Governmental Entity Information, II. Contact Information, and III. Interlocal Agreement With Other Governmental Entities. Section I includes fields for Name, Coverage Effective Dates (From and To), Physical Address (Address Line1 and Address Line2), City / Town, State (a dropdown menu), Zip/Postal Code, Texas County (Required for Texas, a dropdown menu), Federal Employer Identification Number (FEIN), Contact Name, Contact Phone Number (with sub-fields for Area Code, Number, and Extension), Contact Email Address, and Date This Form Is Completed. Section II includes fields for Contact Name, Contact Phone Number (with sub-fields for Area Code, Number, and Extension), and Contact Email Address. Section III includes fields for Pool or Group name, FEIN, Contact Name, Contact Phone Number (with sub-fields for Area Code, Number, and Extension), and Contact Email Address. At the bottom of the form, there are "Save" and "Cancel" buttons. A note at the bottom of Section I indicates that if "Self-insurance" is selected, Section II must be completed, and if "Interlocal agreement with other governmental entities" is selected, Section III must be completed.

PBO update



The 2024 insurance carrier PBO assessment plan posted on our [website](#).

Contacts

txdwcedi@verisk.com

Texas Claim EDI 3.1.4 filing requirements, rejections, and updates to registration.

txdwcbillingquestions@verisk.com

Claim EDI 3.1.4 billing, invoices, and billing registration.

edisupport@tdi.texas.gov

Request for training, EDI-03 compliance coordinators, and EDI rules.

PBO@tdi.texas.gov

Questions about PBO.

Health and Safety

Mary Landrum, Deputy Commissioner of Health and Safety



Designated doctor (DD) billing and reimbursement rules implementation

Santiago Calderon, Director of Designated Doctor Operations

Amy Rich, HCP and RTW Outreach Specialist

DD billing and reimbursement rule

About

Stakeholders affected:

- DDs.
- Doctors with MMI and IR certifications.
- Any health care provider who conducts DD-ordered testing or evaluation.

Implementation

DWC adopted amendments to 28 TAC Chapters 133 and 134.

Effective date

6/1/2024

Statewide DD availability

April 2023

236 DDs
70 MDs/DOs



August 2024

319 DDs
86 MDs/DOs

DD assignment number

A 12-digit alphanumeric assignment number will now appear on the commissioner's order and the cancellation order.

The assignment number has three parts:

- DWC claim number + DD + sequence number
- Example: 12345678DD01
 - Note: the sequence will pick up on the actual sequence number starting 6/1/2024. Not all orders will start at sequence #1.

DD order (OA32A) example



PO Box 12050 | Austin, TX 78711 | 800-252-7031 | tdi.texas.gov/wc

Injured employee: Name

DWC #: DWC Claim #

Date of injury: Date

Employer: Name

Insurance carrier: Name

Insurance carrier claim #: Carrier Claim #

DD Assignment #: DD Appointment ID

Date: Letter Date

DWC 12-digit
assignment # given to
DD from DWC



Workers' comp insurance carrier billing example

Insurance carrier medical bill processing contact information:

DD assignment #: DWC Claim # + DD + Sequence #

Business name: Name

Mailing address: Address

Phone number: Phone #

Fax number: Fax #

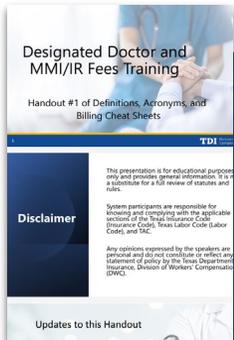
Email address: Email Address

Workers' compensation
insurance carrier billing
information

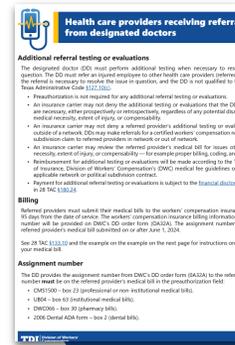
Health Care Provider Outreach and Education update



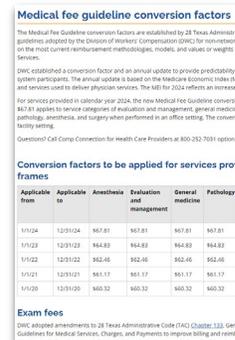
Virtual training webinars held in May 2024.



Additional updates to handout #1 created.



Videos and educational handouts added to website.

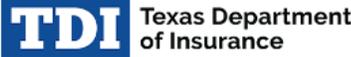


Conversion factor webpage contains MMI/IR/other similar exam fee amounts and will be updated yearly.

DWC conversion factor webpage

Go to webpage:





[Topics: A B C D E F G H I J K L M N O P Q R S T U V W X Y Z All](#)

[Español](#)

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Workers' Compensation

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Medical fee guideline conversion factors

The Medical Fee Guideline conversion factors are established by 28 Texas Administrative Code §134.203. Under Labor Code §413.011(a), fee guidelines adopted by the Division of Workers' Compensation (DWC) for non-network services and approved out-of-network services are based on the most current reimbursement methodologies, models, and values or weights used by the federal Centers for Medicare and Medicaid Services.

DWC established a conversion factor and an annual update to provide predictability and reflect changes in medical service delivery costs to system participants. The annual update is based on the Medicare Economic Index (MEI), which is a weighted average of price changes for goods and services used to deliver physician services. The MEI for 2024 reflects an increase of 4.6 percent.

For services provided in calendar year 2024, the new Medical Fee Guideline conversion factors are \$67.81 and \$85.12. The conversion factor of \$67.81 applies to service categories of evaluation and management, general medicine, physical medicine and rehabilitation, radiology, pathology, anesthesia, and surgery when performed in an office setting. The conversion factor of \$85.12 applies to surgery when performed in a facility setting.

Questions? Call Comp Connection for Health Care Providers at 800-252-7031 option 3, or email CompConnection@tdi.texas.gov.

Conversion factors to be applied for services provided based on the following time frames

Applicable from	Applicable to	Anesthesia	Evaluation and management	General medicine	Pathology	Physical medicine and rehabilitation	Radiology	Surgery in an office setting	Surgery in a facility setting	MEI percentage adjustment
1/1/24	12/31/24	\$67.81	\$67.81	\$67.81	\$67.81	\$67.81	\$67.81	\$67.81	\$85.12	4.6%
1/1/23	12/31/23	\$64.83	\$64.83	\$64.83	\$64.83	\$64.83	\$64.83	\$64.83	\$81.38	3.8%
1/1/22	12/31/22	\$62.46	\$62.46	\$62.46	\$62.46	\$62.46	\$62.46	\$62.46	\$78.37	2.1%
1/1/21	12/31/21	\$61.17	\$61.17	\$61.17	\$61.17	\$61.17	\$61.17	\$61.17	\$76.76	1.4%
1/1/20	12/31/20	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$75.70	1.9%

Exam fees

DWC adopted amendments to 28 Texas Administrative Code (TAC [Chapter 133](#), General Medical Provisions and 28 TAC [Chapter 134](#), Benefits-- Guidelines for Medical Services, Charges, and Payments to improve billing and reimbursement for certain workers' compensation-specific services, including designated doctor (DD) examinations, required medical examinations (RMEs), and maximum medical improvement (MMI) evaluations and impairment rating (IR) examinations by treating and referred doctors.

DWC conversion factor webpage

Go to webpage:



1/1/23	12/31/23	\$64.83	\$64.83	\$64.83	\$64.83	\$64.83	\$64.83	\$64.83	\$81.38	3.8%
1/1/22	12/31/22	\$62.46	\$62.46	\$62.46	\$62.46	\$62.46	\$62.46	\$62.46	\$78.37	2.1%
1/1/21	12/31/21	\$61.17	\$61.17	\$61.17	\$61.17	\$61.17	\$61.17	\$61.17	\$76.76	1.4%
1/1/20	12/31/20	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$75.70	1.9%

Exam fees

DWC adopted amendments to 28 Texas Administrative Code (TAC) [Chapter 133](#), General Medical Provisions and 28 TAC [Chapter 134](#), Benefits-- Guidelines for Medical Services, Charges, and Payments to improve billing and reimbursement for certain workers' compensation-specific services, including designated doctor (DD) examinations, required medical examinations (RMEs), and maximum medical improvement (MMI) evaluations and impairment rating (IR) examinations by treating and referred doctors.

Revised billing requirements are effective for services assigned by the division after June 1, 2024. New rates are effective for exams conducted on or after June 1, 2024. These rates will be adjusted annually on January 1 by the Medicare Economic Index.

Exams conducted prior to June 1, 2024 will be reimbursed according to the prior rates and methodologies such as tiering or range of motion.

Exam fees

Applicable Dates of Service	3/1/2008 to 5/31/2024	6/1/2024 to 12/31/2024
Annual MEI percentage	n/a	n/a
Maximum Medical Improvement Exam by Referral Doctor/RME Doctor/DD	\$350.00	\$449.00
Impairment Rating Exam by Treating Doctor/Referral Doctor/RME Doctor/DD	\$300.00	\$385.00
Additional IR Area Exam by Treating Doctor/Referral Doctor/RME Doctor/DD	\$150.00	\$192.00
Extent of Injury Exam by RME Doctor/DD	\$500.00	\$642.00
Disability Exam by RME Doctor/DD	\$500.00	\$642.00
Return to Work Exam by RME Doctor/DD	\$500.00	\$642.00
Other Exam by RME Doctor/DD	\$500.00	\$642.00
Missed Appointment (DD ONLY)\$100.00	n/a	n/a
Specialist Required (DD ONLY)	n/a	\$300.00
Appropriateness of Medical Care (RME DOCTOR ONLY)	\$500.00	\$642.00

Ongoing outreach for reimbursement rules

- Ongoing outreach and education to HCPs and insurance carriers.
- Monitoring frequently asked questions.

Top FAQs

1. When and how can a specialist fee (Rule 127.130) be billed?
2. What to do when insurance carriers return bills requesting modifiers when not needed?
3. How do I (a DD) bill and what documentation is needed for missed appointments?
4. I (a DD, RD, and TD) need help understanding the new billing fees, modifiers, and whether to bill on separate lines or all together.

Updated HCP webpage

Go to webpage:



TDI Texas Department of Insurance

ENHANCED BY Google

Topics: A B C D E F G H I J K L M N O P Q R S T U V W X Y Z All [Español](#)

Insurance State Fire Marshal **Workers' Compensation**

Home Injured Employees Empleados Lesionados Employers **Health Care Providers** Carriers

An improved workers' compensation system for doctors

We've made Texas workers' comp better for doctors.

- Reimbursement rates between 200 and 250% of Medicare.
- No training or testing for certain types of doctors.
- Training resources to support health care providers and staff.

[Learn more](#) or call CompConnection at 800-252-7031, option 3.

Health care provider training and resources

As part of its mission, the Division of Workers' Compensation (DWC) strives to educate and inform health care providers how to effectively work within the system and provide high-quality medical care that encourages and facilitates the injured employee's safe return to employment. This page offers information and resources for health care providers to help them understand their roles and responsibilities in the Texas workers' compensation system.

CompConnection and resources

Health care providers who need information about Texas workers' compensation can reach out by phone or email to CompConnection. Our experts can provide quick and accurate answers to your questions.

What's new

Read about [What's New](#), [sign up](#) to get health care provider news and find out about the health care provider [quarterly meetings](#).

Become a Texas workers' compensation health care provider

Learn about Texas workers' compensation laws and requirements that health care providers must follow to be able to offer quality medical care to injured employees.

Review of 2024 HCP outreach season

February - August

HCP Boot Camps

Videos and slides
available on our website:



September

Three live webinars

All relating to medical bill
denials. Register:



Coming up

**Currently planning
the 2025 HCP
outreach season**

Health Care Provider Outreach and Education

Reminder: HCPs and insurance carriers should not send medical or pharmacy bills to DWC.

CompConnection available for questions:



Operations and External Relations

Matthew Posey, Deputy Commissioner of Operations and External Relations



Join us virtually October 22-23

DAY 1

Harnessing the Power of AI in Texas



Eric Smith
Memorial Hermann



Rep. Giovanni Capriglione
House Select Committee on AI & Emerging Technologies



Phoebe Murphy
Texas Mutual

DAY 2

15 Nuggets in 60 Minutes



Stuart Colburn
Downs Stanford



Mark Pew
Preferred Medical

Registration opens soon!

Learn more:



Legislative update

89th Texas Legislative Session begins January 14, 2025

Thirty-five freshman legislators out of the 181 members.

DWC's primary tasks:

- Educate new members on workers' compensation issues.
- Act as a resource to new and returning members.
- Ensure changes in laws will be informed and have best effect on system participants.

Legislative update

Items that will likely be covered in the upcoming Session:

- First responder issues.
- Extent of injury (EOI).
- Medical benefits.
- Exclusive remedy.
- Medical marijuana.
- Scope of practice.
- Virtual contested case hearings (CCHs).

Legislative update

DWC has two exceptional item requests:

1

Six additional FTEs for modernization projects.

Response to requirements under Government Code that state agencies replace legacy systems.

2

Funding for strategic raises for our administrative law judges (ALJs).

Needed to ensure DWC can recruit and retain experienced and capable judges to effectively decide cases in our system.

Questions?

TDI Division of Workers'
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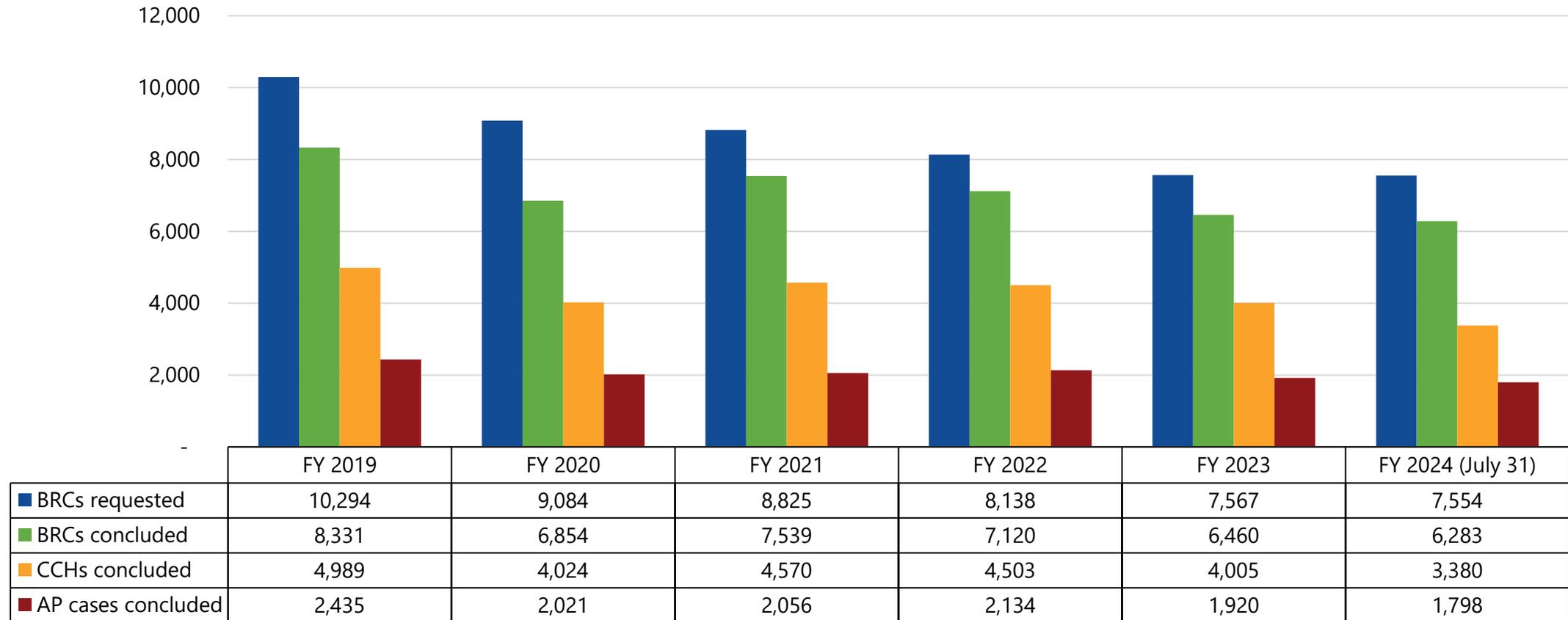
Hearings

Allen Craddock, Deputy Commissioner of Hearings



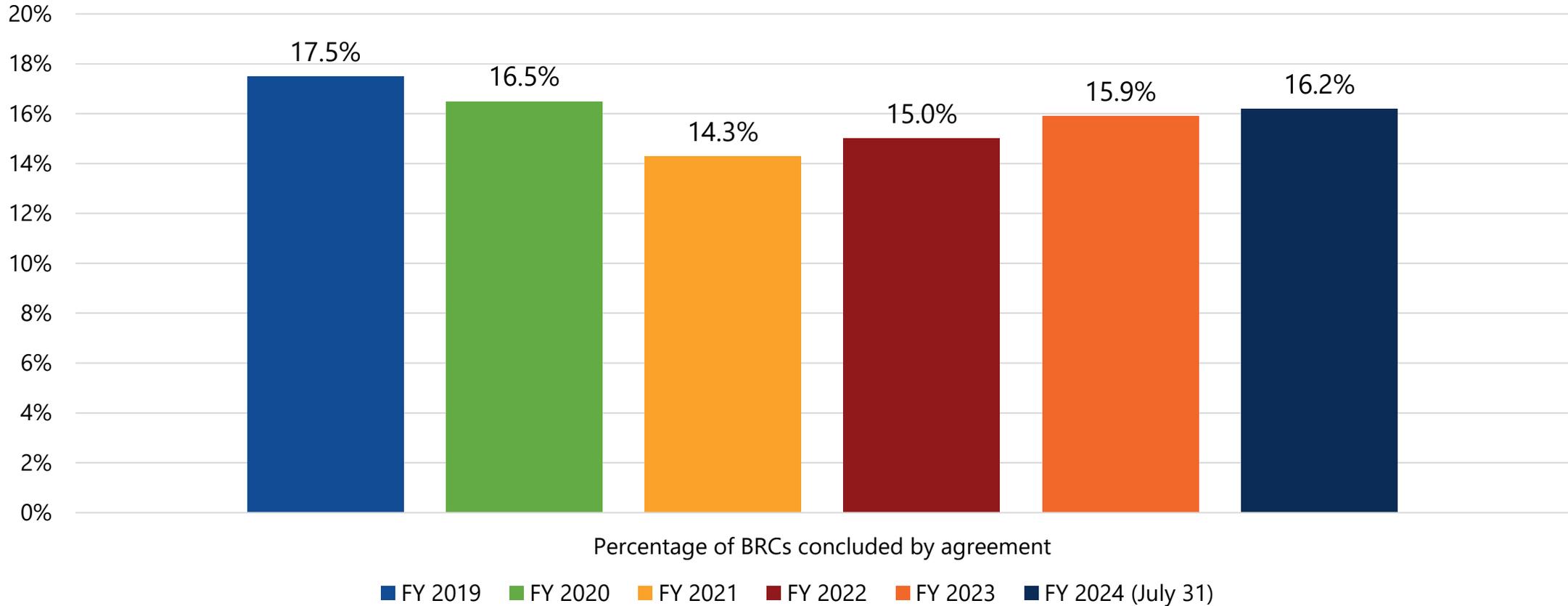
Proceedings

FY 2019 – July 31, 2024



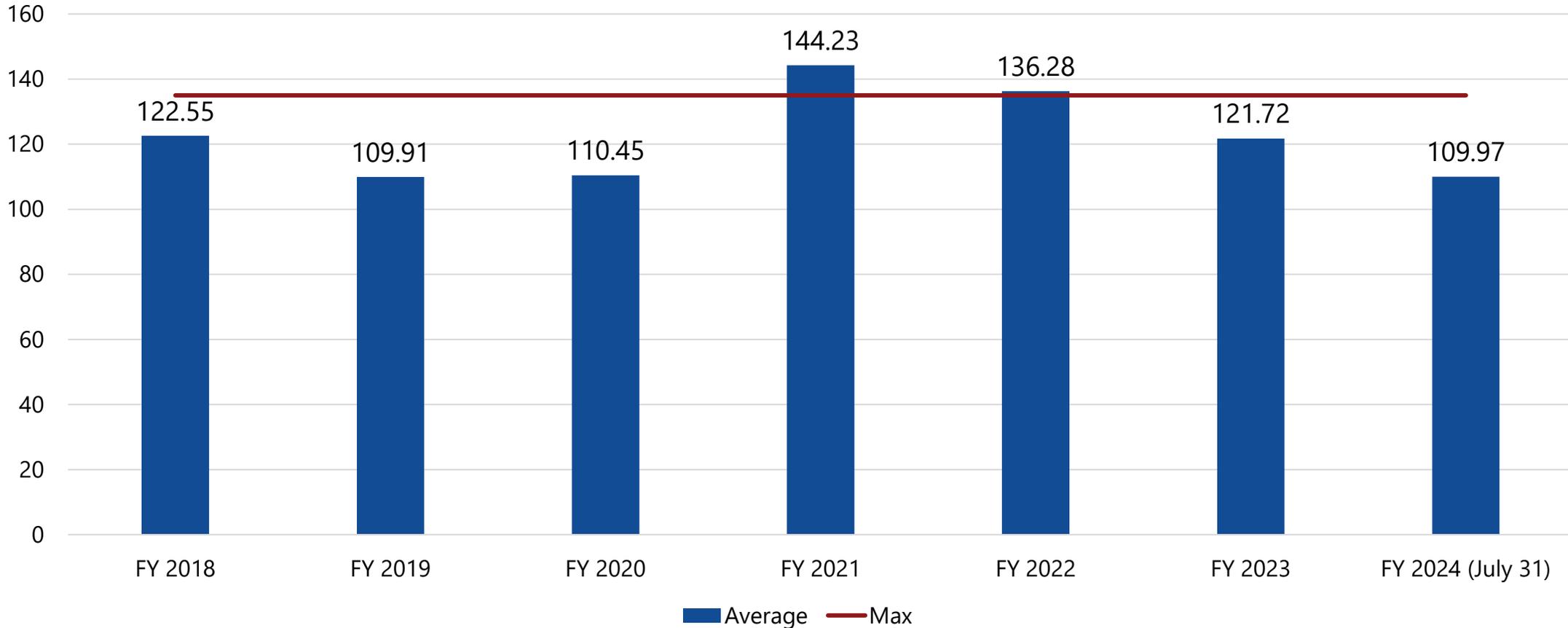
Agreement rates

FY 2019 – July 31, 2024

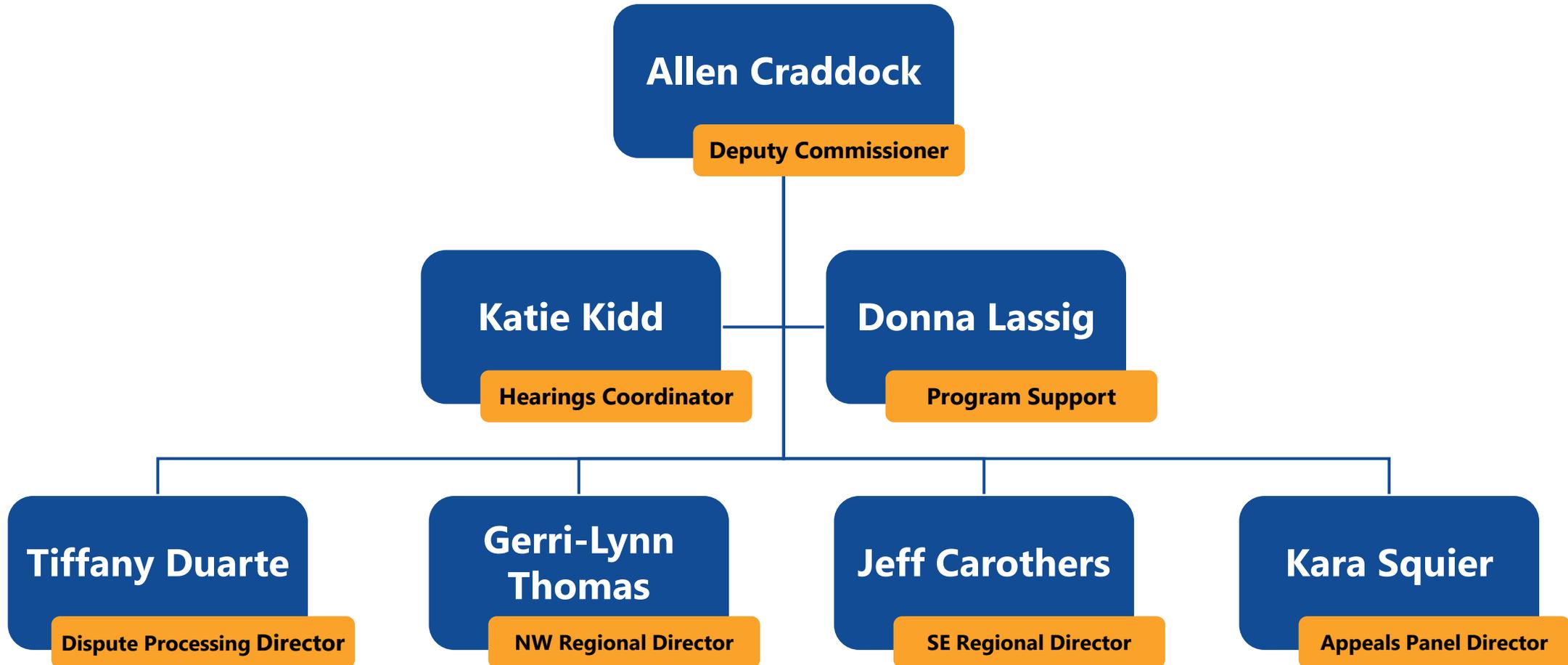


Average days to resolve disputes

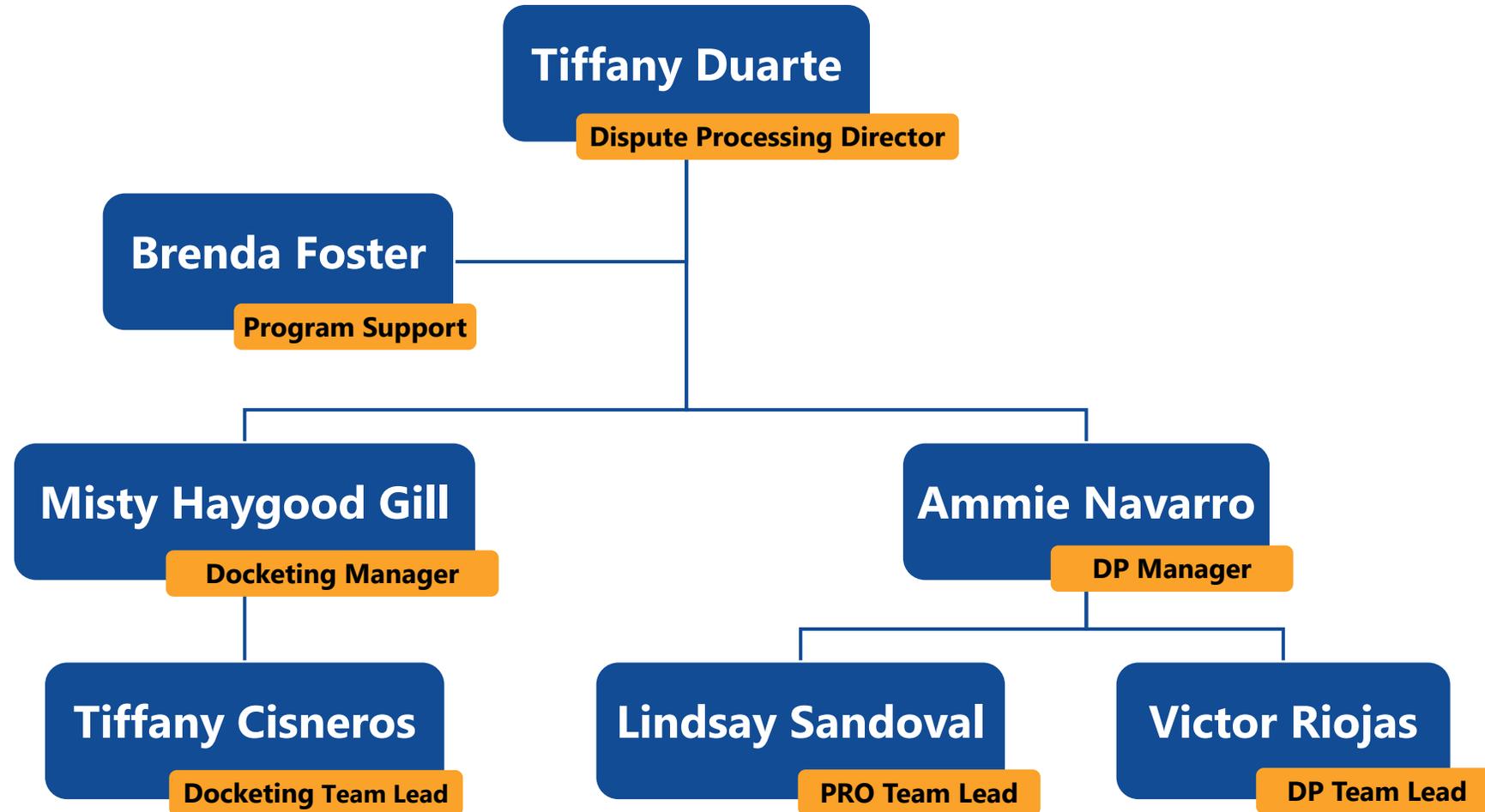
FY 2018 – July 31, 2024



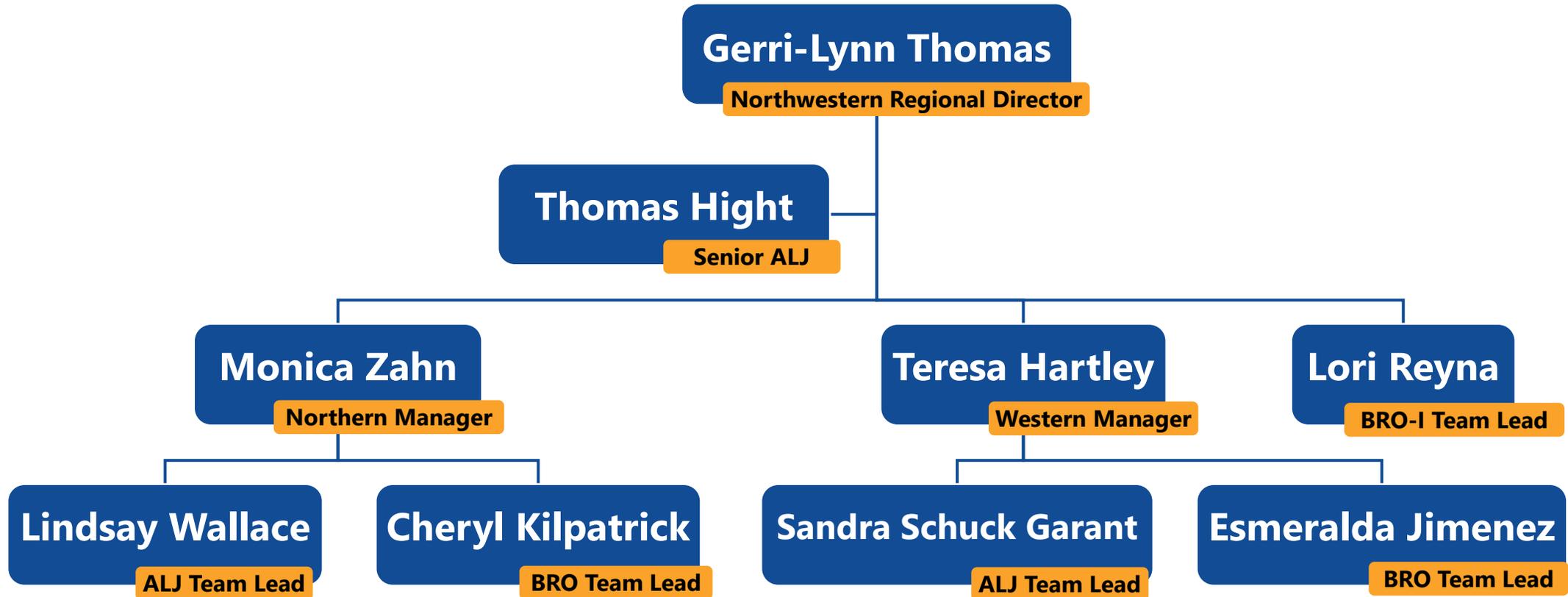
Hearings - executive staff



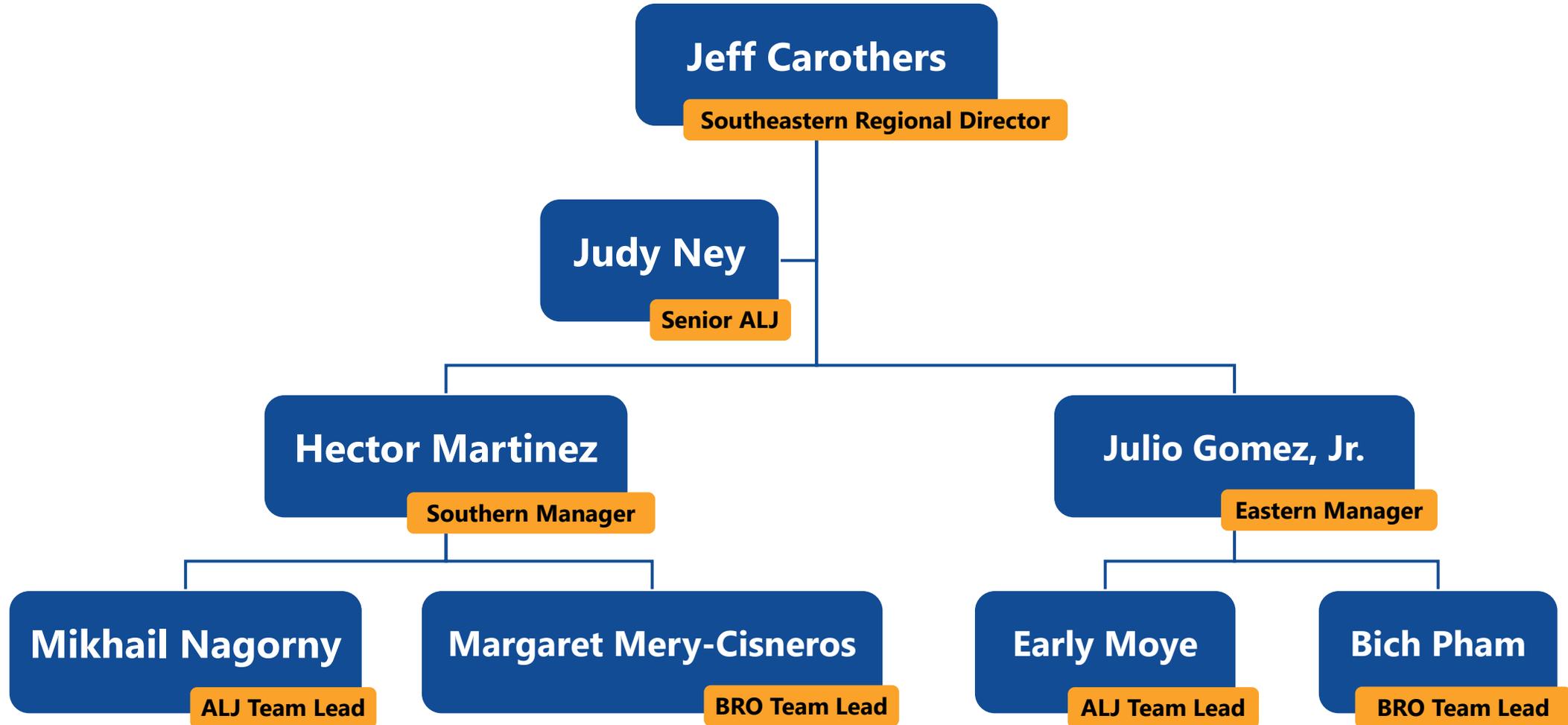
Hearings – dispute processing



Hearings – Northwestern region



Hearings – Southeastern region



Rule updates

**Condense and
reorganize**

**Update outdated
information**

Chapter 147

**Remove references to
penalties**

**Comply with agency
style guide**

Austin field office construction

Brenda Foster Austin Field Office

During construction:

- Loud construction after hours.
- Two hearing rooms.

New field office:

- Waiting area.
- Three hearing rooms.
- Two caucus/meeting rooms.



Multi-certification process

Receive dispute with maximum medical improvement (MMI), impairment rating (IR), or extent of injury (EOI).

Work with parties to identify EOI conditions that need to be rated.

Issue presiding officer directive (POD).

Work with designated doctor (DD) section.

Work with DD and parties to get report.

Request for information



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Notice to parties: We request this information for mediation purposes only, and we will use your answers to order a designated doctor to prepare multiple certifications. **Your answers do not bind you, and you may change your mind.** However, inaccurate answers will likely cause additional exams and delays in the dispute resolution process. You should consult with your attorney or

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Brown Bag Series

Bring lunch and join us to discuss the latest updates in dispute resolution:

- **September 13** – Houston East field office.
- **September 20** – El Paso field office.
- **September 27** – Dallas field office.
- **October 4** – San Antonio East field office.
- **October 11** – Amarillo field office.
- **October 18** – Hybrid Austin field office and Zoom.



Communication

- Secure File Transfer Protocol (SFTP).
- TXCOMP.
- PROs:
 - Hearings [webpage](#), click "Dispute Resolution News", then click "Contact information for PROs."
- Emails:
 - [BRC Exchanges@tdi.texas.gov](mailto:BRC_Exchanges@tdi.texas.gov).
 - [CCH Exhibits@tdi.texas.gov](mailto:CCH_Exhibits@tdi.texas.gov).
- Hearings fax: 512-804-4011.

Questions?

TDI Division of Workers'
Compensation

Closing remarks

Jeff Nelson, Commissioner of Workers' Compensation

