

# Quarterly Insurance Carrier Meeting

April 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
- Rules Update
- Q&A
- Closing

# **WELCOME**

Ryan Brannan, Commissioner  
Division of Workers' Compensation

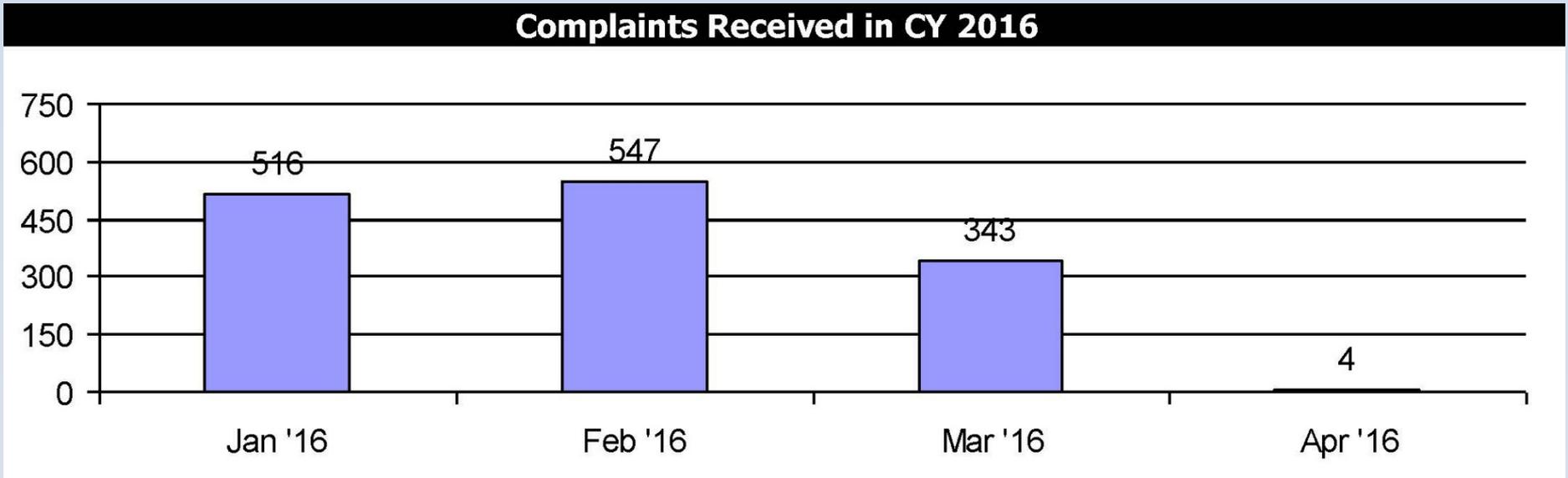
# HEALTH CARE MANAGEMENT UPDATE

Matt Zurek, Deputy Commissioner  
Healthcare Management & System Monitoring

# **COMPLAINT DATA UPDATE**

Teresa Carney, Director  
System Monitoring & Oversight

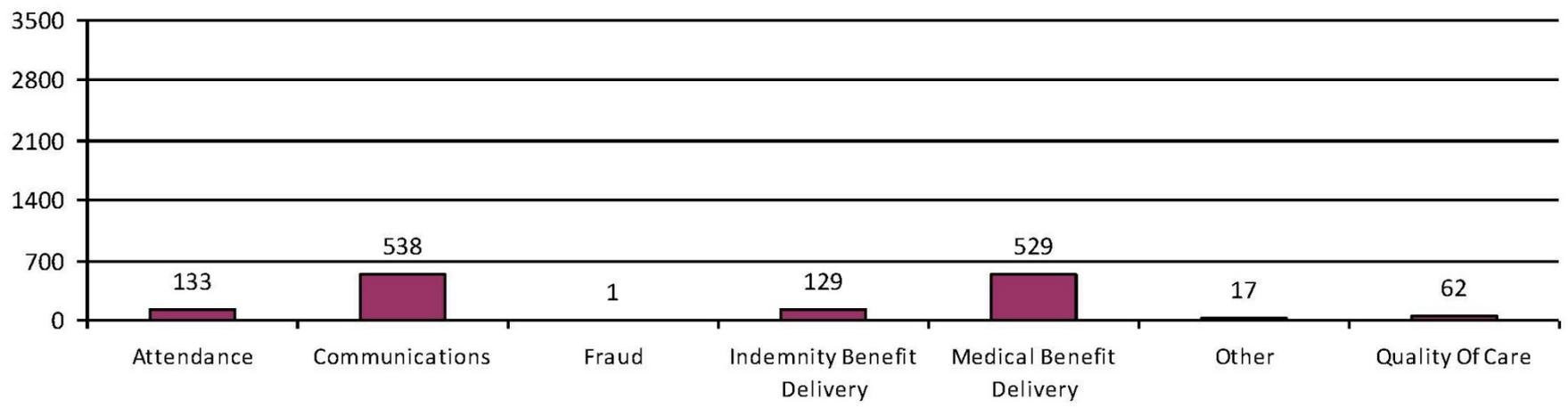
# Complaints Received CY2016



Jan'16	Feb'16	Mar'16	Apr'16
516	547	343	4

# Complaints Received CY2016 by Category

**Complaints Received in CY 2016 by Category**

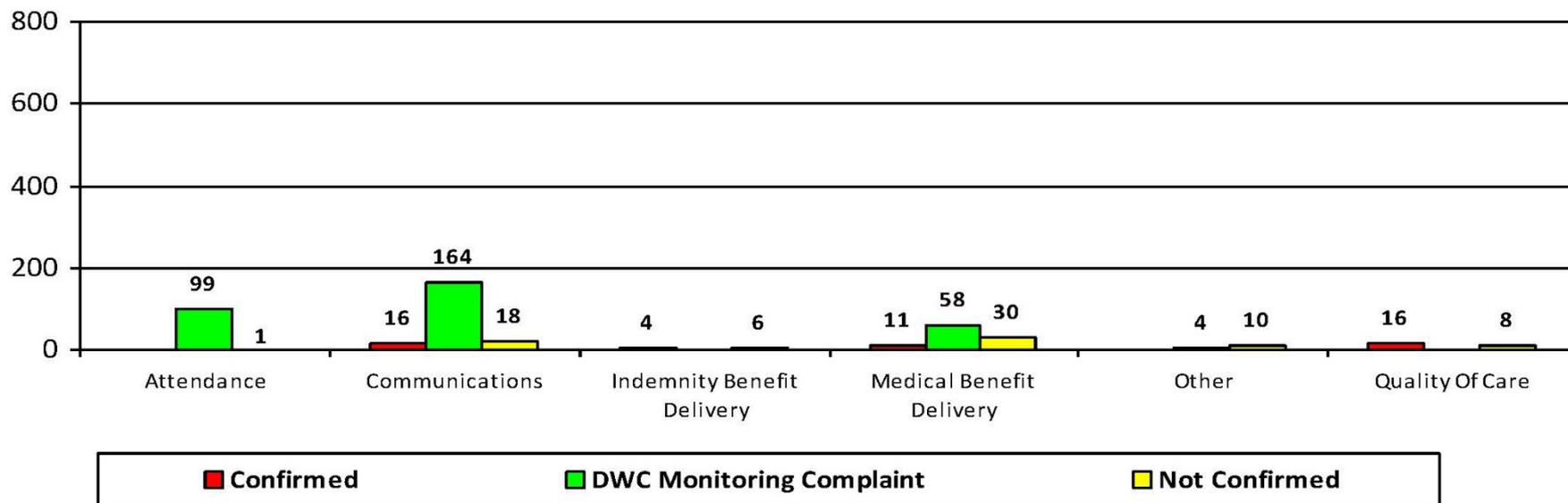


Attendance	Communication	Fraud	Indemnity Benefit Delivery	Medial Benefit Delivery	Other	Quality of Care
133	538	1	129	529	17	62

# Complaints Received CY2016

## “Closed” Status

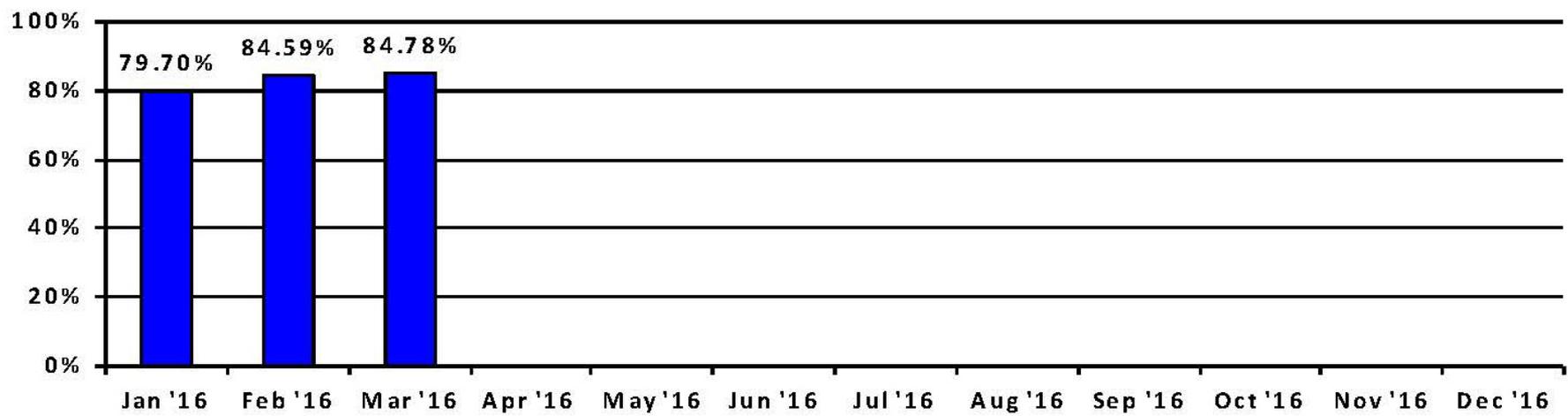
**Closure Outcomes for Complaints Received in CY 2016 by Category**



	Attendance	Communication	Indemnity Benefit Delivery	Medical Benefit Delivery	Other	Quality Of Care
Confirmed Complaint	0	16	4	11	0	16
DWC Monitoring Complaint	99	164	0	58	4	0
Not Confirmed	1	18	6	30	10	8

# Initial TIBs Payment Performance CY2016

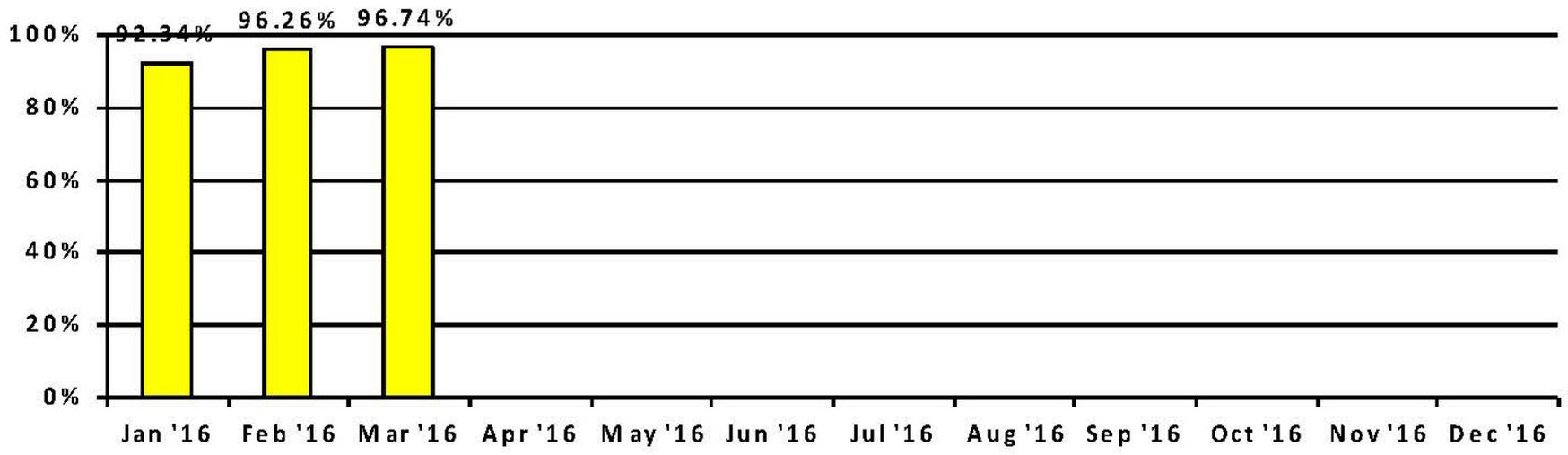
**Timely Payment of Initial Temporary Income Benefits in CY 2016**



Jan'16	Feb'16	Mar'16
79.70%	84.59%	84.78%

# TIBs Initial Payment Reporting Performance CY2016

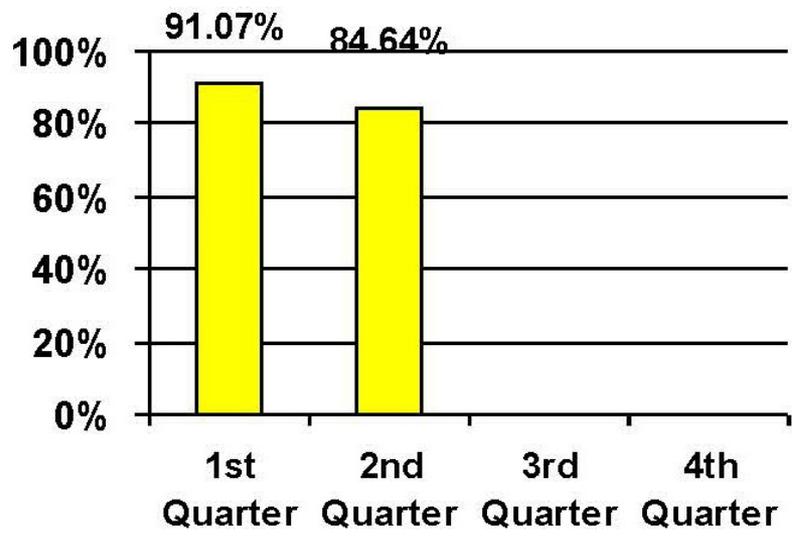
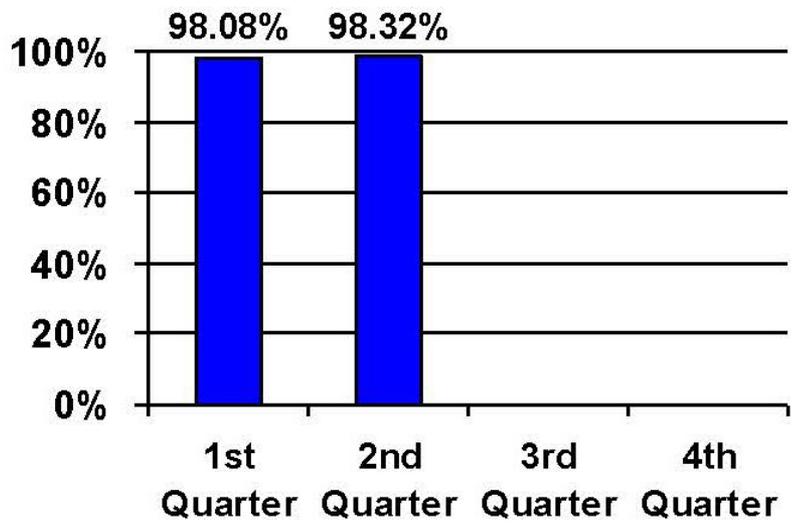
**Timely EDI Reporting of Initial Temporary Income Benefits Payment in CY 2016**



Jan'15	Feb'15	Mar'15
93.48%	94.78%	93.64%

# 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
Processing Medical Bills	98.08%	98.32%
Reporting of Medical Billing Data	91.07%	84.64%



Marisa Lopez Wagley  
Deputy Commissioner,  
DWC Enforcement

Toya Lutz,  
Director,  
DWC Enforcement

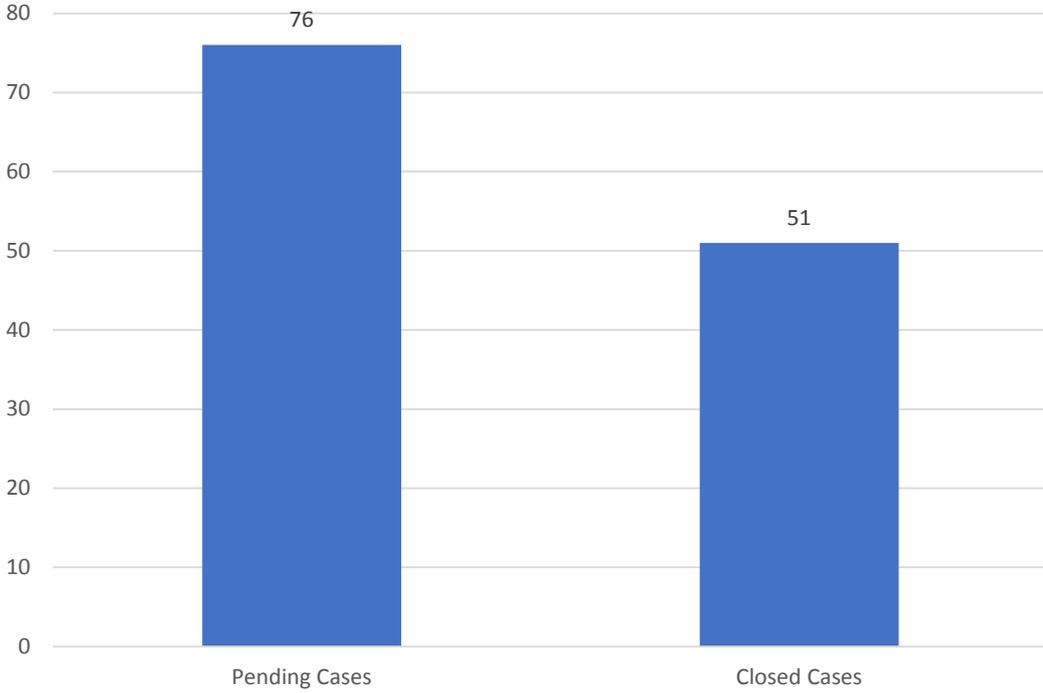
DIVISION OF  
WORKERS'  
COMPENSATION  
(DWC)  
**ENFORCEMENT  
UPDATE**

# Enforcement Key Initiatives

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

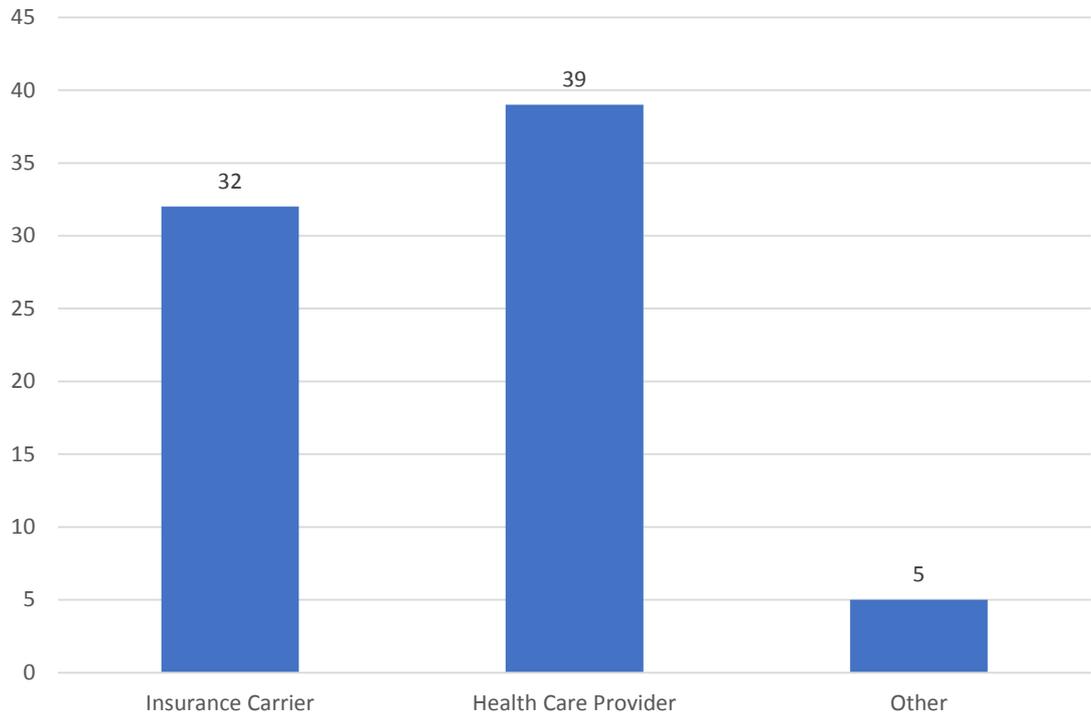
- Use clear, express statutory authority for all enforcement cases
- Inform workers' compensation stakeholders about compliance goals
- Partner with the Division of Workers' Compensation program areas to foster compliance
- Assist the Office of the Medical Advisor
- Provide swift, appropriate actions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

# Case Status 1<sup>st</sup> Quarter, CY 2016



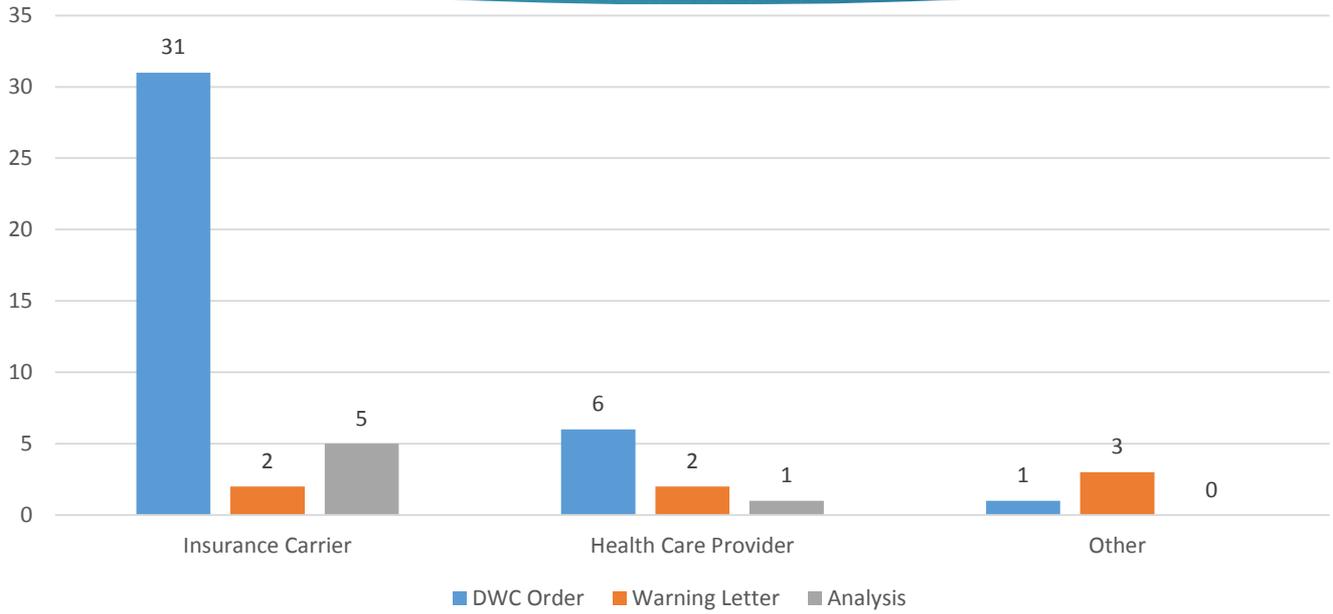
2016	Pending Cases	Closed Cases
Cases	76	51

# Cases Pending by Subject Type 1<sup>st</sup> Quarter, CY 2016



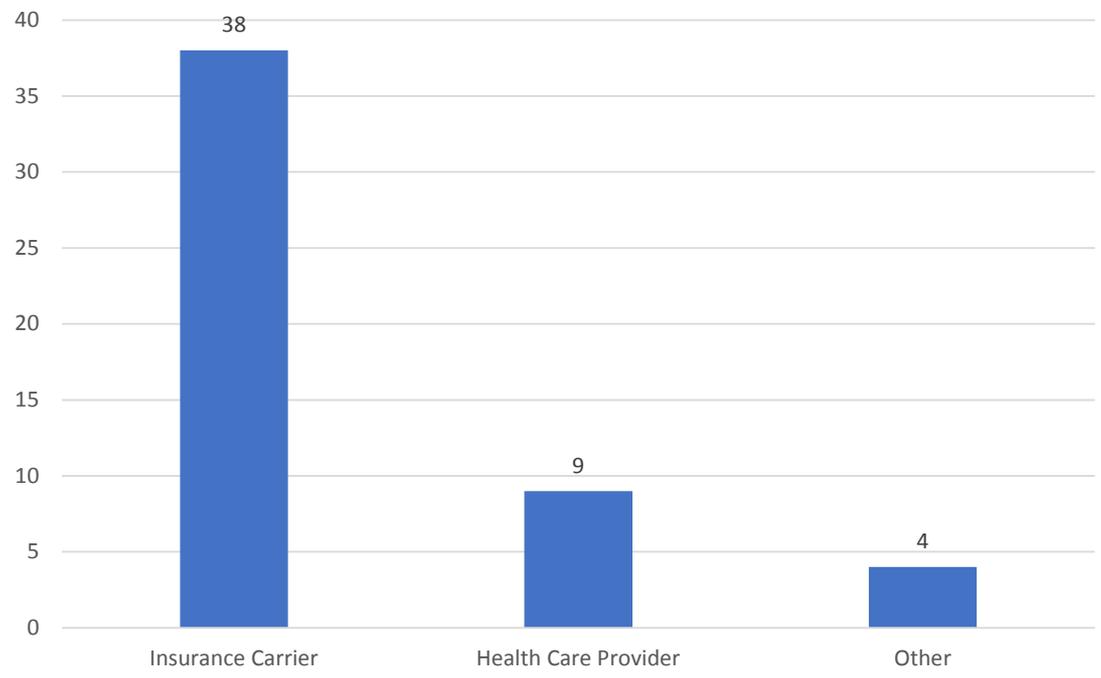
2016	Insurance Carrier	Health Care Provider	Other
Cases	32	39	5

# Cases Closed by Disposition Type Calendar Year 2016



2016	Insurance Carrier	Health Care Provider	Other
DWC Order	31	6	1
Warning Letter	2	2	3
Regulatory Analysis Completed	5	1	0

# Cases Closed by Subject Type 1<sup>st</sup> Quarter, CY 2016



2016	Insurance Carrier	Health Care Provider	Other
Cases	38	9	4

# OFFICE OF THE MEDICAL ADVISOR UPDATE

Mary Landrum, Director  
Health Care Business Management

# Quality of Care Complaints

- Calendar Year 2016
  - 65 complaints forwarded to OMA
    - (includes external complaints & internal referrals)
  - 65 complaints investigated by OMA
    - 61% closed with no action
    - 8% issued letters of education
    - 2% initiated an medical quality review
    - 29% referred to enforcement

*Source: Texas Department of Insurance, Division of Workers' Compensation, data as of 04/12/16*

# Medical Quality Reviews

- Calendar Year 2016
  - 0 reviews initiated
    - includes complaint, audit, or monitoring based reviews
    - assigned to MQRP members for review
  - 13 reviews concluded
    - 62% 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 04/05/2016*

# OMA Enforcement Cases

- Calendar Year 2016
  - 19 OMA referrals received in Enforcement
  - 2 OMA cases concluded by Enforcement
    - 1 consent orders/final orders
    - 1 warning letters
    - 0 no further action
  - 30 OMA cases pending in Enforcement
  - 6 OMA cases pending at SOAH

*Source: Texas Department of Insurance, Division of Workers' Compensation, data as of 03/30/2016*

# **MEDICAL FEE DISPUTE RESOLUTION UPDATE**

Martha Luevano, Director  
Greg Arendt, Team Leader  
Medical Fee Dispute Resolution

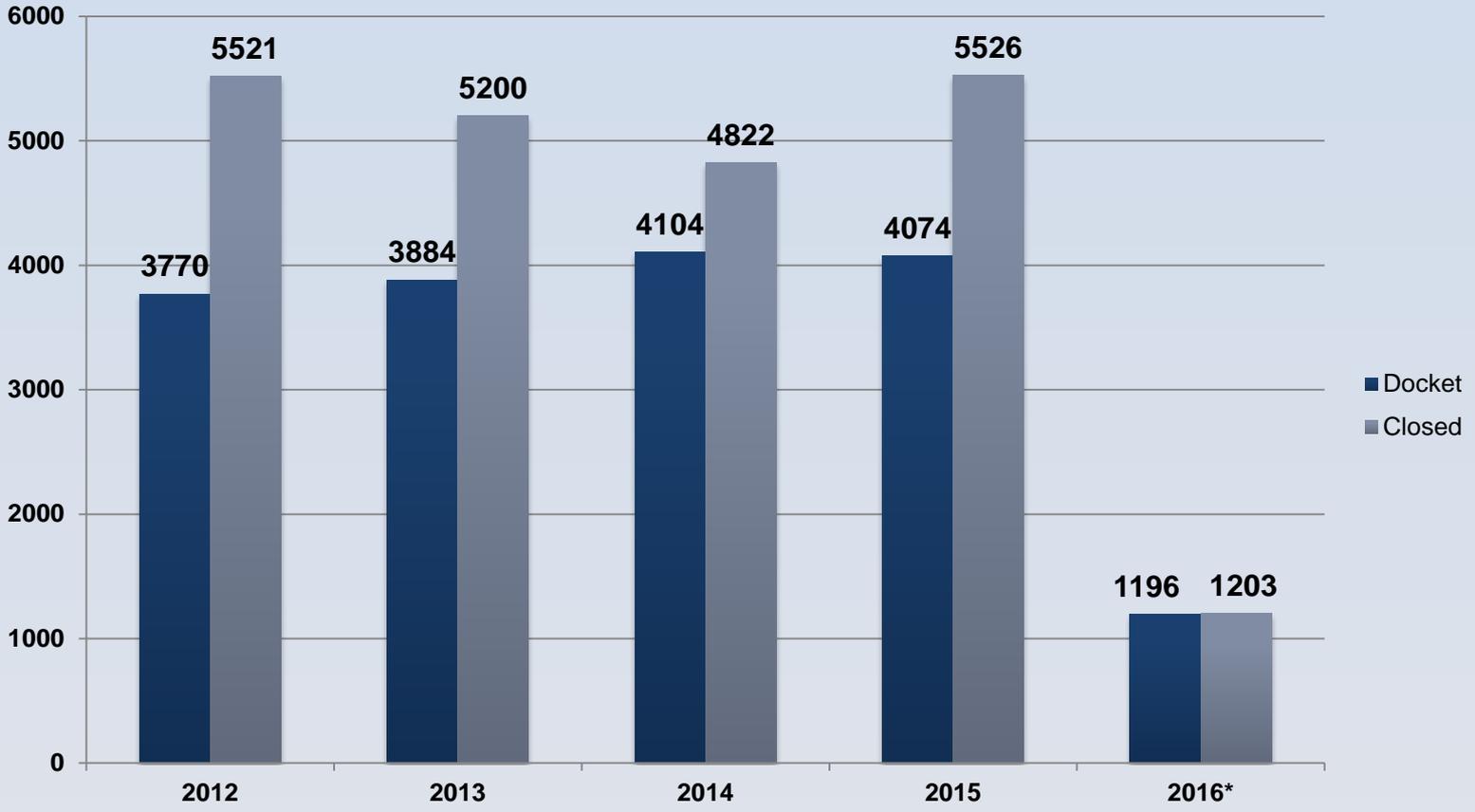
# Goals

- 2016 Goals

- Reduce active disputes from 939 to under 500 by September 1<sup>st</sup> 2016
  - MFDR is currently at 572 active non-air ambulance disputes
- Adjudicate 90% of disputes within 90 days from docket
  - For disputes received in January 2016, 96% were closed by April 1st

# Total Dockets & Closures

## Annual Trends



Status	2012	2013	2014	2015	2016* (totals are January 1 <sup>st</sup> through April 11 <sup>th</sup> 2016)
Docket	3,770	3,884	4,104	4,074	1,196
Closed	5,521	5,200	4,822	5,526	1,203

# Active Medical Fee Disputes

April 11, 2016

1056 Active Disputes

Est. 4,000 Projected Incoming Disputes for 2016

## Active Categories Today

Dispute Type	Total
Air Ambulance	484
Division Specific Services	174
Professional	96
95 Day Filing Deadline	55
Pharmacy	31
Other	216

## Incoming 2016

Dispute Type	%
Division Specific Services	30%
Professional	15%
95 Day Billing Deadline	11%
Air Ambulance	9%
Outpatient Hospital	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 12% 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](mailto:martha.luevano@tdi.texas.gov)
- Team Lead, Greg Arendt  
512-804-4859  
[greg.arendt@tdi.texas.gov](mailto:greg.arendt@tdi.texas.gov)
- Email [MDRInquiry@tdi.texas.gov](mailto:MDRInquiry@tdi.texas.gov)
- MFDR Fax 512-804-4811

# RULEMAKING UPDATE

**Emily McCoy, Director of  
Workers' Compensation  
Counsel**

# Current Rulemaking Projects

- 28 Texas Administrative Code (TAC)  
§§134.204, 134.209 -134.250 (Medical Fee Guidelines)
- 28 Texas Administrative Code (TAC)  
§§152.3, 152.4, & 152.6 (Attorney Fees)

# 28 TAC §§134.204, 134.209 -134.250 (Medical Fee Guidelines)

- Proposal was published in the Texas Register on 3/18/16, comment period closes 4/18/16.
- This is a non-substantive reorganization of medical fee guidelines for workers' compensation-specific services.
- Our goal with the non-substantive changes to 134.204 is to improve the organization of the rule and aid in compliance.
- The division also created a color-coded chart that shows a side-by-side comparison of existing 28 TAC §134.204 and the new sections to serve as a guide on the non-substantive revisions for system participants.

# 28 TAC §§152.3, 152.4, & 152.6 (Attorney Fees)

- Informal draft published 4/01/16, comment period closes 4/29/16.
- Increases the hourly rate for attorney services from \$150 to \$200 and for legal assistants from \$50 to \$65.
- Increases amount of time attorneys can bill for prior to a BRC to encourage early resolution of disputes.
- Requires attorneys comply with the Texas Disciplinary Rules of Professional Conduct when withdrawing from a case.

# Recently Completed Rules and Forms

- 28 TAC §132.13 (Burial Benefits)
- 28 TAC §132.7 (Death Benefits)
- 28 TAC §104.1 (Rule Petitions)
- 28 TAC §129.3 & §129.11 (TIBs)
- 28 TAC §110.108 & §110.110 (Phone Number Rule)
- DWC Form-154 (Complaint Form)
- DWC Form-048 (Travel Reimbursement Form)

# Recently Completed Rules and Forms

- 28 TAC §132.13 (Burial Benefits):
  - Rule became effective 3/20/16.
  - Implements SB 653 and increases the maximum amount of burial benefit reimbursement from \$6,000 to \$10,000.
  
- 28 TAC §132.7 (Death Benefits):
  - Rule became effective 3/20/16.
  - Implements HB 1094 and allows an eligible spouse of a first responder to remarry and remain eligible for death benefits for life if the first responder suffered death in the course and scope of employment or while providing services as a volunteer.

# Recently Completed Rules and Forms

- 28 TAC §104.1 (Rule Petitions):
  - Rule became effective 3/10/16.
  - Implements HB 763, and defines an “interested person” as used in Government Code §2001.021, eliminates the requirement that a petitioner include a signature, and allows petitioners to submit the petition for rulemaking electronically.
  
- 28 TAC §129.3 & §129.11 (TIBs):
  - Rule became effective 2/28/16.
  - Implements SB 901. Generally, people who earn below a certain wage receive a higher rate of TIBs (75 percent of pre-injury average weekly wage) for the first 26 weeks of disability. Before SB 901, that benchmark wage was \$8.50 an hour. SB 901 increased the benchmark wage to \$10 an hour.

# Recently Completed Rules and Forms

- 28 TAC §110.108 & §110.110 (Phone Number Rule):
  - Rule effective 12/14/15.
  - Updates the division phone number on notices employers are required to post. Employees use the phone numbers to report possible exposure to communicable diseases or HIV or to inquire about, verify, or report the lack of coverage at construction sites.

# Recently Completed Rules and Forms

- **DWC Form-154 (Complaint Form):**
  - Form posted to website on 3/01/16.
  - Provides a simple, standardized form for filing complaints that can be used in addition to submitting complaints through the website or via fax or e-mail.
  
- **DWC Form-048 (Travel Reimbursement Form):**
  - Form posted to the website on 2/10/16.
  - Updates the travel reimbursement form used by injured employees and aligns it with 28 TAC §134.110 by allowing injured employees to request reimbursement from an insurance carrier for travel expenses to attend a DD exam, RME, or post-DD exam when the exam is more than 30 miles from where the injured employee lives.

# Q & A

Teresa Carney

# **CLOSING**

Teresa Carney