

**Texas Department of Insurance
Division of Workers' Compensation**



**Designated Doctor
Plan-Based Audit**

October 31, 2017

Section I: General Statement and Overview

The Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) is required by Texas Labor Code §413.002 to "monitor health care providers, insurance carriers, independent review organizations, and workers' compensation claimants who receive medical services to ensure the compliance of those persons with rules adopted by the Commissioner relating to health care, including medical policies and fee guidelines." Furthermore, Texas Labor Code §413.0512 allows the Medical Quality Review Panel (MQRP) to recommend to the medical advisor appropriate action regarding doctors, other health care providers, insurance carriers, utilization review agents, and independent review organizations.

The TDI-DWC will manage the medical quality review process in a manner that is fair to all workers' compensation system participants, open, and transparent to the extent consistent with state confidentiality laws, and provide the subject of a review the opportunity to participate throughout the Medical Quality Review Process. Medical quality reviews aid TDI-DWC in monitoring compliance with the Texas Workers' Compensation Act and TDI-DWC rules, help ensure that injured employees in the workers' compensation system receive medically necessary and appropriate health care that is timely and cost-effective, and facilitate functional recovery and appropriate return-to-work outcomes.

Designated doctors are selected by TDI-DWC to answer questions about a work-related injury or occupational illness. Texas Labor Code §408.0041 and 28 Texas Administrative Code (TAC) §127.10 authorize designated doctors to examine injured employees.

The injured employee, the employee's representative, if any, the insurance carrier, or DWC is permitted to request a designated doctor examination. The TDI-DWC will determine if a designated doctor should be appointed to conduct the examination. Pursuant to Texas Labor Code §413.044, a designated doctor may be sanctioned for non-compliance with rules relating to the quality of designated doctor decisions.

A designated doctor is allowed to conduct or order additional testing or make referrals to other health care providers to resolve a question at issue per 28 TAC §130.1 and §127.10. Furthermore, a designated doctor must file narrative reports in the form and manner required by the division according to 28 TAC §127.220.

Section II: Purpose for Plan-Based Audit

- Promote the delivery of quality designated doctor examinations that are cost-effective and serve the goals of all participants in the workers' compensation system.
- When necessary to resolve an issue, ensure that designated doctors comply with 28 TAC §127.10 and §127.220 when conducting or ordering additional testing or making referrals to other health care providers.
- Evaluate the designated doctor reports for quality and compliance with 28 TAC §127.220, with attention to the designated doctor's documentation that supports the need for additional testing or referrals made as part of the examination. This includes a documented explanation as to why the testing or referral was necessary to resolve a question at issue.

Section III: Scope and Methodology for Plan-Based Audit

- Designated doctors who have conducted or referred injured employees for additional testing as part of the designated doctor examination where the designated doctor:
 - performed the designated doctor exam between January 1, 2016 and March 31, 2017;
 - was listed as the rendering or referring provider for the additional testing as reported through medical bill reporting pursuant to 28 TAC Chapter 134, Subchapter I (i.e., Medical EDI data); and
 - is certified as a designated doctor upon selection for this audit.
- The procedure for determining the medical necessity and appropriateness of additional testing is set forth in Section II of the Medical Quality Review Procedure. See also Texas Labor Code §413.002.
- The request for medical records will offer the designated doctors an opportunity to explain their reasons for any referral and why the testing or referral was necessary to resolve a question at issue in the examination.

Section IV: Selection Criteria for Plan-Based Audit

- Time frame to select data:
 - Designated doctor examinations that occurred during January 1, 2016 through March 31, 2017.
- Exclusion:
 - Designated doctors who performed less than 25 examinations during January 1, 2016 through March 31, 2017.
 - Designated doctor examinations that are pending in the dispute resolution process.
- Subject Selection:
 - Select no more than 10 designated doctors who conducted or referred for additional testing as part of the designated doctor examination that had the highest percentage of examinations with additional testing performed.
 - In the event of a tie, select the designated doctor with the highest number of examinations with additional testing per the selection criteria.
- Case Selection:
 - Select a random sample up to ten cases for each designated doctor.

Section V: Roles and Responsibilities

Information Management Services (IMS), Division of Workers' Compensation

- Provides a list of designated doctors based on the scope, methodology, and selection criteria.
- Selects the subjects and case files for medical quality review based on selection criteria.

Health Care Quality Review (HCQR), Division of Workers' Compensation

- Notifies subjects chosen for medical quality review and requests documents.
- Requests from IMS another subject or case if the nurse investigator verifies in writing that a subject or case was not selected in accordance with the approved plan-based audit criteria.
- Selects MQRP members to perform a review in accordance with Texas Labor Code §§408.0043, 408.0044, and 408.0045 and 28 TAC §§180.22, 180.66 and 180.68.
- Provides an executive summary to the commissioner of workers' compensation upon conclusion of the Plan-Based Audit.

Medical Advisor, Division of Workers' Compensation

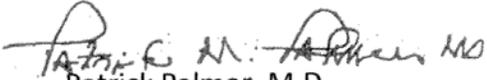
- Develops questions for the MQRP experts. The questions will be approved by all undersigned parties prior to any records being sent to the MQRP experts.

Section VI: Conflicts

This Designated Doctor Plan-Based Audit incorporates the approved Medical Quality Review Process in effect. However, if a specific conflict exists between this Plan-Based Audit and the Medical Quality Review Process, this Plan-Based Audit prevails.

Section VII: Approvals

This *Designated Doctor Plan-Based Audit* is respectfully submitted by:


Patrick Palmer, M.D.
Medical Advisor

11/2/17
Date

This *Designated Doctor Plan-Based Audit* is respectfully approved by:


W. Ryan Brannan
Commissioner of Workers' Compensation

11/2/17
Date