

Texas Department of Insurance  
Division of Workers' Compensation



Peer Review  
Plan-Based Audit

November 24, 2014

## **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 review process as set forth in the Medical Quality Review procedure. Medical quality reviews aid the TDI-DWC both to monitor compliance with the Texas Workers' Compensation Act (Act) and TDI-DWC Rules and to help ensure that injured employees in the workers' compensation system receive medically necessary and appropriate health care that is timely and cost-effective, and facilitates functional recovery and appropriate return-to-work outcomes.

A peer reviewer is a health care provider who performs an administrative review at the insurance carrier's request without a physical examination of the injured employee. The peer reviewer must not have any known conflicts of interest with the injured employee or the health care provider who has proposed or rendered any health care being reviewed. A peer reviewer who performs a prospective, concurrent, or retrospective review of the medical necessity or reasonableness of health care services (utilization review) is subject to the applicable provisions of the Labor Code; Insurance Code, Chapters 1305 and 4201; and department and division rules. A peer reviewer can perform a review of medical necessity, compensability, extent, or an injured employee's ability to return to work. The peer reviewer must issue a report that complies with the requirements set out in 28 Texas Administrative Code section 180.28(a).

## **Section II: Purpose for Plan-Based Audit**

- Promote the delivery of quality health care in a cost-effective manner;
- Ensure peer reviewers adhere to requirements when issuing peer review reports for extent of injury and/or medical necessity issues;
- Ensure peer reviewers review and maintain records when performing peer review; and
- Ensure that peer reviewers hold the appropriate credentials when performing peer review.

## **Section III: Scope and Methodology for Plan-Based Audit**

- Peer reviewers who have issued peer review reports:
  - where the peer review report was submitted as evidence during a Hearings Proceeding (Contested Case Hearing or Appeals Panel) concluded between January 1, 2014 and August 31, 2014;

- where the peer review report addresses issues of extent of injury and/or medical necessity; and
- where the dispute in which the peer review was submitted as evidence has been finally adjudicated.
- The procedure for determining the quality of peer review reports and the appropriateness of actions taken based on these peer review reports is set forth in Section II of the Medical Quality Review Process. See also Texas Labor Code Sections 413.002, 413.013, and 413.05115.

## **Section IV: Selection Criteria for Plan-Based Audit**

- Time frame to select data:
  - Peer review reports submitted as evidence during a Hearings Proceeding concluded between January 1, 2014 and August 31, 2014.
- Exclusion:
  - Peer review reports used in disputes still pending before the Division; and
  - Peer review reports issued prior to January 9, 2011.
- Subject Selection:
  - Select 8 peer reviewers who performed peer reviews and had the highest number of peer review reports per the selection criteria.
- Case Selection:
  - Randomly select no more than 6 peer review reports.

## **Section V: Roles and Responsibilities**

Hearings, Division of Workers' Compensation

- Provides electronic copies of peer reviews based on the scope, methodology, and selection criteria to Medical Fee Dispute Resolution (MFDR).

MFDR, Division of Workers' Compensation

- Collects and enters peer review information into database.

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

- 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 (peer reviewers) 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 Sections 408.0043, 408.0044, and 408.0045 and 28 Texas Administrative Code Sections 180.1 and 180.22.
- Provides an Executive Summary to the Commissioner of Workers' Compensation upon conclusion of plan-based audit.

Medical Advisor, Division of Workers' Compensation

- The Medical Advisor shall develop questions for the MQRP Experts. Those questions shall be approved by all undersigned parties prior to any records being sent to the MQRP Experts.

## **Section VI: Conflicts**

This Peer Review plan-based audit will follow 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 Peer Review Plan-Based Audit is respectfully submitted by:



Davis G. David, M.D.  
*Medical Advisor*

11/24/2014

Date

This Peer Review Plan-Based Audit is respectfully approved by:



W. Ryan Brannan  
*Commissioner of Workers' Compensation*

11/24/2014

Date