Regulatory and Legislative Update

Andrew Sabolic
Assistant Director
2017 Legislative Update

• Highlights of Legislative Bills
    • Requires additional specificity requirements to a PFB.
    • Extends the number of days from 30 to 45 days after the carrier receives a PFB in order for claimant attorney fees to be attached.
    • Revises medical authorization timelines and procedures.
    • Revises appointment procedures to the Three-Member Panel.
    • Revises outpatient facility reimbursements: 160% of Medicare for scheduled surgeries and 200% of Medicare for non-scheduled surgeries.
    • Increases the combined maximum TTD and TPD durations to 260. Allows for additional 26 weeks of TTD if the IW has not reached MMI.
    • Permits claimant attorneys to receive fees directly by or on behalf of an injured worker.
    • Allows a JCC to deviate from the % of benefits secured attorney fee schedule, and approve an hourly rate amount, capped at $250/hour.
    • Retains ratemaking structure, but allows carriers to decrease rates up to 5%.
    • NCCI cost estimate: -5% savings or more.
2017 Legislative Update

• Highlights of Legislative Bills

• SB 1582 – WC Reform, sponsored by Sen. Bradley
  – Requires additional specificity requirements to a PFB.
  – Revises medical authorization timelines and procedures.
  – Increases the maximum TTD and TPD durations to 260, respectively.
  – Permits claimant attorneys to receive fees directly by or on behalf of an injured worker.
  – Allows a JCC to deviate from the % of benefits secured attorney fee schedule, and approve an hourly rate amount, capped at $250/hour.
  – Establishes a loss cost rating system.
  – NCCI cost estimate: -1.0% to -3.0% savings.
2017 Legislative Update
2017 Legislative Update

• Highlights of Legislative Bills
    • Prohibits the disclosure of any personal identifying information of an injured or deceased worker, except to certain parties.
    • Public necessity statement.
    • Effective July 1, 2017.
What to expect during the 2018 Legislative Session?

• Legislation to ONLY address the unconstitutionality of the attorney fee cap and the duration temporary total disability benefit

OR

• Comprehensive legislation to address other system cost drivers and administrative efficiencies

OR

• Do nothing and wait until the 2019 session
Regulatory Activities

• Compounded Drugs
• Reimbursement Dispute Rule, 69L-31
• 2017 Three-Member Panel Biennial Report
• WCATF & SDTF Assessment Rates
Claims-Handling from the Regulatory Perspective

Charlene Miller
Bureau Chief
Monitoring & Audit

Lisel Laslie
Bureau Chief
Data Quality & Collection
Roles and Responsibilities

**Monitoring & Audit**

- Ensuring the timely and accurate payment of benefits to injured workers,
- Timely and accurate filing and payment of medical bills
- Timely and accurate filing of required claims forms and other electronic data.
- Responsible for ensuring that the practices of insurers and claims handling entities meet the requirements of Chapter 440 F.S. and the Florida Administrative Code

**Data Quality & Collection**

- Efficiently and effectively collecting and storing data to provide accurate, meaningful, timely, and readily accessible information to all stakeholders
- Facilitates data distribution to other Division bureaus
- Manages high volumes of data from claims-handling entities and vendors for Claims, Medical and Proof of Coverage data as required by Chapter 440, F.S. and the Florida Administrative Code
Key Strategies Based on Regulatory Observations

- Training: strong internal delivery of information to adjusting staff

- Establish monthly QAs that match the same criteria as the Division’s audit module
Key Strategies - continued

- EDI facilitators
Key Strategies - continued

• Use the Division’s report card
Key Strategies - continued

- **Communicate** with the injured worker - Stay in contact!
Claim Event Flow

Accident → End of claim → Accident

Doctor Visits → Missing work → Doctor Visits

Wage information → MMI → Wage information

Communicate
Key strategies- continued

• Authorize medical care timely.
Key strategies - continued

- Established reserving standards
- Consider all options to bring the employee back to work.
- Analyze past injuries.
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Claims EDI questions should be sent via email to claims.edi@myfloridacfo.com

Training Requests-

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Use of Regulatory Data

Brittany O’Neil
Senior Workers’ Compensation Policy Coordinator
Policy Data

• Proof of Coverage
  • How many transactions a year?
  • 900,000 (New, Reinstatements, Cancellations...)

• Notice of Election to be Exempt
  • 100,000 per year

• Used to verify coverage in place and appropriate
  • 30,000 investigations/year statewide

• Construction Policy Tracking Database
  • 10,000/45,000
Coverage Assistance Program

• Issue: “I can’t get coverage”
• Analysis: Coverage seems to be available in the marketplace
• How can we make this data available?
• Search by class code or description and show companies with active policies
Coverage Assistance Program

This on-line tool allows employers to enter their primary class code or business description to find insurance companies that are currently providing workers’ compensation coverage. The results do not guarantee an insurance company will provide coverage to your business since each insurance company has its own underwriting criteria. For additional assistance identifying a governing class code, contact NCCI at 1-800-622-4231.

Search By Governing Class Code or Description

Governing Class Code/Description Selection

Reset Search
I.O.U.
Investigator Observations for Underwriting

• Pilot
• Good Employers
• Onsite check yielded:
  – Today
  – Company ABC
  – 6 workers observed performing in class codes 5551
Claims Data

• Lost-time and Denied claims and the associated transactions...
  – 480,000/year

• Onsite audits
  – Between 5,000 and 6,000 files per year
  – Plus 50-60,000 first payment transactions (CPS)
  – EAO Injured worker helpline
Insurer Regulatory Report

- Industry comparisons
  - Premium dollars
  - Q5 survey question
  - Historical audit and current industry figures

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<th>&quot;No&quot;</th>
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<td>Insurance Co.</td>
<td>149</td>
<td>143</td>
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How many workers and what percent of workers sustain a workers' compensation injury?

*3-4% of workers sustain a work-related injury that results in the payment of medical and/or indemnity benefits.

*The average number of workers' compensation injuries per year is 276,443.

*Approximate 20% decrease in total number of claims since 2005.
How many claims are denied in total or in part?

*Claims may be paid initially and subsequently denied.
*Conversely, claims may be denied initially but subsequently accepted.
Medical Data

- Medical Bills
  - 4,000,000/year
- CPS evaluates monthly batches
- Reimbursement Manuals
- Accomplishments Report
Medical Data Opportunities

• Analyzing charge data
• Facility and license number trends
• Providers most often engaged in WC
• Counting medical only claims
• Telemedicine
More to Come

- Where Your WC Dollars Go
- Ongoing evaluation of the data collection
Medical Services Update

Theresa Pugh
Program Administrator
Medical Services Section
Discussion Topics

- 69L-7 Rule Series: Workers’ Compensation Medical Reimbursement and Utilization Review
- 69L-8 Rule Series: Selected Materials Incorporated by Reference
- 69L-7.100: Reimbursement Manual for Ambulatory Surgical Centers
- 69L-7.501: Reimbursement Manual for Hospitals
- 69L-30: Expert Medical Advisors
- 69L-31: Utilization and Reimbursement Dispute Rule
- 69L-34: Carrier Report of Health Care Provider Violations
Workers’ Compensation Medical Reimbursement and Utilization Review, 69L-7 Rule Series

- Effective as of February 18, 2016
- No Change
69L-7.740: Insurer Responsibilities

- 45 days to adjudicate and issue EOBR
- EOBR required elements:
  - Insurer name, address, and Division Assigned Insurer Number
  - Statement that EOBR constitutes notice of disallowance or adjustment
  - Name and address of carrier designee to receive service
  - Florida specific EOBR codes and descriptors
    - Use the appropriate EOBR code for each line item
    - Internal reason codes may be appended in addition to Florida specific EOBR codes
Selected Materials Incorporated by Reference, **69L-8** Rule Series

- Current version was effective as of February 18, 2016
- Reorganized incorporated reference materials used in conjunction with DWC medical reimbursement manuals and throughout the medical billing rule
- In the processes of being updated for the 2016 HCP manual
- Workshop was held May 31, 2017
Selected Materials Incorporated by Reference, 69L-8 Rule Series

- Rule Chapter 69L-8 currently contains the following:
  - 69L-8.071: Materials for use with the Florida Workers’ Compensation Health Care Provider Reimbursement Manual
  - 69L-8.072: Materials for use with the Florida Workers’ Compensation Reimbursement Manual for Ambulatory Surgical Centers
  - 69L-8.073: Materials for use with the Florida Workers’ Compensation Hospital Reimbursement Manual
  - 69L-8.074: Materials for use throughout Rule Chapter 69L-7, F.A.C.
Selected Materials Incorporated by Reference, 69L-8 Rule Series

- 69L-8.071 and 69L-8.074 will be updated to accommodate the 2016 HCP manual

- During the rule making process for the 2017 manuals, the contents of these rules will be moved to the individual reimbursement manual rule texts
Reimbursement Manual for Ambulatory Surgical Centers, Rule 69L-7.100, F.A.C.

- Workshop held for the 2016 edition July 28, 2016
- Hearing held for 2016 edition October 24, 2016
- The 2016 edition was not ratified by the legislature
- The 2015 edition remains in effect
The 2015 edition went into effect 1/1/2016

- 81 MRAs
- General reimbursement remains:
  ✓ The MRA, or
  ✓ 60% of billed charge if procedure not listed in schedule, or
  ✓ An agreed upon contract price

- Workshop pending
  - Will require legislative ratification
  - Incorporates updated schedule of MRAs
  - Reference materials now included in rule text
  - Includes 168 MRAs
  - General reimbursement remains:
    - The MRA, or
    - 60% of billed charge if procedure not listed in schedule, or
    - An agreed upon contract price
Workshop held for the 2016 edition July 28, 2016
Hearing held for 2016 edition October 24, 2016
Effective July 1, 2017
Updated MRAs to incorporate 2016 Medicare Relative Value Units (RVUs)
Did not require ratification
Workshop pending
Updates MRAs to incorporate 2017 Medicare Relative Value Units (RVUs)
Will most likely not require ratification
Removes duplicative language
Updates and clarifies existing policy
Reference materials now included in rule text
Workshop held for the 2016 edition July 28, 2016

Hearing held for 2016 edition October 24, 2016

The 2016 edition was not ratified by the legislature

The 2014 edition remains in effect
Workshop pending
Will require legislative ratification
Updates Outpatient Base Rates
Updates Geographic Modifiers
Reference materials now included in rule text
Increases Stop-Loss Reimbursement threshold to $68,119.00

Increases per-diem rates

- Inpatient trauma:
  - Surgical - $4,379.00  Non-Surgical - $2,632.00

- Inpatient acute care:
  - Surgical - $4,378.00  Non-Surgical - $2,598.00
Expert Medical Advisors, Rule 69L-30, F.A.C.

- Effective May 18, 2017
- Updated to reflect statutory change
- Notice of change required to add form number
- Eligible for use by DWC or JCC to resolve disputed appropriateness of medical care and treatment issues
Expert Medical Advisors

- About 140 Expert Medical Advisors
- We need EMAs in the following specialties
  - Internal Medicine
  - Neurology and Psychiatry
  - Pain Management
  - Anesthesiology
- Florida DWC EMA Website:
  - Apply for EMA certification:
    https://msuwebportal.fldfs.com/
  - Search EMA database:
    https://apps.fldfs.com/provider/
Utilization and Reimbursement Dispute Rule, Rule 69L-31, F.A.C.

- 69L-31.003 Petition for Resolution of Reimbursement Dispute Form
- 69L-31.004 Carrier Response to Petition for Resolution of Dispute Form
- 69L-31.005 Petition Form Requirements and Reasons for Dismissal
- 69L-31.006 Consolidation of Petitions
- 69L-31.007 Service of Petition on Carrier and Affected Parties
- 69L-31.008 Computation of Time
- 69L-31.009 Carrier Response Requirements
- 69L-31.010 Effect of Non-Response by Carrier
- 69L-31.011 Compete Record
- 69L-31.012 Joint Stipulations of Parties: REPEALED
- 69L-31.013 Petition Withdrawal
- 69L-31.014 Overutilization Issues Raised In Reimbursement Dispute Resolutions
- 69L-31.016 Reimbursement Disputes Involving a Contract or Workers’ Compensation Managed Care Arrangement or Involving Compensability or Medical Necessity
- 69L-31.017 Carrier and Health Care Provider Non-compliance
Utilization and Reimbursement Dispute Rule, 69L-31, F.A.C.

- First workshop held January 12, 2016
- Second workshop held June 10, 2016
- Hearing January 5, 2017
- Notice of Change and Correction filed May 2, 2017
- Rule challenges filed week of May 25, 2017
Summary of proposed changes:

– Relaxes requirements for notices of disallowance or adjustment of payment required to file a petition
– Reflects the statutory change to 45 days for filing reimbursement dispute petitions and 30 days for filing carrier response to petitions
– Clarifies contract review in determination process
– Removes pedigree requirement for disputes involving repackaged medication
Carrier Report of Health Care Provider (HCP) Violations
Rule 69L-34, F.A.C.

- General Violation types:
  - Improper Billing of Services
  - Improper Reporting of Services
  - Improper Form Completion
  - Standards of Care Violation, including overutilization

- Referral Submission Types
  - Manual- Form DFS-F6-DWC-2000 Health Care Provider Violation Referral
  - Health Care Provider Violations Website: [https://apps8.fldfs.com/hcprov/default.aspx](https://apps8.fldfs.com/hcprov/default.aspx)
Carrier Report of Health Care Provider (HCP) Violations
Rule 69L-34, F.A.C.

- Must be submitted to the Division no later than 180 days after the issuance of an EOBR or other notice of alleged violation
- Include all supportive documentation of the specific violation:
  - Correspondence and written requests between carrier and provider
  - Copies of medical bills and DWC-25 forms
  - Copies of notices of disallowance or adjustment
  - Peer review reports
  - Copies of collection letters
  - Determinations issued by the Division
HCP Violation Breakdown: Referral by Submitter Type FY 2016 - 2017

- Carrier: 12
- Attorney: 3
- Employer: 1
- Injured Employee: 9
HCP Violation Breakdown: Referral
Violation Type FY 2016 - 2017

Standards of Care/Overutilization: 19

- Improper Billing: 3
- Improper Reporting: 1
- Improper Form Completion: 2
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Questions
Slides will be made available on the Division’s website

http://www.myfloridacfo.com/Division/wc/

Thank You!