

Date: March 25, 2004

To: The Senate Select Interim Committee on Worker's Compensation

From: Margaret Wise, OTR, CHT, CVE, CCM
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Certified Hand Therapist
Certified Vocational Evaluator
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I am the owner and director of Upper Extremity Specialists, an outpatient occupational therapy clinic, specializing in hand and upper extremity rehabilitation. I have two locations, one in Irving at 1500 North MacArthur Boulevard, and one in Dallas at 1926 Chattanooga Place. I employ 5 licensed occupational therapists (3 of which are also certified hand therapists), one technician, and 4 support personnel directly involved in reimbursement issues.

I appreciate the opportunity to testify before this committee regarding my concerns and suggestions for the Texas Worker's Compensation Commission.

The greatest problem that I see with the current worker's compensation system is that it still allows unethical providers to treat injured workers. The legislature tries to tighten the system, which invariably results in more paper work and less reimbursement to ethical providers like myself, and poor treatment for the injured workers of Texas. So far, the unethical always find a way around the system.

I would like to offer suggestions that:

1. Help identify unethical providers who are giving poor care and unnecessary tests.
2. Assure prompt, proper payment for those providing needed, quality care without retrospective denials.
3. Decrease paper work for providers, the insurance companies, and the Commission.
4. Assure prompt, quality care for Texas' injured workers.

Regarding Number 1 - Help identify unethical providers, giving poor care and unnecessary tests:

I suggest that the Commission identify the 5 most costly types of injuries and then closely review the total cost of the case, including the care and charges of the treating physician, the specialist, the therapist, and ancillary tests or drugs. It would be important to note if licensed professionals provided the service. It would also be of interest to know ownership of all involved facilities.

The Commission may also consider setting minimum standards of care, either utilizing their own criteria or even better, those currently being used by Medicare. In addition to initial credentialing, Medicare already periodically "drops in" to see that their standards

are being met on a day-to-day basis. The Commission could use continued Medicare outpatient certification as a criteria for treating in the worker's compensation system, or develop a similar one of their own.

Regarding Number 2 – Assure prompt and proper payment for clinics providing needed, quality care without retrospective denials.

My clinic has thousands of dollars in unpaid claims because of retrospective denials. I am tired of providing needed service and then not getting paid. The insurance company has no problem with this because they get needed service for their claimants without cost and the patient gets care, so it doesn't bother them. So, my clinic is starting to ask for reconsideration of each denied claim and then take all denied claims to the Commission for appeal. This costs everyone involved time and money.

Specific problems regarding this issue are:

1. Not being paid for service already provided.
2. Denying a claim in its entirety, due to non-compensability several months after the claim has been active.
3. Insurance companies denying voluntary certification of medical necessity for treatment or take home supplies.

While I dislike the concept of preauthorization, I dislike retrospective denial even more. For these problems, I suggest reenacting pre-authorization, in a modified form. For a new claimant, with a valid claim, having had surgery within the last 8 weeks, no preauthorization is necessary for the first month or two of treatment. The Commission requires the insurance company to pay the claim. After the first month (or 2), pre-authorization for services is required. Pre-authorization is required for all non-surgery claims and pre-authorization must be given within 48-72 hours. Once preauthorization is given, claims must be paid.

If an insurance carrier is going to deny a claim due to non-compensability, it must be done within one month of authorization. Providers must be notified promptly that the claim has been denied. The insurance company is responsible for paying the first month of charges that have been preauthorized.

Also, worker's compensation currently says they are following the medicare guidelines, but insurance companies seem to use them only to their advantage. This is especially seen in regard to take home supplies. Medicare does not pay for take home supplies so most workers compensation insurance carriers are now not paying for these supplies. With medicare, patients know the cost of supplies and decide if they want to purchase them. With worker's compensation, I cannot bill the patient, so either I give the take home supplies away or the patient does not get them at all. Most often, these supplies assure a better and quicker outcome. I suggest that individual supplies costing under \$50 (or what insurance recommends) be paid without prior authorization and preauthorization (or denial) be required for more costly supplies. The insurance company must pay for what they preauthorize.

Regarding Number 3 – Decrease paper work for providers, the insurance companies, and the Commission.

If these suggestions were followed, it would reduce the time and cost for the Commission, insurance carriers and therapy providers. There would be less of a need for reconsideration reviews and appeals to the Commission. Without fear of retrospective denials, therapists would be much more willing to bill electronically (electronic billing would also prove a bill had been sent and eliminate the need to bill multiple times).

I would also like to address the medical review as well as the reconsideration and appeal process. These reviews are very time consuming and costly.

If I am denied a claim and ask for reconsideration, I am forced to send all the EOB's, claim forms, all therapy notes, doctor notes, and orders.

If I do not send all of these documents required, the insurance carrier says they don't have them. (I don't know how that can be, as currently they are required for billing.) Sometimes doctors refuse to send me their notes and because of this, my claim is refused. Nevertheless, I resend as much as I can. For example, last week I sent 90 pages by certified mail of notes, orders, etc for reconsideration. I should only be responsible for my documentation, and the insurance carrier should be responsible to keep up with material sent to them.

The insurance carriers often send claims for medical (or peer) review without sending all of the documentation, including such things as surgery reports and therapy reports. Unfair judgments are made based on incomplete information. The carrier must be required to send all doctor notes, surgery reports, results of testing, and therapy notes.

Reviewers must be qualified to review claims brought before them. The reviewers should be my peers, either therapists that are knowledgeable in similar cases or doctors practicing in the area of medicine being considered. If these procedures were followed, appeals to the Commission would be greatly reduced.

Regarding Number 4 – Assure prompt, quality care of Texas' injured workers.

After all, isn't this what we are all interested in – having injured workers get well and returning to work? Currently, and unfortunately, workers have no idea about the qualifications of their doctor or therapist.

1. By following medicare standards and assuring that licensed therapists provide "therapy", we can begin to assure better quality of therapy services.
2. By eliminating the need for pre-authorization for post op therapy (and assuring payment to the therapist) the injured worker who has just had surgery will not experience delays in receiving therapy.
3. Requiring insurance to pay for supplies and equipment will help speed the rehab process.

Thank you for your interest in our mutual goal of providing efficient and effective medical care for the injured workers of Texas.