

OSC 10
Ohio Safety Congress & Expo

BWC medical services benefit and reimbursement overview 545

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BWC Provider Reimbursement Overview

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Medical Services Division

- o **Benefit-plan design** – implement and maintain quality and cost effective medical, vocational rehabilitation and pharmaceutical benefit plan design, and corresponding fee schedules
- o **Managed-care process** – implement and maintain appropriate and necessary managed care processes for the delivery of quality and effective medical, vocational rehabilitation and pharmaceutical services

Medical Services Division

- o **Medical-bill payment** - evaluate and process medical bills, ensuring proper and timely payment consistent with the benefit plan design criteria
- o **Medical providers** – establish and maintain a quality pool of medical and vocational service providers to assure injured workers access to quality, cost-effective and timely delivery of care

Today's focus

- o **Benefit-plan design** – implement and maintain quality and cost effective medical, vocational rehabilitation, and pharmaceutical benefit plan design and corresponding fee schedules
- o **Medical and pharmacy bill payment** - evaluate and process medical and pharmacy bills, ensure proper and timely payment consistent with the benefit-plan design criteria

Key parties and legal basis

- o Ohio Administrative Code (OAC) 4123-6-04 - MCO scope of services
- o OAC 4123-6-10 - Managed care organization (MCO) payment to providers
- o OAC 4123-6-21 - Payment for outpatient medication

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Key parties and legal basis fee schedule

- o Prior to the 10th District Court of Appeals decision in Ohio Hosp. Assn. v. Ohio Bur. of Workers' Comp., Franklin App. No. 06AP-471, 2007-Ohio-1499, BWC adopted the vocational rehabilitation provider fee schedule in the manner provided for in Ohio Revised Code (ORC) 4121.32(D), which grants BWC the authority to "establish, adopt, and implement policy guidelines and bases for decisions involving reimbursement issues including, but not limited to . . . reimbursement fees . . . set forth in a reimbursement manual and provider bulletins."

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Key parties and legal basis fee schedule

- o However, pursuant to the Court of Appeals' decision in the Ohio Hospital Association case, BWC is now required to adopt changes to its provider fee schedules, including the vocational rehabilitation provider fee schedule, via the ORC Chapter 119 rulemaking process. BWC did a systematic revision of its vocational rehabilitation provider fee schedule. BWC now proposes to adopt the newly revised vocational rehabilitation provider fee schedule as an appendix to the newly enacted OAC 4123-18-09.

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Key parties and legal basis of BWC Administrator

- o ORC 4121.61 provides that the Administrator, with the advice and consent of the BWC Board of Directors, shall "adopt rules, take measures, and make expenditures as it deems necessary to aid claimants who have sustained compensable injuries or incurred compensable occupational diseases . . . to return to work or to assist in lessening or removing any resulting handicap."

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Key parties and legal basis of BWC Administrator

- o ORC 4121.441(A) provides that the administrator, with the advice and consent of the BWC Board of Directors, shall adopt rules for implementation of the Health Partnership Program "to provide medical, surgical, nursing, drug, hospital, and rehabilitation services and supplies to an employee for an injury or occupational disease.

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Guiding principle

Ensure access to high-quality medical care by establishing an appropriate benefit plan and terms of service with a competitive fee schedule, which in turn, enhances the medical-provider network

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Financial overview

July 2008 to June 2009
Total medical payments = \$799

Category	Amount	Percentage
Medical-Fee Schedules	\$361	46%
Hospitals	\$255	32%
Pharmacies	\$131	17%
All Other Medical	\$36	5%
Total	\$799	100%

All other medical include payments such as:

- Payments to ambulatory surgical centers;
- Payments (through MIIS) for W-codes -- most notably file; reviews and independent medical exams (IMEs).

Medical providers and facilities

BWC provider and services fee schedule

- **Medical providers and services**
 - Provide reimbursement rates for all medical providers and medical services not covered by any of the other schedules
 - CPT and HCPCS II focused
- **Hospital inpatient**
 - Provides reimbursement rates for hospital facilities for inpatient services
- **Ambulatory surgical centers**
 - Provide reimbursement rates for provider services connected with surgical procedures, which do not require inpatient hospitalization

BWC provider and services fee schedule

- **Vocational rehabilitation services**
 - Provide reimbursement rates for all vocational rehabilitation services
 - HCPC III
- **Hospital outpatient**
 - Provides reimbursement rates for services connected with outpatient procedures

Fee schedules revision methodology

- Evaluate the benefit coverage status of the various services
- Evaluate and/or determine the appropriate units of services
- Evaluate and/or establish the appropriate reimbursement levels
- Research and benchmark Ohio against other payers

Reimbursement impacts

- Fee schedule preamble
- Impact of *Miller* Criteria
 - Handling of non-covered
- Handling of by report codes
- BWC administrative review

Medical services

- **What are reimbursement edits?**
- **How are edits managed within the system?**
 - MCOs' roles
 - BWC's role
 - Notification to providers – explanation of benefits
- **Examples of general system edits**
 - Inappropriate assistance surgeon
 - New patient code frequency
 - Surgical global fee period
 - Post-operative care by non-operating provider
 - Pre-operative care by non-operating provider
 - Chemistry lab unbundled

Medical services

- **Examples of general system edits**
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Pharmacy

2009

- The pharmacy program processed more than 1.5 million prescriptions.
- There were 77,300 claims for prescription benefits.
- This represents 19.8 prescriptions per claim.
- The average cost per prescription was \$84.50 as compared to the national average of \$183.36.

Pharmacy

- Prescription processing is operated by a pharmacy benefits manager (PBM).
- All prescriptions are adjudicated by the PBM electronically at the point of sale (POS).
- Rules are applied at the POS to determine coverage for prescriptions.

Pharmacy

- **Clinical edits**
 - Promote safe and appropriate therapy
- **By the end of 2010, all prescriptions will be subjected to electronic clinical edits of increasing rigor depending upon the drugs involved.**
- **Examples of drug edits**
 - Maximum daily doses of acetaminophen
 - Antibiotics properly related to claim
 - Muscle relaxants for acute use only
 - Analgesic dosing within safe ranges

Thank you
Questions