

# DEP REIMBURSEMENT POLICY

## I. STATEMENT OF ISSUE/CURRENT SITUATION

BWC contracts with eligible medical providers (Disability Evaluators Panel) to perform claim management services that are required due to statute, policy, or to provide medical expert opinion to help resolve issues within the claim. These services are reimbursed directly by BWC on submission of a completed report or file review by the Evaluator. Several years ago BWC began to limit annual reimbursement to a given Evaluator to ensure distribution among Evaluators. Over the past few years BWC staff have tried to ensure Evaluators reimbursement remained within those limits by stopping referrals as providers approached or exceeded these reimbursement limits.

Since some services (particularly file reviews) are billed on unit of time basis and that many Evaluators service multiple BWC Customer Service Offices, it is difficult for staff to limit referral of services in advance of the service being performed and BWC receiving and processing the bill for the services. Compounding this issue is that to date BWC has followed the rules in Ohio Administrative Code 4123-3-23 allowing a two year time period for the Evaluator to submit bills.

DEP Unit staff has noted over the past few years that some Evaluators intentionally or unintentionally delay submission of bills so that accurate management to these reimbursement limits is difficult. Therefore, the purpose of this policy is to provide measures to try to enable BWC staff to better manage reimbursement limits for these contracted evaluator services.

## II. SUMMARY OF RESEARCH FINDINGS

The maximum annual limit on reimbursement to any given Evaluator is described in the DEP Contract under "MAXIMUM FEES":

"The parties agree that in no event shall the fees payable to a Disability Evaluator exceed the amount of fifty-five thousand dollars (**\$55,000.00**) per fiscal year per service office and a cumulative statewide maximum of one-hundred sixty-five thousand dollars (**\$165,000**) per fiscal year."

The two year period for submission of a bill for reimbursement is covered in Ohio Administrative Code 4123-3-23. According to this rule, "Fee bills requesting payment for medical or other services rendered in a claim shall be filed with the bureau or commission within two years of the date on which the service was rendered or shall be forever barred." While this rule provides a two year period, the intent of the rule appears to be directed to treating providers and not contracted evaluators performing BWC claim management services.

An analysis of BWC bill payment for DEP Services showed that for fiscal year 2006, 15 providers exceeded the \$165,000 statewide reimbursement limit with the maximum amount

being \$214,000. For fiscal year 2007, 15 providers exceeded the limit with the maximum amount being \$263,000. This individual was reimbursed \$168,000 for file reviews which are more difficult to monitor. The remaining 14 providers were less than \$200,000.

### **III. RECOMMENDATIONS**

Based on the above information and the stated goals of BWC to try to ensure distribution of referral of BWC DEP Services, it is recommended that the following policies be adopted:

- 1) That the maximum reimbursement limits for DEP Services remain at \$165,000 for the cumulative statewide limit, however the maximum limit per Service Office be increased to \$82,500.
- 2) That the duration of time for submitting bills for DEP Services be decreased from 2 years to three months (90 days) from receipt effective December 1, 2007.
- 3) That for any Evaluator who exceeds the maximum statewide reimbursement limit, the amount exceeding the limit will be credited to the following year in effect reducing the maximum statewide reimbursement limit for that fiscal year for that provider. Crediting the next fiscal year reimbursement limit will be the responsibility of the DEP Unit staff.

### **IV. BUSINESS IMPACTS**

- a. **Training** - notification of BWC DEP Unit, Service Office Managers, and scheduling staff. DEP Evaluators will be notified by letter.
- b. **Systems** - BWC DEP Staff responsible for the creation of appropriate tracking and monitoring processes.
- c. **Legal** - modify contract and rule change if necessary to limit time period for bill payment to three months.
- d. **Operations**

### **V. JUSTIFICATION**

The changes in payment for DEP services should result in better and more efficient management of the DEP Evaluators in trying to ensure BWC as an agency remains within the maximum reimbursement limits desired. It also restricts the opportunity for physicians to exceed caps by withholding bills.