

BWC Policy Alert

2018 BWC Policy Clarification

Policy Clarification on Pricing-Override Process

Date: April 16, 2018

Policy Alert # 2018-02

Purpose

This BWC policy alert clarifies contradictory policy language, which has caused issues as to when to request a pricing override. This policy alert also further emphasizes the appropriate requirements for pricing overrides for By Report (BR) codes.

Issue

BWC identified out-of-state fee negotiations, which should have triggered a second level BWC approval of the negotiated rate. However, it did not. Instead, there was confusion if the Pricing Override Policy MP-16-01 nullified the requirement for BWC to approve negotiated rates that are more than twice the fee schedule for out-of-state, non-certified providers.

Secondly, BWC recently audited managed care organization (MCO) documentation justifying billed instances of BR code W0176 instead of the local level billing codes such as W0170 or W0180 with established fees. The lack of supporting documentation to justify the use of the BR code identifies a misunderstanding that the MCO must authorize use of the most appropriate billing code and request a pricing override when necessary for the appropriate service.

Discussion

The policy does not supersede the stipulation that requires MCOs to obtain BWC approval when negotiating more than twice the fee schedule with out-of-state, non-certified providers.

BWC cannot effectively evaluate and perform an annual review of billing codes and applicable fees when we are unaware of fee challenges or situations where the designated BWC fee schedule amount might be insufficient and requires review.

The provision to allow MCOs to negotiate with non-certified, out-of-state providers provides administrative relief to the MCO. It also exempts the MCO from the pricing-override policy. However, the limitation of more than twice the fee schedule should have a secondary authorization to maintain fiscal accountability.

Similarly, BWC provided the BR codes to allow flexibility when an injured worker has exceptional needs, justifying the use of the negotiated code. BWC's intent was not to permit the use of the BR code when an existing code with an associated fee is more appropriate, thereby bypassing the fee schedule and pricing-override process.

Conclusion

BWC continues to require MCOs to obtain BWC prior approval for negotiating a reimbursement rate more than twice the BWC fee schedule for non-certified, out-of-state providers.

Effective immediately, BWC requires prior approval for the use of a BR code when a more appropriate billing code exists with a designated fee (e.g., Using W0176 in place of W0170 or W0180).

You can obtain secondary BWC approval by submitting a Pricing Override request through the Medical Policy mailbox at medpol@bwc.state.oh.us.

Reference (Pricing Override Process Policy MP-16-01)