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BWC Medical Services Division

Medical Policy Update Session 643

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Ohio | Bureau of Workers' Compensation

Continuing Nursing Education Disclosures

- **Goal:** To educate conference attendees on specific aspects of accident prevention and Ohio's workers' compensation system
- **Learning objectives for session #** 614-BWC pharmacy program fundamentals**:**
  - Explain how the BWC pharmacy benefit program works;
  - Identify when and who to contact when issues arise; and
  - Describe tools used to examine prescription utilization.
- **Criteria for Successful Completion:** Attend the entire event and complete a session evaluation.
- **Conflict of Interest:** The planners and faculty have **no** conflict of interest.
- **Commercial Support:** There is no commercial support for this event.
- **Continuing Education:** Awarded 0.1 IACET general CEUs and 1.0 RN* contact hour.

**The Ohio BWC (OH-188/01-01-2013) is an approved provider of continuing nursing education by the Ohio Nurses Association (OBN-001-91), an accredited approver by the American Nurses Credentialing Center's Commission on Accreditation.*

Objectives

- Provide an overview of the BWC medical benefit plan and fee reimbursement activities
- Provide information on recent rule and policy changes and current proposals
- Provide an overview of some upcoming medical services project activities related to BWC medical benefit plans and reimbursements

BWC's Medical Services Division

- Coordinates BWC's health-care services through a network of providers and managed care organizations (MCOs)
- The goal is to ensure prompt, quality, cost-effective health care for injured workers to facilitate their early, safe and sustained return to work and quality of life.
- To realize this goal, the division use management, pricing and payment strategies that benefit injured workers and employers while ensuring that those benefits are related to the workers' compensation injury or injuries.

BWC's Medical Services Division –

Areas of Focus

- Develop, maintain and execute quality and cost-effective medical, vocational rehabilitation and pharmaceutical benefits plans and associated fee schedules;
- Develop and support the appropriate managed-care processes, including contract management and training;
- Establish and maintain a quality pool of medical and vocational service providers to make certain injured workers have access to quality, cost-effective and timely care;
- Evaluate and process medical bills, guaranteeing proper and timely payment consistent with benefits plan criteria.

Medical Services Division –

Activity Highlights

- MCO contract
- Alternative dispute resolution transformation
- Rehab redesign efforts
- MCO referral report
- Fee schedules
- Policy alerts
- Coming items

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Benefit Plan Design and Fee Schedules

- For injured workers to have access to high-quality medical care, BWC must have appropriate benefits plans and terms of service with competitive fee schedules.
- Prior to 2007 BWC change the benefit plan design and related fee schedule by policy
- In 2007 pursuant to and Ohio Supreme Court decision – Ohio Hospital Association Case – all fee schedules are now adopted by rule
- BWC has instituted an annual review of all fee schedules

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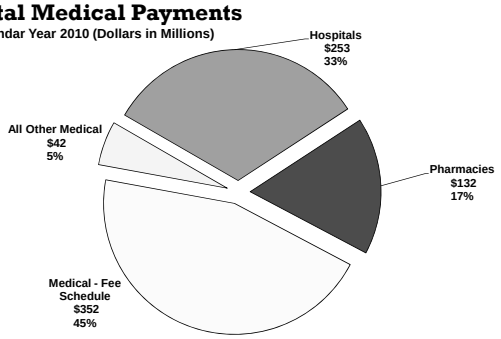
Total Medical Payments

Calendar Year 2010 (Dollars in Millions)



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BWC Fee Schedules

Fee schedule	Effective date	Update summary
Medical providers and services: Covers all medical providers and medical services not covered by any of the other schedules	Oct. 25, 2010	Update to Medicare's 2010 RVUs, adding new benefit service codes, and other refinements as needed to the Nov. 1, 2009, fee schedule
Hospital outpatient: Covers facilities for outpatient services	Jan. 1, 2011	Begin the three-year implementation of the OPPS/APC prospective reimbursement methodology
Medical providers and services: Emergency rule to incorporate new service codes	Jan. 1, 2011	Update to add new CPT and HCPCS codes that are effective nationally as of Jan. 1, 2011
Hospital inpatient: Covers facilities for inpatient services	Feb. 1, 2011	Update the Medicare Severity — Diagnosis Related Grouping to the 2011 federal fiscal-year values and update the payment for Medicare exempt providers to the 2009 cost-to-charge ratios
Hospital outpatient: Covers facilities for outpatient services	Scheduled: April 1, 2011	Update to implement the 2011 Medicare annual OPPS updates
Ambulatory surgical centers (ASC): Covers surgical procedures not requiring inpatient hospitalization	Scheduled: April 1, 2011	Update ASC payment rates to the 2011 ASC PPS Medicare rates and the payment adjustment factors used in calculating Ohio rates
Vocational rehabilitation services: Covers all vocational rehabilitation services	Proposing: June 2011	Update rates and add new custom service codes as needed

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Hospital Outpatient Fee Schedule

- Moved from a retrospective to a prospective methodology
  - Rates and policies established in advance and remain constant during effective period
  - Promotes predictability, equity and consistency of payments
  - Encourages facilities to improve efficiency of providing care
- Three year transition period
- Projected impact 3 year reduction in reimbursement
  - 7% year decrease
  - $30 million

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Vocational Rehabilitation Recommendations

- Provide a 1.36% increase in established Vocational Rehabilitation Fee
- Eliminate the code W0638 for Body Mechanics Education
  - Very limited usage of this code in recent years.
  - Service may be billed using existing CPT codes of 97110 or 97535 using the established fee schedule.
- Add five new codes
  - Training – books supplies and testing
  - Career Counseling – in person
  - Career Counseling – research and reporting
  - Job Development
  - Labor market survey report writing by the voc rehab case manager

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Impacts and Outcomes

- Vocational services costs impact
  - An estimated increase of $432,570.71 which is a 1.36% increase from 2010 projected costs.
    - Addition of two career counseling codes accounts for $43,757.08 or 10% of the increase. Addition of the other three new codes has no projected increase.
    - Increase based on the cost of doing business adjustment accounts for $388,813.63 or 90% of the projected increase
- Appropriate provision of benefits necessary to address Ohio's injured workers' needs
- Supports the guiding principle of access to quality care

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Medical Services and Professional Provider Fee Schedule

- Adopted Medicare's 2010 Relative Value Units (RVU) and HCPCS II updates
- Adopted the following additional HCPCS II Codes
  - S0630 removal of sutures by another qualifying medical professional, other than the physician that placed the sutures
  - S0209 for wheelchair van mileage
  - S5199 for personal care items
  - S8301 for infection control supplies
- Adopted a category of service titled "Never Covered" (NC)
- Modified the title of the category of service currently titled "Non-Covered" to "Not Routinely Covered" (NRC)

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Medical Services and Professional Provider Fee Schedule

- Medical costs impact
  - An estimated 1.6% increase above the estimated current fee schedule impact
    - Estimated dollar figure is $2,568,600.00
- Increase the ease of access to injured worker to receive appropriate services
- Reduce challenges which providers have faced in rendering and receiving reimbursement for related services; thereby reducing operational expenses
- Increase clarity around which benefits are covered, or never covered under the Ohio BWC workers' compensation benefit plan

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Ambulatory Surgical Centers (ASC)

- Adopted the calendar year 2011 ASC Prospective Payment System (PPS) rates as published in the Centers for Medicare and Medicaid Services (CMS) final rule
  - Rates are published in Addendum AA and BB
- Applied a BWC adjustment of 1.3%
- Maintained current payment adjustment factors
  - 110% designated pain management procedures
  - 100% all other allowed procedures
- Projected impacts
  - Estimated overall reimbursement increase estimated at 10%
  - 6.5 million to 7.1 million in total payments
  - Estimated dollar impact is $677,000

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Inpatient Hospital

- Adopted rates as published in 2011 Inpatient Prospective Payment System (IPPS) final rule,
- Maintained the 120% PAF to IPPS rates for MS-DRG bills
  - Direct Graduate Medical Education (DGME) also to remain at 120%
- Adopted a 180% PAF to IPPS rates for all Outlier bills
- Applied a 2011 BWC adjustment factor of 3.15% to address Medicare reductions
  - Documentation and Coding Adjustment (2.9%)
  - Market basket reduction required by the Affordable Care Act of 2010 (.25%)
- Maintained current Exempt methodology

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Inpatient Hospital

- Projected impact
  - Increase $4.9 million
  - 5.7% increase from 2010

2011 Proposed Rule Impact Distribution	
Category	**Estimated Impact**
2011 BWC adjustment (3.15%)	$2,597,758
Annual MS-DRG maintenance	$1,939,490
Payment adjustment factor for outliers	$371,734
All categories	$4,908,980

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Other Policy Updates

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TENS, NMES and Supplies

- Rule 4123-6-43 – Payment of transcutaneous electrical nerve stimulators and neuromuscular electrical stimulators
- February 2010 rule change
  - Required injured workers to complete and submit to the TENS provider monthly written requests, with IW signature, for supplies needed the following month
  - Resulted in unintended burden for injured workers
- New Rule – September 2010
  - Requires MCOs to regularly determine the specific supplies needed throughout the time period authorized for TENS use
  - TENS provider must receive authorization from MCO

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C9 Improvement Initiative

- C9 QI committee - MCOs and BWC staff
- Communications issue between MCO and providers leading to needless delays and disputes
  - What treatment is being requested?
  - Where is treatment location?
  - Who is the treating provider?
  - Delays on updating conditions / allowances
  - Middleman burden

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C9 Improvement Recommendations

- Recommended updates to the C9 form:
  - Add CPT/HCPCS codes;
  - Add site of service;
  - Add box for treating physician /provider;
  - Add individual BWC provider number.
- Recommended updates to the C9A form:
  - Specific section on the medical documentation needed;
  - Section to notify provider if additional conditions is being considered at BWC or the IC;
  - Section to alert provider that BWC is reviewing the file for conditions are accurate for older claims;
  - Goal to improve communication.

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C9 Improvement Recommendations

- Recommended rule changes 4123-6-16.2:
  - CPT/HCPCS code on C9 is informational only, MCOs determination is directed to the treatment and not to be construed as approving or denying payment for specific codes;
  - Dismiss requests for non-covered (never covered);
  - Dismiss request if the C9A request for additional information is not provided;
  - BWC will add a new rule to list services and supplies defining never covered.
- Recommended policy changes:
  - Expand C9 timeframe for certain requests;
  - Expand definition of eligible providers who can sign and submit C9s with specific criteria and procedures.

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Drug Screenings Modification

- Adopted HCPCS codes for drug screenings
  - G0431 Drug screen, qualitative; multiple drug classes by high complexity test method (e.g. immunoassay, enzyme assay), per encounter
  - G0434 Drug screen, other than chromatographic; any number of drug classes, by CLIA waived test or moderate complexity, per patient encounter

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Compounded Drugs Policy Changes

- Definition: A compounded drug is a blend of drugs combined (compounded) by a pharmacist or physician.
  - These medications contain pharmaceuticals in dosage forms and combinations that are not commercially available.
  - Compounded medications do not have a National Drug Code (NDC) number, an average sale price or an average wholesale price.
- HCPCS code J3490 (unclassified drug)
- Reimbursable costs include
  - Usual, customary and reasonable expenses for specific doses and volumes of drugs and diluents, and
  - Prorated expenses for acquisition of drugs (i.e., mailing, storage)
  - Compounded drug invoices normally required

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Global Surgical Days Modification

- Global surgical care have a split reimbursement
  - 10% Pre-operative
  - 70% Intra-operative
  - 20% Post-operative
- BWC's post-operative recovery period edit changed
  - Taken from standard 90 days to 60 days
  - Effective Aug. 1, 2010

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Services of Home Health Aides

- OAC 4123-6-38 (C) (3), home-health aide or attendant services may be approved if the injured worker cannot independently perform his/her activities of daily living
- Services
  - Includes, but is not limited to, feeding, bathing, dressing, providing personal hygiene care and transferring from bed to chair
  - Services not included are -
    - the performance of household maintenance, including care or upkeep to the inside or outside of the residence and
    - personal household or family duties, including but not limited to, meal preparation, running personal or family errands, pet care or child care activities, etc. to be nursing related services
- Requests for home health aide services
  - Must be made by the physician of record
  - Must specify the injured worker's home health care service needs

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Upcoming Changes

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National Correct Coding Initiative Edits (NCCI)

- NCCI edits will be modified for a workers compensation environment and adopted for professional provider fee schedule
- Anticipated implementation date—summer/fall 2011

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6010 EDI (Electronic Data Interchange)

- Adoption of EDI format 6010
- Current form will not permit alpha-numeric format necessary for ICD-10 codes
  - Testing beginning May 2011
  - Implementation January 2012

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ICD-10

- Implementation mandated for all HIPAA entities effective October 1, 2013
  - All providers are required to comply
  - Workers Compensation as an entity is not part of the mandate
- Potential Benefit
  - Increased classification specificity for newly identified disease entities & other advances
  - Ability to capture emerging technologies
  - Interoperability with Electronic Health Record (EHR) clinical vocabularies
  - Potential improvements in quality of health care and cost containment
  - Increased accuracy for "Pay 4 Performance" programs and "Never Events"
- Steps BWC has undertaken
  - Implemented cross-agency team
  - Develop 5 phase 3 year implementation strategy

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Final Thoughts

Questions

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BWC Programs

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ohiobwc.com.