Insurance Carrier Quarterly Meeting

November 20, 2020

1:30 p.m. to 3 p.m.

TDI | **Division of Workers' Compensation**

Agenda Items

- Welcome
- Office of Medical Advisor Update
- Compliance and Investigations Update
- DWC Form-153 and DWC Form-155 Update
- Designated Doctor and EDI Update
- Telemedicine Update
- Data Call and Network Report Card Update
- Q&A
- Closing

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Welcome

Cassie Brown, Commissioner
Division of Workers' Compensation

Office of Medical Advisor Update

Mary Landrum, Director
Health Care Business Management

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Medical Quality Reviews

- Calendar Year 2020
  - 4 reviews initiated
    - includes complaint, audit, or monitoring based reviews
    - assigned to MQRP members for review

  - 7 reviews concluded
    - 57% referred to Enforcement
    - 43% recommended other actions
      - (includes letters of education, referrals to medical licensing boards, and closures with no action)

Source: Texas Department of Insurance, Division of Workers' Compensation, data as of 10/8/20

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Compliance and Investigations Update

Debra Knight, Deputy Commissioner

Compliance and Investigations

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CY2020 Complaints

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CY2020 - Complaints

1,274 Complaints Received

73	Attendance
382	Communications
310	Indemnity Benefit Delivery
300	Medical Benefit Delivery
132	Other
77	Quality of Care

1,642 Complaints Closed

374	Confirmed
518	DWC Education Complaint
750	Not Confirmed

Based on complaint data as of 10/5/2020

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2020 Complaint Volume by Month

JAN 247 · FEB 193 · MAR 167 · APR 99 · MAY 112 · JUN 127 · JUL 120 · AUG 111 · SEP 98

* Based on complaint data as of 10/5/2020

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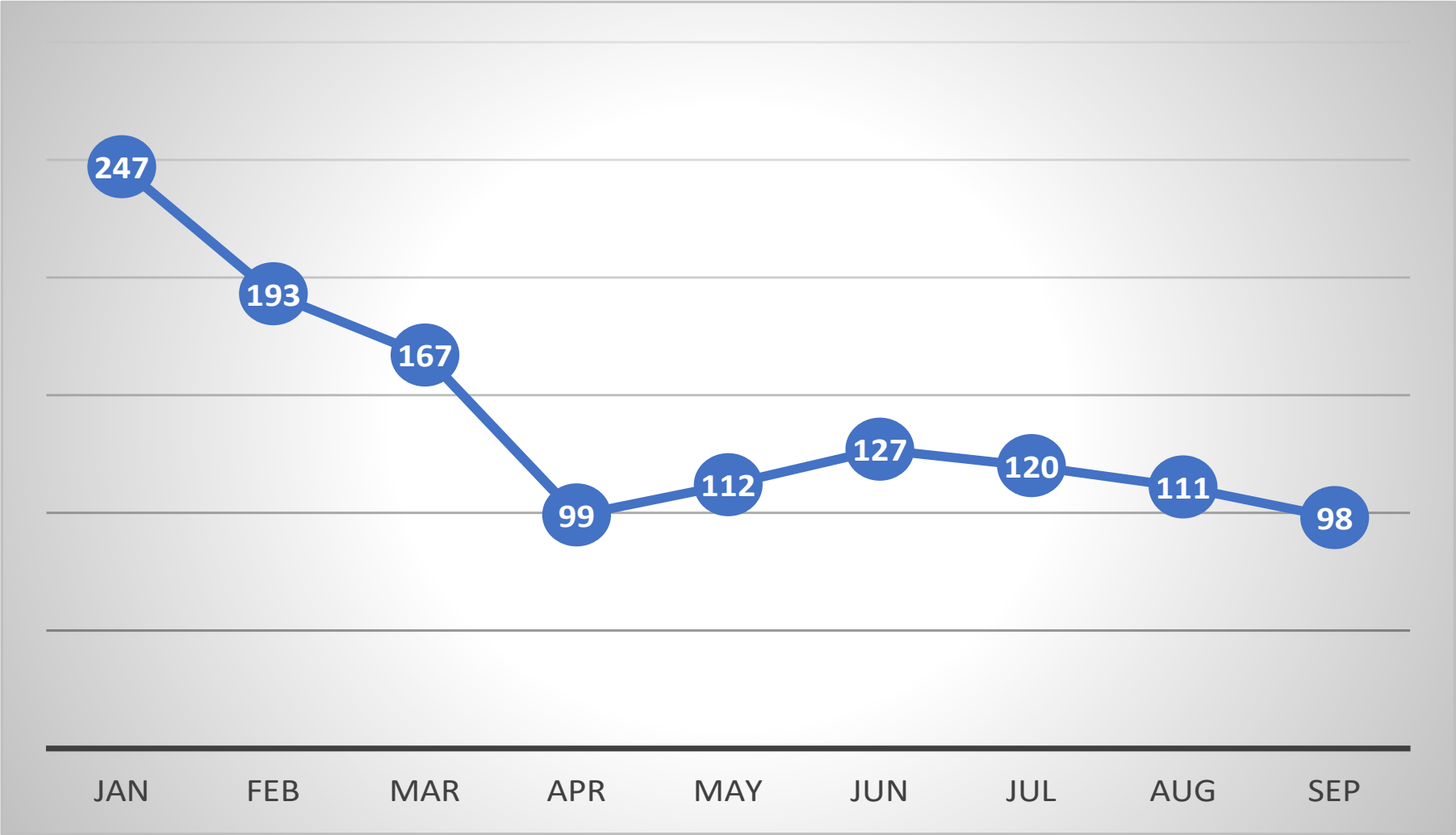
Quality of Care Complaints

- Calendar Year 2020
  - 75 complaints forwarded to OMA
    (includes external complaints & internal referrals)

  - 110 complaints investigated by OMA

    - 54% closed with no action
    - 30% issued letters of education
    - 10% initiated a medical quality review
    - 6% referred to enforcement

Source: Texas Department of Insurance, Division of Workers' Compensation, data as of 10/26/20

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2020 Performance Based Oversight (PBO)

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Performance Based Oversight (PBO)

2020 Assessment Selection

121 insurance carriers

20+ initial payment of TIBs received between January-June of 2020

Assessment Timeline

October 5, 2020 - Management response due

November 2020 - Review management responses

January 2021 - Distribute results

DWC Fraud

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Fraud Definition

Per Black's Law Dictionary:

"Fraud includes any intentional or deliberate act to deprive another of property or money by guile, deception, or other unfair means."

https://www.acfe.com/fraud-101.aspx

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Fraud Schemes

Examples of fraud the DWC Fraud and Prosecution teams investigate:

- Billing for services not performed by attorneys and healthcare providers.
- Under reporting employees or misclassifying high risk employees in order to obtain lower premium rates.
- Working and drawing.
- Falsifying documents to keep from having to pay benefits.

CY2020 – DWC Fraud Stats

1,115 fraud referrals received

125 fraud cases open

1,041 fraud cases closed

6 fraud referrals for prosecution

As of 9/30/20

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CY2020 – DWC Prosecution Stats

13 Indictments

- 8 employer
- 3 healthcare provider
- 2 injured employee

As of 9/30/20

CY2020 – DWC Prosecution Stats

3 Convictions

- 1 employer
- 1 injured employee
- 1 healthcare provider

As of 9/30/20

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Enforcement Update

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Enforcement Key Initiatives

Strategies DWC Enforcement uses to improve efficiencies in market compliance and case processing:

- Using clear, express statutory authority for all enforcement cases.

- Informing workers' compensation stakeholders about compliance goals.

- Partnering with DWC program areas to foster compliance.

- Assisting the Office of the Medical Advisor.

- Providing swift, appropriate actions for statutory and rule violations.

Examples of Insurance Carrier Administrative Violations

- Failure to pay timely indemnity benefits;

- Failure to initiate TIBS;

- Failure to accurately pay TIBS;

- Failure to investigate a claim;

- Attorney fee billing violations; and

- Failure to comply with medical fee dispute resolution or decision and order.
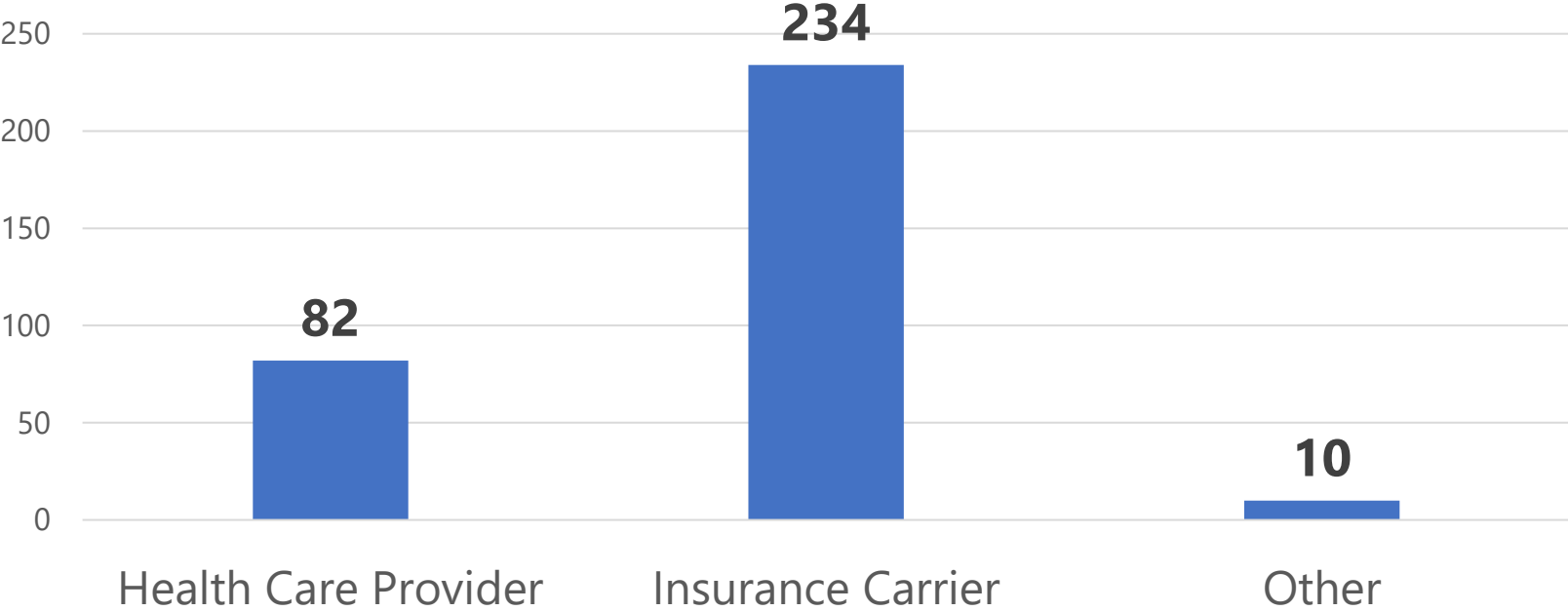
Enforcement Case Status for CY2020
(Closed as of 09/30/2020-Pending as of 10/20/2020)

CY 2020 Case Status

2020	Closed Cases	Pending Cases
Cases	427	326

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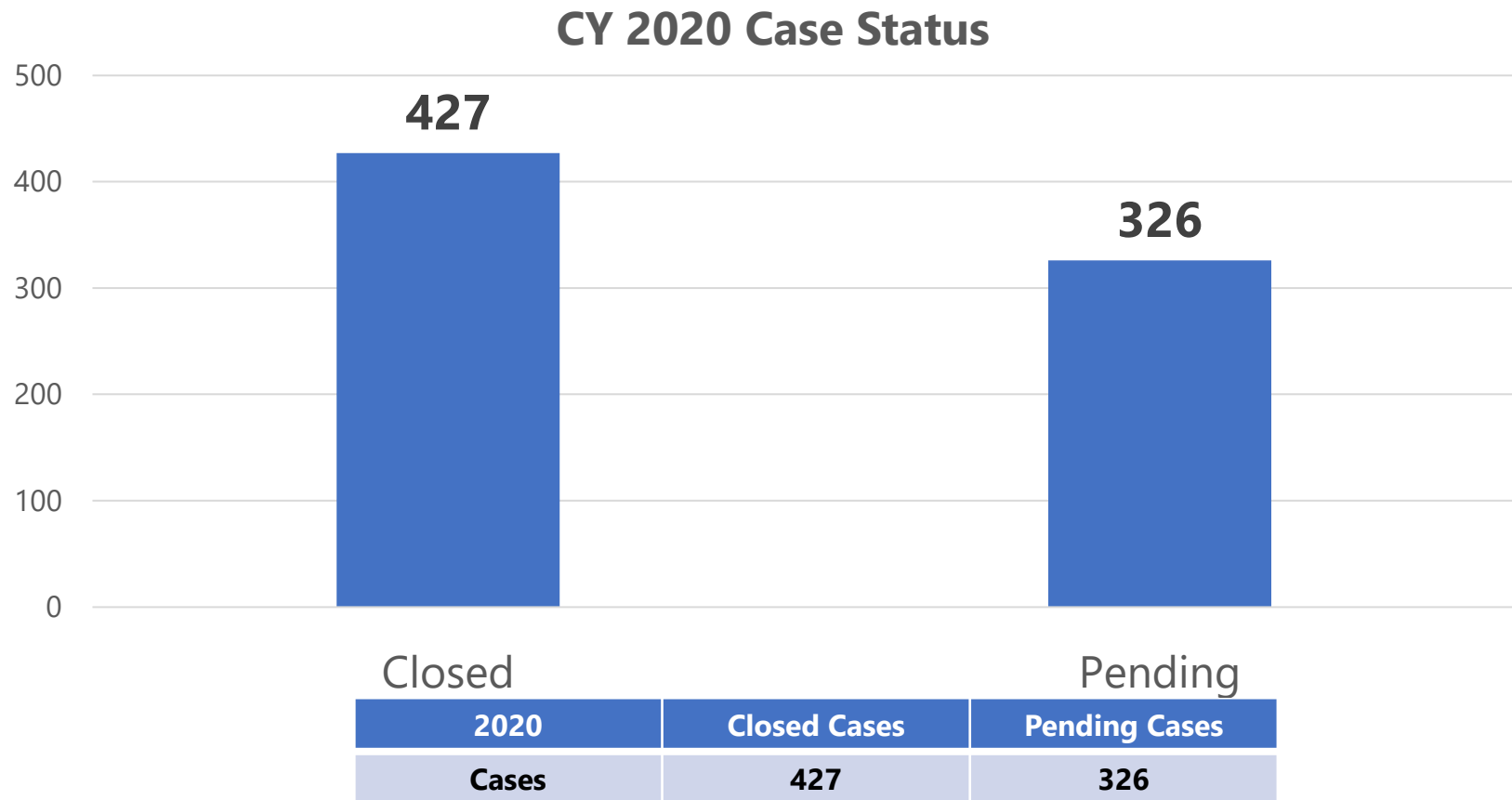
Cases Pending by Subject Type as of October 20, 2020

CY 2020 Cases Pending by Subject Type

2020	Health Care Provider	Insurance Carrier	Other
Cases	82	234	10

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Cases Closed by Disposition Type for CY2020 as of September 30, 2020
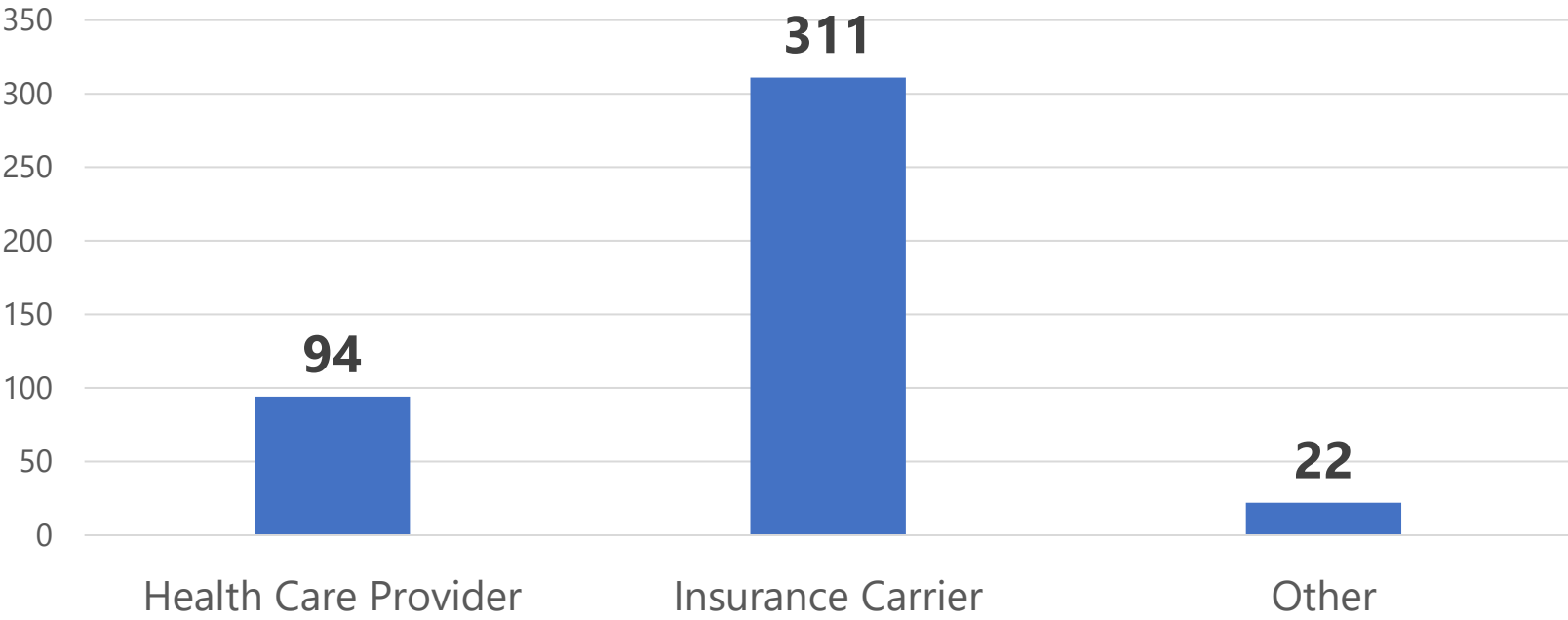
CY 2020 Cases Closed by Disposition Type

■ Health Care Provider ■ Insurance Carrier ■ Other
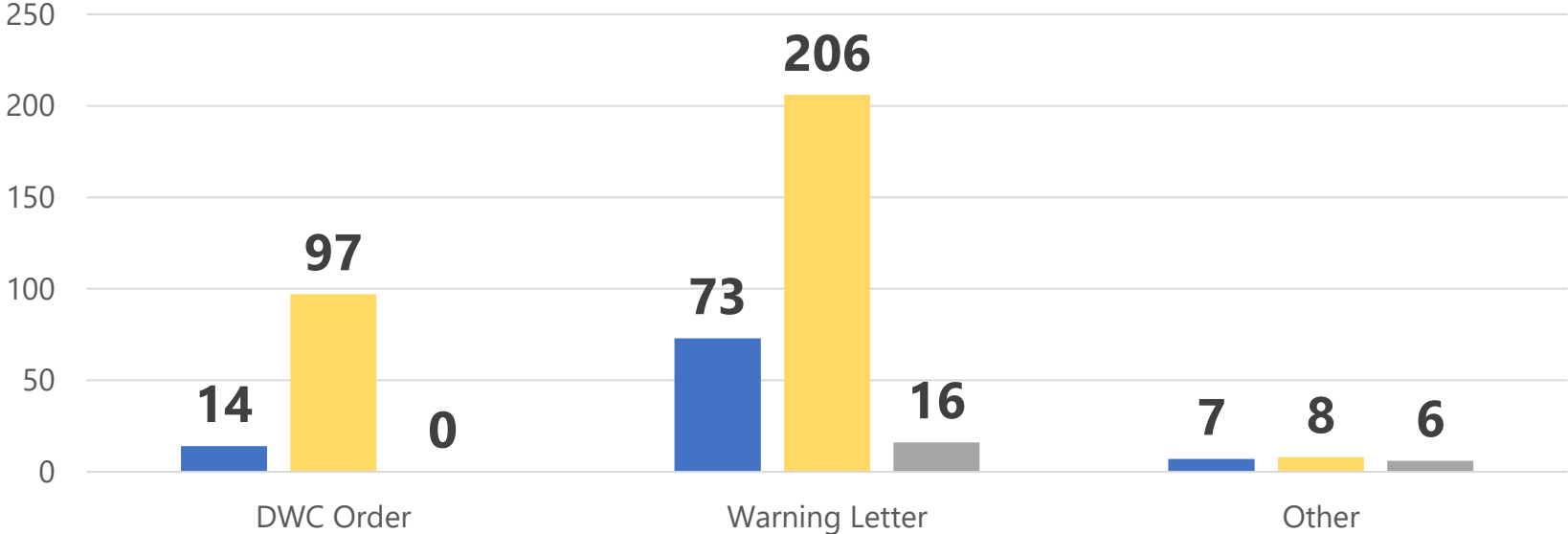
2020	Health Care Provider	Insurance Carrier	Other
DWC Order	14	97	0
Warning Letter	73	206	16
Other	7	8	6

Cases Closed by Subject Type for CY2020 as of September 30, 2020

CY 2020 Case Status

2020	Health Care Provider	Insurance Carrier	Other
Cases	94	311	22

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OMA Enforcement Cases

- Calendar Year 2020
  - 14 OMA referrals received in Enforcement

  - 17 OMA cases concluded by Enforcement
    - 2 consent orders/final orders
    - 12 warning letters
    - 3 other action

  - 22 OMA cases pending in Enforcement

  - 2 OMA cases pending at SOAH

  Source: Texas Department of Insurance, Division of Workers' Compensation, data as of 10/29/20

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DWC Form-153 and DWC Form-155

Joe McElrath, Deputy Commissioner

Business Process

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Updates on Electronic Data Interchange (EDI)

Martha Luevano, Director

EDI Automation Services

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Updates on EDI

- EDI Technical Workgroup
  - Meeting held November 19th
  - Topics - Release 3.1, Employer FEIN, and Addresses
- [EDI Webpage](#) Development
  - Self-reporting FAQ added
  - Claims FAQs added
- EDI Topics
  - System Data Reported Through EDI
  - Medical EDI Codes
  - EDI Topic Follow-Up
- Claims EDI Release 3.1 Update

CY2020 – **Payment** of Initial Temporary Income Benefits (TIBs) and **Processing** of Medical & Reconsideration Bills
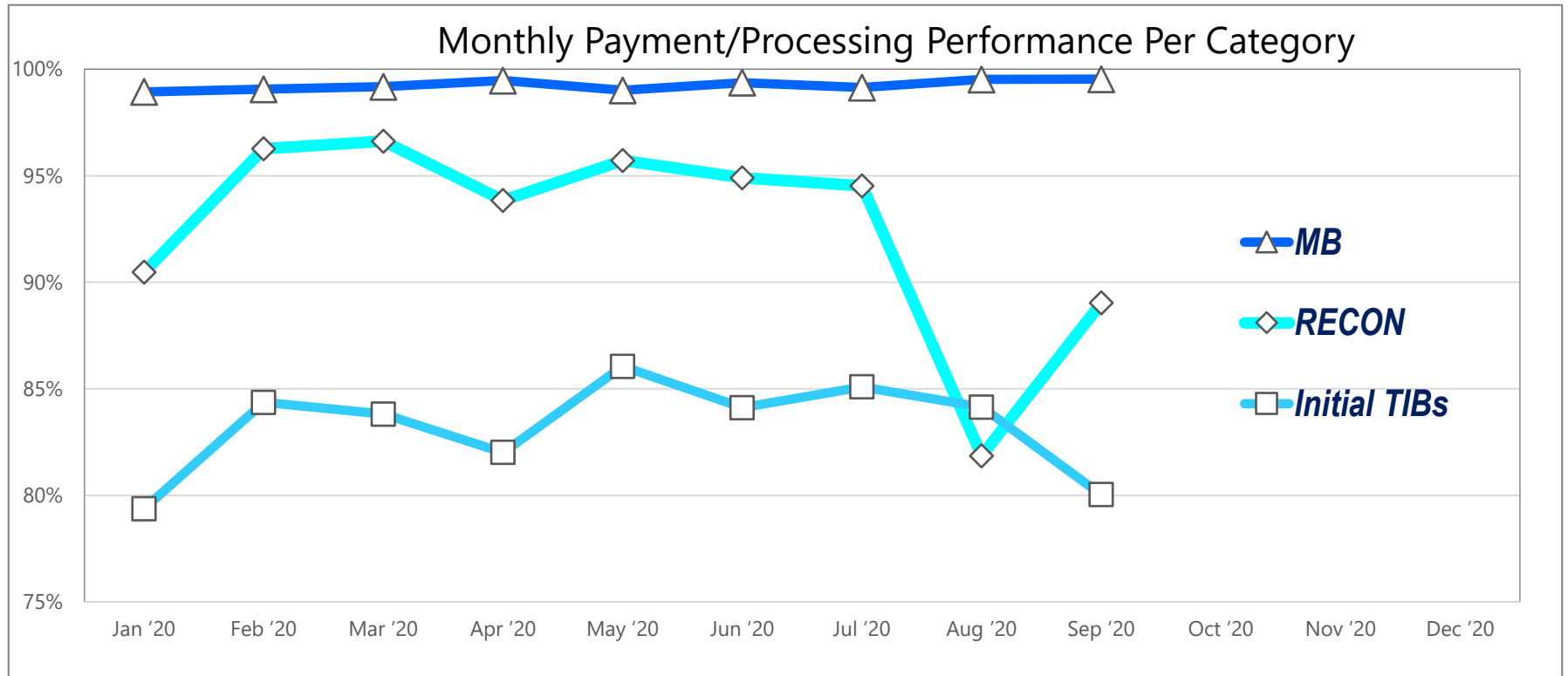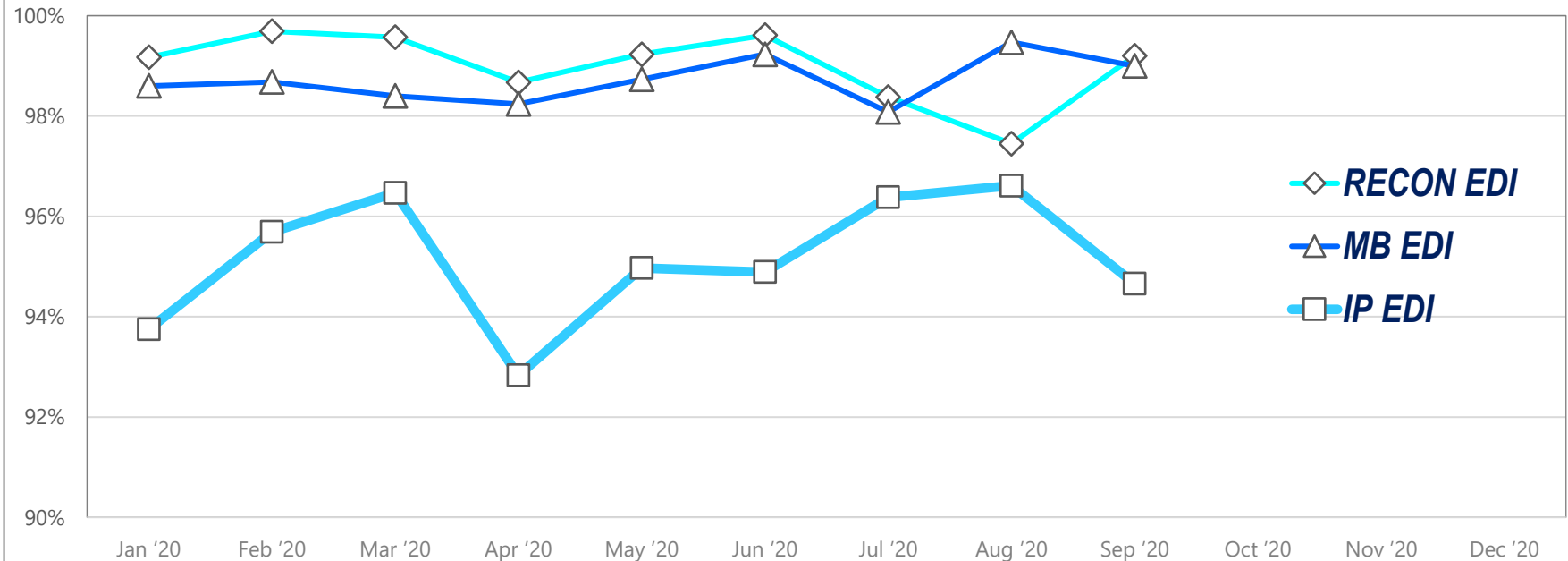

Monthly Payment/Processing Performance Per Category

* Based on data as of 9/30/2020

Category	Jan '20	Feb '20	Mar '20	Apr '20	May '20	Jun '20	Jul '20	Aug '20	Sep '20	Oct '20	Nov '20	Dec '20
Medical Bill Processing	98.94%	99.06%	99.18%	99.47%	99.01%	99.37%	99.14%	99.52%	99.53%			
Reconsideration MB Processing	90.48%	96.27%	96.62%	93.84%	95.72%	94.91%	94.52%	81.85%	89.04%			
Initial TIBs Payment	79.37%	84.36%	83.81%	82.01%	86.05%	84.11%	85.09%	84.14%	80.03%			

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CY2020 – EDI **Reporting** of Initial TIBs Payment, Medical Bill, and Reconsideration

Monthly EDI Performance Per Category

Based on data as of 9/30/2020

Category	Jan '20	Feb '20	Mar '20	Apr '20	May '20	Jun '20	Jul '20	Aug '20	Sep '20	Oct '20	Nov '20	Dec '20
RECON EDI Reporting	99.17%	99.69%	99.57%	98.67%	99.23%	99.61%	98.38%	97.45%	99.20%			
MB EDI Reporting	98.60%	98.68%	98.40%	98.24%	98.73%	99.23%	98.08%	99.47%	99.00%			
IP EDI Reporting	93.75%	95.69%	96.47%	92.83%	94.97%	94.89%	96.38%	96.61%	94.66%			

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EDI Topic – Medical EDI Codes

- Error Code 058
  - Procedure Code DN714 Invalid Data
  - Modifier Code DN717 Invalid Data
  - Diagnosis Code DN522 Invalid Data
- Send an email to EDI Support at edisupport@tdi.texas.gov
  - Staff validates the code against the appropriate coding standard
  - The code is added to the appropriate medical state reporting code table
  - Staff advises the insurance carrier or agent to re-file.

EDI Topic Follow-Up

- Claims EDI – When a Plain Language Notice 1 (PLN01) is sent, an EDI "04" denial code transaction must be sent to DWC.

- Claims EDI – Changes to the injured employee's last name, social security number, or date of injury **cannot** be made through an EDI transaction. Contact records_processing@tdi.texas.gov

- Medical Compliance Coordinator and Claims EDI contacts – Immediately report changes to edisupport@tdi.texas.gov

Claims EDI Release 3.1 Update

New Claims EDI Reporting Standard

- International Association of Industrial Accident Boards and Commissions (IAIABC) Claims EDI Release 3.1 format.

- Informal rule proposal planned for later this month to change Texas Claims EDI reporting standard for insurance carriers from Release 1.0 to Release 3.1.

- Data collection agent application period ended October 26, 2020, for insurance carrier claim data collection in the Release 3.1 format.
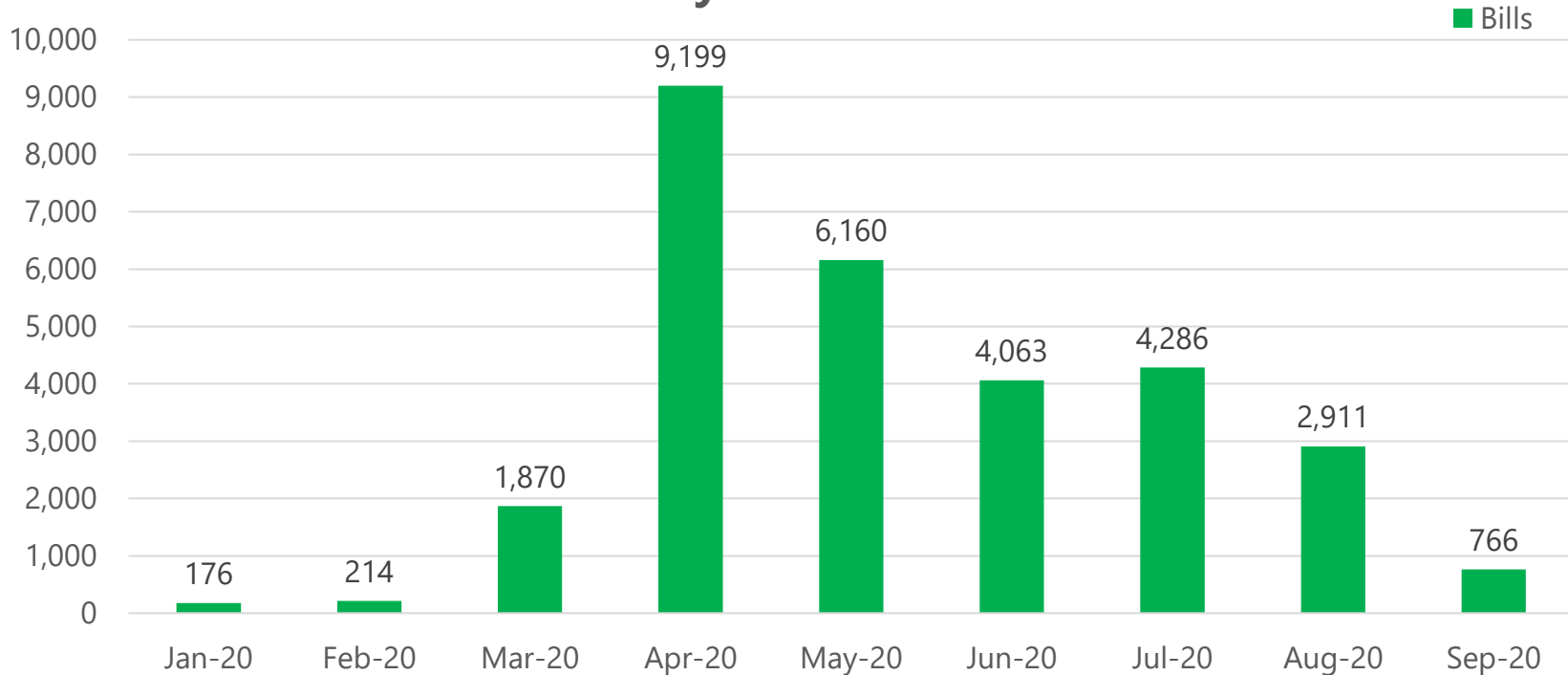
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Designated Doctor and EDI Update

Joe McElrath, Deputy Commissioner

Business Process

Telemedicine Update
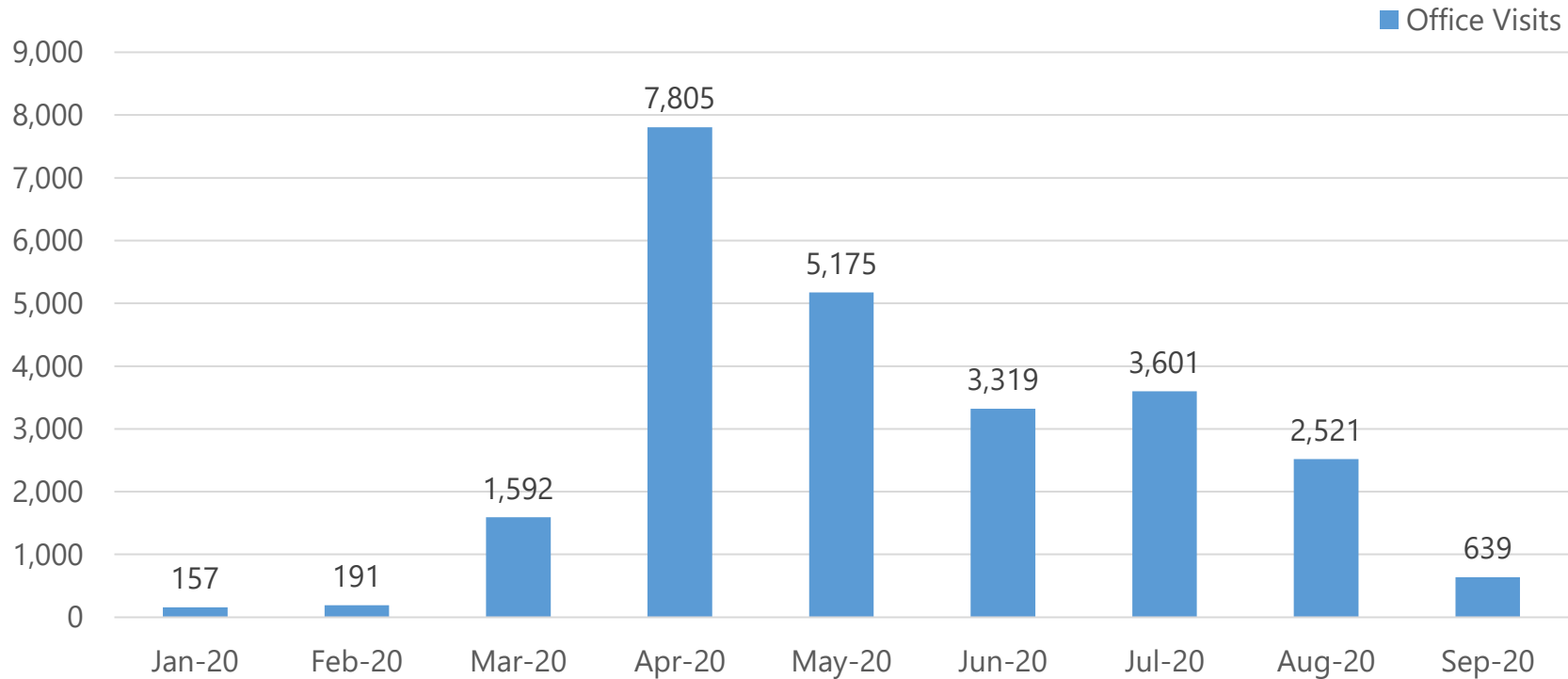
Matt Zurek, Deputy Commissioner

Health and Safety

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Telemedicine Activity

Bills by Date of Service

- Jan-20: 176
- Feb-20: 214
- Mar-20: 1,870
- Apr-20: 9,199
- May-20: 6,160
- Jun-20: 4,063
- Jul-20: 4,286
- Aug-20: 2,911
- Sep-20: 766

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Telemedicine Activity

Office Visits

Telemedicine Activity

Psych/NeuroBehavioral Health Codes

Telemedicine Activity

PM&R Codes

Bills / Lines by month:
- Jan-20: 3 / 10
- Feb-20: 4 / 13
- Mar-20: 39 / 94
- Apr-20: 491 / 1,133
- May-20: 421 / 880
- Jun-20: 246 / 518
- Jul-20: 242 / 429
- Aug-20: 83 / 138
- Sep-20: 21 / 31

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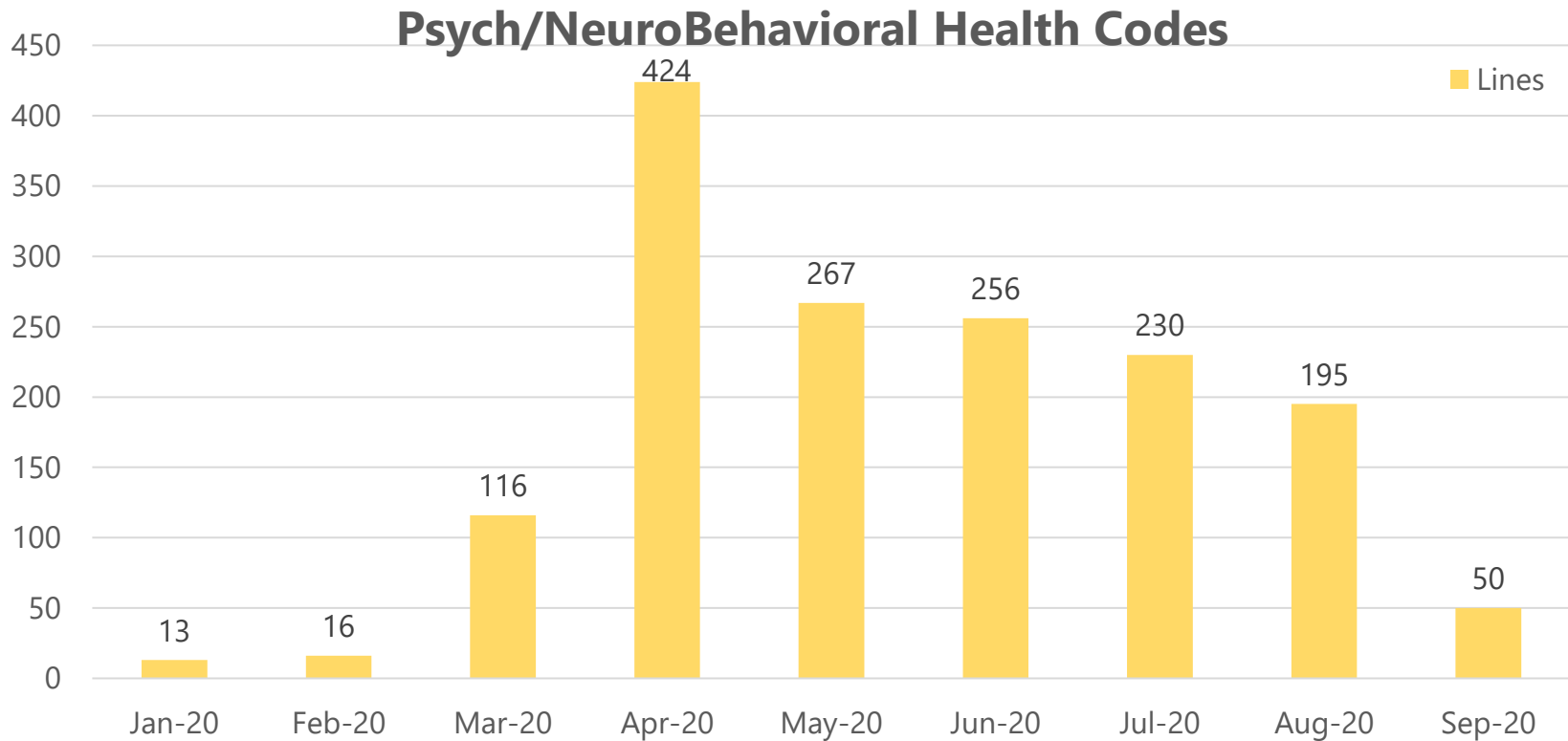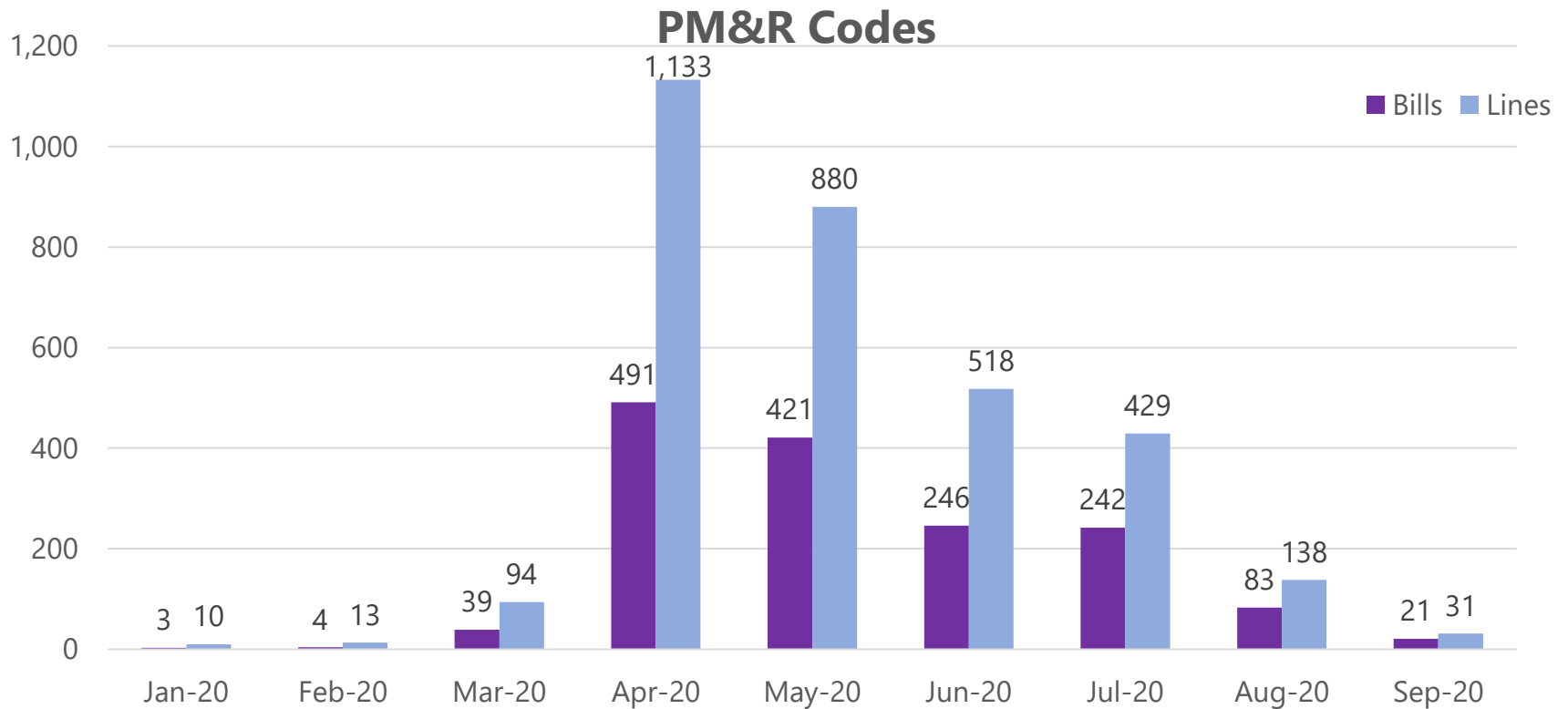
Selected Office Visit Activity by CPT Code
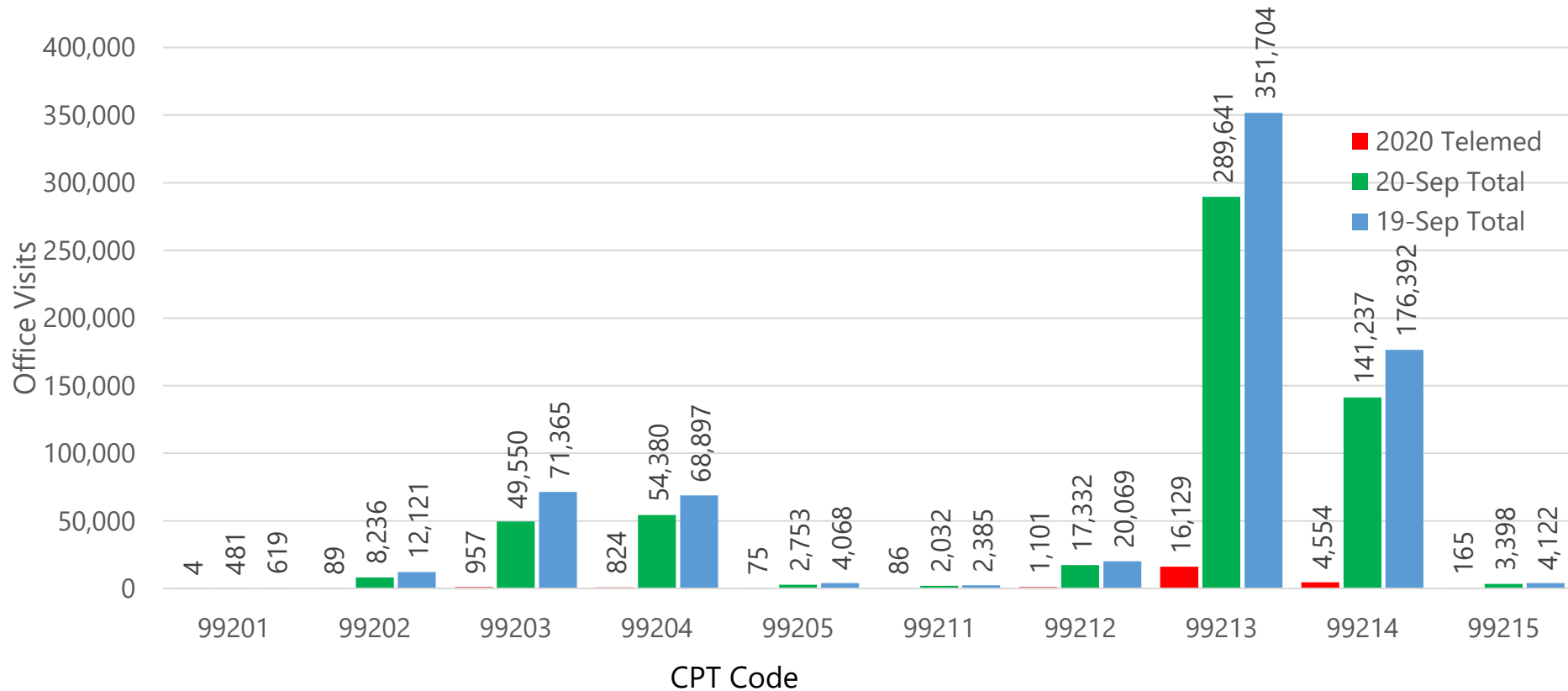
Types of Telemedicine Providers

Provider Count

Pie chart data:
- MD 1,812 (65%)
- Other 561 (20%)
- PA 196 (7%)
- DO 193 (7%)
- DC 41 (1%)

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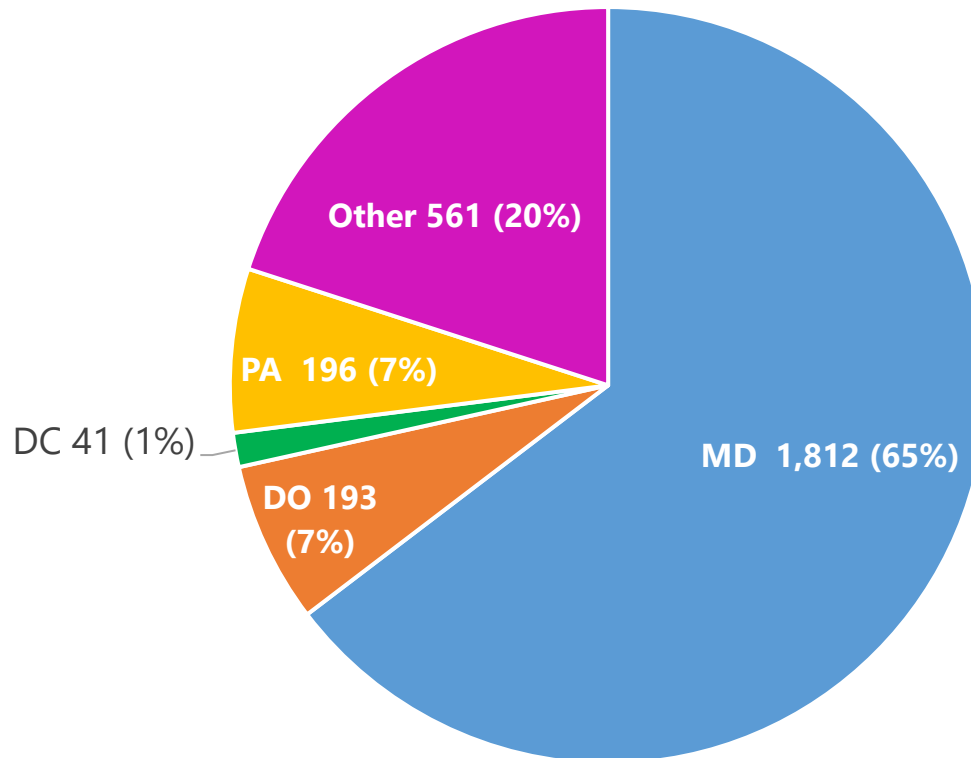
Data Call and Network Report Card Update

Amy Lee, Special Advisor | Director

Research and Evaluation Group

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COVID-19 Data Call Results

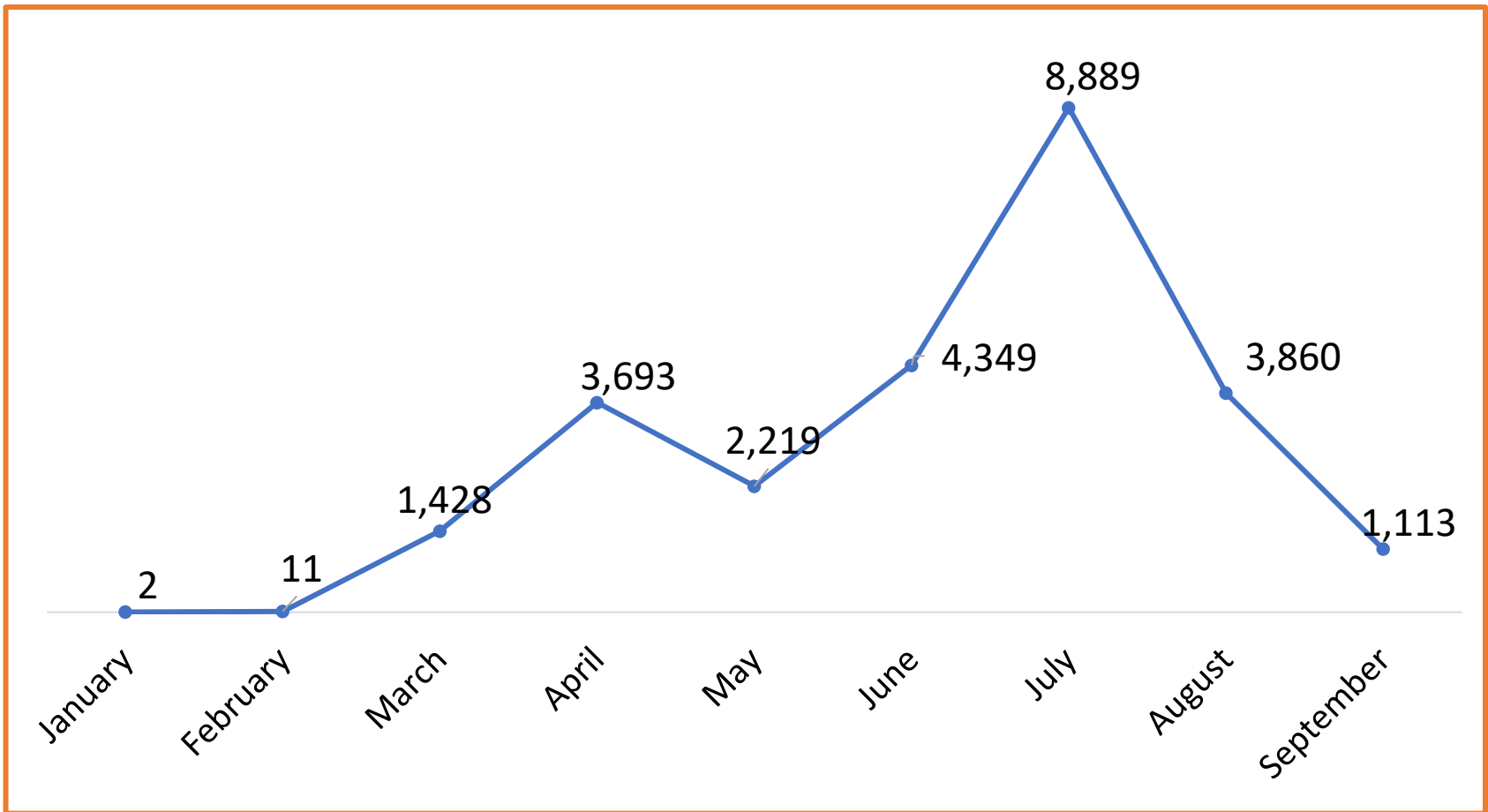TDI | Division of Workers' Compensation

COVID-19 Workers' Compensation Claims in Texas

- Analysis timeframe: COVID-19 claims reported to an insurer as of September 27, 2020

- Approximately 25,571 claims identified, including 103 fatalities and 5 disputes

- Data sources:

  - claim and medical EDI for workers' compensation claims

  - COVID-19 case data collected by Texas Department of State Health Services

- Workers' compensation claims identified by:

  - injury nature = 83 (COVID-19); or

  - key words in the incident description field in first report of injury

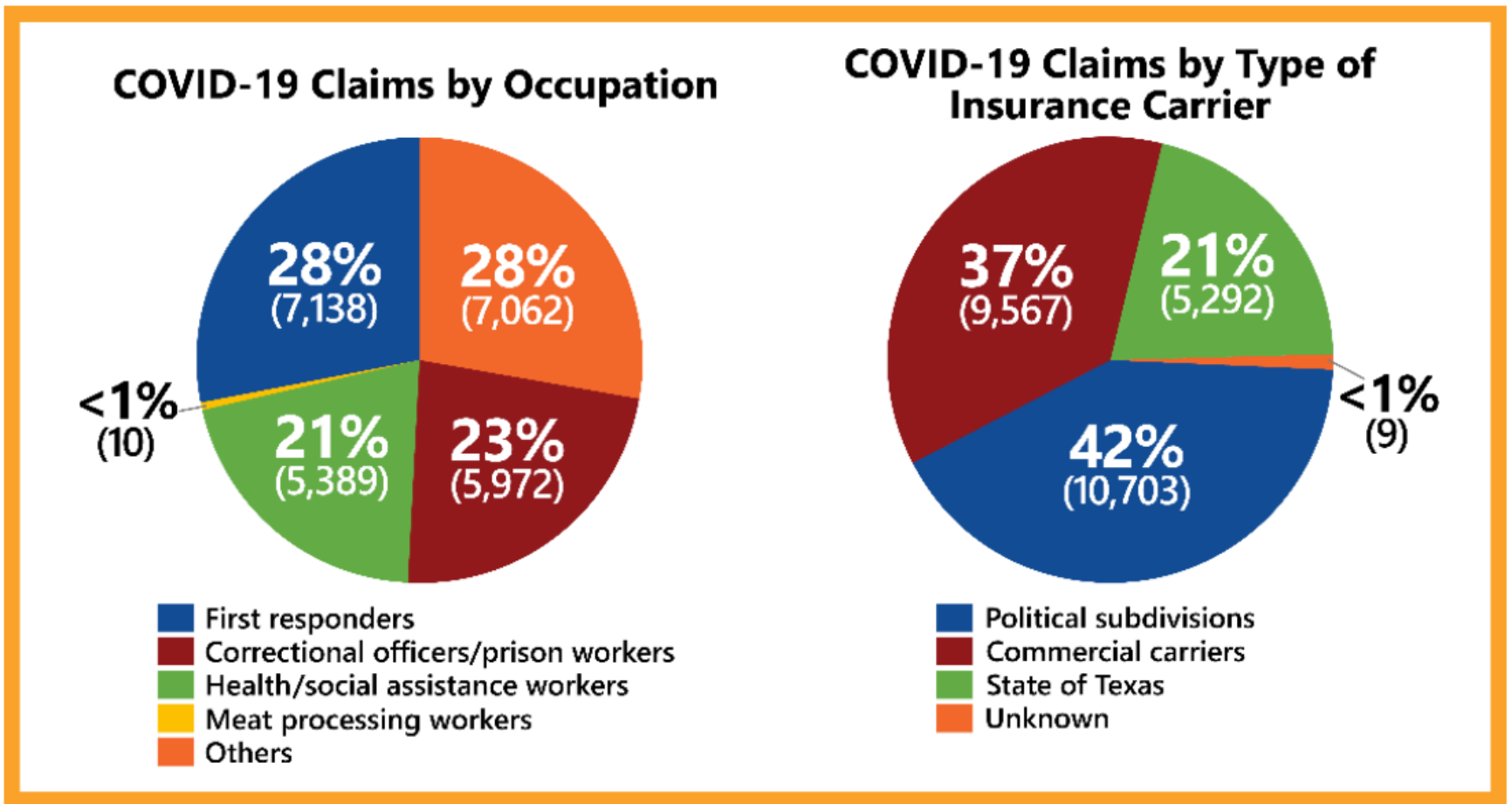**TDI** | Division of Workers' Compensation

COVID-19 Workers' Compensation Claims in Texas

- **Issue:** Many initial claims were filed for exposure-only - no confirmed positive test or diagnosis

- **Concern:** Need to differentiate claims filed on exposures vs. positive test or diagnosis to provide accurate picture of claims handling to policymakers

- **Solution:** Analyze administrative data for overall trends, but issue data call to selected insurers to gather more detailed information on claims with positive tests or diagnoses

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Number of COVID-19 Claims by Month
Insurance Carrier Received Claim Notice

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COVID-19 Claims by Occupation and Type of Insurance Carrier

COVID-19 Claims by Occupation

- 28% (7,138)
- 28% (7,062)
- 21% (5,389)
- 23% (5,972)
- <1% (10)

Legend:
- First responders
- Correctional officers/prison workers
- Health/social assistance workers
- Meat processing workers
- Others

COVID-19 Claims by Type of Insurance Carrier

- 37% (9,567)
- 21% (5,292)
- 42% (10,703)
- <1% (9)

Legend:
- Political subdivisions
- Commercial carriers
- State of Texas
- Unknown

Note: "State of Texas" includes the State Office of Risk Management, the University of Texas System, the Texas A&M University System, and the Texas Department of Transportation. "Commercial carriers" includes licensed insurance companies and certified self-insured employers.

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Fatal COVID-19 Claims by Occupation and Type of Insurance Carrier

Note: "State of Texas" includes the State Office of Risk Management, the University of Texas System, the Texas A&M University System, and the Texas Department of Transportation. "Commercial carriers" includes licensed insurance companies and certified self-insured employers.

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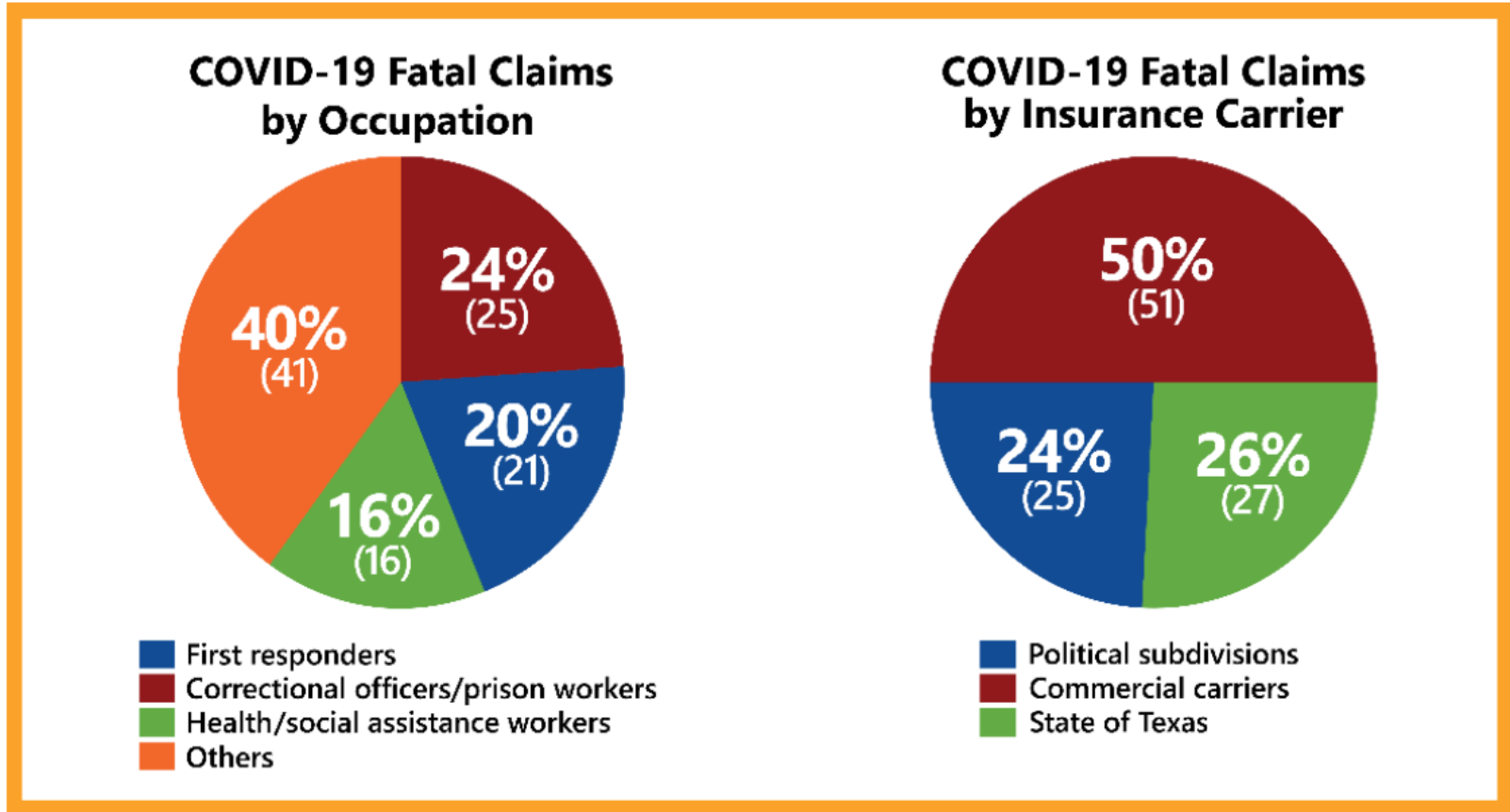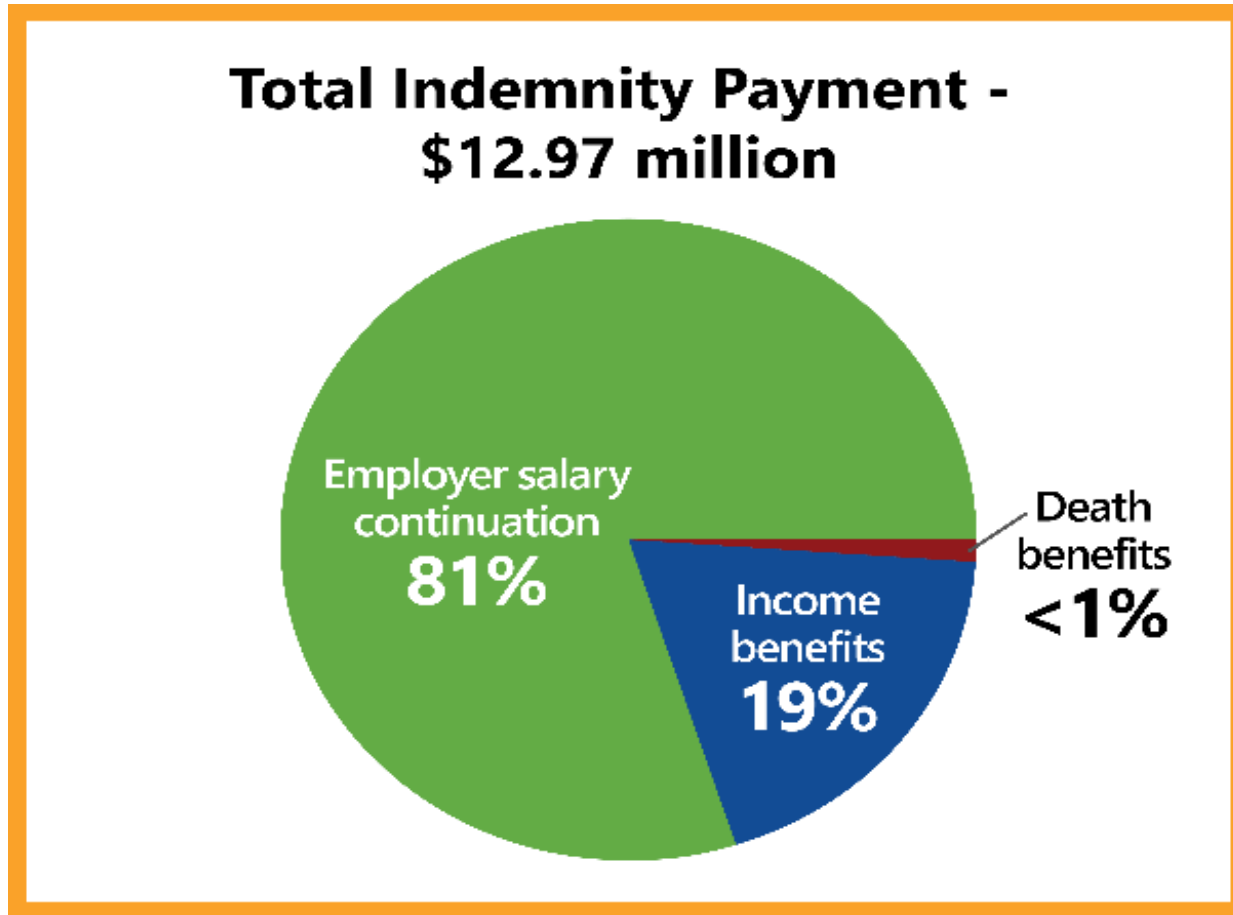
COVID-19 Data Call Results, 1ˢᵗ Submission

Insurance Carriers	# of Claims Reported to Insurance Carriers	# and % of Claims with a Positive Test or Diagnosis	# and % of Positive Claims Accepted by Insurance Carriers	# and % of Positive Claims Denied by Insurance Carriers	# and % of Positive Claims Still Under Investigation
Commercial carriers	3,719	2,406 (65%)	826 (34%)	1,077 (45%)	503 (21%)
Political subdivisions	6,138	1,421 (23%)	1,102 (78%)	198 (14%)	121 (9%)
State of Texas	2,448	495 (20%)	137 (28%)	358 (72%)	0
All carriers total	12,305	4,322 (35%)	2,065 (48%)	1,633 (38%)	624 (14%)

Note: As of September 27, 2020 there were only five disputes filed with DWC on COVID-10 denails.

Note: "State of Texas" includes the State Office of Risk Management, the University of Texas System, the Texas A&M University System, and the Texas Department of Transportation. "Commercial carriers" includes licensed insurance companies and certified self-insured employers.
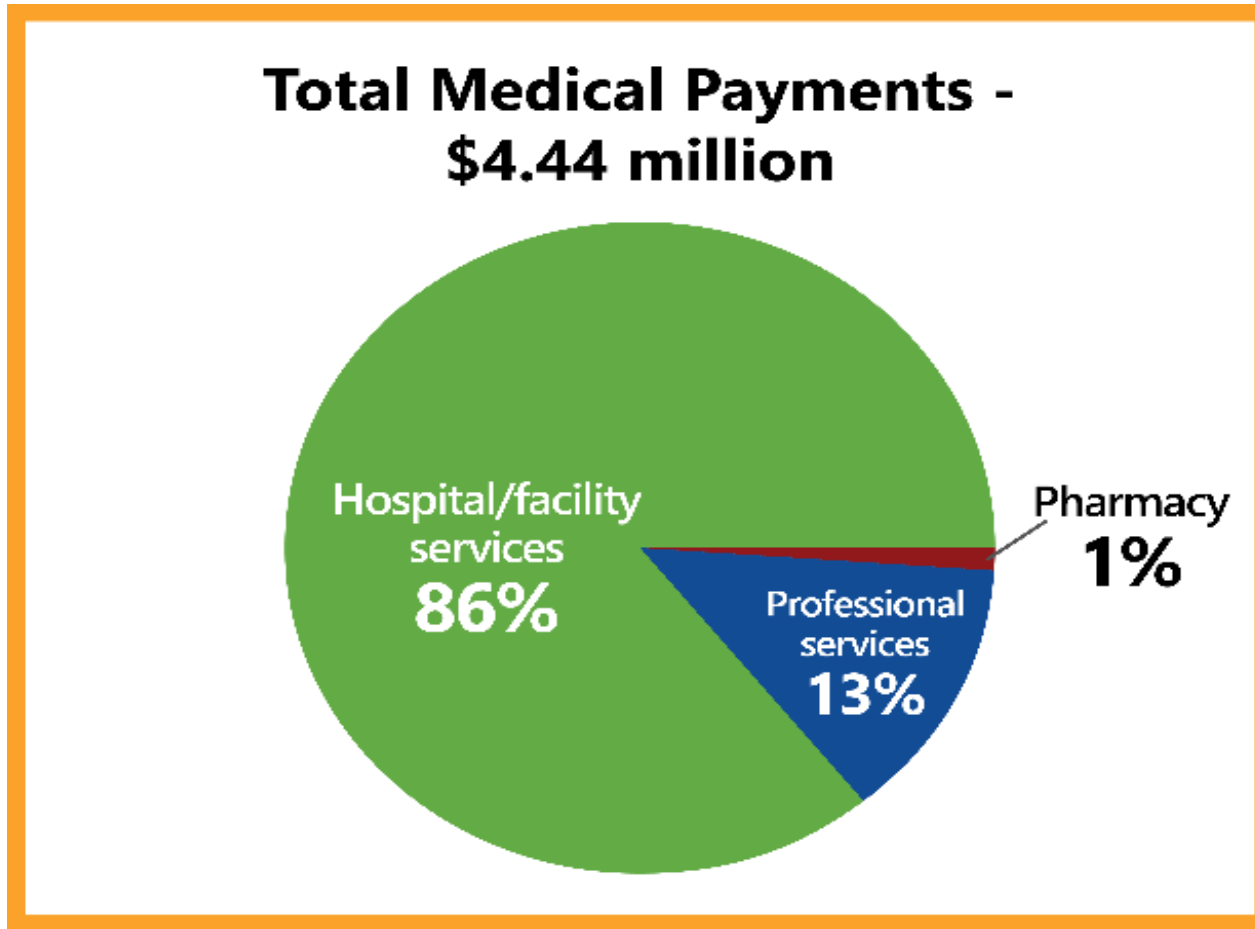
Source: Data call data as of June 30, 2020.

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COVID-19 Indemnity Benefits Paid

Total Indemnity Payment - $12.97 million

- Employer salary continuation 81%
- Income benefits 19%
- Death benefits <1%

Source: DWC administrative data as of October 8, 2020, for claims reported to insurance carriers as of June 30, 2020.

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COVID-19 Medical Benefits Paid

Total Medical Payments - $4.44 million

- Hospital/facility services 86%
- Professional services 13%
- Pharmacy 1%

Source: DWC administrative data as of October 8, 2020, for claims reported to insurance carriers as of June 30, 2020.

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2020 Network Report Card

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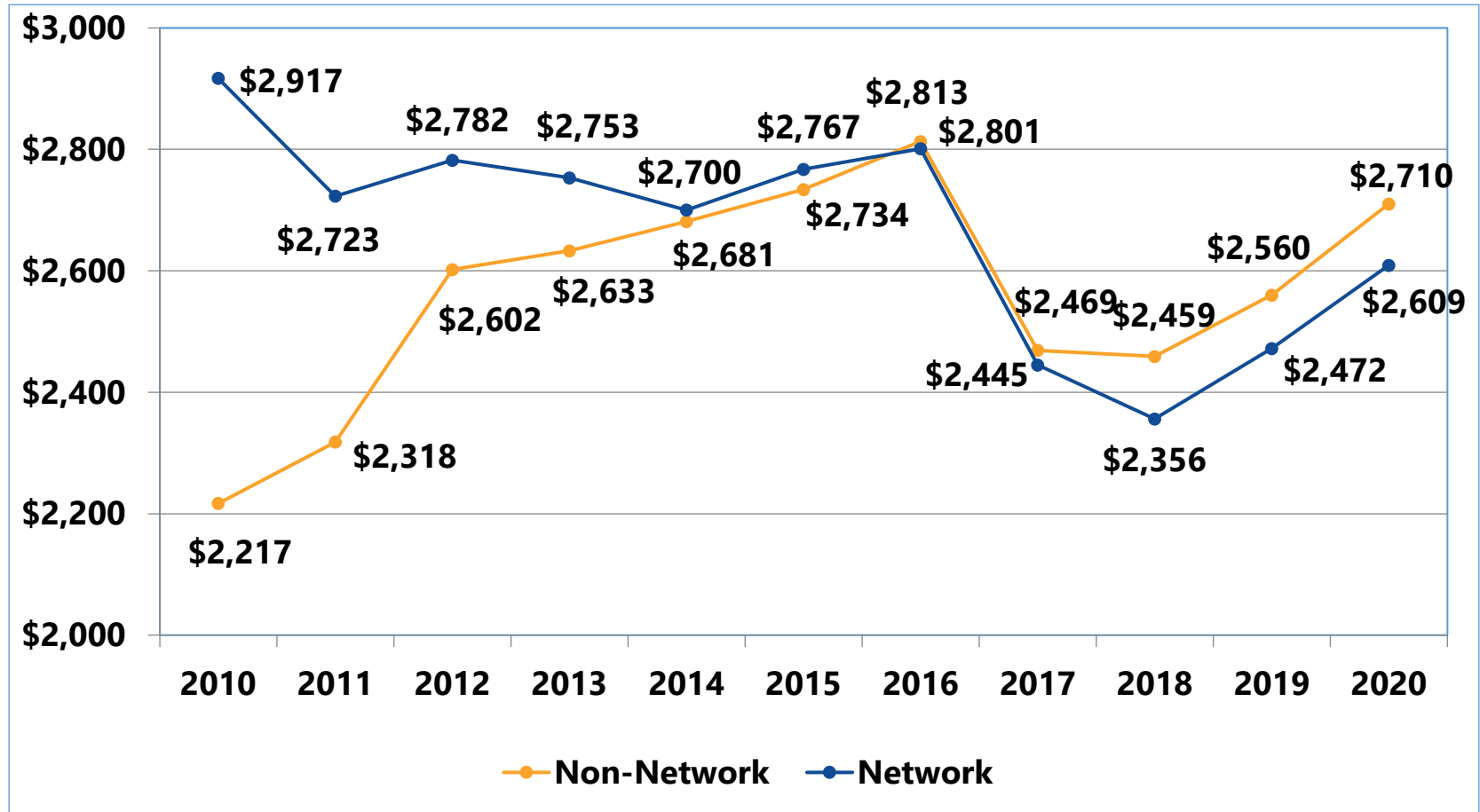
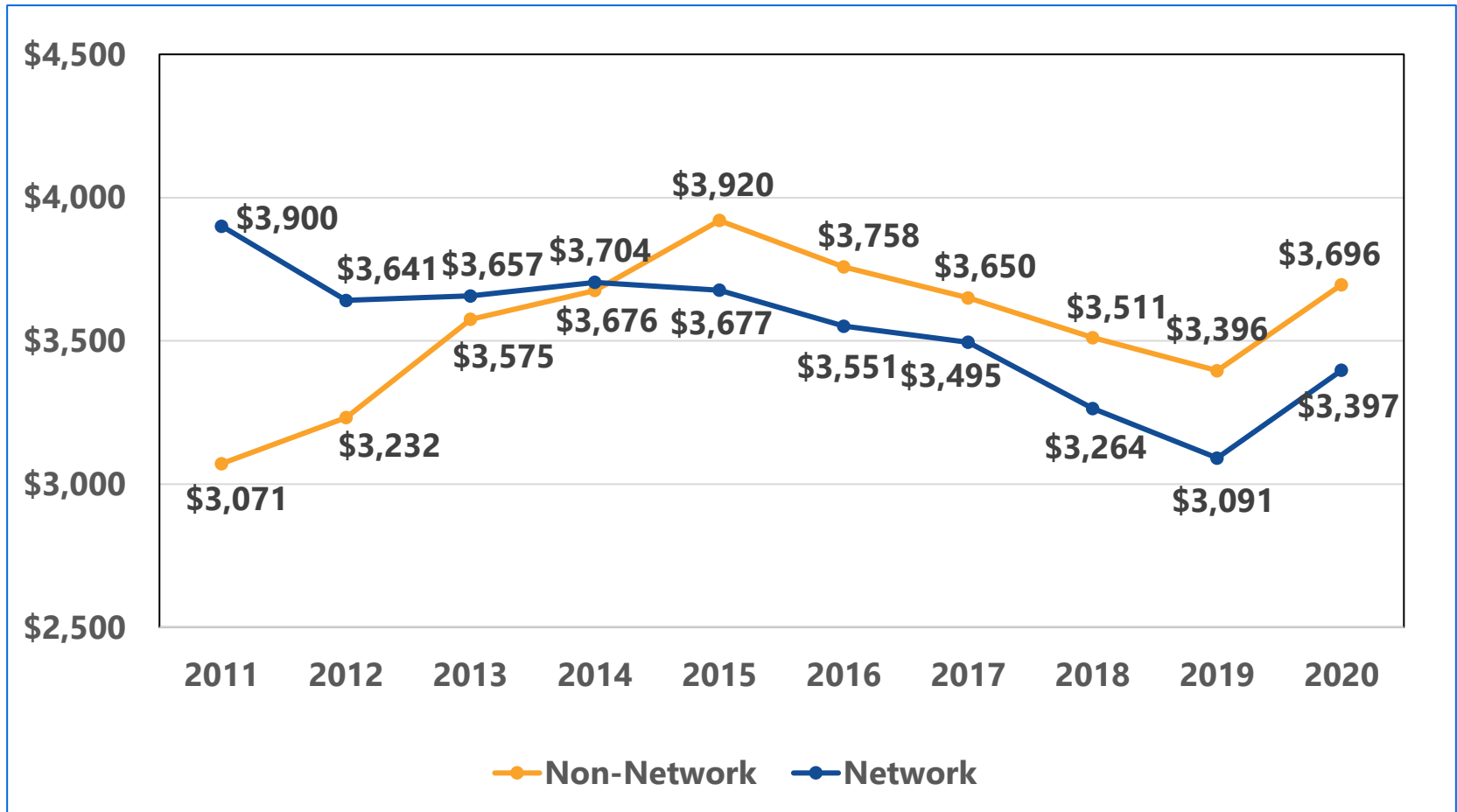# Percentage of New Claims in Workers' Compensation Networks 2010-2020
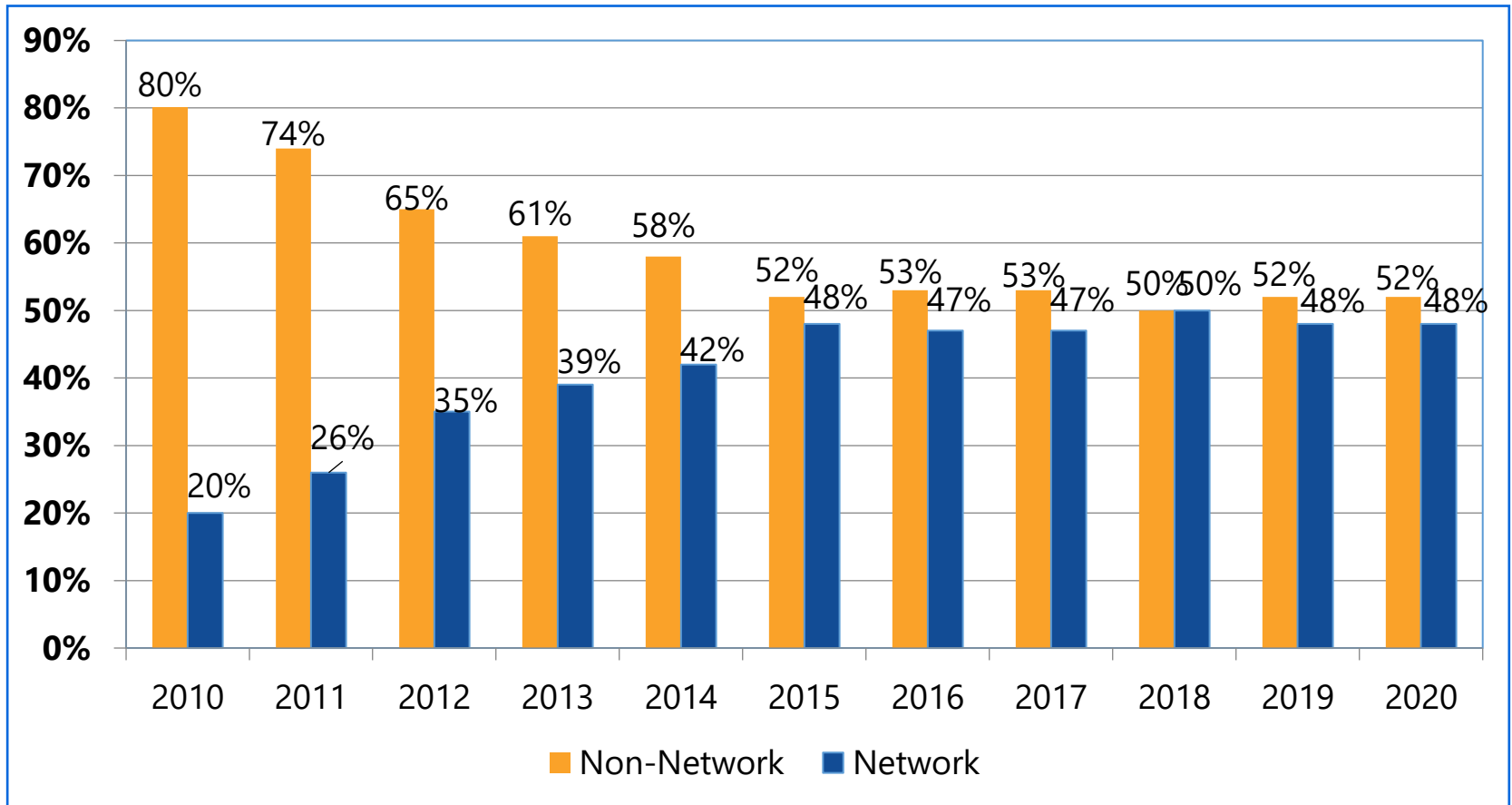
Source: Workers' Compensation Research and Evaluation Group, 2020 Network Report Card.

Average Medical Costs, Six Months Post-Injury
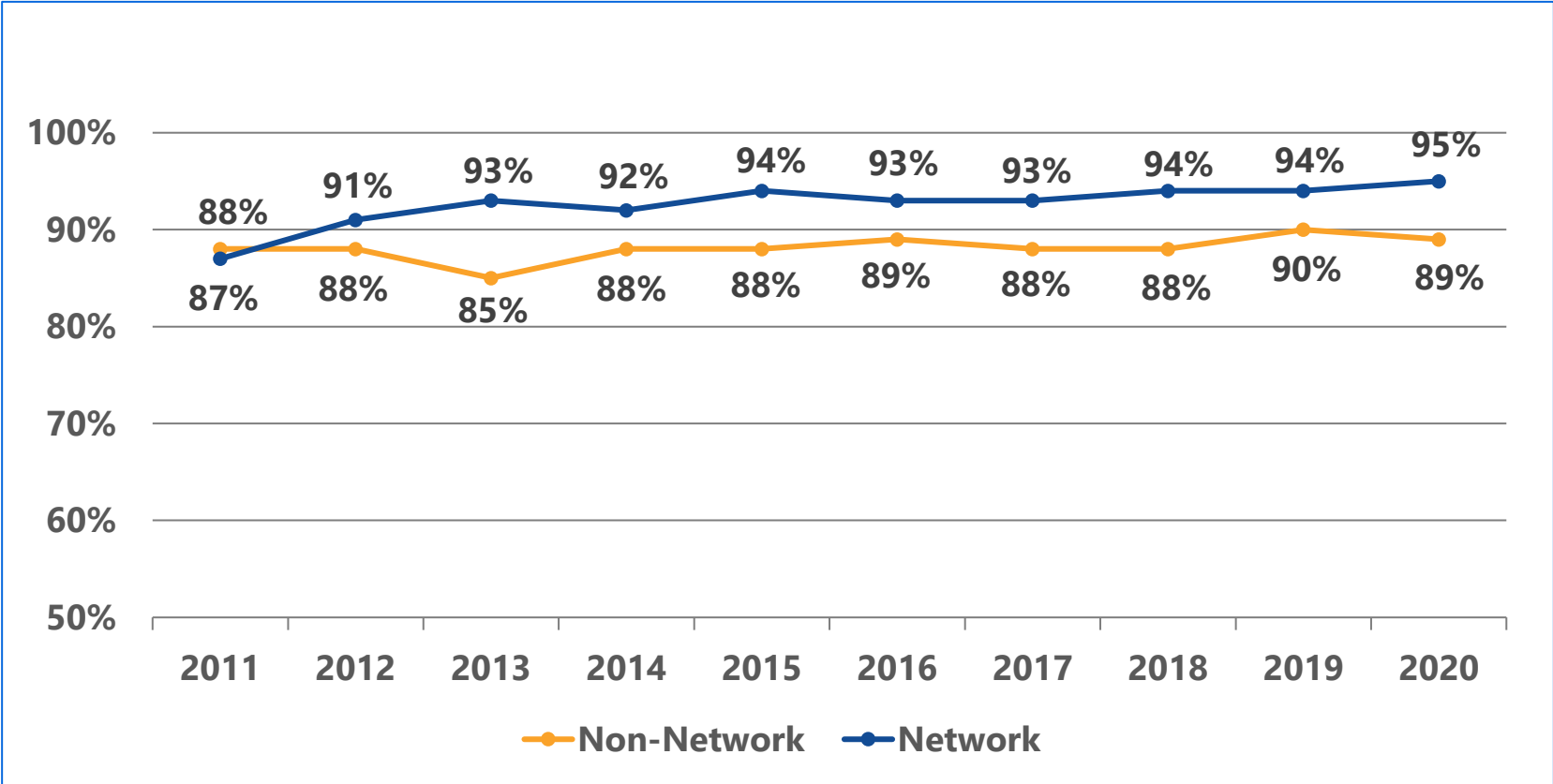

Source: Workers' Compensation Research and Evaluation Group, 2020 Network Report Card.
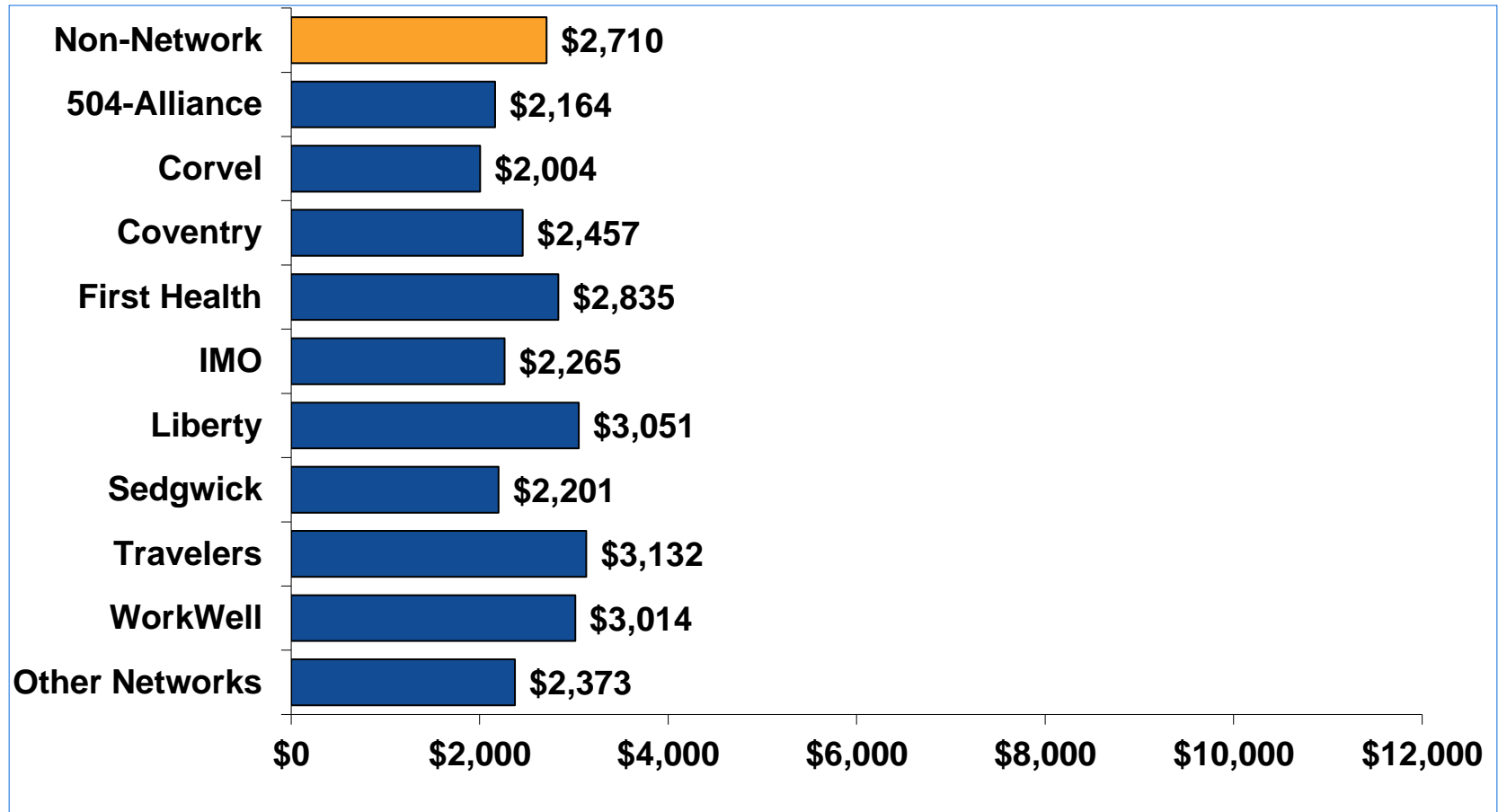
Average Medical Costs, 18 Months Post-Injury

Source: Workers' Compensation Research and Evaluation Group, 2020 Network Report Card.

Percentage of Injured Employees Who Reported That They Went Back to Work

Source: Workers' Compensation Research and Evaluation Group, 2020 Network Report Card.

Average Overall Medical Cost per Claim, Six Months Post-Injury – All Claims

Category	Cost
Non-Network	$2,710
504-Alliance	$2,164
Corvel	$2,004
Coventry	$2,457
First Health	$2,835
IMO	$2,265
Liberty	$3,051
Sedgwick	$2,201
Travelers	$3,132
WorkWell	$3,014
Other Networks	$2,373

Source: Workers' Compensation Research and Evaluation Group, 2020 Network Report Card.

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Utilization of Care

- Professional Services
  - More network claims receive physical medicine services, but fewer services per claim
  - Fewer network claims receive CT scans, MRI use mixed

- Hospital Services
  - Fewer network claims receive these services
  - Networks tend to have fewer inpatient hospital claims than non-network

- Pharmacy Services
  - More network claims receive these services
  - # of prescriptions/claim lower for many networks
  - Fewer network claims receive opioids, but more anti inflammatory drugs

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Overall Satisfaction with Medical Care

Percent of injured employees who indicated that they were "satisfied" with the quality of the medical care received for their work-related injury.
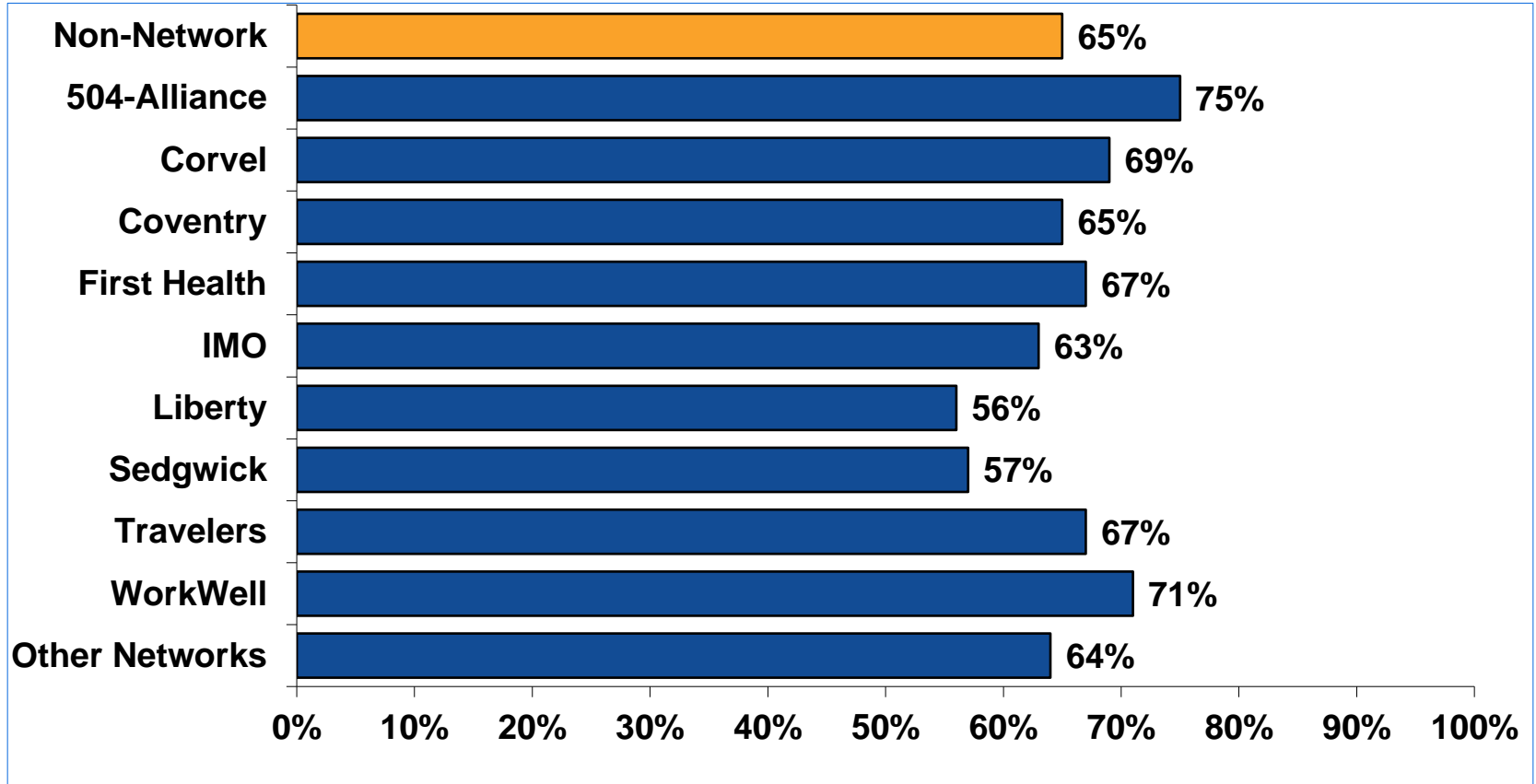
Network	Satisfaction
Non-Network	65%
504-Alliance	75%
Corvel	69%
Coventry	65%
First Health	67%
IMO	63%
Liberty	56%
Sedgwick	57%
Travelers	67%
WorkWell	71%
Other Networks	64%

Source: Workers' Compensation Research and Evaluation Group, 2020 Network Report Card.

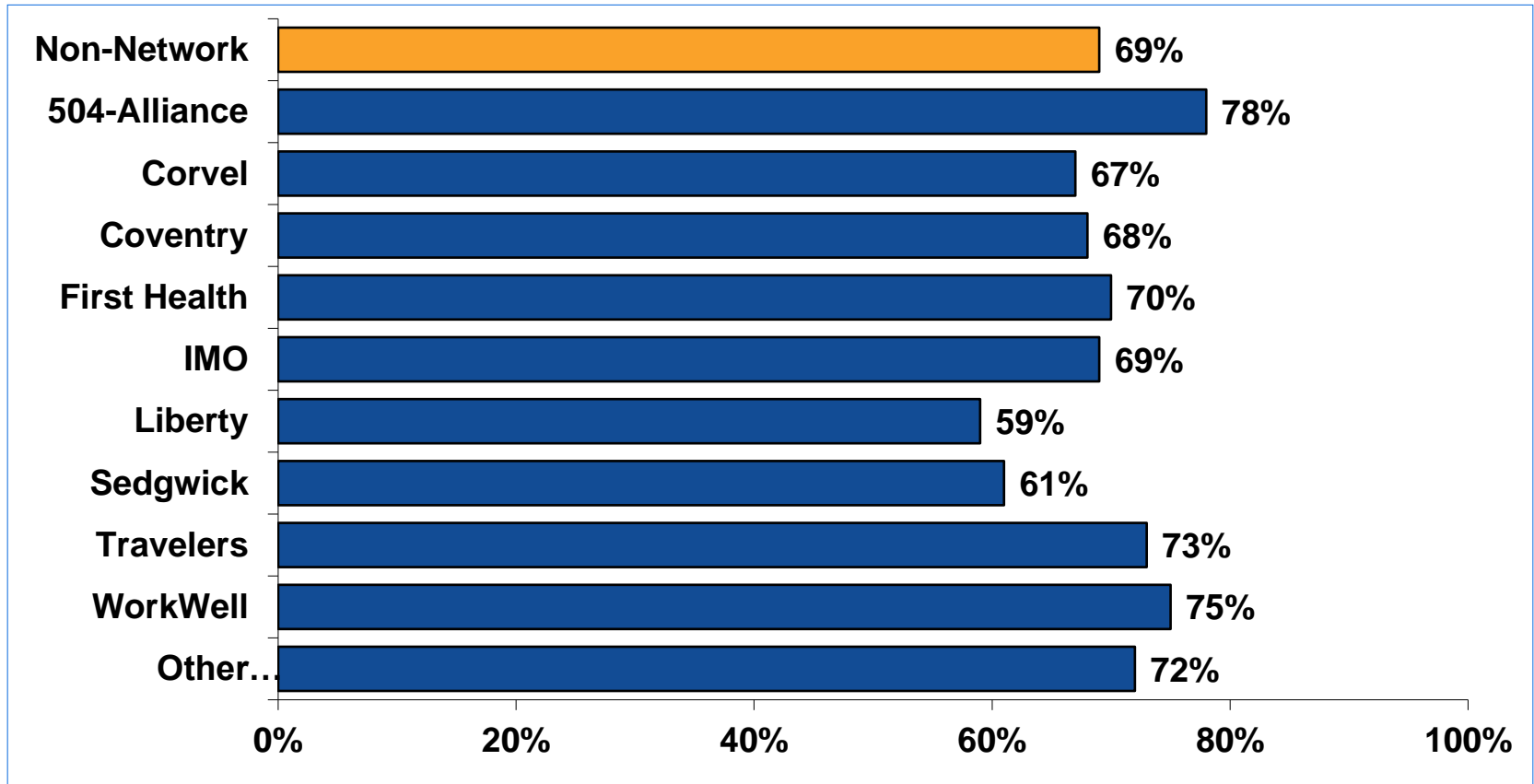TDI | Division of Workers' Compensation

Satisfaction with Treating Doctor

Percentage of injured employees who indicated that they were "satisfied" with the quality of the medical care received from their treating doctor.

Network	Percentage
Non-Network	69%
504-Alliance	78%
Corvel	67%
Coventry	68%
First Health	70%
IMO	69%
Liberty	59%
Sedgwick	61%
Travelers	73%
WorkWell	75%
Other...	72%

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Getting Needed Care

Percentage of injured employees who reported no problem: getting a personal doctor they like, seeing a specialist, getting necessary tests or treatment, and receiving timely approvals for care.
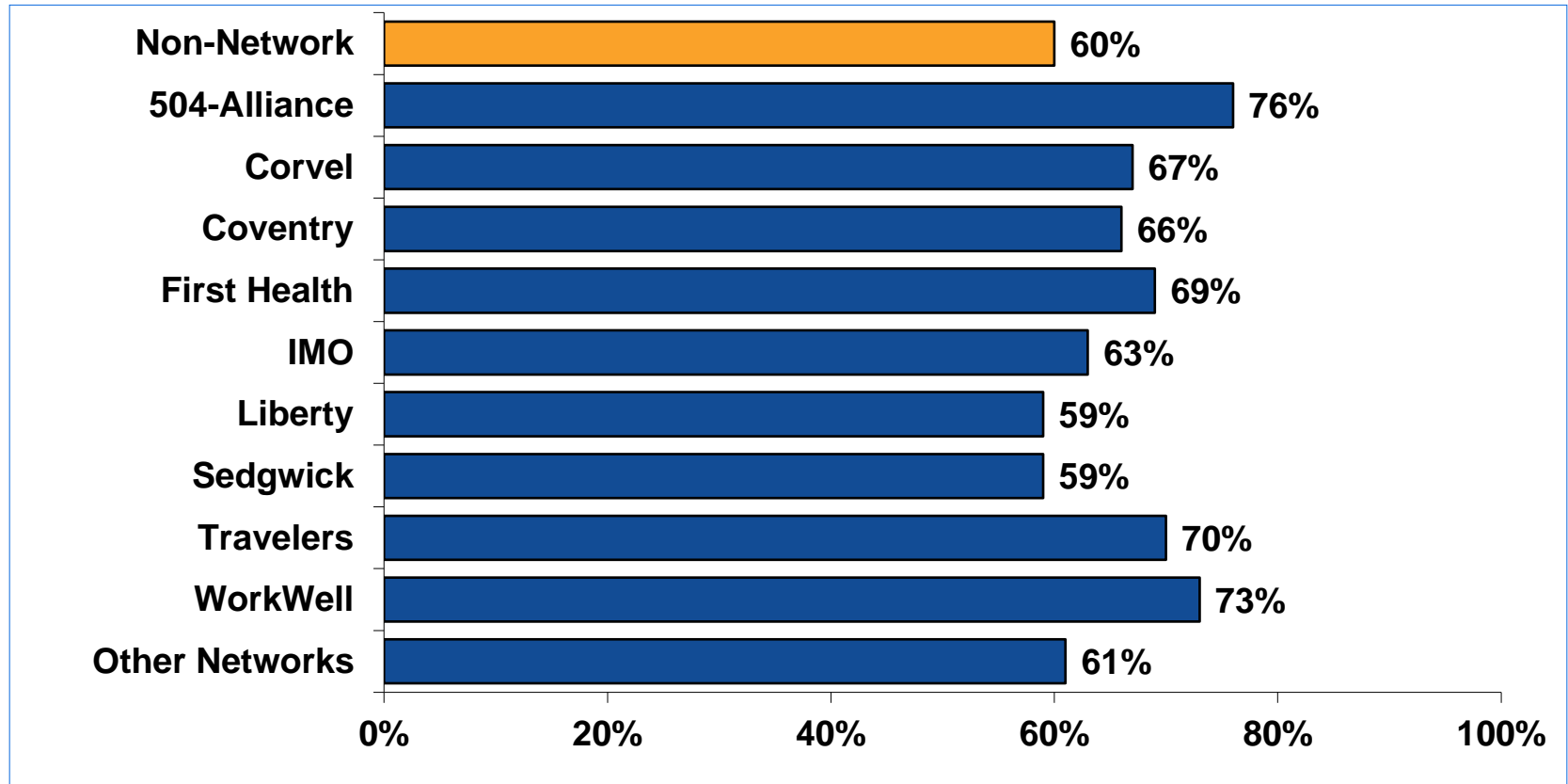
Network	Percentage
Non-Network	60%
504-Alliance	76%
Corvel	67%
Coventry	66%
First Health	69%
IMO	63%
Liberty	59%
Sedgwick	59%
Travelers	70%
WorkWell	73%
Other Networks	61%

Source: Workers' Compensation Research and Evaluation Group, 2020 Network Report Card.

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Getting Care Quickly

Percentage of injured employees who reported always: receiving care as soon as they wanted, getting an appointment as soon as they wanted, and being taken to the exam room within reasonable time of their appointment.
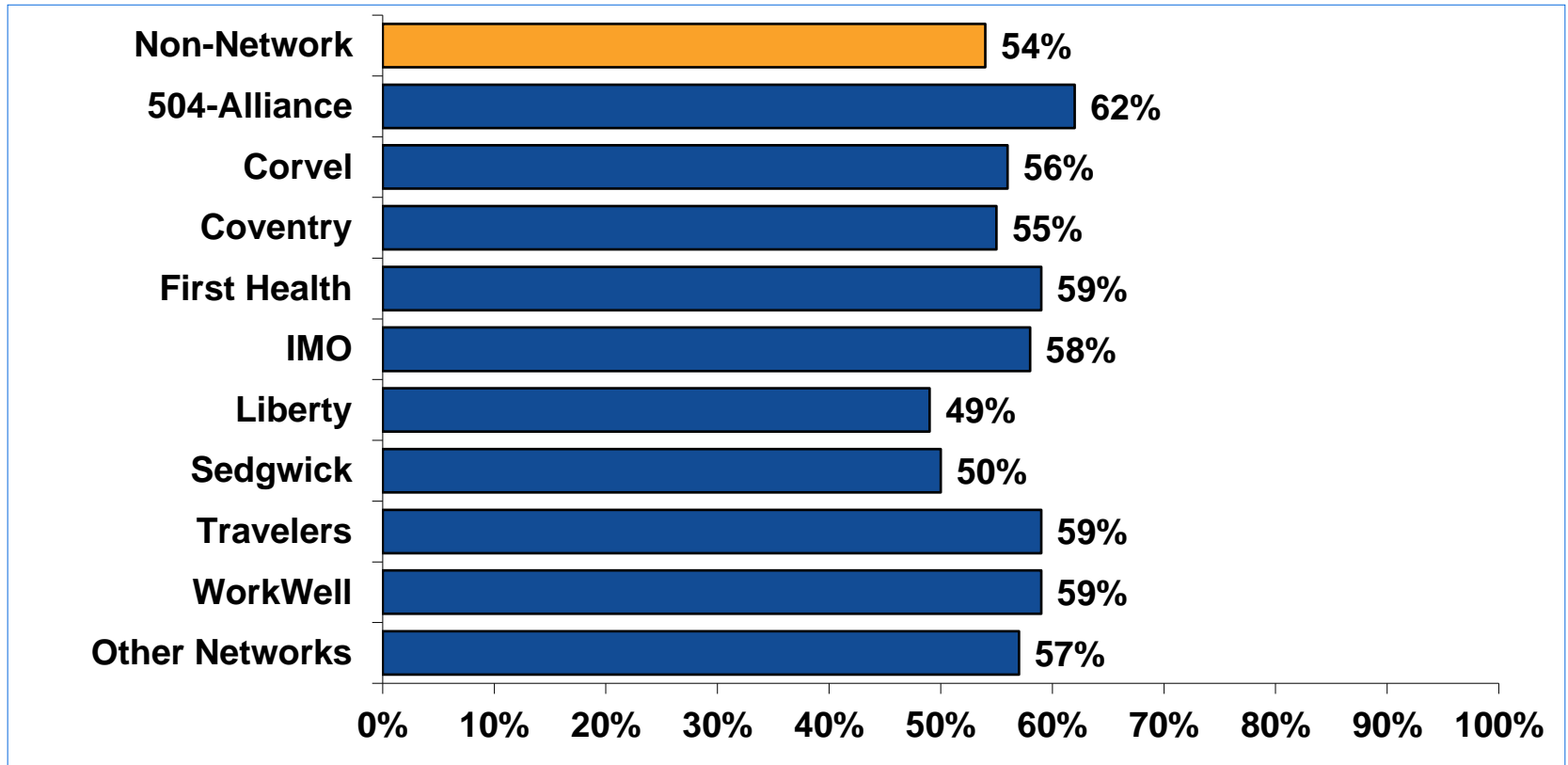
Network	Percentage
Non-Network	54%
504-Alliance	62%
Corvel	56%
Coventry	55%
First Health	59%
IMO	58%
Liberty	49%
Sedgwick	50%
Travelers	59%
WorkWell	59%
Other Networks	57%

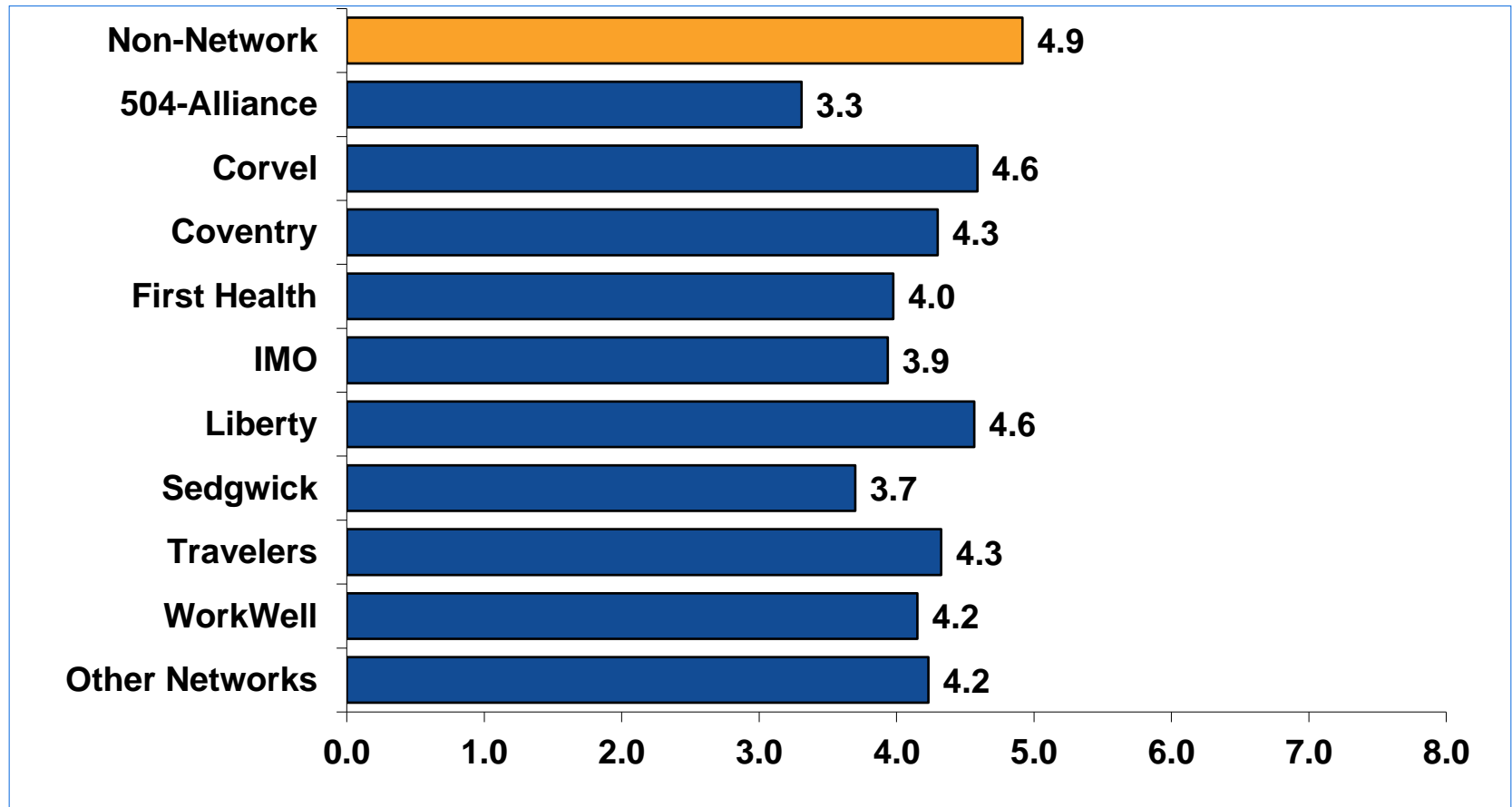Source: Workers' Compensation Research and Evaluation Group, 2020 Network Report Card.

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Average Number of Days from Date of Injury to Date of First Non-Emergency Treatment (derived from administrative medical data)

Network	Days
Non-Network	4.9
504-Alliance	3.3
Corvel	4.6
Coventry	4.3
First Health	4.0
IMO	3.9
Liberty	4.6
Sedgwick	3.7
Travelers	4.3
WorkWell	4.2
Other Networks	4.2

Source: Workers' Compensation Research and Evaluation Group, 2020 Network Report Card.

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Percentage of Injured Employees Who Indicated That They Went Back to Work at Some Point After Their Injury
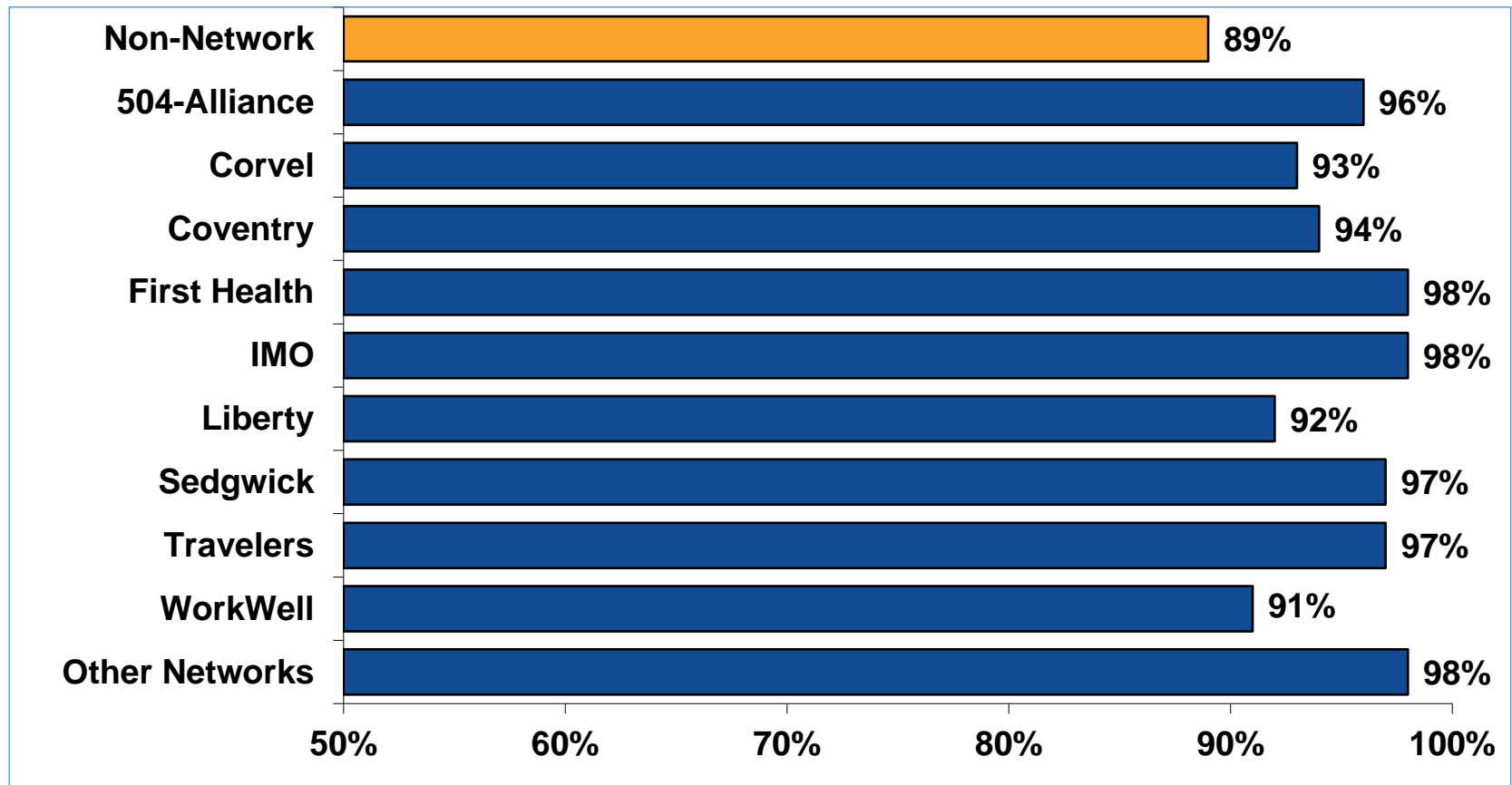
Network	Percentage
Non-Network	89%
504-Alliance	96%
Corvel	93%
Coventry	94%
First Health	98%
IMO	98%
Liberty	92%
Sedgwick	97%
Travelers	97%
WorkWell	91%
Other Networks	98%

Source: Workers' Compensation Research and Evaluation Group, 2020 Network Report Card.

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Q&A

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Closing

Cassie Brown, Commissioner

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