Texas Department of Insurance
Division of Workers' Compensation

Utilization Review Agent
Plan-Based Audit

December 27, 2011

Section I: General Statement and Overview

The Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) is required by Texas Labor Code §413.002 to "monitor health care providers, insurance carriers, independent review organizations, and workers' compensation claimants who receive medical services to ensure the compliance of those persons with rules adopted by the commissioner relating to health care, including medical policies and fee guidelines." Furthermore, Texas Labor Code section 413.0512 allows the Medical Quality Review Panel (MQRP) to recommend to the medical advisor appropriate action regarding doctors, other health care providers, insurance carriers, utilization review agents (URAs), and independent review organizations (IROs).

URAs are registered or licensed entities that review requests for health care services being provided (concurrent), proposed to be provided (prospective) or already provided (retrospective). URAs determine whether services are medically necessary and appropriate and may also determine if services are experimental and investigational. The Health & Workers' Compensation Network Certification & Quality Assurance (HWC) Office processes applications for entities seeking registration, licensure or licensure renewal as a URA within the state of Texas.

Medical quality reviews may be initiated from either a complaint, a plan-based audit, or monitoring resulting from a consent order. The TDI-DWC's Medical Advisor oversees the medical quality review process conducted by the MQRP. Medical quality reviews performed by the MQRP Experts (Expert) aid the TDI-DWC both to monitor compliance with the Texas Workers' Compensation Act (Act) and Rules and to help ensure that injured employees in the workers' compensation system receive medically necessary and appropriate health care that is timely and cost-effective, and facilitates functional recovery and appropriate return-to-work outcomes.

The TDI-DWC will manage the medical quality review process in a manner that is fair to all system participants, open, and transparent to the extent consistent with state confidentiality laws, and provide the subject of a review the opportunity to participate throughout the review process.

Section II: Purpose for Plan-Based Audit

- Promote the delivery of quality health care in a cost-effective manner, including protection of injured employee safety; and
- Assure that URAs adhere to reasonable standards for conducting utilization review, including the appropriate selection of reviewing health care providers.

Section III: Scope and Methodology for Plan-Based Audit

- Quality of non-network decisions made by URAs for prospective review of medical necessity and appropriateness of health care services.
- The basis for determining the medical necessity and appropriateness of health care services is outlined in Section II of the Medical Quality Review Procedure.

Section IV: Selection Criteria for Plan-Based Audit

- Selection Criteria - select cases from the approved 2011 IRO plan-based audit (See the TDI website at http://www.tdi.texas.gov/wc/hcprovider/documents/iroauditplan211.pdf) where the IRO overturned an URA decision.
- Time frame to select data - time frame is defined in the approved 2011 IRO plan-based audit.
- Exclusions:
  - URAs previously reviewed in FY11 or currently under review by the MQRP in FY 12.
  - URAs currently undergoing a quality of care complaint investigation.

Section V: Roles and Responsibilities

Health Care Quality Review, Division of Workers' Compensation

- Notifies URAs of subjects chosen for medical quality review.
- Selects MQRP members to perform a review in accordance with Texas Labor Code sections 408.0043, 408.0044, and 408.0045.
- Concludes plan-based audit in six months.
- Provides Executive Summary to the Commissioner of Workers' Compensation upon conclusion of plan-based audit.

Medical Advisor, Division of Workers' Compensation

- The Medical Advisor shall develop questions for the MQRP Experts. Those questions shall be approved by all undersigned parties prior to any records being sent to the MQRP Experts.

Section VI: Conflicts

This Utilization Review Agent plan-based audit incorporates the approved Medical Quality Review Procedure. However, if a specific conflict exists between this plan-based audit and the Medical Quality Review Procedure, this plan-based audit prevails.

Section VII: Approvals

This Utilization Review Agent Plan-Based Audit is respectfully submitted by:

Donald Patrick, M.D., J.D. Date 12-27-11

Medical Advisor

This Utilization Review Agent Plan-Based Audit is respectfully approved by:

Rod Bordelon Date 12/27/11

Commissioner of Workers' Compensation