

RESEARCH & OVERSIGHT COUNCIL ON WORKERS' COMPENSATION

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Request for Information

Studies to Reduce the Cost and Improve the Quality of Health Care Delivered to Injured Workers in Texas

A. Background and Purpose

The Research and Oversight Council on Workers' Compensation (ROC), an agency of the State of Texas, issues this Request for Information (RFI) to gather information that may assist the ROC in preparing specifications for comprehensive studies that will examine the cost and quality of health care delivered to injured workers in Texas.

Through House Bill 3697, the 76th Texas Legislature mandated the Texas Workers' Compensation Insurance Fund (Fund)--a major writer of workers' compensation insurance in Texas--to enter into a joint venture with the ROC to conduct examinations of:

1. The quality and cost-effectiveness of the current workers' compensation health care delivery system in Texas, as compared to:
 - a. Workers' compensation health care delivery systems in other states; and
 - b. Other health care delivery systems in Texas; and
2. Medical provider treatment patterns and insurance carrier utilization review practices in the Texas workers' compensation system.

The ROC anticipates issuing a Request for Proposal (RFP) for these research projects in November, 1999, and selecting a vendor(s) and awarding a contract(s) in January, 2000. Final completion of the contract(s) and submission of all deliverables to the ROC will be on or before October 15, 2000. ROC staff will provide information and oversight during the contract period.

HB 3697 also mandates an examination of methods to improve worker safety and facilitate return to productive employment following an injury, but this study will be the subject of a separate RFI.

B. Information Desired

The ROC and the Fund are seeking innovative ideas for structuring a research study(ies) to examine the cost and quality of medical care in the Texas workers' compensation system. Respondents are expected to provide input that will help the ROC and the Fund meet the timeframes set forth in Section A in a manner designed to accurately and objectively evaluate the Texas workers' compensation medical benefit delivery system.

The goal of this study(ies) is to:

- a) Establish whether differences exist between Texas workers' compensation medical costs and workers' compensation medical costs in other states for similar types of injuries;
- b) Establish whether differences exist between Texas workers' compensation medical costs and medical costs in other types of health care delivery systems in Texas for similar types of injuries;
- c) Determine what factors affect these medical-cost differences, including the proportion of medical costs attributable to administrative requirements and other non-treatment expenses;
- d) Analyze whether increased medical costs for workers' compensation cases are offset by lower income benefit costs, earlier return to work rates, higher patient satisfaction, or other measures of quality of care;
- e) Identify the types of medical cost-containment, medical management, and medical dispute resolution mechanisms used in other states and other health care delivery systems, and whether potential savings and other system improvements could be obtained if one or more of these mechanisms were applied to workers' compensation cases in Texas;
- f) Create a method to systematically identify workers' compensation health care provider treatment practices and insurance carrier utilization review practices that differ from statistical norms in Texas; and
- g) Develop a process for determining whether the differences in the treatment and review practices identified in (f) result from either inappropriate treatment patterns/review practices or whether the differences are medically justified.
- h) Identify mechanisms used in other state workers' compensation systems and other health care delivery systems to regulate health care providers and insurance carrier utilization review agents, and examine the effectiveness of those mechanisms in controlling medical costs and ensuring the delivery of quality medical care. This should include an analysis of whether any of these mechanisms could be applied in Texas to effectively regulate treatment patterns/review practices identified as inappropriate under the process developed in (g).

Respondents are expected to provide information that can be used to develop a Request for Proposal (RFP) on one or more of these study goals (labeled (a) through (h) above). Respondents should describe in 20 pages or less how these study goals could be effectively and efficiently structured. The narrative of the response should include a separate description for each study goal (a maximum of two pages per study goal) that includes the following items:

1. A brief literature review and/or discussion of innovative medical cost and quality-focused studies completed in other states, countries, or systems that should be analyzed.
2. A description of the proposed methodology(ies) including the types of information gathering techniques that may be used (i.e., analysis of administrative data, surveys, focus groups, etc.). For study goals (a), (c), and (d), please include a discussion regarding the criteria that would be used to select the states and the types of injuries that would be included in the analysis along with methods that might be used to hold injury severity constant across state workers' compensation systems.
3. A description of the type, source, and estimated cost of data required for the analysis, including whether the data are currently available to the respondent or must be developed and/or acquired by the respondent. Please include any discussion of data caveats, limitations, or confidentiality provisions that are relevant. The ROC currently has access to Texas workers' compensation medical billing and payment data collected by insurance carriers and reported to the Texas Workers' Compensation Commission (TWCC) (i.e., HCFA 1500, UB 92 forms). The ROC does not have readily available access to medical cost data from other state workers' compensation systems or other health care delivery systems.
4. A description of the types of services and/or assistance the Respondent may require from the ROC in order to complete the study goal.
5. A discussion of any other relevant research or policy considerations that should be taken into account when developing the study goal.
6. A discussion of estimated timeframes needed to complete one or more study goal and whether Respondent could pursue one or more study goal simultaneously.

C. Format

Ten (10) typed copies of the response are requested on 8 ½ by 11 inch paper with all pages sequentially numbered and either stapled or bound together. A copy of the response should also be provided in an electronic format either on a 3 ½ inch computer disk or as an e-mail attachment (using Microsoft Word 97 or WordPerfect version 8.0 or lower) to amylee@roc.state.tx.us.

Responses should include the items listed below and be organized in the following order:

- I. Table of Contents;
- II. Full name and address of Respondent, phone and fax numbers, e-mail address, contact name;
- III. A description of the Respondent's qualifications for performing this type of research, including the Respondent's prior experience conducting studies with goals similar to those listed in Section B and expertise in the proposed area of study;
- IV. Copies of relevant products and/or reports developed by the Respondent in the topic areas listed in Section B;
- V. Narrative describing in 20 pages or less how one or more of the study goals listed in Section B (labeled (a) through (h)) could be structured. The narrative of the response should include a separate description for each study goal (a maximum of two pages per study goal).

D. Information Resources; Deadline; Delivery Location; Agency Contact

For background information on the ROC, see our website:
<http://www.roc.capnet.state.tx.us>

For background information on the Fund, see the Fund's website:
<http://www.txfund.com>

For copies of House Bill 3697, see the Texas Legislature's website:
<http://www.capitol.state.tx.us>

For copies of the Texas Department of Insurance (TDI) Utilization Review Agent (URA) Rules, see the Texas Secretary of State's website located at <http://www.state.tx.us>. At this website, select "Functions of the Agency," and then select "Texas Administrative Code." At the Texas Administrative Code site, select "Texas Administrative Code Viewer." The URA rules are located at Title 28, Chapter 19, Rules 2001-2021.

For general information on the Texas workers' compensation system, see TWCC's website: <http://www.twcc.state.tx.us>

Responses should be received by the ROC no later than 5:00 p.m., Central Zone Time, on October 22, 1999. Responses should be marked "Response to Request for Information, HB 3697 Medical Studies" and addressed to:

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Phone: (512) 469-7811

Facsimile: (512) 469-7481
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E. Disclaimer; No Contract Results From This RFI; Oral Presentations

This RFI is issued solely for the purpose of obtaining information that may assist the ROC and the Fund in preparing specifications for a future RFP. This RFI is not a request for offers, purchase, solicitation, commitment to conduct a procurement, or an offer of a contract or potential contract.

Responses are voluntary. Responding to this RFI is not a condition for eligibility to respond to any subsequent RFP that may arise from the RFI. Responses to this RFI will not have any bearing, positive or negative, on the evaluation and vendor selection of any proposals that may result from this RFI.

After review of responses to the RFI, the ROC may, at its sole discretion, request oral presentations from respondents. Oral presentations, if any, have the same purpose as this RFI and will not result in a contract or potential contract.

F. No Compensation or Cost Recovery

All costs or expenses associated with the preparation or presentation of responses to this RFI are the responsibility of the Respondent and no payments or reimbursements for such costs will be made by the ROC or the Fund.

G. Ownership of Responses and Open Records

Responses to this RFI will be the property of the ROC. The ROC, in its sole discretion, may consider or disregard any information submitted in response to this RFI. Responses will not be returned to Respondent.

Responses to this RFI will be public information and available to any requester under the Texas Public Information Act; as a result, respondents should not include any information that Respondent believes to be confidential or proprietary.