



GUEST ARTICLE: Workers' Compensation Basics for Medical Providers

Author: Michael Pierson of MPIERSON Consulting

Providers who are new to workers' compensation need to understand how the workers' comp claim process works from the time an employee is injured to the time when they are healed and returned (as well as possible) back to the pre-accident base line.

This article is intended to help providers understand the workers' compensation process and all the people and/or organizations that are involved in a workers' compensation claim. It is important to understand that every state has its own workers' compensation laws ..so one size does not fit all. You must learn the rules and regulations that apply in any particular state. This article will provide a step-by-step analysis of claims and how they progress through the workers' compensation process. Please keep in mind this is provided in general terms and not specific to any one state.

Workers' Compensation Definitions

If you are going to be in the workers' compensation arena, you need to understand some of the common terms/ abbreviations used in work comp.

IE= Injured employee
OOW= Out of work
RTW= return to work
TPA= Third Party Administrator
MCO= Managed Care Organization
NCM= Nurse Case Manager
FCE= Functional Capacity Evaluation
MMI= Maximum Medical Improvement
IME= Independent Medical Exam
NTT= Need to Treat exam
Petitioner= Legal term for the injured employee (case is in Litigation)
Respondent= Legal term for the employer

AAWCP

PO Box 3403, Mercerville, NJ 08619

(O) 844-304-4367

info@wcdctors.com

Insurance Carrier vs. TPA

An Insurance carrier is where an employer pays a premium to have an insurance carrier handle its claims. Generally, the insurance carrier makes all decisions on claim handling. A TPA is a firm that is hired to handle claims and administrative tasks on behalf of an employer who may be self-insured ...such as a municipality, school board, hospital system, or union. In some instances, Insurance carriers have also hired TPAs to handle the insurance company's own claims.

The Accident

When an employee gets injured at work, they report the injury to their employer. Reporting can be made to a supervisor, HR manager or other person who is responsible for taking down the information. The injured worker may complete an initial injury report which is generally called a "first report of injury". The injury must occur in the course and scope of one's employment. This means that the injury occurred at the place of employment and it occurred while performing a work activity that benefits the employer.

The employer then reports the injury to its workers' compensation carrier or Third-Party Administrator for investigation and handling of the claim. The adjuster reviews the claim to make sure coverage is in force and that the accident was in the course and scope of the employee's employment. Once those are confirmed, medical treatment is authorized by the adjuster. In some situations, the employer reports the injury directly to a managed care organization who works closely with the carrier or TPA to manage the medical portion of the claim.

Treatment

The employer, carrier, TPA or managed care organization can refer the injured employee to an authorized medical provider. In some situations, a Managed Care Organization (MCO) is hired by an employer, TPA, or carrier to direct medical care ensuring that the provider understands workers' compensation statutes in that state and that causality is properly addressed. In some situations, the claim adjuster is responsible for directing care. Some states provide for lifetime control of medical by an employer or carrier. In other states, authorized medical care is limited to a certain period of time (such as 90 days) after which the employee can seek treatment from the medical provider that the employee desires. In other states the employee can seek treatment from any provider they desire from the start. And, in some jurisdictions, the employee can go to whomever they want for treatment. Thus, it all depends on a state's law as to how medical care is provided.

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info@wdoctors.com

Health Insurance vs. Workers' Compensation Coverage - The Paperwork Trail

Under health insurance, a patient comes into your practice and you secure a copy of his/her health insurance card and Identification. They fill out health insurance forms and then the patient is treated and the billing is submitted to the health carrier. The insurance representative at the health carrier confirms coverage, CPT codes and charges and pushes a button to process the claim for payment in accordance with your contract with that carrier. You collect any deductibles or co-payments from the patient and in some cases (such as high deductibles), you may have to follow up on open account receivables from the patient.

In workers' compensation, the injured employee comes to your office, provides identification, completes your intake forms and they should also complete a separate workers' compensation questionnaire that describes how they were injured, what body parts were injured and what other prior injuries they have had as well as other accidents or injuries they may have had in the past. In workers' compensation, there are more forms to complete, more medical investigation into causality and reporting and communicating with the adjuster or case manager from the MCO as compared to health insurance. There are no deductibles or co-pays in workers' compensation. The medical provider is paid from the first dollar for all authorized medical treatment.

Return-to-Work

After treating the patient, the adjuster or case manager as well as the employer may request some additional paperwork to be completed such as a work status report (sometimes called a quick note) that provides what the injured worker can and cannot do and provide restrictions, if any, or clearance for return to full duty. These forms may be provided to the medical provider by the organization or if not, you may be required to submit your own form, usually within 24 hours after seeing the patient. This process may continue throughout the claim process. The importance of this process is to assist the employer in determining if the injured worker can return to work or must stay out of work and for how long. This allows the employer to understand how to continue its business operations.

Billing Process

The provider submits a HCFA 1500 form with diagnosis and CPT codes and description of injury to either the adjuster at the TPA or Carrier or in some cases directly to a managed care organization (depending on who is controlling the medical program) along with either an office report or quick note. In one form or another, the bill is processed either in accordance with a state fee schedule or, if no fee schedule, under usual and customary statutes. The bills are "re-priced" to either a contracted amount, to a fee schedule or to a percentage of Usual and customary.

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Networks in Workers' Compensation

Many insurance companies and TPAs negotiate directly with various networks for discounted medical fees and pricing of procedures based on CPT codes. The networks offer these discounted prices to providers because of the potential volume of referrals that the provider can receive through a network. Some networks also provide managed care services that can include telephonic nurse case management or field case management where a nurse meets with an injured employee and attends the medical appointment with the employee and talks with the provider about care and proposed treatment. Some networks only do re-pricing of bills based on the contract they have with a provider. Some networks will only contract with a provider for both auto and workers' compensation while others will bifurcate and allow a provider to contract just for workers' compensation or just auto.

Other Forms of Medical Treatment

In addition to being treated by an urgent care provider or specialist, an employee may be sent for physical therapy, occupational therapy, or for psychological treatment or pain management etc... depending on the facts of the injury and the necessary objective tests performed to help diagnose a problem. This may be in the form of X-rays, MRIs, EMGs, CTs, discograms or an FCE (functional Capacity Evaluation) to name a few.

Medical Examinations

After the initial treatment at an urgent care or occupational medical center as discussed above, it may become apparent that the injured worker needs to be seen by a specialist, typically in orthopedics or pain management. The adjuster or case manager will typically refer the worker to a specialist who understands workers' compensation and causality for additional care. It may become necessary for the carrier/TPA or case manager to initiate a request for either a need-to-treat or an independent medical exam or defense medical exam as it is called in some states (IME or DME). A need-to-treat exam differs from an IME in that the NTT exam is one where the carrier has approved a particular provider to take over the treatment of an injured worker. This could be for several reasons such as the current provider is retiring from practice or may no longer want to treat this worker, or the adjuster feels the current provider is just continuing to treat with no end in sight.

An independent medical exam (IME) is used in workers' compensation to determine various issues such as causality, ability to return to work, or if the worker is at maximum medical improvement or needs more treatment, etc... A permanency exam is another type of exam used to determine a percentage of permanency in those states that provide a permanency rating based on a functional loss.

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Litigation

Many cases go into litigation and again each state has its own statutes as to how an injured employee can recover a monetary award per that state's workers' compensation law. In some states, the deciding officer is called a judge of compensation and in others it can be called a referee. In either case, they make the final determination on what is admissible as being causally related and how much the worker may receive in compensation. Some states grant a lump sum amount while others provide for payments over a certain number of years based on a weekly payout amount. As a medical provider, you may be called as a medical expert witness to come to compensation court or appear before a workers' compensation judge or board to testify as to any treatment you rendered to the employee or if you performed an independent medical exam. Your testimony and conclusions should be based on established medical science literature.

Some states allow for depositions while others do not and some states do not allow interrogatories or other discovery prior to trial. Again, every state has its own laws and it is important for the medical provider to understand these laws and work with any assigned counsel hired by the carrier or TPA as to what the law requires. Keep in mind that case law changes and can become a moving target. What was allowed two years ago may have changed because of case law.

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ABOUT THE AUTHOR

Michael Pierson has been in the insurance industry for over 40 years. He has worked for Insurance carriers and a Third-Party Administrator (TPA) in workers' compensation and other casualty insurance coverages. He spent 30 years with a regional TPA as Regional Vice President of Claims. After retiring in 2012, he started MPIERSON CONSULTING, LLC to specialize in working with medical providers to educate them on workers' compensation and help them secure access to workers' compensation networks. Michael currently devotes his practice to New Jersey but also has an understanding of workers' compensation in neighboring jurisdictions. His typical clients include Orthopedic surgeons, Pain Management Providers, General Surgeons, Chiropractors (who want to learn about workers' compensation), Neurosurgeons, TPAs, managed care companies, medical transportation companies, restoration companies and the brokers/risk managers who place insurance.

He also works with various specialty networks for workers' compensation and auto. In addition, he provides consulting services and seminars to providers or organizations interested in workers' compensation. His programs are tailored to each practice, depending on the needs of each provider. He helps his clients navigate through workers' compensation and acts as a resource to help them answer the tough claim questions from a claim adjuster's standpoint by assisting them in providing effective communication in language that adjusters understand and appreciate.

CONTACT INFORMATION

Michael Pierson, AIC

Email: michael@mpiersonconsulting.com

Phone: 732-918-8873

Fax: 732-487-3385

DISCLAIMER: The thoughts and views expressed in this article are those of the author and do not necessarily reflect the views of the American Academy of Workers' Compensation Physicians.

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