



Workers Compensation PPO and Bill Review: A Necessary Evil

Presented by:

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Bill Review

PPO Networks

Pricing of PPO and Bill Review

Sample Bill Review Reductions

Questions





Bill Review

State Fee Schedule / Usual & Customary

Most states have enacted some form of workers' comp fee schedule, however the states listed below utilize usual and customary amounts that are applied at the 80th percentile.

- Indiana
- Iowa
- Missouri
- New Hampshire
- New Jersey

It should be noted state fee schedules vary greatly between states.

Examples – State Fee Schedule Cost Per Procedure/CPT Code

State	Region	99213	29870	73700
CA	California Region 01	56.93	581.40	307.56
IL	Illinois Region 01	68.58	1294.76	730.44
NM	New Mexico	85.72	809.11	441.78
CPT	Procedure Description			
99213	Outpatient Office Visit			
29870	Arthroscopy Knee Diagnostic w/wo synovial biopsy			
73700	CT Lower Extremity w/o contrast material			



PPO Networks



National/Regional/Local PPOs

PPOs (Preferred Provider Organizations) were put into place to produce medical provider bills below State Fee Schedule or Usual and Customary Charges.

A certified Workers Comp PPO is a plan that provides or arranges for the coordination and delivery of services under the law to diagnose, treat and rehabilitate claimants requiring medical treatment for an occupational disease or injury arising out of the course of employment.



National Networks

Listed below are examples of national PPO providers for workers' compensation claims.

The strength of national networks is that they exist in multiple states/jurisdictions.

The weakness of national networks is that they are sometimes not as deep in providers or in the depth of discounts that regional or state PPOs are.

- Beech Street
- Corvel
- First Health / Coventry
- IHP
- Interplan
- Prime Health



Regional Networks

Listed below are examples of various regional PPO networks available. Regional networks tend to have higher discounts and more providers included in their network.

- Aetna / Coventry
- CompResults
- HealthLink
- HFN
- Indiana Health Network
- NovaNet
- Procura
- Rockport
- TLC



Local Networks

Listed below are examples of various Local PPO networks available. Local tend to be state specific and achieve the highest rate of savings.

- Blue Cross of California
- CHN
- Cofinity
- First Choice
- First MCO
- OHARA
- Premier
- Sierra at Work
- Specialty Health





Pricing: PPO and Bill Review

Evolution of Bill Review & PPO Pricing By Carrier/TPA/Bill Review Provider

- Old Model
 - Bill Review - Percentage of Savings
 - PPO - Percentage of Savings
- Current Model
 - Bill Review - Per Bill Pricing
 - PPO - Percentage of Savings
- Future Model
 - Bill Review - Per Bill
 - PPO – Flat Fee

Bill Review Sample 1 - Invoice

[REDACTED]		[REDACTED]		6174199-0001	0111
[REDACTED]		[REDACTED]		001787462	
[REDACTED]		MINNEAPOLIS		38-1426919	061112 061312
B007019960		[REDACTED]		STATEMENT COVERS PERIOD FROM THROUGH	
PATIENT NAME		PATIENT ADDRESS			
[REDACTED]		BRIGHTON MI 48116			
10 BIRTH DATE	11 SEX	12 DATE	13 ADMISSION	14 TYPE	15 BNO
02211979	M	061112	05	2	1
16 DNR	17 STAT	18	19	20	21
22	23	24	25	26	27
28	29	30	31	32	33
34	35	36	37	38	39
40	41	42	43	44	45
CCMSI		JUN 27 2012		80	2
PO BOX 27920		SCOTTSDALE		01	850 00
SCOTTSDALE, AZ 85255		103888169722		80	2 00
46 REV CD	47 DESCRIPTION	48 HPSA / RATE / HPSA CODE	49 RETN DATE	50 RETN UNITS	51 TOWN CHARGE
0120	SEMI PRIVATE 2 BED 4S	850.00		2	1700 00
0250	MIDAZOLAM INJ 2MG/2ML			153	3520 86
0268	NACL .9% 1L 2B1324			8	175 97
0270	NEUROPHYSIO MONITOR IN OR			2	2438 00
0271	O2 DAILY CHARGE			15	478 88
0272	SPONGE, GELATIN; SIZE 100			40	2924 48
0274	ORTHOTIC DEVICE			2	4590 00
0276	MTF TRINITY EVOLUTIONS 5C			31	98386 00
0300	RH TYPE			5	97 64
0301	ELECTROLYTES			8	165 00
0305	HEMATOCRIT (HCT)			4	72 58
0309	ANTIBODY SCREEN 4			1	61 50
0320	FLURO LESS THAN 1 HOUR			2	383 75
0360	OR FIRST 30 MINUTES			14	11475 00
0370	ANESTH 1ST 30 MINUTES			14	5225 00
0410	NEBULIZER TRTAT UNIT DOSE			1	39 00
0421	15 MIN GAIT TRAINING			3	225 00
0424	PHYSICAL THERAPY EVAL			1	256 00
0431	15 MIN SELF CARE TRAINING			2	150 00
0434	OCCUPATIONAL THER EVAL			1	256 00
0710	PACU FIRST 30 MIN				
					Approved KT 7/3/12 1200 00
0001	PAGE 001 OF 001	CREATION DATE	061912	TOTALS	131809 26

Bill Review Sample 1

HOSPITAL
MINNEAPOLIS, MN

ICD-DX1: 722.52 Lumb/lumbosac disc degen
ICD-DX2: 518.0 Pulmonary collapse
ICD-DX3: 997.39 Respiratory comp NEC
ICD-DX4: 722.10 Lumbar disc displacement

Admitted: 06/11/2012

Discharged: 06/13/2012

Hospital Ratio: 0.484900 DRG: 460 Desc: SPINAL FUSION EXCEPT CERVICAL W/O MCC ICD-Proc1: 81.07 Lmb/lmsac fus post/post ICD-Proc2: 80.51

DOS	POS	Code	Mod	Service Description	Units	Charge	BR/Red	PPO/Red	Other/Red	Allowance	Reasons
06/11/12	21	120		ROOM-BOARD/SEMI	2.000	1,700.00	817.97	396.37	0.00	485.66	169
06/11/12	21	250		PHARMACY	153.000	3,520.66	1,693.99	396.37	0.00	1,430.30	169
06/11/12	21	258		IV SOLUTIONS	8.000	175.97	84.67	91.30	0.00	0.00	169
06/11/12	21	270		MED-SUR SUPPLIES	2.000	2,438.00	1,173.06	396.37	0.00	868.57	169
06/11/12	21	271		NON-STER SUPPLY	15.000	478.68	230.32	248.36	0.00	0.00	169
06/11/12	21	272		STERILE SUPPLY	40.000	2,924.48	1,407.13	396.37	0.00	1,120.98	169
06/11/12	21	274		PROSTH/ORTH DEV	2.000	4,590.00	2,208.51	396.37	0.00	1,985.12	169
06/11/12	21	278		SUPPLY/IMPLANTS	31.000	96,385.00	46,376.32	396.37	0.00	49,612.31	169
06/11/12	21	300		LABORATORY OR (LAB)	5.000	97.64	46.98	50.66	0.00	0.00	169
06/11/12	21	301		LAB/CHEMISTRY	6.000	155.00	74.58	80.42	0.00	0.00	169
06/11/12	21	305		LAB/HEMATOLOGY	4.000	72.58	34.92	37.66	0.00	0.00	169
06/11/12	21	309		LAB/OTHER	1.000	61.50	29.59	31.91	0.00	0.00	169
06/11/12	21	320		DX X-RAY	2.000	383.75	184.64	199.11	0.00	0.00	169
06/11/12	21	360		OR SERVICES	14.000	11,475.00	5,521.28	396.37	0.00	5,557.35	169
06/11/12	21	370		ANESTHESIA	14.000	5,225.00	2,514.05	396.37	0.00	2,314.58	169
06/11/12	21	410		RESPIRATORY SVC	1.000	39.00	18.77	20.23	0.00	0.00	169
06/11/12	21	421		PHYS THERP/VISIT	3.000	225.00	108.26	116.74	0.00	0.00	169
06/11/12	21	424		PHYS THERP/EVAL	1.000	256.00	123.18	132.82	0.00	0.00	169
06/11/12	21	431		OCCUP THERP/VISIT	2.000	150.00	72.17	77.83	0.00	0.00	169
06/11/12	21	434		OCCUP THERP/EVAL	1.000	256.00	123.18	132.82	0.00	0.00	169
06/11/12	21	710		RECOVERY ROOM	7.000	1,200.00	577.39	396.36	0.00	226.25	169

TOTALS:

131,809.26 63,420.96 4,787.18 0.00 63,601.12

TOTAL RECOMMENDED ALLOWANCE:

63,601.12

Bill Review Sample 2

OP
PHILADELPHIA, PA

ICD-DX1: 806.04 C1-c4 fx-cl/cord inj NEC
ICD-DX2: 806.04 C1-c4 fx-cl/cord inj NEC

Admitted: 08/17/2011

Discharged: 07/05/2012

DOS	POS	Code	Mod	Service Description	Units	Charge	BR/Red	PPO/Red	Other/Red	Allowance	Reasons
08/17/11	21	138		REHAB/3&4BED	186.000	224,585.70	0.00	223,085.70	0.00	1,500.00	
08/17/11	21	138		REHAB/3&4BED	117.000	137,159.10	0.00	135,659.10	0.00	1,500.00	
08/17/11	21	148		REHAB/DLX	20.000	49,268.00	0.00	49,268.00	0.00	0.00	
08/17/11	21	250		PHARMACY	232.000	128,866.36	0.00	25,773.27	0.00	103,093.09	
08/17/11	21	270		MED-SUR SUPPLIES	579.000	69,690.60	0.00	69,690.60	0.00	0.00	
08/17/11	21	273		TAKEHOME SUPPLY	4.000	520.80	0.00	520.80	0.00	0.00	
08/17/11	21	279		SUPPLY/OTHER	303.000	33,943.50	0.00	33,943.50	0.00	0.00	
08/17/11	21	290		MED EQUIP/DURAB	200.000	21,640.00	0.00	21,640.00	0.00	0.00	
08/17/11	21	300		LABORATORY OR (LA	16.000	707.00	0.00	707.00	0.00	0.00	
08/17/11	21	301		LAB/CHEMISTRY	53.000	5,900.60	0.00	5,900.60	0.00	0.00	
08/17/11	21	305		LAB/HEMATOLOGY	48.000	2,443.60	0.00	2,443.60	0.00	0.00	
08/17/11	21	306		LAB/BACT-MICRO	24.000	2,435.85	0.00	2,435.85	0.00	0.00	
08/17/11	21	307		LAB/UROLOGY	14.000	653.10	0.00	653.10	0.00	0.00	
08/17/11	21	320		DX X-RAY	6.000	1,308.75	0.00	1,308.75	0.00	0.00	
08/17/11	21	324		DX X-RAY/CHEST	4.000	562.45	0.00	562.45	0.00	0.00	
08/17/11	21	410		RESPIRATORY SVC	20.000	5,072.70	0.00	5,072.70	0.00	0.00	
08/17/11	21	420		PHYSICAL THERP	009.000	76,986.25	0.00	76,986.25	0.00	0.00	
08/17/11	21	424		PHYS THERP/EVAL	1.000	255.25	0.00	255.25	0.00	0.00	
08/17/11	21	430		OCCUPATION THER	056.000	80,367.60	0.00	80,367.60	0.00	0.00	
08/17/11	21	434		OCCUP THERP/EVAL	1.000	231.60	0.00	231.60	0.00	0.00	
08/17/11	21	440		SPEECH PATHOL	16.000	1,564.70	0.00	1,564.70	0.00	0.00	
08/17/11	21	444		SPEECH PATH/EVAL	1.000	223.30	0.00	223.30	0.00	0.00	
08/17/11	21	922		EMG	4.000	2,987.40	0.00	2,987.40	0.00	0.00	
TOTALS:						847,374.21	0.00	741,281.12	0.00	106,093.09	
TOTAL RECOMMENDED ALLOWANCE:										106,093.09	

Bill Review Sample 3 - Invoice

HOSP POB [REDACTED] DALLAS TX [REDACTED]										04 PAT ID: NAN05059 05 M.D. NO: K000961198 06 FED. TAX NO: 0000		07 STATEMENT COVERS PERIOD FROM: 073112 08 STATE THROUGH: 073112			
01 PATIENT NAME: [REDACTED] 02 PATIENT ADDRESS: [REDACTED]										03 CO: 80107					
09 BIRTH DATE: 02241990		10 SEX: M		11 ADMISSION 12 USE 14 TYPE 15 END 16 DNR: 1-1-20 01		17 STAT: 01		18 GENI CODES:		19 ACC STATE: CO					
20 OCCURRENCE CODE DATE: 04 073112		21 OCCURRENCE FROM:		22 OCCURRENCE THROUGH:		23 OCCURRENCE SPAN:		24 OCCURRENCE FROM:		25 OCCURRENCE THROUGH:					
26 ADDRESS: CCM SI PO BOX 4998 GREENWOOD VILLA CO 80155										27 VALUE CODES AMOUNT:		28 VALUE CODES AMOUNT:		29 VALUE CODES AMOUNT:	
40 REF CD	43 DESCRIPTION	44 NEDCS (RATE) NPPS CODE	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES	48 NON COVERED CHARGES	49								
0450	EMERGENCY DEPT VISIT	99282	073112	1	70500										
0001 PAGE 1 OF 1										CREATION DATE: 080912		70500			

Bill Review Sample 3

HOSPITAL
PO BOX
DALLAS, TX

ICD-DX1: 994.8 Effects electric current

Admitted: 07/31/2012

Discharged: 07/31/2012

DOS	POS	Code	Mod	Service Description	Units	Charge	BR/Red	PPO/Red	Other/Red	Allowance	Reasons
07/31/12	23	99282		EMER DEPT LOW TO I	1.000	705.00	465.06	12.00	0.00	227.94	170
TOTALS:						705.00	465.06	12.00	0.00	227.94	
TOTAL RECOMMENDED ALLOWANCE:										227.94	

Reason Code Reimbursement Description:

170 -REIMBURSEMENT IS BASED ON THE OUTPATIENT/INPATIENT FEE SCHEDULE.

PPO REDUCTION: First Health P&TANY REDUCTION IS IN ACCORDANCE WITH DISCOUNTS PROVIDED BY AETNA WORKERS COMPENSATION ACCESS. FOR QUESTIONS REGARDING REDUCTIONS, PLEASE CALL 1-800-AETNA-88 151 Farmington Ave., RT62 Hartford CT 6156 1-800-238-6288

Carrier: ARCH Insurance Group 300 Plaz Three 3rd Floor. Carrier number: 1065

Bill Review Sample 4

HOSPITAL
JENA, LA

ICD-DX1: 883.1 Open wound finger-compl
ICD-DX2: 886.0 Amputation finger

Admitted: 07/25/2012

Discharged: 07/25/2012

DOS	POS	Code	Mod	Service Description	Units	Charge	BR/Red	PPO/Red	Other/Red	Allowance	Reasons
07/25/12	22	250		PHARMACY	1.000	25.00	2.50	0.00	0.00	22.50	002,9921,169
				90714 Changed to 250 Better Defining Services Performed							
07/25/12	22	250		PHARMACY	2.000	1.50	0.15	0.00	0.00	1.35	002,9921,169
07/25/12	22	270		MED-SUR SUPPLIES	8.000	195.00	19.50	0.00	117.16	58.34	002,9921,169
07/25/12	22	272		STERILE SUPPLY	1.000	22.50	2.25	0.00	0.00	20.25	002,9921,169
07/25/12	22	73140		RAD EXAM FINGER(S)	1.000	161.50	16.15	0.00	0.00	145.35	002,9921,169
07/25/12	23	450		EMERG ROOM	1.000	41.50	4.15	0.00	0.00	37.35	002,9921,169
07/25/12	23	450		EMERG ROOM	1.000	32.00	3.20	0.00	0.00	28.80	002,9921,169
07/25/12	23	450		EMERG ROOM	1.000	60.00	6.00	0.00	0.00	54.00	002,9921,169
07/25/12	23	450		EMERG ROOM	1.000	60.00	6.00	0.00	0.00	54.00	002,9921,169
07/25/12	23	450		EMERG ROOM	1.000	567.00	56.70	0.00	0.00	510.30	002,9921,169
07/25/12	22	636		DRUG/DETAIL CODE	10.000	2.50	0.25	0.00	0.00	2.25	002,9921,169
07/25/12	22	J2175		INJECTION MEPERIDIN	1.000	1.50	0.15	0.00	0.00	1.35	002,9921,169
07/25/12	22	J2405		INJECTION ONDANSE	4.000	1.52	0.15	0.00	0.00	1.37	002,9921,169
TOTALS:						1,171.52	117.15	0.00	117.16	937.21	
TOTAL RECOMMENDED ALLOWANCE:										937.21	

Bill Review Sample 5

HOSPITAL
OPELOUSAS, LA

ICD-DX1: V01.5 Rabies contact
ICD-DX2: 879.8 Open wound site NOS

Admitted: 07/06/2012

Discharged: 07/06/2012

DOS	POS	Code	Mod	Service Description	Units	Charge	BR/Red	PPO/Red	Other/Red	Allowance	Reasons
07/06/12	22	250		PHARMACY	8.000	7,315.54	731.55	0.00	76.29	6,507.70	002,9921,169
07/06/12	22	260		IV THERAPY	1.000	83.00	8.30	0.00	0.00	74.70	002,9921,169
07/06/12	23	450		EMERG ROOM	1.000	350.00	35.00	0.00	0.00	315.00	002,9921,169
07/06/12	22	90471		IMMUNIZ ADMIN; 1 VA	1.000	114.00	11.40	0.00	0.00	102.60	002,9921,169
TOTALS:						7,862.54	786.25	0.00	76.29	7,000.00	
TOTAL RECOMMENDED ALLOWANCE:										7,000.00	

Reason Code Reimbursement Description:

- 002 -CHARGES EXCEED MAXIMUM ALLOWANCE.
- 169 -REIMBURSEMENT BASED ON RATIO, PERCENTAGE OR FORMULA SET BY STATE GUIDELINES.
- 9921 -THE PROVIDER HAS APPROVED AND SIGNED A KPN NEGOTIATION LETTER FOR THE RECOMMENDED AMOUNT



Questions