California Workers' Compensation Institute
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VIA E-MAIL to dwcrules@dir.ca.gov

Maureen Gray, Regulations Coordinator
Department of Industrial Relations
Division of Workers' Compensation, Legal Unit
Post Office Box 420603
San Francisco, CA 94142

RE: Written Testimony – WCIS

Dear Ms. Gray:

This written testimony on proposed revisions to the Workers' Compensation Information System (WCIS) regulations is presented on behalf of members of the California Workers' Compensation Institute (the Institute). Institute members include insurers writing 71% of California's workers' compensation premium, and self-insured employers with $46B of annual payroll (26% of the state's total annual self-insured payroll).

Insurer members of the Institute include ACE, AIG, Alaska National Insurance Company, AmTrust North America, Chubb Group, CNA, CompWest Insurance Company, Crum & Forster, Employers, Everest National Insurance Company, Fireman's Fund Insurance Company, The Hartford, ICW Group, Liberty Mutual Insurance, Pacific Compensation Insurance Company, Preferred Employers Group, Springfield Insurance Company, State Compensation Insurance Fund, State Farm Insurance Companies, Travelers, XL America, Zenith Insurance Company, and Zurich North America.

Self-insured employer members are Adventist Health, Agilent Technologies, Chevron Corporation, City and County of San Francisco, City of Santa Ana, City of Torrance, Contra Costa County Schools Insurance Group, Costco Wholesale, County of San Bernardino Risk Management, County of Santa Clara, Dignity Health, Foster Farms, Grimmway Enterprises Inc., Kaiser Permanente, Marriott International, Inc., Pacific Gas & Electric Company, Safeway, Inc., Schools Insurance Authority, Sempra Energy, Shasta County Risk Management, Shasta-Trinity Schools Insurance Group, Southern California Edison, Sutter Health, University of California, and The Walt Disney Company.

Recommended revisions to the draft revised MTUS regulations are indicated by highlighted underscore and ~~strikeout~~. Comments and discussion by the Institute are indented and identified by *italicized text*.

Section 9701(d) California Jurisdiction Code.

Recommendation

(d) California Jurisdiction Code. A California-specific code that identifies a medical procedure, service, or product that is not identified by a current HCPCS code. California Jurisdiction Codes are either set forth and/or incorporated by reference in California Code of Regulations, title 8, section 9795, regarding reasonable fees for medical-legal expenses, section 9789.11, regarding fees for physician services rendered on or after July 1, 2004 and before January 1, 2014, sections 9789.12.1-9789.19, regarding fees for physician services rendered on or after January 1, 2014, or in California EDI Implementation Guide for Medical Bill Payment, Release 2.0, Section IX, subsections entitled "Lump sum bundled lien bill payment" and "Lump sum lien bills data elements," regarding medical lien lump sum payments or settlements. The California EDI Implementation Guide for Medical Bill Payment, Release 2.0 is incorporated by reference in subdivision (c)(2).

Discussion

Implementation of changes to the California Official Medical Fee Schedule in January of 2014 included significant changes to service codes required for correct billing. Removal of reference to the California jurisdiction codes that were in effect between July 1, 2004 and January 1, 2014 may result in an inability to report services that were rendered during that time frame and billed using a jurisdiction code. Restoring "section 9789.11, regarding fees for physician services rendered on or after July 1, 2004" and adding "and before January 1, 2014" will clarify that jurisdiction codes then in effect for billing are reportable under §9701(d).

California Electronic Data Interchange (EDI) Implementation Guide for Medical Bill Payment Records Version 2.0

Recommendation

Conform California Medical Data Elements by Source table and Medical Data Element Requirement tables as follows:

Replace in the heading the clarification that the table does not apply to medical lien lump sum payments or settlements.

Medical Data Element Requirement Table (Does not apply to medical lien lump sum payments or settlements)

Remove field 22 of CMS-1500 form as a source for DN0505 – Bill Frequency Type Code.

0505	BILL FREQUENCY TYPE CODE	~~22~~	4					

Add source information for DN0572 – Drugs/Supplies Billed Amount – to the California Medical Data Elements by Source table.

0572	DRUGS/SUPPLIES BILLED AMOUNT			100				

Remove DN0593 – Rendering Line Provider Postal Code – from the California Medical Data Elements by Source table.

~~0593~~	~~RENDERING LINE PROVIDER POSTAL CODE~~					~~x~~		

Discussion

Replacing the parenthetical notation "(Does not apply to medical lien lump sum payments or settlements)" in the headings of the Medical Data Element Requirement Table is necessary otherwise lump sum lien payments will be subject to the detailed data requirements. The detailed data requirements are not applicable to lump sum payments. The section on "Lump sum bundled lien payment" that begins on page 70 specifies the data elements that are required in the event of lien settlements or payments. When a lien settlement covers multiple bills, it is often not possible to capture the aggregated amount(s) previously paid. Lump sum lien settlements are normally not processed as replacement bills for previously reported original bills that may have been partially paid or disallowed. A settlement is often not limited to bills on which liens have been filed, and a settlement may cover multiple claims.

The Medical Data Element Requirement table identifies the reporting requirement for listed data elements, and the California Medical Data Elements by Source table provides the data source and field name for an originating billing form. Data elements that are identified as mandatory conditional (MC) or mandatory (M) in the Medical Data Element Requirement table should appear in the California Medical Data Elements by Source table with the appropriate source indicated.

DN0505 – Bill Frequency Type Code - is defined as a mandatory data element for institutional bills. The California Medical Data Elements by Source table shows field 22 on the CMS-1500 form as an additional source for the data element. If the billing frequency code associated with resubmitted CMS-1500 forms is not reportable in the 837 file, field 22 should be removed from the California Medical Data Elements by Source table. If the intent is to require it for resubmitted CMS-1500 bills, the information should be added to the Medical Data Element Requirement Table as Mandatory Conditional (MC) for professional bill types.

DN0572 – Drugs/Supplies Billed Amount - The California Medical Data Elements by Source table does not identify the source for DN0572. Adding field 100 of the NCPDP form as the source for the data element, which corresponds to the data requirement in the California Division of Workers' Compensation Medical Billing and Payment Guide 2011 Version 1.1, will ensure that all submitters are reporting the same information.

DN0593 – Rendering Line Provider Postal Code - is listed in the California Medical Data Elements by Source table, but it is not listed in the Medical Data Element Requirement Table. DN0593 is not listed as a data element in the IAIABC Workers' Compensation Medical Bill Data Reporting Implementation Guide Release 2.0, nor is the data associated with DN0593, "rendering line provider postal code" billed or captured at the line level during bill processing. Removal of the data element from the California Medical Data Elements by Source table will clarify that a payer is not a source for the data element.

Recommendation – unfeasible data requirement

Remove the mandatory conditional (MC) requirement for DN0551- Procedure Description - which requires the payer to provide a free-form description for an unlisted procedure code.

0551	PROCEDURE DESCRIPTION	MC	NA	MC	MC	~~Required when reporting unlisted procedures.~~	I, P, D

Discussion
Unlisted codes have generic descriptions that have been assigned to them by the governing body (American Medical Association, American Dental Association, etc.) and these descriptors may not be changed. Additionally, it is not feasible for a payer to manually replace the generic description associated with an unlisted code with a description that is obtained from another document. Data entered in free-form text is unreliable and unsuitable for data analysis since the text will lack consistency.

Recommendation – medical data element field discrepancies
Clarify the data that is found in field 17 of the CMS-1500 form in the California Medical Data Elements by Source table. Add CMS-1500 source information for the following data elements:

- DN0658 – Supervising Provider Last/Group Name
- DN0659 – Supervising Provider First Name
- DN0690 – Referring Provider Last/Group Name
- DN0691 – Referring Provider First Name

Discussion
The California Medical Data Elements by Source table shows CMS-1500 form field 17 as the source for DN0658 – Supervising Provider Last/Group Name – and for DN0659 – Supervising Provider First Name. The California Medical Data Elements by Source table shows CMS-1500 form field 17b as the source for DN0667 – Supervising Provider National Provider ID.

The CMS-1500 form uses fields 17 and 17b to capture information for a referring provider, supervising provider or ordering provider which is documented in the California Division of Workers' Compensation Medical Billing and Payment Guide Version 1.2. There is a qualifier that identifies the role of the provider who is named in field 17 (DN – Referring Provider, DK – Ordering Provider and DQ – Supervising Provider).

Without clarifying information inaccurate information will be reported concerning a physician's role related to the billed service(s).

Recommendation – medical lien lump sum payments or settlements
Lump sum bundled lien bill payment
California law allows the filing of a lien against any sum to be paid as compensation for the "reasonable expense incurred by or on behalf of the injured employee, as provided by Article 2 (commencing with Section 4600), except those disputes subject to independent medical review or independent bill review." for medical treatment (see Labor Code section 4903(b) and 4903.1). Reportable lump sum medical liens originateing from medical bills are filed on DWC ~~Workers'~~ ~~/~~WCAB Form 6. The~~e~~is medical lien form is located at http://www.dir.ca.gov/dwc/FORMS/EAMS%20Forms/ADJ/DWCForm6.pdf.
For the complete list of data elements required in a reportable lump sum medical lien see the IAIABC Workers' Compensation Medical Bill Data Reporting Implementation Guide Release 2.0, February 1, 2014, section 1.3.1, page 1.13.

For medical lien lump sum payments or settlements, use the date final payment was made on DN 0512 Date Insurer Paid Bill.
~~For medical lien lump sum payments or settlements, use the date on the first medical bill received on DN0512 Date Insurer Paid Bill.~~

Use the following codes for reporting DN0729 Jurisdiction procedure paid code on a medical lien lump sum payment or settlement:

- MDS10 Lump sum payment or settlement for multiple bills where the amount of reimbursement is in dispute between the claims payer and the healthcare provider
- MDO10 Final order or award of the Workers' Compensation Appeals Board requires a lump sum payment for multiple bills for which the amount of reimbursement is in dispute between the claims payer and the healthcare provider
- MDS11 Lump sum payment or settlement for multiple bills for which liability for a claim was denied but finally accepted by the claims payer
- MDO11 Final order or award of the Workers' Compensation Appeals Board requires a lump sum payment for multiple bills for which claims payer is found to be liable for a claim which it had denied liability
- MDS21 Lump sum payment or settlement for a single medical bill for which the amount of reimbursement is in dispute between the claims payer and the healthcare provider
- MDO21 Final order or award of the Workers' Compensation Appeals Board requires a lump sum payment for a single medical bill for which the amount of reimbursement is in dispute between the claims payer and the healthcare provider

For a medical lien lump sum payment or settlement, use the date of lien filing on DN 0509 Service Bill Date(s) Range.
For a medical lien lump sum payment or settlement, use the settled or ordered amount on DN 0516 Total Amount Paid Per Bill.
For a medical lien lump sum payment or settlement, use the amount in dispute on DN 0501 Total Charge Per Bill.

Data elements required to be reported in a Lump Sum payment or settlement of a lien.~~Lien bills~~ are listed below.

Discussion
Information describing the date used for DN0512 (Date Insurer Paid Bill) on page 70 of the California Electronic Data Interchange (EDI) Implementation Guide for Medical Bill Payment Records Version 2.0 is confusing and contradictory. One sentence states "For medical lien lump sum payments or settlements, ***use the date the final payment*** *[emphasis added] was made on DN 0512 Date Insurer Paid Bill." This sentence is followed by "For medical lien lump sum payments or settlement,* ***use the date on the first medical bill received*** *[emphasis added] on DN0512 Date Insurer Paid Bill." The final payment date is the date that needs to be reported when reporting medical lien lump sum payments or settlements.*

In the last paragraph, the data elements "listed below" apply when a payment or settlement involves a lien.

Recommendation – lump sum bundled lien bill payment section
Clarification is needed regarding DN0760 – Prior Actual Amount Paid.

0760	PRIOR ACTUAL AMOUNT PAID	NA	NA	NA	MC	Required for lien bills, when reporting bill adjudication actions related to a single medical bill that has previously been reported.	All

Discussion
The Business Condition/Mandatory Trigger language in the Medical Data Element Requirement Table states "Required for lien bills, when reporting bill adjudication actions related to ***a medical bill*** *that has previously been reported." differs from the language in the IAIABC Workers' Compensation Medical Bill Data Reporting Implementation Guide Release 2.0 ("Prior Actual Amount Paid- will be populated with the total amount the insurer or claim administrator previously paid for* ***all medical bills contained in the aggregate or summary record****"). Adding "single" will clarify that the data element applies to a lien payment for a single medical bill rather than a lien payment for multiple bills.*

In the event that the lien settlement covers multiple bills, it is often not possible to capture the aggregated amount(s) previously paid. Lump sum lien settlements are normally not processed as replacement bills for previously reported original bills that may have been partially paid or disallowed.

Thank you for considering this testimony. Please contact me if further clarification is needed.

Sincerely,

Stacy Jones
Senior Research Associate

SLJ/pm

cc: Destie Overpeck, DWC Acting Administrative Director
CWCI Claims Committee
CWCI Medical Care Committee
CWCI Legal Committee
CWCI Regular Members
CWCI Associate Members