WISCONSIN DWD

Division of Worker's Compensation Health Cost Disputes

HOLLY HAMPTON
KAYLA VAN VALKENBERG
Health Cost Dispute Specialists

1

Health Cost Disputes

What is a health cost dispute?

- A process of resolving payment disputes between a health care provider and a worker's compensation insurer.
- Dispute resolution requests are initiated by the health care provider.
- There are three types of disputes.

2

Health Cost Disputes

- **Reasonableness of Fee (Form WKC-9498)**
- **Necessity of Treatment (Form WKC-9380)**
  - Independent Review (Section 1)
  - Request for a Default Order (Section 2)

3

Generalities

- Covered under Wis. Stat. §102.16(2) and (2m)
- Covered under Wis. Admin. Code s. DWD 80.72 & 80.73
- Wis. Admin. Code Ch. DWD 81 for use by experts in rendering opinions to resolve necessity of treatment disputes
- Disputes are resolved by Health Cost Dispute Unit without a hearing

4

Pre-dispute Billing

FAQ: Is there a timeframe in which a provider is to submit a bill to the insurer?

- There is no timeframe in s. 102.16, Wis. Stats., or DWD 80.72 and 80.73, for a bill to be submitted to an insurer.
- Claims have a statute of limitations of 6 or 12 years [s. 102.17(4)].
- However, **upon an insurer's request** for a complete itemized billing statement, the health care provider will be required to submit it within 30 days of the request.

5

Health Cost Dispute Application

MUST INCLUDE:

- Health Cost Dispute Application (WKC-9498 or WKC-9380)
- Health insurance claim forms
- Medical notes

MAY INCLUDE:

- Prior correspondence
- Explanation of Benefits/Explanation of Review
- Any additional supporting documentation

6

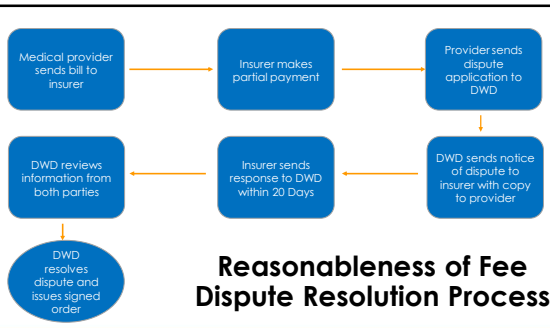
Poll Question

When you receive a copy of the provider's application packet or the Department's dispute notice letter, you might have questions on the charges in dispute.

You should NOT contact the health care provider if you have specific questions regarding the health cost dispute.

1. True
2. False

7



Reasonableness of Fee Dispute Resolution Process

9

Reasonableness of Fee Dispute

REASONS FILED:

- Insurer denies the code as invalid
- Evaluation and management code is "down coded"
- Disputed case was more difficult or more complicated than in the usual case
- Insurer denies the code as being routine and integral to the separately billed procedures
- Charges denied as being inclusive to a separately billed service
- Disputed pharmacy fees

10

Answer to Reasonableness of Fee

MUST INCLUDE:

- The state certified database used for reimbursement

MAY INCLUDE:

- Copies of any prior correspondence relating to the fee dispute
- An explanation as to why the service provided is not more difficult or more complicated than what is usually expected

11

Certified Databases

EQUIAN
1101 N. Old World 3rd St. Suite 105
Milwaukee, WI 53203

Contact: Glen Boyle
Phone: 414-545-7170
Fax: 414-545-7175

FAIR HEALTH
530 Fifth Avenue, 18th Floor
New York, NY 10036

Contact: Chris Watson
cwatson@fairhealth.org
Phone: 800-373-3073

RISING MEDICAL SOLUTIONS, INC.
325 N. LaSalle St., Ste 600
Chicago, IL 60654

Contact: Maria Figueroa
maria.figueroa@risingms.com
Phone: 312-224-5898

WHA INFORMATION CENTER
PO Box 259038
Madison, WI 53725-9038

Contact: Brian Competente
bcompetente@wha.org
Phone: 608-274-1820

12

Poll Question

Which certified database have you worked with most frequently?

1. FAIR Health, Inc.
2. WHA IC
3. Rising Medical Solutions, Inc.
4. Equian
5. None of the above

13

Certified Databases

FAIR HEALTH, INC.

1. Professional Fee (CPT/HCPCS)
2. Hospital Outpatient Facility Fee

EQUIAN

3. Ambulatory Surgery Center (ASC)
4. Hospital Outpatient Facility Fee
5. Hospital Inpatient (DRG)
6. Emergency Room Facility Fee
7. Professional Fee (CPT/HCPCS)
8. Anesthesia
9. Hospital Radiology

WHA INFORMATION CENTER

10. Hospital Outpatient Facility Fee
11. Hospital Inpatient (DRG)
12. Hospital Radiology
13. Inpatient Radiology
14. Emergency Department Radiology
15. Other Radiology (Ancillary Services)

RISING MEDICAL SOLUTIONS, INC.

16. Ambulatory Surgery Center (ASC)
17. Hospital Outpatient Facility Fee
18. Professional Fee (CPT/HCPCS)

14

Certified Databases

- Yearly applications are required to be a database provider. Data is updated by database providers in January and July of each year.
- Databases are not open for public inspection and copying; radiology database is the exception
- Formula amounts = mean fee for procedure plus 1.2 standard deviations from that mean
- A fee is determined reasonable if it is at or below certified formula amount (25 or more occurrences) for procedure code, unless services provided are more difficult or complicated than usual cases
- If the database subscribed to by insurer is not able to provide accurate information for procedure in dispute, the Division may use any other information considered reliable and relevant to resolve dispute

15

Fee Resolution Example 1

Provider Charged at or Below Certified Formula Amount – a Reasonable Fee

Code	Charge	Insurer Uses Equian	Certified Formula Amount	Amount Due
11222	$100	$75	$120	$25

- $100 < $120: provider charged reasonable fee
- Amount due is the lesser of charged of certified formula amount
- Insurer is ordered to pay $25 balance
- Wis. Stats. §102.16(2)(d)

16

Fee Resolution Example 2

Provider Charged Above Certified Formula Amount

Code	Charge	Insurer Uses Equian	Certified Formula Amount	Amount Due
22333	$200	$175	$180	$5

- $200 > $180: provider charged above certified formula amount
- Amount due is the lesser of charged of certified formula amount
- Insurer is ordered to pay $5
- Wis. Stats. §102.16(2)(d)

17

Fee Resolution Example 3

Provider Charged Above Certified Formula Amount-Higher Charge Warranted

Code	Charge	Insurer Uses Equian	Certified Formula Amount	Amount Due
99999-22	$1,000	$800	$800	$200

- $1,000 > $800: provider charged above certified formula amount. Proved to satisfaction of the Dept. that higher charge was warranted. For example, CPT modifier -22 or implant charges
- Insurer is ordered to pay $200
- Wis. Stats. §102.16(2)(d)

18

Fee Resolution Example 4

No Certified Formula Amount (25+ occur.) in Database

Code	Charge	Insurer Uses Equian	Certified Formula Amount	Amount Due
44555	$375	$200	None	$175

- Fee charged by provider is considered reasonable, insurer is ordered to pay $175
- Also applies if insurer does not respond to notice letter
- Wis. Stats. §102.16(2)(c)

19

Database Use

Provider vs. Insurer use of databases

- Fee disputes are resolved based on the database used by the insurer, not the provider.
- Per DWD 80.72(4)(d)2, insurers are to provide information from a certified database on fees charged by other providers for comparable services or procedures which clearly demonstrates that the fee in dispute is beyond the formula amount for the service or procedure. (A provider's fee is unreasonable based on the certified formula amount provided by the insurer.)
- The Department does not determine whether a valid PPO or other such contract exits, the terms of any contract, or whether a specific situation is subject to a PPO-type contract.

20

Pharmacy/NDC Charges

- A pharmacy fee schedule is established that limits charges for outpatient use of prescription drugs to the average wholesale price plus a $3.00 dispensing fee and applicable state and federal taxes per Wis. Stats. §102.425.
- The Division consults the online REDBOOK® pharmacy reference to resolve pharmacy fees in dispute.

21

Necessity of Treatment

Two types of Necessity of Treatment disputes (Form WKC-9380)

- Request for a Default Order
- Independent Review

22

Necessity of Treatment Dispute: Default Order

REASONS TO FILE:

- Insurer fails to notify provider within 60 days of receiving bill that liability or extent of liability is in dispute
- Insurer fails to pay the bill or to give provider notice within 60 days of the bill, explaining the reason why the treatment was not medically necessary

23

Answer to Necessity of Treatment Dispute: Default Order

MAY INCLUDE:

- Prior correspondence not included in provider's application
- Explanation of Benefits/Explanation of Review
- Denial letter
- Any additional supporting documentation not included in provider's application

24

Necessity of Treatment Dispute: Independent Review

REASON TO FILE:

- Insurer denies payment of billed charges as treatment provided is deemed not medically necessary.
- This is not a determination of liability.

25

Answer to Necessity of Treatment Dispute: Independent Review

MUST INCLUDE:

- Name of organization and credentials of any individual whose review of the case has been relied upon in reaching the decision to deny payment
  - Medical Record Review
  - Independent Medical Evaluation
- Prior correspondence not filed by provider

26

Necessity of Treatment Dispute: Independent Review

RESOLUTION PROCESS

- Provider submits dispute application within 9 months from date provider receives notice from insurer refusing to pay due to medical necessity at issue
- Department notifies insurer of dispute (GL92)
- Insurer responds within 20 days
- File is sent to reviewer
- Reviewer completes review within 90 days
- 30-day rebuttal period
- No rebuttal? Department adopts the expert's opinion and issues signed order

27

Responding to All Disputes

- Respond in a timely manner (within 20 days) by fax or mail
- Copy of your response MUST be sent to provider
- Include TPA/Insurance contact name and information
- Include narrative explaining why and how charges were reimbursed or why decision was made to deny payment
- If WC claim is being denied based on medical evidence, please send copy of medical evidence (IME, Record Review, etc.) or denial letter to employee
- If an IME/denial has been filed on the claim side, it still needs to be faxed to the health cost dispute unit as a response

28

Health Cost Disputes

The Health Cost Dispute Unit does not:

- Report or reprimand a clinic or individual provider for billing practices or errors
- Direct a provider to file fewer health cost dispute resolution requests, although encourages provider to consolidate disputes for each patient/claimant
- Resolve issues of liability
- Determine whether a valid PPO or other such contract exists, the terms of any contract, or whether a specific situation is subject to a PPO-type contract (Reasonableness of Fee disputes)

29

Health Cost Disputes

Questions?

30

Contact Us

Kayla Van Valkenberg	Mary Pitassi	Holly Hampton	Lori LeMahieu
A - F	G - L	M - S	T - Z
608-264-6819	608-266-2458	608-267-1360	608-264-6815
Kayla.vanvalkenberg@dwd.wisconsin.gov	MaryE.Pitassi@dwd.wisconsin.gov	HollyH.Hampton@dwd.wisconsin.gov	Lori.LeMahieu@dwd.wisconsin.gov

Health Cost Unit Fax: 608-260-3143
Health Cost Unit General Inbox Email:
WCHealthCostDispute@dwd.wisconsin.gov

31