

WISCONSIN



DWD

Division of Worker's Compensation Health Cost Disputes

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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.



Health Cost Disputes

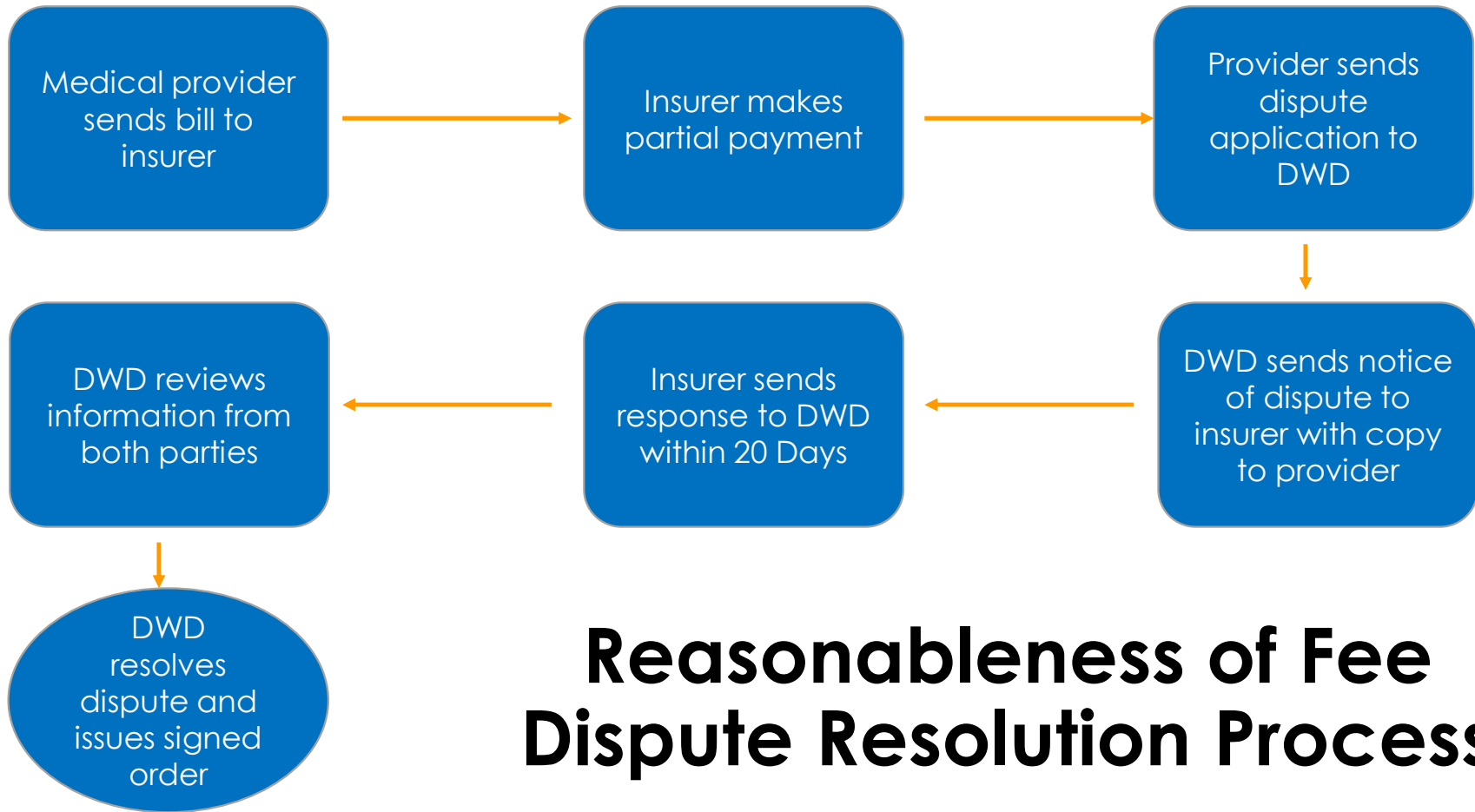
- **Reasonableness of Fees (Form WKC-9498)**
- **Necessity of Treatment (Form WKC-9380)**
 - Independent Review (Section 1)
 - Request for a Default Order (Section 2)



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





Reasonableness of Fee Dispute Resolution Process



Poll Question

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

1. True
2. False



Poll Answer

- **FALSE** – you are encouraged to contact the health care provider if you have specific questions regarding the health cost dispute.
- The provider and insurer are encouraged to resolve the dispute on their own outside of the health cost dispute resolution process, even once a dispute resolution request has been submitted.
- The Division's process is here to resolve any dispute that cannot be resolved by the two parties.



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, under the new legislation pending the governor's signature, **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.



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



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



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



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



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



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)



Certified Databases

- 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 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



Fee Resolution Example 1

Provider Charged at or Below Formula Amount – a Reasonable Fee

Code	Charge	Insurer Uses Equian	Certified Formula Amount	Amount Due
111222	\$100	\$75	\$120	\$25

- $\$100 \leq \120 : provider charged reasonable fee
- Insurer is ordered to pay \$25 balance
- Wis. Stats. §102.16(2)(d)



Fee Resolution Example 2

Provider Charged Above Formula Amount

Code	Charge	Insurer Uses Equian	Certified Formula Amount	Amount Due
222333	\$200	\$175	\$180	\$5

- $\$200 > \180 : provider charged above certified formula amount
- Insurer is ordered to pay only \$5
- Wis. Stats. §102.16(2)(d)



Fee Resolution Example 3

No Certified Formula Amount in Database

Code	Charge	Insurer Paid per Equian	Certified Formula Amount	Amount Due
444555	\$375	\$200	None	\$175

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



Database Use

Provider vs. Insurer use of databases

- Fee disputes are resolved based on the database used by the insurer, not the provider.
- The insurer is to provide information on the database used per DWD 80.72(4)(d)2. 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.



Pharmacy/NDC Charges

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



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



Answer to Necessity of Treatment Dispute: Default Order

MAY INCLUDE:

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



Necessity of Treatment Dispute: Independent Review

REASON TO FILE:

- Insurer denies payment of billed charges as treatment provided deemed not medically necessary



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



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

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



Responding to Disputes

- Respond in a timely manner (within 20 days)
- 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 decided not to pay
- 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
- It is okay and beneficial to contact provider if you have specific questions regarding dispute



Questions?

Contact Us:

Lori LeMahieu AAA – DIM 608-264-6815 Lori.LeMahieu@dwd.wisconsin.gov	Kayla Van Valkenberg DIN – JLZ 608-264-6819 Kayla.vanvalkenberg@dwd.wisconsin.gov	Mary Pitassi JMA – MUK 608-266-2458 MaryE.Pitassi@dwd.wisconsin.gov	Holly Hampton MUL – SEU 608-267-1360 HollyH.Hampton@dwd.wisconsin.gov	Chan Voeltz SEV – ZZZ 608-267-4418 Chan.Voeltz@dwd.wisconsin.gov
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Health Cost Fax: 608-260-3143

Health Cost General Inbox Email:

WCHHealthCostDispute@dwd.wisconsin.gov

