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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)

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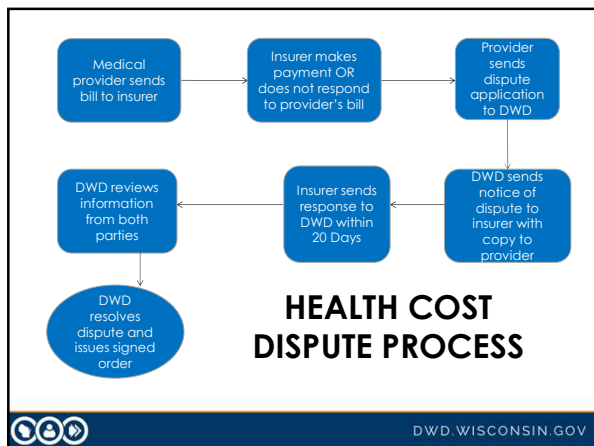
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GENERALITIES

- 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

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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

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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

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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


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CERTIFIED DATABASES


<p style="text-align: center;">EQUIAN</p> <p>1101 N. Old World 3rd St. Suite 105 Milwaukee, WI 53203</p> <p>Contact: Glen Boyle Phone: 414-545-7170 Fax: 414-545-7175</p>	<p style="text-align: center;">FAIR HEALTH</p> <p>530 Fifth Avenue, 18th Floor New York, NY 10036</p> <p>Contact: Chris Watson cwatson@fairhealth.org Phone: 800-373-3073</p>
<p style="text-align: center;">RISING MEDICAL SOLUTIONS, INC.</p> <p>325 N. LaSalle St., Ste 600 Chicago, IL 60654</p> <p>Contact: Maria Figueroa maria.figueroa@risingms.com Phone: 312-224-5898</p>	<p style="text-align: center;">WHA INFORMATION CENTER</p> <p>PO Box 259038 Madison, WI 53725-9038</p> <p>Contact: Brian Competente bcompetente@wha.org Phone: 608-274-1820</p>


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CERTIFIED DATABASES


<p>FAIR HEALTH, INC.</p> <ol style="list-style-type: none"> Professional Fee (CPT/HCPCS) Hospital Outpatient Facility Fee 	<p>WHA INFORMATION CENTER</p> <ol style="list-style-type: none"> Hospital Outpatient Facility Fee Hospital Inpatient (DRG) Hospital Radiology Inpatient Radiology Emergency Department Radiology Other Radiology (Ancillary Services)
<p>EQUIAN</p> <ol style="list-style-type: none"> Ambulatory Surgery Center (ASC) Hospital Outpatient Facility Fee Hospital Inpatient (DRG) Emergency Room Facility Fee Professional Fee (CPT/HCPCS) Anesthesia Hospital Radiology 	<p>RISING MEDICAL SOLUTIONS, INC.</p> <ol style="list-style-type: none"> Ambulatory Surgery Center (ASC) Hospital Outpatient Facility Fee Professional Fee (CPT/HCPCS)


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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 the fee is at or below the 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 department may use any other information considered reliable and relevant to resolve dispute


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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)


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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)


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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)



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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 Department consults the online REDBOOK® pharmacy reference to resolve pharmacy fees in dispute.



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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



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ANSWER TO NECESSITY OF TREATMENT DISPUTE: DEFAULT ORDER

MAY INCLUDE:

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



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NECESSITY OF TREATMENT DISPUTE: INDEPENDENT REVIEW

REASON TO FILE:

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



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ANSWER TO NECESSITY OF TREATMENT: 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



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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
- Dept. 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? Dept. adopts the expert's opinion and issues signed order

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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
- Narrative explaining why and how charges were reimbursed or decided not to pay
- If Work Comp 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 OK and beneficial to contact provider if you have specific questions regarding dispute

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Questions?

Contact Us:

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

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