Montana Medical Association

Perspectives on the LMAC 2010/2011 Workers Compensation Proposal

Who Is The Montana Medical Association?

The Montana Medical Association (MMA):

- Is a professional society comprised of approximately 1,000 doctors of medicine and osteopathy
- Has as its purposes, the advancement of the art and science of medicine and promotion of public health in the prevention and cure of diseases in prolonging and adding comfort to life

Comparison of Work Based on Time Between Work Comp & Medicare Patients in a Neurosurgery Practice.

CURRENT CONVERSION FACTORS		% Of Medicare CF
Medicare	$ 36.87	
Allegiance	$ 59.50	161%
New West	$ 60.39	164%
BCBS (AVG)	$ 59.50	161%
MT WC	$ 65.28	177%
Median of Commercial Payors	$ 59.80	162%

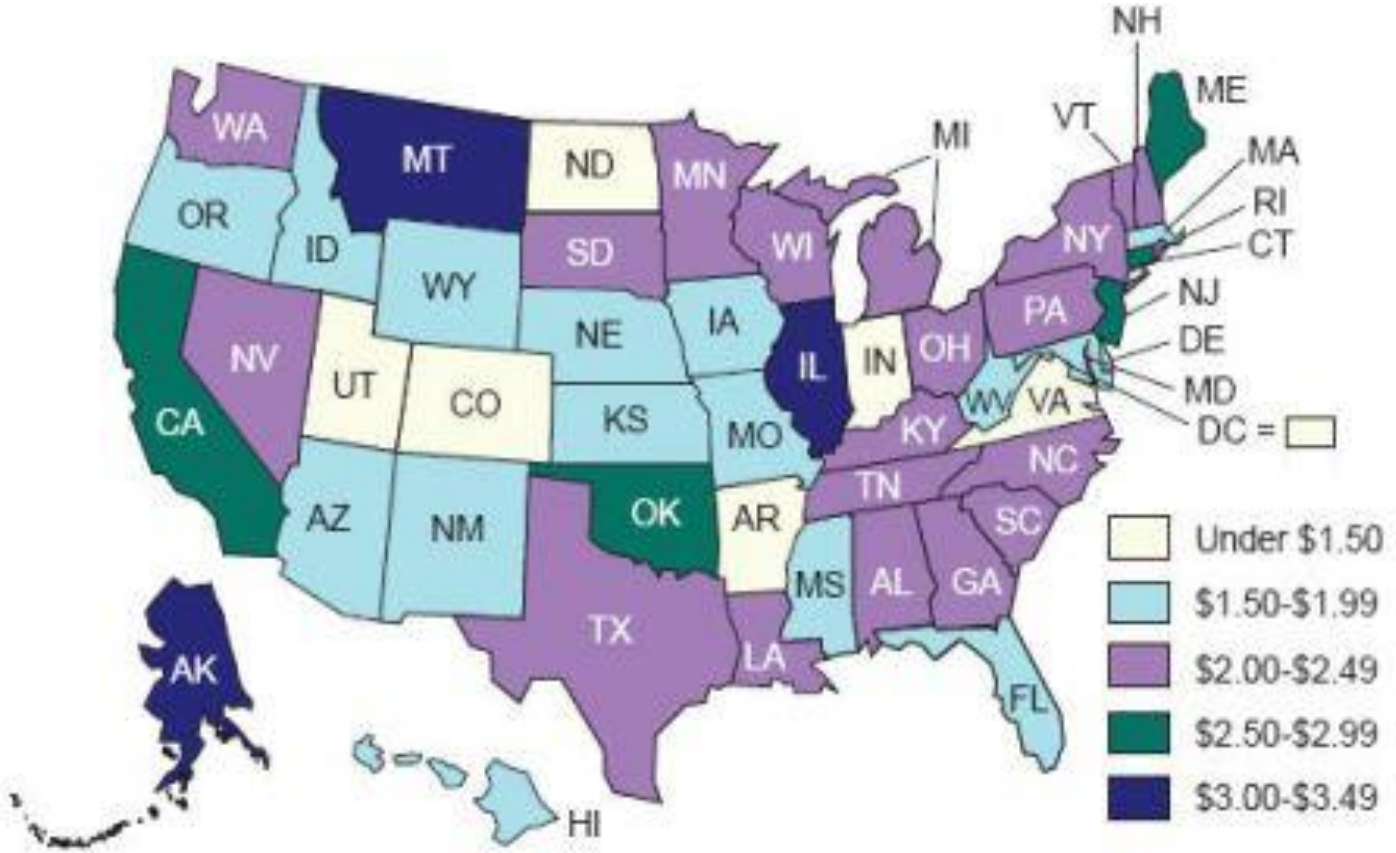
Medicare vs. Workman's Compensation

Process Description	Time in Minutes Medicare	Work Comp	
Registration/Authorizations	5	15	
Physician Appointment Time	45	45	
Work Related Questions Review and Answer	0	20	
Time Of Injury Job Analysis Review (TOI JA)	0	15	
Work Capacity Forms	0	10	
Follow-up Appointments, Testing, and Surgery scheduling	5	20	
Billing	5	15	
	60	140	233%
Receive Payment (Days)	10	30	300%

A Workman's Comp patient is 233% the work of a Medicare patient.
It takes 3x longer to be paid by Workman's Compensation than it does to be paid by Medicare

For Workman's Compensation to pay equal to the time/fee rate it takes for a Medicare patient, Workman's Compensation would need to pay 233% of the Medicare Fee Schedule.

2010 Oregon Workers' Compensation Premium Rate Ranking



Comparison of Montana, Idaho and Oregon Conversion Factors

Service Category	Code Range(s)	Description	Idaho Current Conversion Factor	Oregon Current Conversion Factor	Montana Current Conversion Factor	MT Department of Labor's Proposed Conversion Factor Anticipated Effective date of 1/1/2011	Legislative Proposed Conversion Factor Capped at 165% of Medicare. CF listed below = 2010 Medicare Conv Factor X 165%
Surgery Group One	22000-22999 23000-24999 25000-27299 27300-27999 29800-29999 61000-21999 62000-62259 63000-63999	Spine, Shoulder, Upper Arm & Elbow, Forearm, Wrist, Hand, Pelvis & Hip, Leg, Knee & Ankle, Endoscopy & Arthroscopy, Skull, Meninges & Brain, Repair, Neuroendoscopy & Shunts, Spine & Spinal Cord	$144.48	$84.50 - $89.00	$65.28	$59.81	$60.84
Surgery Group Two	28000-28999 64550-64999	Foot & Toes, Nerves & Nervous System	$129.00	$84.50 - $89.00	$65.28	$59.81	$60.84
Surgery Group Three	13000-19999 20650-21999	Integumentary System, Musculoskeletal System	$113.52	$84.50 - $89.00	$65.28	$59.81	$60.84

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Surgery Group Four	20000-20615 30000-39999 40000-49999 50000-59999 60000-60999 62260-62999 64000-64549 65000-69999	Musculoskeletal System, Respiratory & Cardiovascular, Digestive System, Urinary System, Endocrine System, Spine & Spinal Cord, Nerves & Nervous System, Eye & Ear	$87.72	$84.50 - $89.00	$65.28	$59.81	$60.84
Surgery Group Five	10000-12999 29000-29799	Integumentary System, Casts & Strapping	$69.14	$84.50 - $89.00	$65.28	$59.81	$60.84
Radiology	70000-79999	Radiology	$87.72	$69.00	$65.28	$59.81	$60.84
Pathology & Laboratory	80000-89999	Pathology & Laboratory	To Be Determined	$60.00	$65.28	$59.81	$60.84
Medicine-Group One	90000-90799 94000-94999 97000-97799 97800-98999	Immunization, Injections & Infusions, Pulmonary/Pulse Oximetry, Physical Medicine & Rehabilitation, Acupuncture, Osteopathy, & Chiropractic	$46.44	$68.00 - $84.50	$65.28	$59.81	$60.84
Medicine-Group Two	90800-92999 96040-96999 99000-96020	Psychiatry & Medicine, Assessments & Special Procedures, E/M & Miscellaneous Services	$66.56	75.58 for E/M & $71.00 for other Medicine	$65.28	$59.81	$60.84
Medicine-Group Three	93000-93999 95000-96020	Cardiography, Catheterization & Vascular Studies, Allergy/Neuromuscular Procedures	$72.24	$71.00 - $84.50	$65.28	$59.81	$60.84
Anesthesia	00000-09999	Anesthesia	$60.05	$58.00	$60.97	$55.12	$34.50

MMA/MT MGMA Survey

The MT Medical Group Management Association (MT MGMA):

- Is Montana's principal voice for medical group practices in Montana,
- Has over 104 members (practice managers, clinic administrators and healthcare executives)
- Members manage and lead 81 organizations, which represents approximately 900 physicians and close to 200 mid-level providers (physician assistants and nurse practitioners
- Work to ensure that the financial and administrative mechanism within group practices operate efficiently so that patient care remains the focus of physicians' time and resources

Survey Results

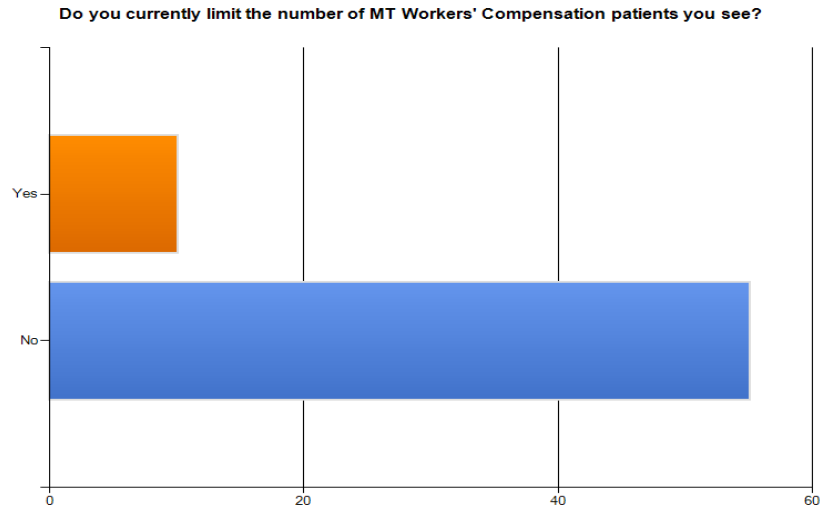
- In October, 2010, the MT MGMA and MMA conducted a survey of Montana physician practices regarding proposed changes to Montana Workers' Compensation provider fees and implementation of utilization and treatment guidelines. Due to time constraints the survey was limited to email distribution of MT MGMA members and all active physicians who receive MMA emails.
- The survey responses represent 552 physician and multi specialty groups within 65 practices.
- Of the 552 respondents, 497 reported that they see Workers Compensation patients.
- Survey responses were received from 44 specialties.

Survey Results Continued

4. Do you currently limit the number of MT Workers' Compensation patients you see?

Yes =15.4%

No = 84.6%

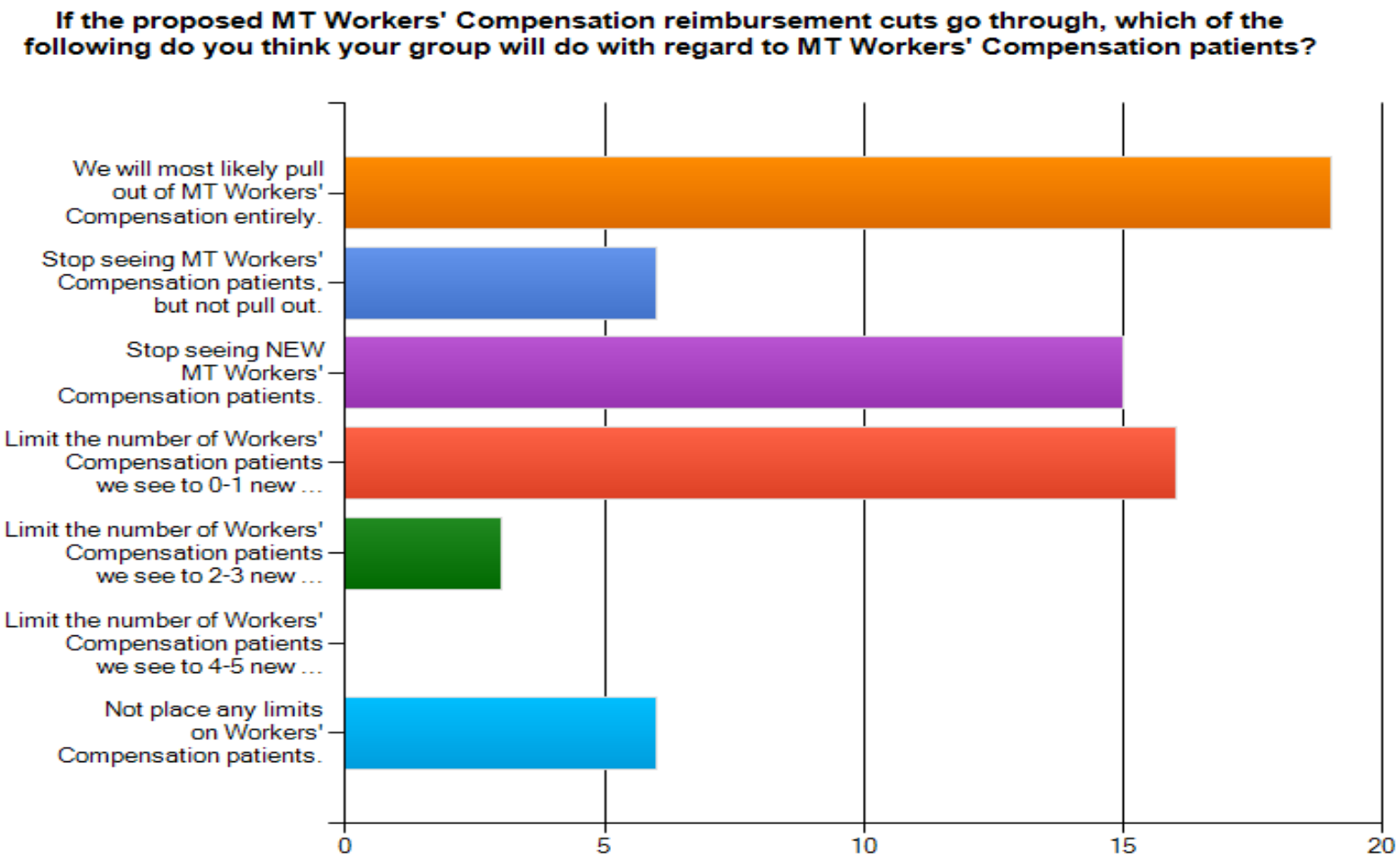


Survey Results Continued

6. If the proposed MT Workers' Compensation reimbursement cuts go through, which of the following do you think your group will do with regard to MT Workers' Compensation patients?

- Will most likely pull out of MT Workers' Compensation entirely = **29.2%**
- Stop seeing MT Workers' Compensation patients, but not pull out = **9.2%**
- Stop seeing NEW MT Workers' Compensation patients = **23.1%**
- Limit the number of Workers' Compensation patients we see to 0-1 new patients/per provider/per day = **24.6%**
- Limit the number of Workers' Compensation patients we see to 2-3 new patients/per provider/per day = **4.6%**
- Limit the number of Workers' Compensation patients we see to 4-5 new patients/per provider/per day = **0.0%**
- Not place any limits on Workers' Compensation patients = **9.2%**

Survey Results Continued

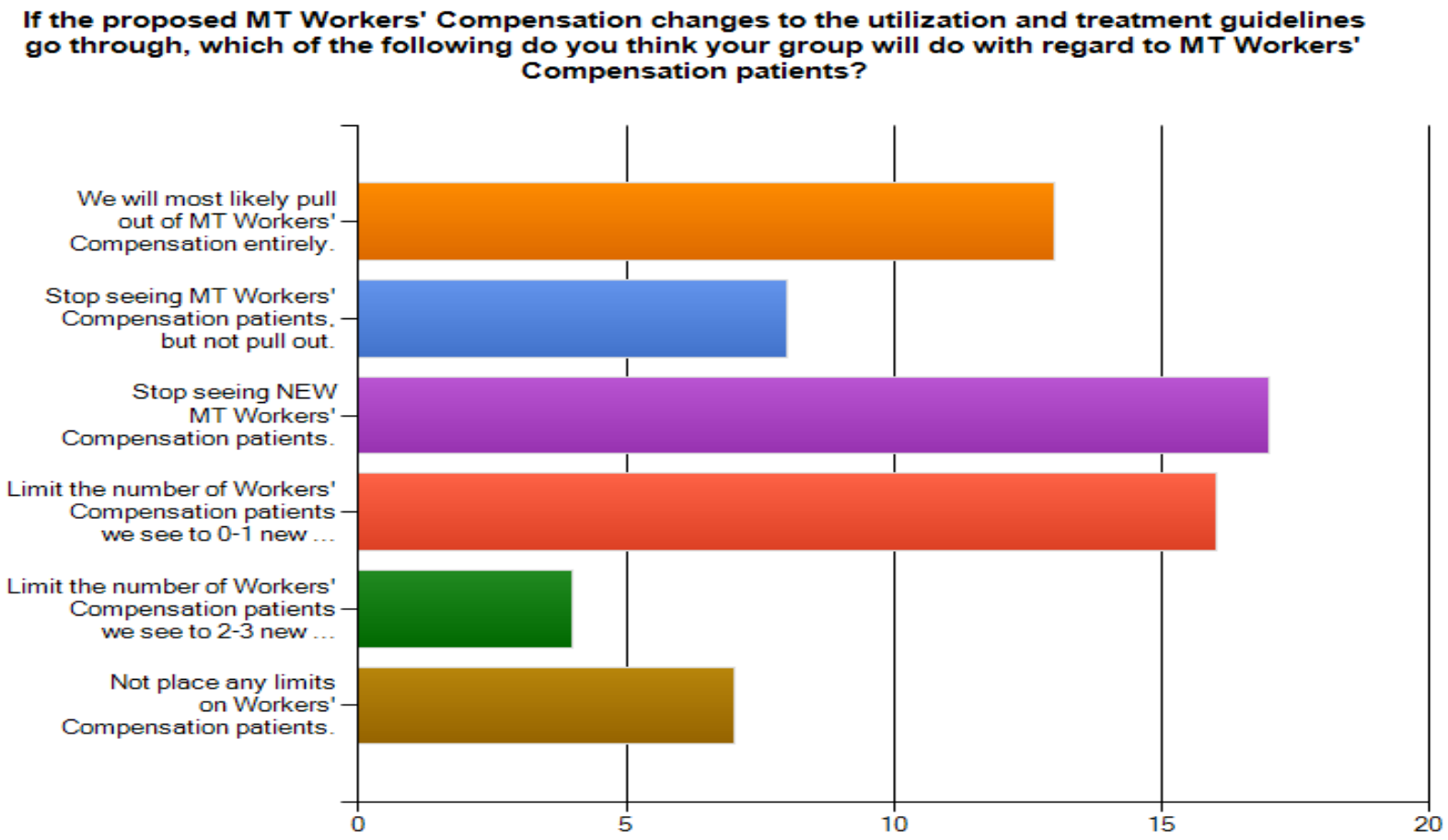


Survey Results Continued

7. If the proposed MT Workers' Compensation changes to the utilization and treatment guidelines go through, which of the following do you think your group will do with regard to MT Workers' Compensation patients?

- Will most likely pull out of MT Workers' Compensation entirely = **20.0%**
- Stop seeing MT Workers' Compensation patients, but not pull out = **12.3%**
- Stop seeing NEW MT Workers' Compensation patients = **26.2%**
- Limit the number of Workers' Compensation patients we see to 0-1 new patients/per provider/per day = **24.6%**
- Limit the number of Workers' Compensation patients we see to 2-3 new patients/per provider/per day = **6.2%**
- Not place any limits on Workers' Compensation patients = **10.8%**

Survey Results Continued



Survey Results Continued

8. If your group plans to reduce or stop seeing MT Workers' Compensation patients if these proposed changes go through, will your group have to lay off any support staff?

Yes = 34.9%

No = 65.1%

Survey Results Continued

9. If yes, how many staff members could potentially face a reduction in your workforce?

1-5 = 90.9%

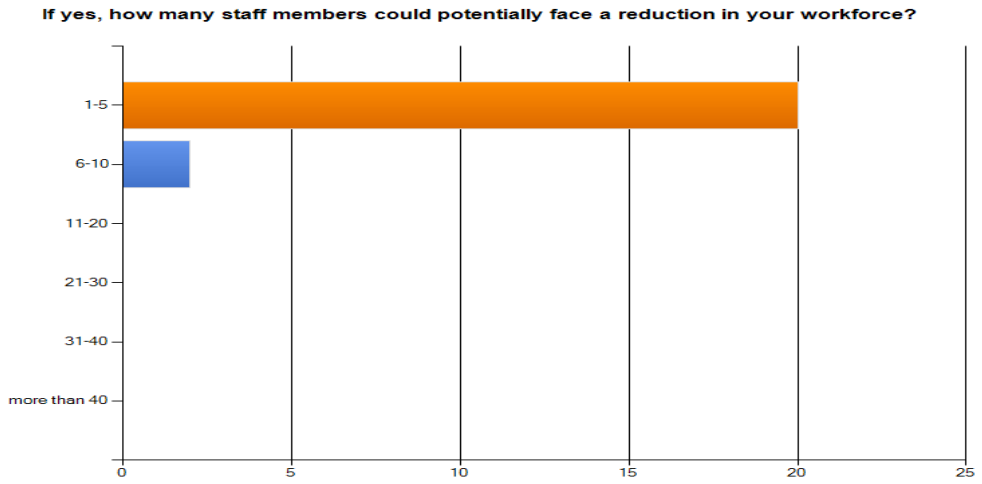
6-10 = 9.1%

11-20 = 0.0%

21-30 = 0.0%

31-40 =0.0%

more than 40 = 0.0%



Survey Results Continued

12. Please list any comments that you feel would be helpful for a position statement from healthcare providers regarding the proposed Workers' Compensation payment cuts or utilization and treatment guidelines.

The following is a synopsis of survey comments received regarding the proposed Workers' Compensation payment cuts and utilization and treatment guidelines:

- With the extra paperwork necessary for WC patients, we are barely compensated as it is. We have so many Medicaid and self-pay patients that any reduction in reimbursement, our well-established center for pain management will be in serious financial trouble.
- Rural Work Comp in MT is far more difficult and different than what exists in most other states. Hence a fair number of Ortho Surgeons already decline Work Comp, unlike comparative states.
- This is not the way to save money, change what conditions they accept as work related and then they will see real savings
- Seeing WC patients takes more effort and paperwork than regular patients
- I work at a specialty musculoskeletal injury center that sees predominately worker's comp and sports injuries. These changes and our necessary response to them would certainly have a negative impact on access to care in our area. We simply cannot allow ourselves to be bullied by the legislature. The injured workers will ultimately be the ones who pay the price.

Survey Results Continued

- For all the extra work required continued cuts in reimbursement will severely dampen my enthusiasm to continue to see complex work comp patients.
- The proposed changes would seriously challenge our current Pain Management program!
- When you consider the current level of reimbursement in light of the excessive paperwork and time required by W/C, it already does not compensate sufficiently. If the new practice guidelines are passed with reduced reimbursement, that imbalance will be worsened to the point that it will be difficult if not impossible to take Montana W/C. Look what has happened to Federal OWCP. No orthopedic surgeon in Western Montana will accept it anymore. As a result, W/C patients in that program are driving to Spokane for the closest surgeon. I believe the same may happen with Montana W/C regardless of what that "expert" said about what happened in CA.
- As a hospital-based physician, I am unable to limit my patient load but if I were a primary care physician, I certainly would limit my Worker's Comp practice. If these changes go through, my reimbursement will be cut and I can do nothing about it.
- Given the time it takes to take care of the Work Comp patients now, I would strongly advise against cutting rates or the state will lose many providers in the area that are willing to see these pts.
- In order for us to change our practices, they should show us Level I, II or III evidence that these treatment guidelines are effective - and that they will improve care of the patients while cutting costs. (Anecdotal evidence is not acceptable.)

Survey Results Continued

- Look at Idaho !!!!
- We have a very limited number of workers comp patients. However, if we did have a higher percentage, we would refuse to see work comp patients and we would have to lay off staff.
- I currently see my own patients who have work comp. If the proposed cuts go through, I will personally no longer see any work comp patients. Primary care is in such high demand in Great Falls, that it will not affect my practice but it will be a burden on patients to find someone to see them.
- I am exceedingly concerned with the proposed changes and the process in which they were conceived. Decreasing the reimbursement would serve to make me less likely to bring these cases to an efficient close. WC cases require 25-30% more time per patient, than my remaining patients. I would like to be incentivized to provide efficiency, NOT be treated as an expendable "subcontractor." I herald attempts to provide WORTHWHILE guidelines to streamline pt's RTW, and to improve workplace safety. These are the types of changes that can decrease rates, not cutting provider fees. I would like to see where all the dollars from premiums go in this system. My guess is that provider fees are not the major expense item, nor the only item that could be altered in the system
- I am a Certified Independent Medical Examiner (CIME) and have extensive experience in work comp cases. But I will be even less interested in work comp if these changes are passed.
- This proposal if approved will have a negative effect in the care of work comp patients. Care throughout the state will be limited and travel may have to occur for the work comp patient to find a provider who will accept work comp patients.

Survey Results Continued

- My experience with Mt Workers' Comp has been frustrating to say the least. Psychiatric symptoms and signs are routinely dealt with as "malingering". I have only known them to be focused on the bottom line. There has been very little patient's consideration.
- The proposed cost savings for this measure are a false savings. The amount saved in the short term will be greatly offset by delays in treatment, poor treatment, time out of work, and chronic disability. Specialty physicians are employers' greatest advocates and assets in treating their injured workers and getting them back to work. Expecting this type of service for Medicare reimbursement is like expecting a hot towel and meal in the last row of coach class.
- I left California 3 years ago. I did quit seeing Work Comp because of poor reimbursement and excessive paperwork. I will also do the same in Montana. You can not compare a rural/frontier state like Montana to a high density state like California. Be prepared to bus your work comp out of state to other providers.
- It is getting more and more difficult to practice knowing a big Medicare cut is due January 2011
- I work in a Community Health Clinic with Federal Guidelines and rules. If in a private clinic, I would stop seeing WC.
- Continued loss of physicians for MT

Survey Results Continued

- Our providers see Workers Comp patients but dislike the "hassle factor"; they are already talking about discontinuing seeing this type of patient. The reimbursement change will make it highly unlikely that they will want to continue seeing worker comp patients.
- PM&R IS A SHORT STAFFED SPECIALTY IN OUR COMMUNITY & IT'S HARD ENOUGH TO GET A CANDIDATE TO COME AND LOOK. IF W/C DOES RATE CUTS AND THE CHANGES, IT MIGHT MAKE IT NEAR IMPOSSIBLE TO GET SOMEONE TO COME TO MT
- Hospital based radiologists so cannot refuse treatment.
- We're an Urgent Care and really cannot limit Workers' Comp. It's a big part of our Mission. But, the Doc's are definitely unhappy with the proposed changes.
- Failure to provide adequate compensation will reduce the number of physicians willing to treat WC patients, which will require the patient to seek medical care in the hospital ER which will increase costs not to mention delayed treatment.
- As a family practice provider in a small community, we feel being able to accept Workers' Comp claims is a service to our local businesses. It would be unfortunate if we had to turn these patients away due to lack of reimbursement.

Survey Results Continued

- With Medicare cuts at an ever present threat, now Workers' compensation cuts looming, it is becoming more and more difficult to see patients at all. Our office is a single provider specialty, and although we do not have a large amount of MT Workers' compensation patients, we are really going to have to reconsider the type of patient that we are willing to accept in our practice. With the time spent by my staff to get authorizations for visits, surgeries and other procedures, and for the amount we will be reimbursed, it is almost not worth it. Sadly, it is the patient who truly suffers the effects of cutbacks when they are unable to get the care they need.

- Workers' Compensation patients require additional paperwork and staff time for billing and reports. Reimbursement cuts will essentially result in providing charity care for injured workers at a cost to the medical practice
- As a primary care practice, we are often the "first stop" for work comp patients. The costs in terms of time and resources for work comp patients are much higher than regular patients. A cut in reimbursement at this point would cause us to restrict and potentially eliminate the work comp patients we see.
- We have already made plans to shift our focus away from workers' compensation patients. We are moving in a new direction.

Survey Results Continued

- I think that these cuts are not resolving the issue of cost containment. Provider costs are NOT where the issue is that is causing the high expenses. If these cuts go thru it will become much harder for injured workers to receive care, appointments in a timely fashion and will likely prolong treatment, prolong disability and time off work and cost of benefits to injured workers and the State Fund. This is a poorly conceived proposal. I can fill those slots with other patients so it will not affect my bottom line--only if I agree to see those patients- at reduced reimbursement. It is not worth it to me.
- Private physicians will not be able to sustain a private practice as the cost of doing business is too great for what a physician has to do in regards to worker's compensation.
- Work comp cases are one of the most unrewarding and troublesome aspects of private practice both fiscally and professionally. Currently we provide these services as a courtesy to our patients. Decreasing reimbursement makes the decision to eliminate these services much easier. Eliminating participation in the program and freeing up staff man hours that were spent dealing with government red tape, and making appointments available for those with better paying insurances is a no brainer.

SJR 30 Briefing Paper December 2, 2009
Injured Worker Medical Care Access and Satisfaction With Care In the Montana Workers' Compensation System

Ann Clayton – Workers' Compensation Consultant

- Research Question: Does Montana Have Enough Physicians to Provide Needed Services To Workers?

- Answer: Since Montana as a whole faces a shortage of physicians, the resulting answer for injured workers access is that in most counties**, injured workers' probably do not have the access they need for medical treatment, although it is better than most comparator states. This means that policymakers should be careful when enacting additional legal requirements that will reduce the current access to providers for purposes of treatment for work related injuries. As new regulations are enacted that affect physicians, it will be important to weigh the impact on access with the return on investment that regulations to increase quality and/or reduce costs may provide.**

Summary

- Medicare information provided to LMAC regarding non-facility providers is not accurate
- Providers are paid more in Oregon and Idaho for the same procedures than in Montana at current rates…
- …even though Workers' Compensation premium rates for employers are significantly lower in Oregon and Idaho
- The LMAC/EAIC proposal will cause providers to do more work for less pay by cutting provider rates at the same time as implementing utilization and treatment guidelines
- Physicians responding to the MMA/MGMA survey have stated that they will SIGNIFICANTLY decrease the number of workers compensation patients they treat in their offices if LMAC/EAIC proposal becomes effective

Summary (cont.)

- Other states have been able to reduce premium rates while still compensating physicians and other providers at an appropriate rate
- The EAIC/LMAC proposal will cause a decrease in access to care for injured workers without any guarantee of premium reduction as a result
- The EAIC/LMAC proposal to reduce provider rates will not effectuate the LMAC's goals of reducing Workers' Compensation premiums while still providing access to care and attempting to get workers back to work faster