NEVADA WORKERS' COMPENSATION CHRONICLE

Department of Business & Industry (B&I)
A Publication of the Workers' Compensation Section (WCS)

Division of Industrial Relations (DIR)
Spring Edition (March - May 2016)

2016 Sees Significant Changes to the Nevada Medical Fee Schedule

***Katherine Godwin**, WCS Henderson Medical Unit Supervisor, addresses a training session on what to expect with the revamped 2016 Medical Fee Schedule.*

Nevada Revised Statute (NRS) 616C.260 mandates the Administrator of the Division of Industrial Relations (DIR) to establish and maintain a schedule of reasonable fees and charges allowable for accident benefits for injured employees. This schedule of reasonable fees and charges is what is commonly known as the Nevada Medical Fee Schedule (MFS). The MFS is revised annually according to the Consumer Price Index for medical services of the prior year. This value is not released until near the end of January the following year, thus requiring a slight delay in posting the new MFS to February 1 of each year. The same statute (NRS 616C.260) also requires that the Administrator periodically designate a vendor to compile national data concerning similar services provided to injured employees in Nevada "as the Administrator deems necessary" to revise the MFS. In 2014, the DIR released a Request for Proposal for this study and Milliman, Inc. was eventually selected as the successful vendor. The collection and benchmark analysis of data began, using as much data concerning Nevada workers' compensation claims as possible. Milliman, Inc. released their final report in January 2015 and the process of reviewing the recommendations and soliciting stakeholder input began. Finally, on January 28, 2016, the new MFS was posted on the WCS website, Medical Information webpage.

There are a number of important changes to this year's MFS. Some of the "changes" noted in the MFS are not actually changes. The information reflects how the MFS has been applied for years although the information was not previously detailed in the MFS. Other information is indeed brand new, and a summary of these changes is the purpose of this article. Many reimbursement rates

(Continued on page 3)

MILEAGE REIMBURSMENT CHANGE FOR 2016

Effective **January 1, 2016**, standard mileage for transportation incurred while using a private vehicle on official state business decreased from 57.5 cents per mile to **54 cents** per mile. Per **NAC 616C.150**: Under appropriate conditions, reimbursement for the cost of transportation for an injured employee must be computed at a rate equal to the mileage allowance for state employees. To minimize any underpayments of mileage reimbursements, all adjusters should note this change.

Inside this issue:

Reporting Reminders

FY15 WCS Workers' Compensation Claims Activity Report and ***Insurer Information Form*** per NRS 616B.009 and NAC 616B.016 were due **January 8, 2016.** Links to the blank forms and instructions were e-mailed on November 20, 2015 and are on our Web site at http://dir.nv.gov/WCS/Insurer-TPA_Reporting/. Insurers that have not submitted these should do so now.

OD-8 Occupational Disease Claim Report (NRS 617.357) is an ongoing reporting requirement whereby certain occupational diseases of the heart or lungs, and infectious diseases or cancer are required to be reported to the DIR. The claim must be reported within 30 days after the insurer accepts or denies the claim. Additionally, the insurer is required to notify the DIR in writing within 30 days after the claim is appealed; affirmed, modified or reversed on appeal; or is closed or reopened. Failure to submit the required reports may result in administrative fines.

The ***2015 Occupational Disease Claims Report*** – a compilation of the data reported by insurers and TPAs in calendar year 2015 per NRS 617.357 – is also posted on our website at http://dir.nv.gov/WCS/Insurer-TPA_Reporting/.

OD-8 Reporting Note: OD-8s should be submitted to the Henderson WCS office. Email them to WCSRA@business.nv.gov, fax to 702-990-0364 or mail them to 1301 North Green Valley Parkway, Suite 200, Henderson, NV 89074. Direct questions to WCS Research and Analysis at (702) 486-9080 or wcsra@business.nv.gov.

Ruth Ryan,
Research and Analysis Supevisor

Training Sessions

SOUTHERN NEVADA
1301 North Green Valley Parkway
Suite 200, Henderson, Nevada 89074
✉ aljohnson@business.nv.gov
☎ (702) 486-9019

NORTHERN NEVADA
400 West King Street
Suite 400, Carson City, Nevada 89703
✉ kawilliams@business.nv.gov
☎ (775) 684-7265

C-4 Processing & Coverage Verification
3/9/2016 at 9:30 am

2016 Medical Billing
3/9/2016 at 1:30 pm

Employer WCS Training:
3/17/2016 at 9:30 am

Employee WCS Training:
3/17/2016 at 1:30 pm

Insurer TPA & Benefit Penalties:
4/14/2016 at 9:30 am and 1:30 pm

Calculation of Benefits:
5/26/2016 at 9:30 am and 1:30 pm

STRAIGHT TALK:
Observations and Advice from DIR Regulators

The Claims Mantra for IEs, Employers and Adjusters: Communication, Communication, Communication!

As in any relationship, communication is a critical component to a successful relationship. That is also the case between injured employees and their claims adjusters. There are times when this relationship turns adversarial simply due to some misunderstanding or lack of communication between the parties. Even though the claims adjuster must consider cost effective approaches when managing a claim, normally the adjusters are also considering what is in the injured employee's best interest in achieving a speedy and full recovery from their injuries and return to gainful employment. While a claims adjuster should maintain some form of regular contact with all parties, the injured employee also has an obligation to stay in touch – just a few examples are when the injured employee is released to return to work by the doctor, or if he or she is unable to attend scheduled medical appointments, or has questions regarding a determination letter received from the insurance carrier or TPA. Remember, aggrieved parties have 70 days to appeal a determination. Sometimes calling your claims adjuster first to discuss a determination or an action required/requested may avoid the need to file an appeal. Of course, if the injured employee is represented by an attorney that may change the way communication takes place between the parties.

Communication obligations also apply to employers. From the moment employees are injured on the job to claim closure, an employer's willingness to communicate with the insurance carrier and/or TPA during the claims handling process impacts not only the cost of the claim, but how effectively and efficiently the entire process works for all parties. Employers should note that contacting injured employees while they are recovering at home to check up on their medical status and to see how things are progressing, helps motivate them to return to work and hopefully towards a quicker recovery.

Getting injured on the job is frustrating and stressful enough. So keeping that open line of communication between employees, employers and claims adjusters helps reduce frustration and hopefully creates a successful outcome for all parties.

Suhair Susan Sayegh, WCS Southern District Manager

MISSION STATEMENT

The purpose of the Workers' Compensation Section is to impartially serve the interests of Nevada employers and employees by providing assistance, information, and a fair and consistent regulatory structure focused on:

Ensuring the timely and accurate delivery of workers' compensation benefits.
Ensuring employer compliance with the mandatory coverage provisions.

*(**Med Fee Changes** Continued from page 1)*
have also been increased. Please refer to the current MFS to reference all of these revisions.

Modifier "-28": Page 2 of the MFS describes the use of a new modifier, "-28." This modifier is to be used when an anesthesiologist supervises other licensed personnel (up to four persons) who are directly providing anesthesia services. Reimbursement is 25% of the maximum allowed for the anesthesiologist if he/she were providing the services themselves. The licensed personnel directly providing the anesthesia, must bill their services using modifier "-29" and will be reimbursed at 85% of the maximum allowed for the anesthesiologist.

Hospital Reimbursement: There are three significant changes in billing inpatient hospital services. The first is the combination of various types of intensive care levels of service to one per diem reimbursement rate (NV00200). The second is the addition of a per diem reimbursement rate for various intensive care "step-down units" (NV00450). These units provide a higher level of service than that on a general medical-surgical floor and a lower level of service than is usually provided in an intensive care unit. The third change is the addition of reimbursement rates for "observation stays" (NV00650 and NV00675). Observation stays are used in different situations. An observation level of care provides health care providers time to observe a patient and determine if continued hospitalization is needed and/or until an inpatient bed is available. Observation stays often precede formal admission to the hospital or precede discharge from the hospital/emergency department. There are two different methods of calculating reimbursement based on the time spent in "observation." Page 3 of the MFS details both an hourly rate for observation stays up to 23 hours (NV00675) and a per diem rate for observation stays of more than 23 hours (NV00650). Please note, Nevada Specific Codes are required for accurate reimbursement per the MFS. Bills that do not contain Nevada Specific Codes for specific services provided and listed in the MFS may be sent back to the health care provider due to improper coding.

Ambulatory Surgical Center (ASC) and Outpatient Hospital Surgical Reimbursement: Previously, Nevada workers' compensation used the CMS 2007 list of surgical codes and groups as do many other states. However, there is an escalating problem with unlisted codes as new CPT codes are added regularly. DIR does not have the staff or resources available to constantly review these new CPT codes and place them in the appropriate reimbursement groups for similar procedures. Fortunately, Nevada Medicaid also uses the 2007 CMS list and updates their list regularly. Therefore, Nevada workers' compensation is now using Nevada Medicaid's expanded list of CPT procedure codes and groups. A link to this list is posted on the WCS Medical Information webpage under the list of medical fee schedules dating back to 2004. Additional flexibility is allowed for reimbursement of unlisted codes, or those codes that are not assigned a numeric group, due to the broad range of unlisted CPT codes and payer resources. Unlisted codes may be reimbursed at the Group 8 rate, billed charges, or usual and customary reimbursement in Nevada for comparable procedure codes, whichever is **less**.

Pharmaceutical Reimbursement: Senate Bill 231, passed in last year's legislative session, mandated limitations of physician-dispensed controlled substances (Schedule II and III controlled substances) to an initial 15 day supply only. Although this new law has not been codified yet by the Legislative Counsel Bureau, the specifics of the law may be found on the Nevada Legislature website (https://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB231_EN.pdf). As is currently DIR's practice, the MFS does not quote the applicable statutes and regulations directly, however, the MFS does contain references to these laws and many links to the applicable statutes and regulations are provided for stakeholders' convenience.

Another new addition to pharmaceutical reimbursement in the MFS is prior authorization and billing requirements for compound medications. The prescribing physician or chiropractor must include justification of the medical necessity for and efficacy of the compounded medication instead of, or in addition to, standard medication therapies. The health care provider and the insurer/third-party administrator (TPA) must agree on both the quantity of the medication to be dispensed as well as reimbursement for the compound medication **before** the medication is dispensed. Medical bills for compound medications must list each ingredient of the compound and include a National Drug Code (NDC) for each ingredient. The insurer/TPA is not required to reimburse any compound ingredient lacking a valid NDC. Pursuant to NRS 616C.135, the health care provider may not charge an injured employee for services related to their accepted workers' compensation claim. Therefore, the prior authorization and billing requirements for compounded medications should be carefully noted by involved parties.

Independent Medical Evaluations (IMEs): Stakeholders requested DIR designate a reimbursement methodology and rate for IMEs. Again, there is broad variation in the complexity and time required for these evaluations. So, the methodology described on page 6 of the MFS includes a base rate (NV02001) and additional fees for review of medical records (NV02002), more than two body parts (NV02003) and organization of medical records chronologically by date of service (not date of receipt NV02004). There is also a fee for failure of an injured employee to appear for an appointment (NV02000). The description of a

(Continued on page 4)

(Med Fee Changes Continued from page 3)

"body part" is the same as that used for permanent partial disability (PPD) evaluations on pages 6-7 of the MFS. Both IMEs and PPD evaluations now require the requester include a cover sheet indicating the number of pages of medical records provided to the physician or chiropractor.

Dental Reimbursement: Many payers have contractual agreements with dental providers for reimbursement of various dental services. Nevertheless, stakeholders requested development of a dental fee schedule. Pages 7-8 of the MFS reflects the top dental codes billed in Nevada. The list includes the dental codes correlated with the most costly services as well as those billed most frequently. Remember, the MFS reflects the maximum reimbursement allowable; contractual discounts may still apply.

General Information: There are two changes interested parties should be aware of. Initial medical bills or requests for reconsideration will not be accepted unless claim acceptance is delayed beyond one year due to claim's litigation. Secondly, NRS 616C.136 was changed in the last legislative session in 2015. Awaiting codification, Senate Bill 231 also changes the time requirements for medical bill payment. Medical bills must now be denied or paid within 45 days from the date of receipt by the insurer/TPA.

As noted above, this summary is not inclusive of all updates to the MFS. Please review the current MFS for additional information. Questions or requests for additional clarification may be addressed to the DIR Medical Unit in either the Carson City (775-684-7275) or Henderson (702-486-9104) offices.

Katherine Godwin, RN, BSN Supervisor
WCS Medical Unit

Direct comments or suggestions about this newsletter to: *Mike Brooks, Editor or Alma Johnson, Assistant Editor,* in the Workers' Compensation Section, Henderson Office (702) 486-9019 or email: mjbrooks@business.nv.gov or aljohnson@business.nv.gov

Hails and Farewells

Terri Mosher joined WCS Henderson in January as an AA III to the Chief Administrative Officer and Southern District Manager. Terri was born and raised in the very small town of Dart, Ohio. She moved to Las Vegas last year "to experience something new and WARM!" Previously, she worked at Ohio University in Athens, Ohio for 18 years as an Administrative Coordinator and Accounting Specialist managing the office and all grant funds and budget items for the Global Affairs Office. Also, she owned and operated a trucking company with her family, and her son has now taken over the business. Terri likes to be outside and explore new places. She has twin daughters, a son and four grandchildren.

Welcome to **Joshua Feliz** the new AA II for WCS Carson City. Josh spent eight years in the military and enjoyed his time as US Marine Corps non-commissioned officer. After his time in the service, he worked as an intern for the Department of Veterans Affairs while attending Western Nevada College and obtained his associate degree in Art last June. He is currently enrolled at Western Governors University working on a Bachelor of Science in Business Management. He is happy to be part of the DIR Workers' Comp team and looks forward to the work ahead.

David Tackitt also joined WCS Henderson in January as an IT Tech III. In addition to being the WCS point person for a multi-million dollar database project, he untangles WCS's day-to-day IT challenges. This Chicagoland native spent most of his life in the western suburbs. He started working with computers in 1983 and has never been without one since. He attended college in Illinois and Hannibal, Missouri where he studied music and Spanish. Ironically, he did not study computer science at that time. David has a wife and five children along with 13 grandchildren (11 girls). He moved to Nevada to escape the cold and snow of the Midwest. This Renaissance man has had quite a few hobbies over the years: playing the guitar, piano and saxophone In addition, he likes to play pool and go bowling and also finds time to watch movies, play Xbox One, and fix broken toys.

Lisa Dayton is the newest WCS Carson City Compliance/Audit Investigator II. She moved to Nevada with her parents and siblings in 1971. Before graduating high school, she got a job with the non-profit CSA Reno Head Start Program and worked there for more than 20 years. Eventually, she decided to leave her position as Assistant Head Start Director for a new career path in the construction industry. What followed was working in the office management, HR and accounting fields in the private sector for more than 15 years. She has been known to say "One day I will find the career I've always been searching for; it will present itself and I will say 'yes' to the change." She believes she has found that career with her new position at DIR. She enjoys spending time with family and friends, summer pool parties, camping and traveling.

CONTACT US

Department of Business and Industry
Division of Industrial Relations
Workers' Compensation Section

SOUTHERN NEVADA
(702) 486-9080 / Fax: (702) 990-0364

NORTHERN NEVADA
(775) 684-7270 / Fax: (775) 687-6305

http://dir.nv.gov/WCS/Home/

WCSHelp@business.nv.gov

Holiday Office Closures:

Memorial Day
Monday May 30, 2016