

Claim adjudication change

How having better data will lead to better decisions and results

Subtle adjustments to the claim adjudication process have led to managed care organizations (MCOs) being asked to start collecting expanded data on new injuries.

“An employer’s MCO plays a key role in initiating claims,” says Lance Watkins, AVP, Client Services, CompManagement Health Systems. All injury reports are routed through MCOs to ensure that the required data is in place before a claim is reviewed by the Ohio Bureau of Workers’ Compensation (BWC) for allowance.

Smart Business spoke with Watkins to better understand how MCOs will operate under the new process.

What is changing in the data collection process for MCOs?

Previously, standard incident reports included only the basics: the employee’s name, address, birth date, employer information and injury description. Additional details, such as the injured employee’s marital status and normal work hours, would eventually be pursued, perhaps by BWC after the allowance was determined.

MCOs are now being asked to gather more data before the claim is submitted to BWC. While this may often require a phone call to the employer, having more claim details in BWC’s hands before they make an allowance decision is a good thing.

What new information is required?

Among the new information MCOs are asked to collect is the employer’s certification or rejection of the claim. This question may be posed before a thorough investigation has been

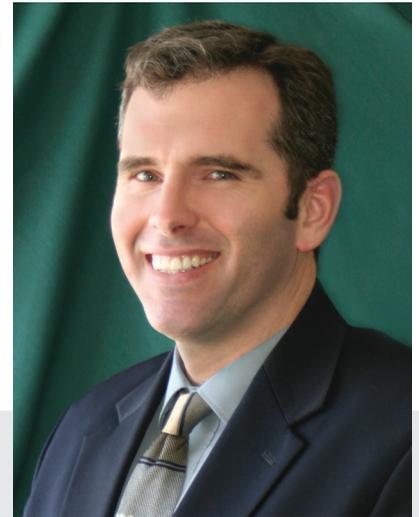
conducted. It may be appropriate to withhold this decision until better information is available. The claim can still be submitted to BWC for adjudication. However, there may be cases where the incident and injury are not in dispute, and an early certification may accelerate treatment for the injured employee.

How are additional allowances being treated?

Another area where BWC is asking MCOs to play a larger role is in the consideration of additional medical conditions on a claim.

Usually, when a treating physician seeks to expand the allowances and treat new conditions, it is an indication that the claim may be growing in complexity and cost. When the request for new conditions is submitted through the MCO with a treatment request, the MCO is to provide a recommendation on the existence of the condition. It is an awkward position to be in because the question of causality — whether or not the accident caused the condition — is what BWC will ultimately use to determine if the condition should be allowed on the claim.

One of the roles of the MCO is to reconcile the treatments to the medical



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conditions and move the claim toward resolution. MCOs study medical documentation daily and typically have faster access to sound diagnostics reflecting the condition of the injured employee.

What do these changes seek to accomplish?

Ultimately, the goal is to help injured employees return to the workplace as quickly and safely as possible. The most powerful cost driver in workers’ compensation claims is lost time, and the speed and clarity of information is a vital part of the return-to-work process.

BWC leans heavily on MCOs to resolve claims from the medical side and evaluates each MCO on their effectiveness in helping injured employees get back to work. BWC provides quarterly evaluation data on MCOs, called Measurement of Disability Scores (MoD), which reflect the MCO’s return-to-work performance compared to established benchmarks. With the MCOs and their client employers having a vested interest in the return-to-work scores, it is appropriate that MCOs be empowered to help accelerate the process and establish the informational framework for resolving claims. ●