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Texas Department of Insurance
www.tdi.state.tx.us - Consumer Helpline 1-800-252-3439

COMMISSIONER'S BULLETIN

B-0013-06

March 20, 2006

All Workers' Compensation System Participants

RE: Carrier Responsibilities Concerning Workers' Compensation Health Care Networks

The Texas Department of Insurance (Department) anticipates that workers' compensation health care networks (WCNs) will begin to become certified in late March, 2006. As part of the preparation for implementation of the WCNs, pursuant to House Bill (HB) 7 (79th Legislature, Regular Session, 2005) there are a number of reasonable actions that carriers may contemplate taking by the time the networks are implemented. These actions include:

Development of plans for continuity of care. HB 7 allows carriers that establish or contract with certified WCNs to transition injured employees with existing workers' compensation claims and who live in the WCN's service area into the WCN after appropriate notice of network requirements. Some of the affected injured employees will be receiving ongoing treatment that will require a smooth transition to network providers to prevent a deleterious effect on the injured employee due to sudden discontinuance of treatment. Other injured employees may be in an inpatient setting, or may be scheduled for previously preauthorized surgical procedures or rehabilitation procedures at the time of transition and will also require special attention to prevent a deleterious effect during transition. Sec. 1305.103(c), Insurance Code, states that the network may assign a treating doctor if the injured employee does not select a treating doctor from the network's list within 14 days after the injured employee receives notice of the network requirements. The Department expects that health care providers, carriers and networks will realize that allowances may be necessary for situations such as the previously cited examples for the best interest of the injured employee and in order to provide continuous care. It may become necessary in some situations for carriers or networks to authorize out-of-network care for a brief period of time in order to maintain a high level of care during the transition. Any complaints received at the Department regarding continuity of care during transition will be handled on a case-by-case basis.

Availability of carriers' telephone numbers for providing information regarding the network status of injured employees. It will be necessary for the Department and health care providers to be

able to ascertain whether an injured employee is required to be treated under a certified WCN. The response to a request by an injured employee to the Department, the Department's Division of Workers' Compensation (DWC) or the Office of Injured Employee Counsel (OIEC) for assistance may be different if the injured employee is covered under a certified WCN than if the injured employee is covered under non-network workers' compensation. For example, a request to change the employee's treating provider received at a DWC field office will be referred to the certified network if the employee is covered under a certified WCN, but if the employee is covered under non-network workers' compensation, the DWC staff will process the change request. If an injured employee appears in a health care provider's office for treatment, information about the employee's network status will be necessary to ensure that the health care provider follows proper preauthorization and billing procedures. Therefore, all carriers, regardless of whether the carrier is currently utilizing a certified WCN, should make a telephone number available to allow the Department, the DWC, the OIEC, or a health care provider to confirm the network status of an injured employee's claim. The Department is requesting that carriers make those telephone numbers available to health care providers through their certified WCNs and that carriers also provide that contact information to the Department and the DWC by email, fax, mail, or phone through the following contacts:

Texas Department of Insurance

Division of Workers' Compensation

Business Process Improvement

Mail Code MS-5

7551 Metro Center Drive, Suite 100

Austin, TX 78744-1609

fax: 512 804-4901

phone: 512 804-4335

email: bpipost@tdi.state.tx.us

Carriers will be responsible for ensuring that this contact information is current. The DWC will post these telephone numbers on its website.

Identification of network medical bills. Health care providers will likely find it necessary to identify network bills when they are submitted to carriers for payment so that WCN contracted rates will be paid rather than the DWC's fee guidelines or other contracted rates. Carriers are responsible for reviewing each medical bill to determine if the injured worker is a network claimant and if the health care provider is a contracted provider with the insurance carrier's certified WCN. Carriers are also responsible for ensuring that the medical billing data reported to the DWC accurately identifies payments and denials made for network medical bills and non-network medical bills. This billing data will be used by the Department to analyze the impact of certified WCNs on medical costs and injured employee outcomes as required by HB 7. Specific guidelines for identifying network bills will be provided in subsequent bulletins.

As other issues are identified that apply to all carriers, health care providers, or WCNs, additional bulletins will be issued by the Department or the DWC. Recent bulletins that also apply to implementation of networks include B-0004-06, B-0005-06, B-0071-05 and B-0074-05. The bulletins are available at <http://www.tdi.state.tx.us/bulletins/index.html>. Individual issues of limited applicability will be handled on a case-by-case basis by the Department and the DWC, with notice to the appropriate parties. The Department asks that you bring any issues that you identify to the attention of Department staff or that you ask to have them added to the agenda of the WCN Informal Working Group by e-mailing wcnet@tdi.state.tx.us. Free flow of information is an important goal as workers' compensation health care is transitioned into a managed care environment.

Mike Geeslin

Albert Betts

Commissioner of Insurance

Commissioner of Workers' Compensation