Health Care Provider Reimbursement Under Michigan’s Workers’ Compensation System

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What does the Workers’ Compensation (WC) system provide to injured workers?  
- Wage loss benefits.  
- Payment of medical bills.  
- Job retraining and placement services.  

“Weird Little World” - There are little things that you can do to maximize your WC reimbursement.
What type of medical bills are covered by the workers’ compensation system?

- Medical treatment must be for a “work-related” condition (i.e., compensable injury).
- All “reasonable and necessary” medical, surgical, and hospital services are covered (MCL § 418.315).
- Provider must be recognized by the laws of the state of Michigan (i.e., state licensed).
Are there any laws that cover how medical bills should be paid under the WC system?

- Workers’ Compensation Agency (WCA) Health Care Services Rules.
  - R. 418.10101 - 418.101504 (Rule 101 - Rule 1504)

- WCA Health Care Services Division - http://www.michigan.gov/wca/0,1607,7-191-26922---,00.html
To be covered by WC, the patient must:

- Have sustained a personal injury or occupational disease “arising out of and in the course of employment.”
- Fairly broad coverage.
  - If the patient indicates that he/she believes the injury occurred at work, or if the patient’s pain or other symptoms occurred at work, WC should be investigated as a potential payment source for the patient’s bills. WC is primary insurance coverage.
  - Be aware – Patients sometimes think that their injury is work-related – but they are wrong.
Common WC Coverage Issues

- Normal travel to and from work – Not covered by WC.
  - Potential exceptions – Company cars, travel during working hours, employer derived a special benefit from the travel.
- Parking lots – Injuries in employer parking lots before or after work are covered by WC.
  - Exceptions – Injuries that occur too long before or after an employee’s shift will not be covered.
Common WC Coverage Issues

- Injuries occurring on the employer’s premises – Usually covered by WC.
  - Exceptions – Intentional misconduct, severe horseplay, drug/alcohol impairment, social or recreational activities at work.
    - \textit{Crilly v Ballou} – Young men throwing shingles at each other – Covered by WC.
    - \textit{Petrie v GMC} – Climbing on desks and equipment as a joke, touched an electrically charged rail – Not covered by WC.
Common WC Coverage Issues

- Injuries occurring while driving for an employer – Usually covered by WC.
  - If an auto accident occurs “in the course of employment,” WC is responsible for all medical bills.
    - WC is primary; no-fault is secondary.
      - Obtain information on both WC and no-fault, if possible.
Common WC Coverage Issues

- Non-work-related medical condition, symptoms manifest at work – Probably not covered by WC.
  - Idiopathic fall cases – Diabetic seizure, collapse at work, severe head injuries – Not work-related.
    - Exception – When employment places an employee in a position of increased risk of injury.
      - Diabetic seizure while driving, auto accident causes severe injuries – Injury is work-related.
Common WC Coverage Issues

- Pre-existing medical conditions – Usually not covered by WC.
  - Exception – If employment “aggravates” a pre-existing injury, WC is responsible.
    - Increased pain and other symptoms is not enough. There must be evidence of an injury that is medically distinguishable from the pre-existing injury.
      - Must show that the pathology of the underlying condition has changed.
        - Normal progression of the injury or disease will not be covered. Work activities must have caused a medically distinguishable change.
Information to Obtain from Patients

- SSN
- Name and address of employer
- Name of WC carrier
- Date of injury
- Facts about how the patient was injured
- Claim number, adjuster contact information
- Name of patient’s attorney
- Health insurance information
Information to Obtain from Patients

- If it is WC, should I get the patient’s health insurance information?
  - Yes. It might not actually be WC. Patients often think it is a WC injury, and they end up being wrong.
  - Get health insurance information up front, so we can timely bill health insurance if WC denies.
Communication

- Communication between patient registration personnel and billing/reimbursement personnel is critical.
  - If possible, patient registration personnel and billing/reimbursement personnel should be able to access and share information with one another.
In general, WC medical bills are paid three different ways:

1. Fee Schedule (i.e., reimbursement by procedure code) (Practitioners / Pro fees - Rules 1001-1007).
2. Ratio Method (Hospital Facilities - Rule 1015).
3. By Report - no assigned value; a written description of services is needed (nursing homes, county medical care facilities, hospice, long-term care facilities, ambulance, home health).

“Cost Containment”—payment in full is rare.
Common WC Reimbursement Problems

1. Carrier does not respond to bill.
   - Be persistent - get names - get numbers - make a detailed record of all communications with the carrier.
   - Submit claims via certified mail. Resubmit claim after 30 days.

2. Coding problems.
   - CPT 2013; Medicare National Level II Codes.
   - Work with carrier and WC Health Care Services Division.
3. No payment because “claim is in litigation” or “claim is controverted.”
   - Protect your rights as a health care provider.
   - Get your own attorney if charges justify it.
   - The patient’s attorney is not your attorney, and may not have your best interests in mind.
Warning! – Watch out for cases in litigation.

- Do not assume the patient’s attorney will get the patient’s outstanding medical bills paid.
- Do not let a WC case get “settled out from under you.”
- Do not be the only health care provider “taking the hit” in the case.
4. Do I have to pay the patient’s attorney 30% for recovering payment for my medical bills? **No.**

  - Amicus brief for the Michigan Health and Hospital Association.
5. Carrier rejects implant charges until you provide an “invoice” for the implant.
   - Recon - Tell carrier only FOSFs have to provide invoices for their implants under Rule 1023(5).
   - Provide a detailed description of the implant and demand proper reimbursement (i.e., ratio for facilities).
6. Carrier rejects entire claim stating “no claim on record,” “no record of injury,” “no injury reported for this employee / employer.”

- Communicate with patient - Attempt to get WC claim filed with the carrier.
- File your own claim with the carrier - Form WC-117H - “Provider’s Report of Claim & Request for Medical Payment.”
**PROVIDER’S REPORT OF CLAIM & REQUEST FOR MEDICAL PAYMENT**

*Michigan Department of Energy, Labor and Economic Growth*

*Workers’ Compensation Agency*

1. **EMPLOYEE TO COMPLETE THIS SECTION**

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Last, First, M.</th>
<th>Social Security Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Address</td>
<td>Date of birth</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>State</td>
<td>Zip Code</td>
</tr>
<tr>
<td>Employer Name</td>
<td>Supervisor’s Name</td>
<td></td>
</tr>
<tr>
<td>Employee Number</td>
<td>Employee Telephone Number</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>State</td>
<td>Zip Code</td>
</tr>
</tbody>
</table>

Describe the type of injury and explain how it happened.

<table>
<thead>
<tr>
<th>Date of injury</th>
<th>Last Day Worked</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Have you gone back to work?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Was injury reported to your employer?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

If yes, date of return | Date of injury |

Employee signature | Date of this report |

*Making a false or fraudulent statement for the purpose of obtaining or denying benefits can result in criminal or civil prosecution, or both, and denial of benefits.*

2. **PROVIDER TO COMPLETE THIS SECTION**

<table>
<thead>
<tr>
<th>Healthcare Provider Name</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Employer's representative authorizing treatment</td>
</tr>
<tr>
<td>City</td>
<td>State</td>
</tr>
<tr>
<td>Provider signature</td>
<td>Date</td>
</tr>
</tbody>
</table>

This form is to be submitted to the workers’ compensation insurance carrier, self-insured employer or group fund.

**DO NOT MAIL THIS FORM TO THE WORKERS’ COMPENSATION AGENCY**
7. The WCA told me I cannot bill the patient until the WC case is resolved.
   - Absolutely incorrect. The patient can and should be billed, unless there is a specific order stating that the bill must be paid by the carrier.
   - No “balance billing” the patient, if the WC carrier made the required WC payment.
   - Rejected charges can be individually billed to patient.
8. Incorrect reimbursement – Carriers often simply calculate your reimbursement incorrectly.
   ▪ Do not just accept the carrier’s payment, and assume it is correct under WC.
   ▪ Sometimes using an incorrect ratio will trim thousands of dollars off your reimbursement.
   ▪ Sometimes when you bring the error to the carrier’s attention, they will fix it.
9. Improper network contractual (Cofinity / Beech Street, etc.) reductions by the carrier.

- Your network contract might allow a participating carrier to take an additional discount off the WC payment - it might not allow it.
- Carriers routinely take unjustified or incorrect network contract reductions.
- Most of the improper reductions are too high.
- You likely have appeal rights under your contract! Be aware of your contractual rights.
Common WC Reimbursement Problems

10. Can I bill health insurance, because the patient says not to because its WC? Yes.

- Bill all potential payers – we can always refund.
- No voluntary health refunds until WC money is in the account.
- Watch out! Health insurance “take backs,” “electronic credits,” “payment recapture.”
- Medicaid - One year deadline - Do not accept Medicaid’s lower reimbursement when WC should pay.
11. Does a WC carrier have to pay a late fee if it takes a long time to pay? **Yes - 3%.**

- Bill carrier properly - certified mail.
- No response in 30 days - bill carrier again; add 3% late fee to billing form; certified mail.
- No response for 30 days - file Form 104B and demand late fee.
Common WC Reimbursement Problems

12. Audits – Requests for Settlement

- Beware of Genex Services, Inc., Fairpay Solutions, and other similar entities.
- Attempting to get you to accept a lower amount than you are entitled to receive.
  - Often promise prompt payment in return.
- Contractual settlement agreements.
  - Even if you are entitled to more under WC, if you agree to take less – you are stuck with it.
13. Reductions based on “Ingenix Guidelines” or “Fairpay Solutions Review.”
   - Ingenix, Fairpay Solutions = Unfair reimbursement.
   - For most medical treatment, WC sets the amount that must be paid.
   - Any reduction below that WC ratio/fee schedule should be protested.
Common WC Reimbursement Problems

14. Down Coding

- Carrier pays according to the procedure code that it thinks should apply to the services.
  - Some carriers automatically down code certain procedure codes. Saves $$.
- Protest down coding – If we coded it correctly, we should get paid correctly.
What action can providers take to protect their right to payment under the Workers’ Disability Compensation Act?

- Form WC-104B.
- Mediation with Health Care Services.
- Decision by a Magistrate.
Form WC-104B

APPLICATION FOR MEDIATION OR HEARING - FORM B
Michigan Department of Energy, Labor & Economic Growth
Workers’ Compensation Agency
PO Box 30218, Lansing, MI 48909

Submitted on behalf of: ☐ Health Care Provider ☐ Insurance Company ☐ Self-Insured Employer

EMPLOYER IDENTIFICATION
1. Employer Name (Last, First, M.I.)
2. Social Security Number
3. Date of Birth
4. Date of Injury
5. Street Address
6. City
7. State
8. ZIP Code
9. County of Injury

EMPLOYER IDENTIFICATION
10. Employee Name
11. Federal ID Number
12. Street Address
13. City
14. State
15. ZIP Code
16. Contact Person
17. Telephone Number

CARRIER IDENTIFICATION
18. Carrier or self-insured name
19. NAIC or Self-Insured Number
20. Street Address
21. City
22. State
23. ZIP Code
24. Claim Number
25. Claim Number
26. Telephone Number

MEDICAL BENEFITS IDENTIFICATION
27. Provider Name
28. License, Registration, or Certification Number
29. Street Address
30. City
31. State
32. ZIP Code
33. Date of Service
34. Amount of Bill
35. Date of 1st Bill
36. Date of 2nd Bill
37. Last Pays Requested
38. Reasons for Filing (see codes on reverse)

39. ☐ If the worker involved in this case is currently being denied treatment as a result of this dispute, check the box in the left and provide a description of the needed treatment that is being denied in the box on the back.

40. ☐ If the carrier is currently paying for medical benefits pursuant to an order and this is a petition to stop such payment, check the box on the left and attach a copy of the order.

By signing this form, I certify that the information included on this form is true, correct and complete to the best of my knowledge. I understand that making a false or fraudulent statement for the purpose of obtaining or denying benefits can result in criminal or civil prosecution, or both, and denial of benefits.

41. Provider Name
42. Provider Signature
43. Affidavit for Recognition
44. Affidavit for Recognition
45. Affidavit for Recognition
46. Affidavit for Recognition
47. Affidavit for Recognition
48. Affidavit for Recognition
49. Affidavit for Recognition

Reasons for Filing Codes (last column in Line 33)

A. No response to the bill
B. Not paid in 30 days per R418.101(16)(2)
C. No carrier response to provider’s request for reconsideration
D. Incorrect payment, not repaid by provider’s request for reconsideration
E. Claim in litigation, medical services remain unpaid
F. Carrier disputed utilization of medical services
G. Carrier requests recovery of payment
H. No report of injury on file with carrier
I. Other

Additional information regarding Reason for Filing:

This form is only to be submitted in cases involving workers’ compensation health care disputes between carriers (insurance companies, self-insured employers, or group funds) and health care providers.

The completed application must be mailed to the Workers' Compensation Agency, PO Box 30218, Lansing, MI 48909, with a completed copy mailed to the carrier. There is no need to send additional documentation to have the teleconference scheduled.

You must complete this form properly to avoid any delay in processing.

All parties involved in this case will be served a copy of the Form 104B and a teleconference will be scheduled. You can obtain more information or forms by contacting the Workers’ Compensation Agency at 1-866-390-0341.

This application is provided in accordance with Part 13, R 418.101(1)(2) of the Workers’ Compensation Health Care Services Rules.

WC-104B (Rev. 6/29) (Front)
1. Information is key – At intake: SSN, DOI, facts about injury (how did it occur?), employer name, attorney name (if any), case status.

2. Persistence - Multiple recons, frequent contact with patient and carrier, be the “squeaky wheel.”

3. Bill everyone – We can refund later; no refunds until WC actually pays.

4. Protect your right to proper WC reimbursement - Health care providers have rights in the WC system. Get your own attorney if the charges justify it.
When Do I Contact Miller Johnson?

- When you have received improper payments from the WC carrier.
- When a patient has an attorney.
- When a claim is in litigation – Get your own attorney. (General rule - $5,000+ balance)
- General questions – You do not need to formally refer every account. Sometimes you just need some informal advice. Please do not hesitate to call us.
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