

## **MPNS: WHAT TO DO AFTER OCT. 8, 2010\***

### ***You can now:***

- **Save paper by:**
  - distributing MPN notices electronically [9767.12(a)]
  - posting the complete MPN employee notification and giving it out only at time of injury [9767.12(d)]
  - submitting your provider listings electronically (and with fewer columns of information) [9767.3(c)(1)]
  - rolling out a new MPN through a paystub implementation notice [9767.12(e)]
  - giving change of MPN and MPN termination notices only to injured covered workers [9767.16(a) and (b)]
  - Not filing change of MPN notices with DWC [9767.16]
  - Giving Spanish notices to Spanish speakers only [9767.12(a)]
- **Implement an MPN without a long waiting period [9767.12(a)]**
- **Know exactly what triggers the requirement to file a material modification to an MPN [9767.8]**
- **Give workers more accurate listings of providers who are currently treating WC patients [9767.12(f)(3)]**

### ***You still need to:***

- **Give notices with the required regulatory information for**
  - Implementation of an MPN,
  - Change of MPN, and
  - Termination or Cessation of Use of an MPN.
    - But the notices are now shorter and given to fewer employees
    - And an implementation notice is not required if a change of MPN occurs within 60 days of the last use of an MPN (but still required at new hire)
- **Provide a complete MPN employee notification at time of injury**
  - But not at implementation anymore
- **File with DWC material changes and modifications to MPNs**
  - But only for a finite list of material changes
- **Provide updated new hire notices and post an approved workers' compensation poster with updated and required MPN information**
  - With updated information including the MPN
- **Do everything else.**

### ***Get More Info:***

- Go to the MPN regulations URL below on the DWC website:  
[http://www.dir.ca.gov/dwc/DWCPropRegs/MPN\\_Regulations/MPN\\_Regulations.htm](http://www.dir.ca.gov/dwc/DWCPropRegs/MPN_Regulations/MPN_Regulations.htm)
- For FAQs, sample notices and more information about MPNs on the DWC website go to:  
[http://www.dir.ca.gov/dwc/mpn/DWC\\_MPN\\_Main.html](http://www.dir.ca.gov/dwc/mpn/DWC_MPN_Main.html)

**\*NOTE:** The information provided is not a complete list of all the current regulatory requirements for an MPN. Please review the updated regulations at 8 CCR §§9767.1-9767.16 for the complete list of MPN regulatory requirements for legal compliance.



# **Harness the power of your Medical Management Program**

**Take advantage of Provider Networks (MPNs), Utilization  
Review and Pharmacy Benefit Networks (PBN) programs**

Division of Workers' Compensation  
18<sup>th</sup> Annual Educational Conference  
Los Angeles, CA – February 24-25, 2011  
Oakland, CA – February 28-March 1, 2011

“Common Sense” approach to “Best Practices”



# Networks with Intelligence©

Create a “best-in-class” Medical Provider Network with carefully nominated and invited physicians who know and understand workers’ compensation and sustained Return-To-Work (RTW) protocols.

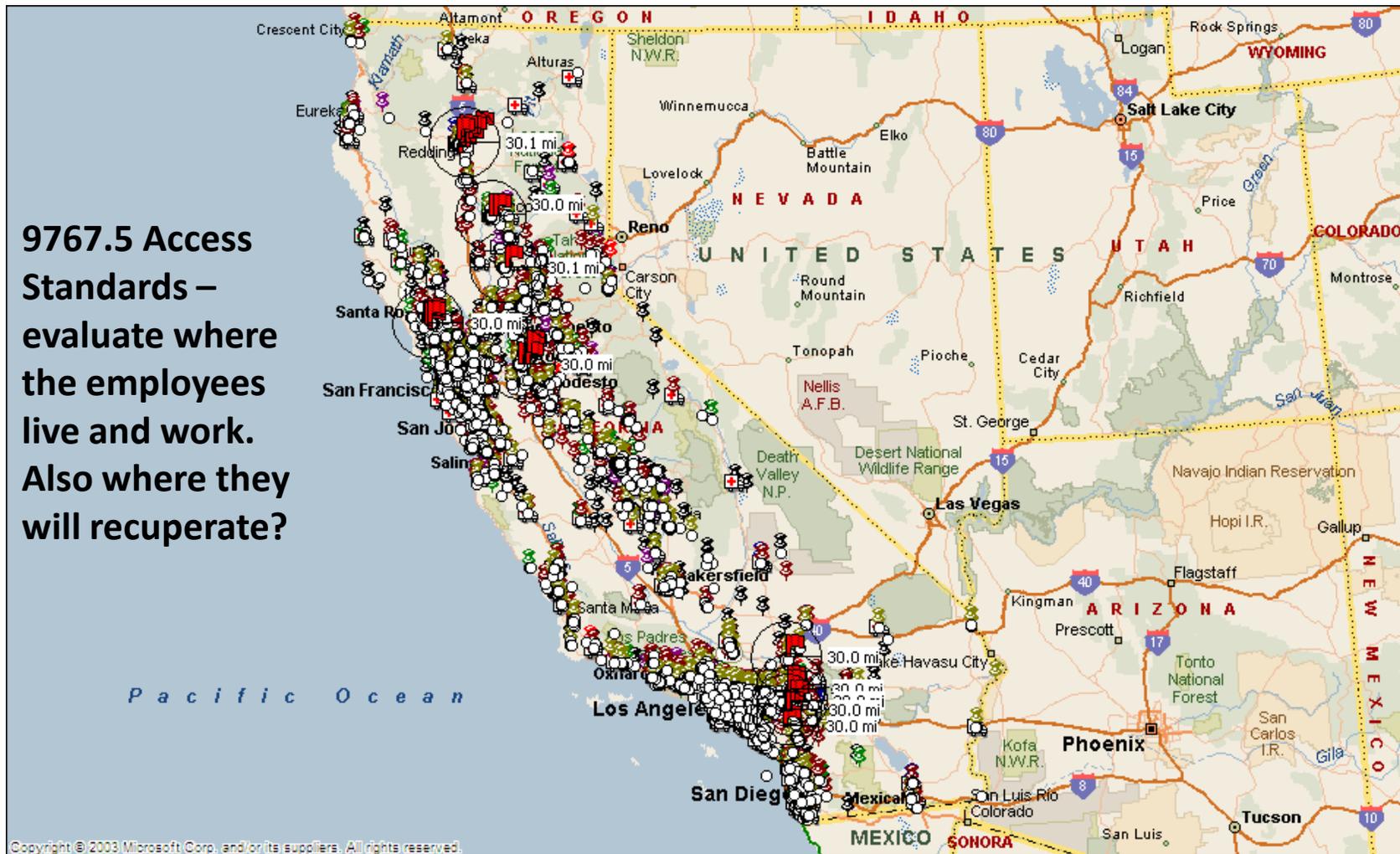


# Challenges

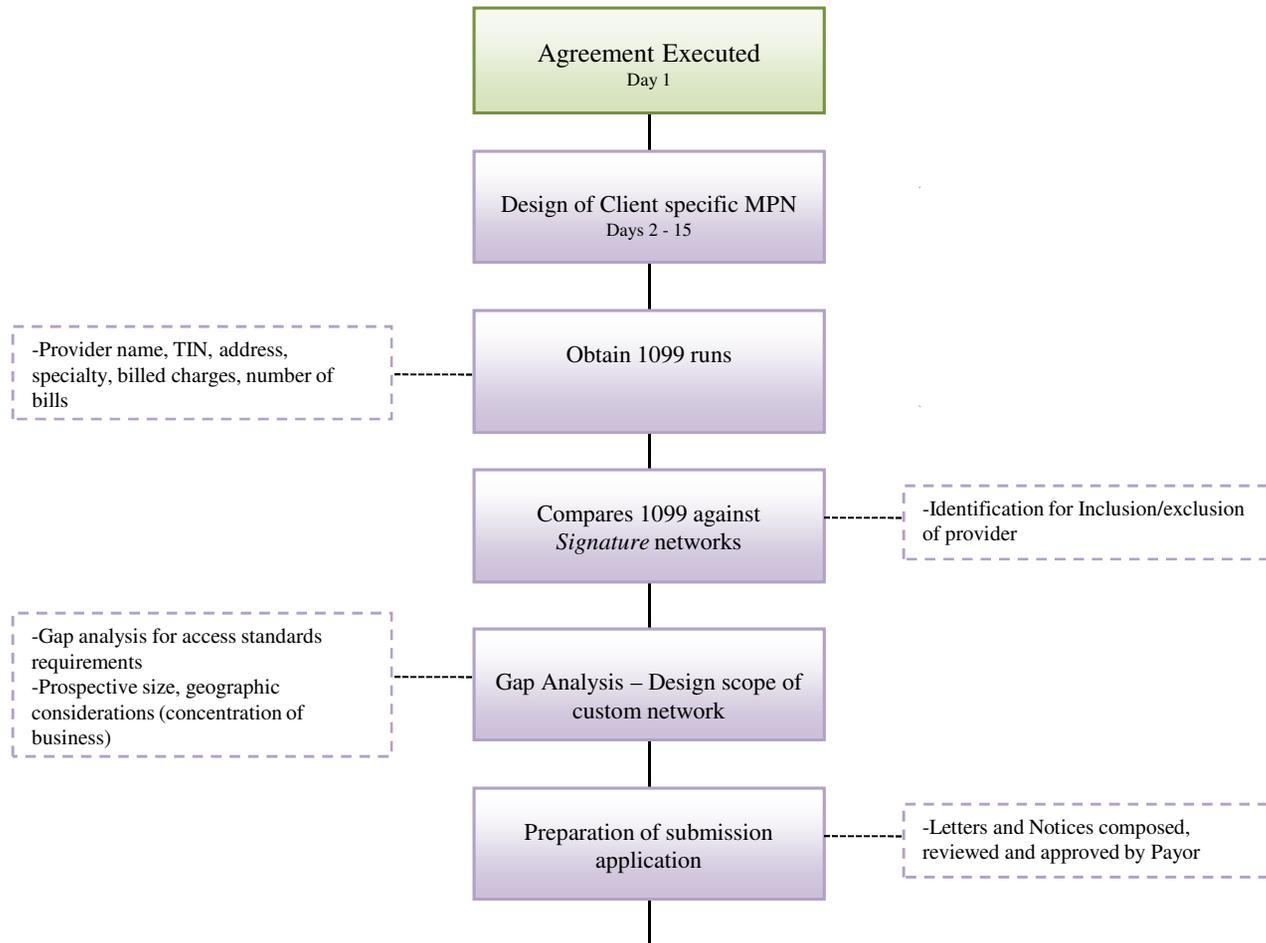
- Managing the integrity of your MPN program is a work in progress every single day
- Focus in the industry is still on penetration and discounts
- 9767.6 Treatment and Change of Physicians Within MPN
- **MPN contact responsibilities are critical**
  - To ensure that the MPN Contact(s) fully assist covered employees with MPN questions, including but not limited to providing complete provider listings, assisting with finding doctors or getting appointments, and providing information about second and third opinions, the IMR process, and the transfer of care and continuity of care policies.
- Educating your MPN provider community
- How to identify the “right” providers to participate in your MPN
- Regulatory updates and compliance
- 9767.12 – Employee Notification – doing it right **every single time**
  - At time of hire, implementation
  - Change of MPN
  - Termination of MPN / Cessation of use
  - When a loss occurs
  - When a case is transferred into the MPN
    - Proof of Service
    - By mail
    - By handout
    - By e-mail
- 9767.3 Application – Goal of at least 25% of physicians (not including pediatricians, OB/GYNs, or other injuries and illnesses expected to be encountered in the MPN) primarily engaged in the treatment of non-occupational injuries.
- Access Standards fulfillment – especially rural areas

# MPN Design & Development – access standards

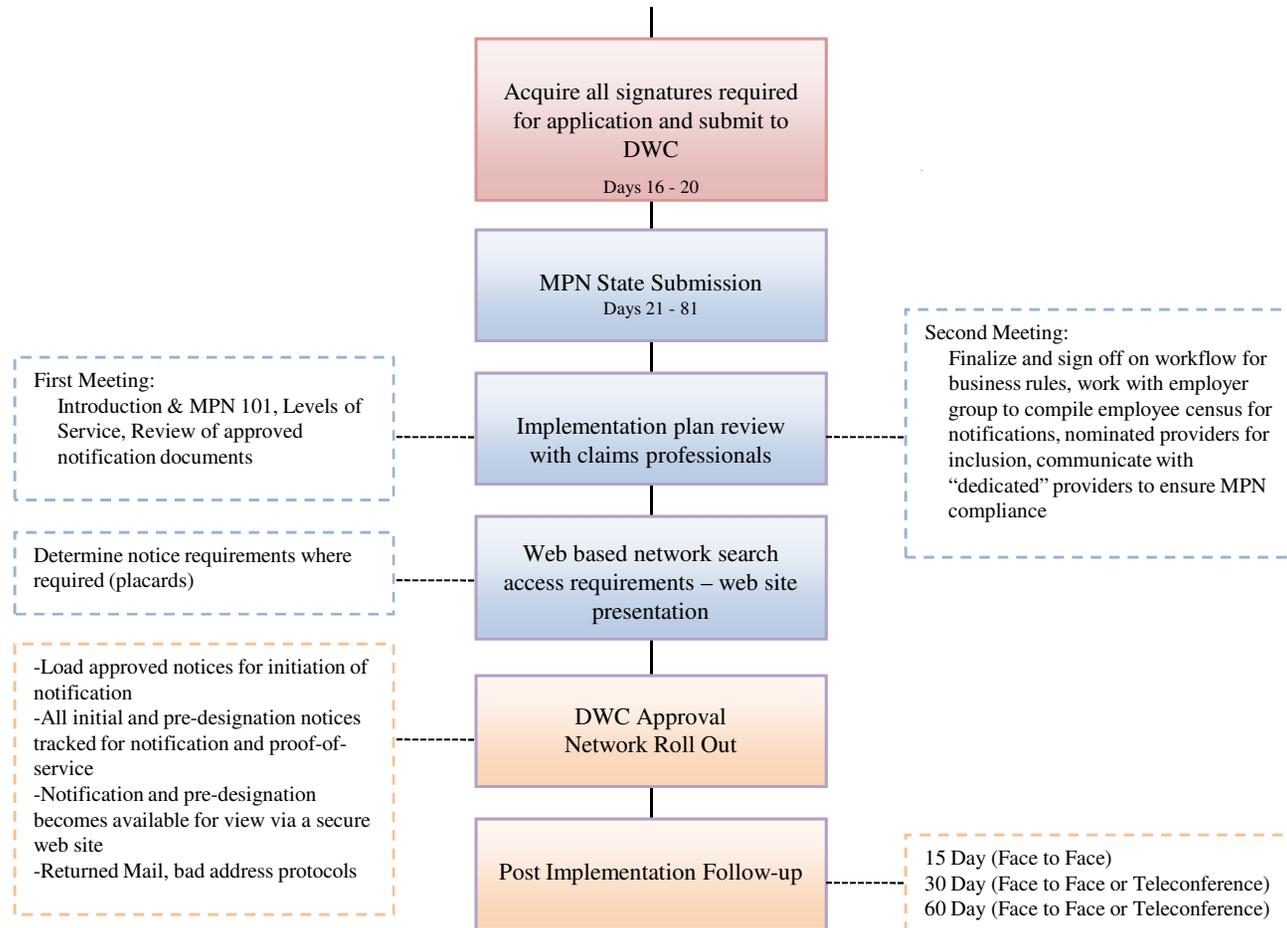
**9767.5 Access Standards – evaluate where the employees live and work. Also where they will recuperate?**



# MPN Design & Development



# MPN Design & Development





# Best Practices

When developing your MPN consider the following:

- ✓ Build by nomination and invitation only; solicit input from:
  - ❖ Employers – who do they currently work with?
  - ❖ Medical Director and Peer comments
  - ❖ Nurse Case Managers
  - ❖ Claims Professionals
- ✓ Site visit to provider facility
- ✓ Face to face visit with the employer/insurer site for the provider
- ✓ Define consistent criteria for determining who goes into your MPN
- ✓ Identify who you want to nominate and invite into your MPN
- ✓ Be sure to comply with Access Standards
- ✓ Make your selection process intensive
- ✓ Do an MPN roll out meeting with your claims team, then a follow up meeting to tie up any loose ends or questions



# Aligning Incentives Between Payers, Employers & Providers

Slides 8,9 & 10

Bernyce Peplowski, D.O., M.S.  
[[bernycepeplowski@yahoo.com](mailto:bernycepeplowski@yahoo.com)]



# Wish Lists

- Physicians: allowance to practice the art of medicine; payment for cognitive services; reduction in paperwork; “R & R”
- Employers: value; RTW; control of WC claims costs; provision of wellness services; “R & R”
- Payers: reduction in overall claims costs; reduction in medical costs; performance standards; outcomes/results “R & R”

**COALESCE**

**OUTCOMES... METRICS....RELATIONSHIPS...RESPECT**

# Mean Comparisons

	Doctor \$	Total Med	TTD	Claim Duration	Total \$
<b>Doctor A</b>					
Indemnity	\$1150	\$2793	42	318	\$7,132
Medical	\$288	\$522	0	54	\$3,600
<b>Doctor B</b>					
Indemnity	\$1145	\$3631	81	580	\$12,243
Medical	\$321	\$1005	0	121	\$7,186
<b>Doctor C</b>					
Indemnity	\$1155	\$3400	120	800	\$43,800
Medical	\$310	\$1620	0	182	\$9,400

**All have the same patient population and practice within the same group**

# Characteristics of High Performing Physicians with Best Outcomes

- Return to function
  - Within first 2 weeks of treatment
  - Discussed return to function at 1<sup>st</sup> visit
  - Manages TTD post referral
  - Minimizes use of narcotics
- If no improvement in function within 4 weeks of treatment, question diagnosis and / or treatment
- If no improvement at 6 weeks, consider centralization of pain / need for behavioral therapy or coaching by PTP
- Relationships with Payers and Employers
- Careful PD assessment
  - Seek advice from specialists as needed

# Taking your MPN to the next level

## Business Intelligence

- Gathering and analysis of data from multiple sources to evaluate individual provider performance and ranking
  - Claims system data
  - Medical Bill Review (MBR) data
  - Utilization Management, Telephonic Case Management (TCM), Case Management (CM) data
- Multiple key performance indicators for provider ranking by a geo-zip region
  - Frequency and duration of medical services
  - Billed and paid direct medical costs
  - Indemnity costs (lost work time)
  - Legal involvement, etc.
- Intelligent implementation of the analyzed data to build your MPN to your specifications

## Analytics for business intelligence and knowledge management

- Treatment frequency with and without PT
- Treatment duration with and without PT
- Time from date of injury to date of surgery
- Direct medical costs with and without PT
- Direct medical costs adjusted for multiple diagnoses
- Indemnity costs associated with Provider
- Direct medical costs plus indemnity costs
- Lost work days compared to all
- % indemnity cases returned to work
- Provider activity profile
- Provider ranking

You can't just use MBR data to evaluate performance. You must consider claims, UR, Telephonic Case Management (TCM), Field Case Management (FCM) data to get a real picture of what is going on.



## **Analytics for business intelligence and knowledge management**

- Every provider is evaluated and scored for each key performance indicator
- Performance indicator scores are combined into a composite score and providers are rank-ordered for a geo-zip region
- Providers are listed in performance quadrants with Best Practice Providers being the highest quadrant, followed by upper middle, lower middle and lowest quadrant providers.

# Best Practices Recommendations

- Level One: Network Specialist Services (real time monitoring):
  - Ensure the communication between all parties and compliance of any state requirements.
  - Medical Guidelines reviewed for compliance.
  - Flag cases for ADA and FEHA (CA only) exposure.
  - Review and recommendations that warrants Registered Nurse (RN) review.
  - UR component embedded and stand alone models.
- Level Two: UR & Telephonic Case Management (TCM)
- Level Three: Physician Advisors



# Utilization Review and your MPN Program

For a successful MPN, the UR (Utilization Review) component is necessary

- MPN Specialist – triage 100% of your cases on a “*real time*” basis. This means lost time and med only cases. All parties including but not limited to claims professionals, will be provided with updates and developments with the case.
- Medical Director *plus* Physician Advisors *and* Peer Review involvement.
- Nurse Case Management – Telephonic and Field components.
- UR component embedded and stand alone models utilizing medical guidelines *and common sense.*

# MPN Ancillary Providers

- Pharmacy Benefit Network (PBN)
  - No provider dispensing from office
  - No compound medications without prior authorization

Tie your MPN/PBN to your UR program



# MPN Successful Track Records

<b>Client A</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Average daily cost of an open claim	\$19.37	\$19.67	\$19.01	\$13.86
Average number days a case is open	62	97	161	226
Litigation rate	20%	13%	13%	19%
Number of new losses - Indemnity	234	228	187	195
Number of new losses - MO	369	388	402	387
Number of closed cases - Indemnity	226	314	322	61
Number of closed cases - MO	349	371	444	248
Average cost per case	\$1,192	\$1,910	\$3,068	\$3,121

**Client A** – first year of new MPN program, WC costs dropped from approximately \$12 million per year to approximately \$6 million per year.

<b>Client B</b>	<b>8/2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Average daily cost of an open claim	\$44.67	\$36.14	\$25.57	\$26.90	\$18.59
Average number days a case is open	92	150	195	255	300
Litigation rate					
Number of new losses - Indemnity	257	257	221	235	279
Number of new losses - MO	228	213	260	278	225
Number of closed cases - Indemnity	303	304	293	324	334
Number of closed cases - MO	224	217	286	312	204
Average cost per case	\$4,098	\$5,408	\$4,985	\$6,872	\$5,582

**Client B** – Average days open is reduced by 70% since the start of the MPN. FY 2004 average time open = 300 days. FY 2008 average time open = 92 days. 27% reduction in average case cost since the inception of the MPN program



# Provider Status

- Elite status defined as a provider who understands the WC environment and who will also provide appropriate medicine.
- Define criteria for who gets “Elite” status
- Responsibilities
  - Appropriate treatment
  - Cooperation with regulatory environment
  - Timely / accurate reporting
- Privileges
  - Not subject to Utilization Review for all cases



# Common Sense Practices

- Incorporate *common sense* into your program
- Don't compromise the integrity of your MPN
- Don't put an MPN label on a PPO
- Consider where the employees live, work AND where they choose to recuperate.
- Consider what happens with FEHA to when the patient is approaching PD status
- Stay on top of what is going on in the regulatory environment.

# Quick Reference Comparison Guide

MPN Document	MPN Regulations (Regulations through 10.07.10)	MPN Regulations (New Regulations effective 10.08.10)
<b>MPN Program Implementation waiting period</b>	- 30 day waiting period	- NO specified waiting period but notice needs to be provided before implementation
<b>Employee Notification</b> - At time of <u>hire</u> - Or, <u>prior to implementation of MPN</u>	- MPN notice titled " <u>Initial Written Employee Notification Re: Medical Provider Network</u> " - English (5 pages) - <u>and</u> Spanish (5 pages)	- MPN notice titled " <u>Implementation Notice</u> " if no prior MPN use for employer or more than 60 days have passed since last MPN use; and to new hires - MPN notice titled " <u>Change of MPN</u> " if implementing a new MPN within 60 days of employer using a prior MPN - English (1 page)/ Optional: Spanish (1 page) only to Spanish-speaking employees.
<b>Employee Notification</b> - At time of <u>injury</u> - Or, when an employee with an existing injury begins treatment under the MPN ( <u>Transfer of Care</u> )	- MPN notice titled " <u>Initial Written Employee Notification Re: Medical Provider Network</u> " - English (5 pages) - <u>and</u> Spanish (5 pages) - No requirement to "post" MPN notice information	- MPN notice titled " <u>Complete Written MPN Employee Notification</u> ". - English (5 pages)/Optional: Spanish (5 pages) only to Spanish-speaking employees. - MPN notice titled " <u>Complete Written MPN Employee Notification</u> " shall be posted in both English and Spanish in a conspicuous location frequented by employees during the hours of the workday and in close proximity to the workers compensation posting required under CCR 9881 - English <u>and</u> Spanish (5 pages)
<b>MPN notification distribution methods</b>	- Hard copy via - Mail - Direct distribution (handout)	- Mail (hard copy) - Included on or with an employee's paystub, paycheck or - Through electronic means, including email, if the employee has regular electronic access to email at work to receive this notice.
<b>Notice to Employees Poster</b> (CCR 9881.1)	- No requirement for MPN notice information	- Notice to Employees – Injuries Caused By Work (DWC-7) - Updated to include mandatory MPN information.
<b>Notice of Employee Rights Upon Termination or Cessation of Use of Medical Provider Network <u>and</u> Notice of Change of MPN</b>	- All Change of MPN notices must be approved by DWC <u>prior</u> to distribution - Notice distribution to <u>covered</u> employees.	- Revised requirements and DWC sample language - Notice distribution to <u>injured</u> covered employees - Delete the requirement to include the name of the MPN contact



# How to reach us

Margaret Wagner

3373 Cerritos Ave

Los Alamitos, CA 90720

(562)546-0035 X 308

[mwagner@signaturenetworksplus.com](mailto:mwagner@signaturenetworksplus.com)



MPNs  
UR  
PBNs

## Combined Strategy

- For Network Providers
  - ▾ Preauthorization
  - ▾ Claims-Level Authorization

## Smooth UR Certification

---

---

- Document Current Clinical Picture
- Document Prior Treatment
- Refer to MTUS Guidelines
  - ▾ Recommend a Consistent Treatment Plan