

Comp medical payment & today's health care payment environment

Mednet Connect

“pay the fair cost of care”

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Outline

- Situation
- Problem
- Implications
- Mednet's Integrated Solutions

Situation - *overall*

- ✓ Multiple US payers for medical services
- ✓ Health insurance increasingly unaffordable to workers and employers
- ✓ Little relation between providers' billings and what they are being paid by most payers
- ✓ Worker's compensation = medical treatment with no deductible and no co-pay
- ✓ Worker's compensation = early retirement with disability payments

Problem – *your industry*

- ✓ Federal fee schedule & rules are incomplete
- ✓ Federal fee schedule paying more than average for medical services
- ✓ The worker's compensation fee schedules & rules in most states are more incomplete
- ✓ Concurrent Federal and state jurisdiction for workers injured in shipyards on or adjacent to navigable waters of the U.S.

Implications - *overall*

Shipyards can be “gamed” by medical providers who...

...selectively demand payment per the Federal /or/
state medical fee schedule and rules

...exploit “gaps” in the Federal and state workers’
compensation fee schedules and rules

Implications

State specific

| Maine | IP | OP | ASC |
|----------------|---------------------------|---------------------------|---------------------------|
| Federal | 133%+ of Medicare | gaps | 175% of surgeons FS |
| State | 100% of U&C amount billed | 100% of U&C amount billed | 100% of U&C amount billed |

| CT & RI | IP | OP | ASC |
|--------------------|-------------------|-----------|---------------------|
| Federal | 133%+ of Medicare | gaps | 175% of surgeons FS |
| State | costs | costs | costs |

Implications – *state specific*

| Virginia | IP | OP | ASC |
|-----------------|---------------------------|---------------------------|---------------------------|
| Federal | 133%+ of Medicare | gaps | 175% of surgeons FS |
| State | Average amount being paid | Average amount being paid | Average amount being paid |

| Florida | IP | OP | ASC |
|----------------|---------------------------------------|---------------------------|---------------------|
| Federal | 133%+ of Medicare | gaps | 175% of surgeons FS |
| State | Fee schedule w/ stop loss at \$50,000 | 75% ER/60% of U&C charges | 80% of U&C charges |

Implications – *state specific*

| Alabama | IP | OP | ASC |
|----------------|---------------------------|-----------------------------------|--------------------------|
| Federal | 133%+ of Medicare | gaps | 175% of surgeons FS |
| State | Per diem with stop-losses | % of billed charges (by hospital) | 5%-10% of billed charges |

| MI | IP | OP | ASC |
|----------------|--|-----------------|---------------------|
| Federal | 133%+ of Medicare | gaps | 175% of surgeons FS |
| State | Per diem, but many claims are paid on a % of charges | No fee schedule | ASC payment groups |

Implications – *state specific*

| LA | IP | OP | ASC |
|---------|---|-----------------|------------------------|
| Federal | 133%+ of Medicare | gaps | 175% of surgeons FS |
| State | Per diem, but many claims are paid on a % of charges | No fee schedule | No fee schedule |

Implications – *state specific*

| CA | IP | OP | ASC |
|---------|---------------------------------|------------------------------------|---|
| Federal | 133%+ of Medicare | gaps | 175% of surgeons FS |
| State | Fee schedule @ 120% of Medicare | Fee schedule @ 122.5 % of Medicare | Fee schedule @ 122.5% of Medicare Hosp OP |

| WA | IP | OP | ASC |
|---------|--|--|--|
| Federal | 133%+ of Medicare | gaps | 175% of surgeons FS |
| State | % of charges, except certain hospitals | % of charges, except certain hospitals | Fee schedule @ 225% of Medicare's ASC FS |

Mednet's Solutions - # 1

Mitigate “gaming” by providers to increase payments per the Federal fee schedule

- Up-coding of DRGs
- Excessive charges that = excessive outlier payments
- Mis-coding/mis-billing outpatient services

Mednet's Solutions - # 2

Counters “gaming” by providers to increase payments per the state’s fee schedule

- Inpatient mis-coding & excessive charging
- Outpatient mis-coding/mis-billing
- Determine a reasonable payment, in accordance with each state’s specific definitions, for bills that hit “gaps” in a state fee schedule

Mednet's solutions - # 3

We can re-price each bill simultaneously to the the Federal and state fee schedules

- ✓ Payers can pay based on the amount that is lowest, highest, an average of the two, the fee schedule that has historically been accepted by that provider, etc.
- ✓ We support our payment recommendation if a provider questions/disputes payment

#1 + #2 + #3 an integrated response to...

- ✓ Incomplete Federal fee schedule
- ✓ Federal fee schedule paying more than average for medical services
- ✓ The worker's compensation fee schedules & rules in most states are worse
- ✓ Concurrent Federal and state jurisdiction for workers injured in shipyards on or adjacent to navigable waters of the U.S.

Questions and next steps



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