

FREQUENTLY ASKED QUESTIONS ABOUT TEXAS HB7

WHAT IS HOUSE BILL 7?

In an attempt to resolve chronic problems plaguing its workers' compensation system including high medical costs, poor return-to-work outcomes and governmental bureaucracy, the Texas legislature recently passed Texas House Bill 7 (HB7). Most HB7 key provisions were effective on September 1, 2005.

The most noteworthy change within the new legislation is the provision for Workers' Compensation Health Care Networks (WCHCN). The state now requires certification of all proposed WCHCNs and mandates that such networks offer case management and utilization review components. Participation in a WCHCN, however, is not mandatory so the state is developing rules around utilization review, peer review, case management, return to work, and treatment guidelines for employers opting not to participate. HB7 also continues to allow employers to non-subscribe to the state's workers' compensation system.

WHAT IS INTRACORP DOING IN RESPONSE TO HB7?

The Intracorp HB7 team continues to analyze the regulations as they become available and will define product strategies that can assist employers in selecting the right option for Texas-based businesses. Our account managers will be provided with the most up-to-date information regarding rule development—and our planned service response—as they become available.

WHAT ARE WORKER'S COMPENSATION HEALTH CARE NETWORKS (WCHCN)?

HB7 allows for the creation of WCHCNs. Networks must be certified in accordance with chapter 1305 of the Insurance Code and rules to be adopted by the commissioner of insurance. A few highlights of the network rules include the following:

- Network shall determine the specialty or specialties of doctors who may serve as treating doctors.
- Network must demonstrate that it has contracted with a sufficient number of treating doctors, specialist, ancillary

providers and institutional providers in order to furnish comprehensive health care services to injured employees.

- Network may operate under their own treatment guidelines and preauthorization requirements but treatment guidelines must meet minimum statutory criteria and treatment cannot be denied solely because it is not specifically addressed by the treatment guidelines.
- Network must adopt treatment guidelines; return-to-work guidelines and individual treatment protocols which must be evidenced based, scientifically valid, outcome focused, and designed to reduce inappropriate or unnecessary health care while safeguarding access to necessary care. Guidelines must be communicated to all network providers.
- Pharmacy is excluded from workers' comp networks.
- An HMO or PPO may be certified as a workers' compensation health care network if they meet the requirements.
- TDI will retain the Approved Doctor List (ADL) and associated requirements for non-network doctors until 9/1/07. Network doctors are NOT required to be on the ADL.
- Network doctors must comply with TDI's financial disclosure and impairment rating training and testing requirements.
- Network shall have medical case management program with certified case managers.

DOES INTRACORP OFFER A CERTIFIED NETWORK IN TEXAS?

Yes. Intracorp was certified by TDI on August 21, 2006.

ARE THE PROPOSED CERTIFIED WCHC NETWORKS SIMILAR TO CA MPN?

While there are a few similarities such as discounted provider networks, direction of care, employee notification and access requirements, the proposed WCHCN regulations more closely resemble an MCO due to the provision for managed care services such as utilization review and medical case management.

WILL THE NEW REQUIREMENTS FOR PEER REVIEWS AFFECT INTRACORP'S ABILITY TO DELIVER THIS SERVICE?

Rules regarding doctors who perform peer reviews have not yet been adopted; however, we do not anticipate any difficulty in adhering to the new regulations. We will be able to adhere to the new regulations leveraging our current Physician Advisor capacity.

ARE THERE NEW PREAUTHORIZATION REQUIREMENTS THAT I SHOULD BE AWARE OF?

Yes. The permanent rules for preauthorization and concurrent review were effective 5/2/2006. Intracorp has made the appropriate modification to our workflow and letters to ensure compliance with the current regulations. For a summary of the utilization review regulations, including a complete listing of treatments and services requiring review visit: <http://www.tdi.state.tx.us/wc/dwc/divisions/documents/ffpreauth.pdf>

DOES HB7 DIRECTLY ADDRESS THE NEED FOR CASE MANAGEMENT SERVICES?

Yes. HB7 very specifically states:

*"The insurance carrier shall evaluate a compensable injury in which the injured employee sustains an injury that could potentially result in lost time from employment as early as practicable to determine if **skilled case management** is necessary for the injured employee's case. As necessary, case managers who are appropriately licensed to practice in this state shall be used to perform these evaluations. **A claims adjuster may not be used as a case manager.**"*

Additionally, in its provision for 'return to work,' HB7 designates that such coordination may include any of the following services which are all offered within Intracorp's product suite: job analysis, job modification and restructuring assessments

and medical or vocational case management to coordinate the efforts of the employer, treating doctor and injured employee.

CAN INTRACORP PROVIDE FILE REVIEW TYPE SERVICES TO ASSESS THE NEED FOR CASE MANAGEMENT?

Yes. Intracorp has credentialed case managers located throughout the state of Texas who are available to assist in assessing the need for case management services. Arrangements can be made to complete these assessments onsite.

CAN INTRACORP OFFER A ONE-STOP SOLUTION TO ASSIST INSURANCE CARRIERS AND EMPLOYERS IN MEETING THE MEDICAL AND VOCATIONAL REQUIREMENTS OF HB7?

Yes. Intracorp offers a complete solution to assist our customers in managing their medical and indemnity costs.

- Networks
- URAC-accredited utilization review services
- Peer review services
- Ergonomic evaluations
- Customized return-to-work programs including job analysis and transitional work alternatives
- URAC-accredited case management services
- Over 25 bilingual case managers (Spanish, Danish, Korean)
- Vocational rehabilitation services
- Fee management services
- Benchmarking, analytics and sophisticated outcome reporting

THERE'S MUCH DISCUSSION THROUGHOUT HB7 AROUND OUTCOMES REPORTING. HOW DOES INTRACORP TRACK OUTCOMES AND MEASURE SUCCESS?

Intracorp captures and warehouses data to measure impact. Our analytic capabilities allow us to measure impact and outcomes by product, line of business, industry benchmarks, book of business and/or jurisdiction—based upon customer needs.

For more information regarding HB,7 including proposed rules, visit: <http://www.tdi.state.tx.us/rules/parules.html>