

Bill Review and the Commodity Myth

Do your homework when choosing a workers' comp bill review provider. One size does not fit all.

By: **Maddy Bowling**

Bill review is often touted as a “commodity.” But having done scores of detailed workers' compensation bill review audits, I can tell you that the quality of bill review is not consistent across the board. If you've seen the work of one workers' comp bill review vendor, you have *not* necessarily seen them all.

In fact, even when two different companies use the same bill review software, you will not necessarily get the same result. Based on audits I have completed, you could be missing up to 12 additional percentage points in savings.



Given the 50 state nature of the current workers' comp system, our industry, in order to keep our medical costs under control, must rely upon vendor partners to reprice medical bills based upon all the different state medical provider fee schedules, or an accepted source of usual and customary (U&C) provider charges.

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While our lives would be much easier if medical providers/facilities billed according to state fee schedules or U&C recommended amounts, it is unrealistic to expect providers to handle these very complex and ever-changing jurisdictional rules given that workers' comp medical care still accounts for a very small slice of the total U.S. health care system (<3 percent).

It appears that workers' comp bill review is here to stay. So how can you be sure that you're getting the best service and not sacrificing good quality, aggressive medical cost-containment for a less expensive, less effective alternative?

Let's talk about what drives the differences between bill review service providers.

You might think that you can rely on the software in today's world to handle the jurisdictional differences, but that's not the case. Fee schedules and the jurisdictional rules that surround them are extremely complex

and require knowledgeable interpretation. Having jurisdictional subject matter experts is a vital part of accurate, aggressive bill review. Some rules just can not be automated.

In addition, there is constant change within fee schedules and rules requiring constant monitoring and updating as well as appropriate workarounds should they be necessary due to time constraints. Check to see if your partner has dedicated compliance and jurisdictional experts to ensure you are in the best hands.

Most bills arrive with documentation, yet I have found that not all reviewers look at the attachments. I have seen bills paid for the wrong injured worker, bills for initial office visits (more comprehensive and more expensive) paid several times on the same claim from the same provider, bills paid for services never rendered, bills that include inappropriate modifier codes (making the bill more expensive), and bills without the appropriate modifier codes for an assistant surgeon or physician assistant when the documentation clearly notes who performed the procedure.

Does your bill review service provider train reviewers to utilize the documentation? Do they identify bills requiring clinical review?

You need to expect quality review from your bill review partner. You want to be sure that they have solid quality assurance processes in place for:

- Their data capture process/vendor
- The bill review application
- Timeliness of the updates per jurisdictional guidelines
- Testing of fee schedule and application updates prior to live processing
- Testing accuracy of business rules processing
- Bill review processors
- Quality performance standards/reviews for staff
- Evidence of ongoing processor training
- Service level agreements with vendors ensuring compliance/quality

You want a bill review partner who is invested in your medical cost containment, i.e. one who understands your needs for quality, coverage and cost savings.

This involves an understanding of your key jurisdictional and loss cost drivers and integration of bill review with the “right” PPO networks and ancillary providers who will best meet your specific needs.

There are many different network contracts out there so be sure you are not paying a network-discounted fee above the state fee schedule. You should expect constant vigilance regarding these additional cost containment tools and an accurate accounting of their results as well.

You should also expect your bill review service provider to offer the option to measure the performance of providers in your networks and a method to direct to these “best providers.”

Have you had a discussion with your bill review partner about how aggressive you want to be in your key jurisdictions? If not, then you are not necessarily receiving the provider bill review you intended.

Talk to your service provider to make sure you are involved. Are you taking advantage of usual and customary reductions prior to PPO discounts in the appropriate states? Do you want to zero pay unlisted or invalid codes? How much provider pushback are you willing to tolerate? Get involved in the decision-making process regarding your workers' comp bill review.

Bill review savings can be calculated in a variety of ways and comparing bill review service companies on savings alone is most likely an apples to oranges comparison.

Ask your vendor how they compute savings? What do they do with zero pay bills (pharmacy, pay in full or pre-arranged bills)? How about resubmissions and duplicates? If these types of bills are included in the savings calculation, your "savings percentage" will be inflated yet your ultimate paid is the same. To avoid the game playing, ask questions of your vendor.

If you think about the medical encounter data we collect in bill review, you will understand why we should utilize this vast store of intelligence about our claims and the medical providers to truly enhance performance and outcomes.

We need to know the "real" impact bill review and other vendors are having on overall claim outcomes, what we and they can do to laser focus our resources and dollars on those areas where we are experiencing the most "pain."

You need a bill review vendor partner who knows that delivering raw data is no longer good enough, that will take the time to turn that data into information and actionable intelligence and then drive the program fine-tuning and customization.

Don't be fooled by the "bill review is a commodity" myth. Look for the differences and find your "right" partner who will deliver the very best value.

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