

T & G

P.O. Box 349
Montoursville, PA 17754-0349
Phone: 570-368-2022 • 800-952-2022
Fax: 570-368-2122
E-Mail: drgregg@sunlink.net

REVIEWS

June 28, 2006

Bureau of Worker's Compensation
Medical Treatment Review Section
P.O. Box 15121
Harrisburg, PA 17105
Attn: Eileen Wunsch

RE: Proposed Medical Cost Containment Regulations

Dear Ms. Wunsch,

I would like to take this opportunity to submit written comment about the proposed medical cost containment regulations. I would like to specifically address Subchapter E, Medical Treatment Review.

Section § 127.805a (relating to UR of medical treatment prior to acceptance of claim) would provide a means for review of medical treatment prior to formal acceptance of a claim for benefits under the act. I feel that insurers may use this review of medical treatment as a guise to help determine causality.

Adding precertification to the review process would essentially add a managed care component to the treatment of injured workers.

The time frame for records submissions and completing the reviews in the proposed changes are not realistic in my opinion. The number of reviewers performing reviews in most specialties is diminishing due to high clinical demands. I feel that the few reviewers left in some specialties would stop doing reviews if they need to adhere to stricter time frames. Larger medical institutions would also have trouble submitting records in the shorter time frames and this would result in more "no records" determinations.

The Bureau should add a section to the regulations to assess penalty and interest against insurance carriers who do not pay bills for URO's within the mandated 30 days. T & G Reviews, Inc. had to file suit in several instances to receive payment and in one instance filed a complaint with the insurance department due to an unpaid judgment.

Section § 127.1051 (relating to authorization of UROs/PROs) to provide that the Bureau may authorize UROs/PROs through contracts awarded under 62 Pa.C.S. Part I (relating to Commonwealth Procurement Code) is probably the biggest issue for all approved URO's. In reviewing the procedural code references in the proposed changes, I am unsure how this can be implemented since payment is not coming from the state, but

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private insurance companies. I read this code as pertaining to contracts awarded by the state when the work is being done and reimbursed for by the state.

The random nature of the UR assignments is what makes the process in Pennsylvania the best in the country. I have taught Peer and Utilization Review throughout the United States and have found no process that can compare to the process in Pennsylvania and the random nature of the assignments sets Pennsylvania apart.

Several years ago, I performed an analysis of statistical data from the PA Department of Insurance dealing with the peer review process under ACT 6. In my analysis, the top ten review companies performed over 70% of the work and had a higher complete denial rate than the remaining companies. This was not a random assignment system. I feel that the proposed regulations would possibly lower the number of URO's to a handful. This would limit the number of different reviewers who do the work. Eliminating the random nature of the reviews may also cause people to question how the contracts are awarded by the state. I feel that removing the random nature of the assignments would add an implication of bias.

Thank you for allowing me to submit comments.

Sincerely,



Dr. Gregg Fisher
President, T & G Reviews, Inc.