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June 29, 2006

Eileen Wunsch Chief, Health Care Services Review Division Bureau of Workers' Compensation Dept. of Labor & Industry 1171 South Cameron Street Harrisburg, PA 17104-2501

Re: Chapter 127 - Comments

Dear Ms. Wunsch:

Thank you for the opportunity to submit our viewpoint & discussion of the recently published proposal for medical cost containment, related to the Pennsylvania Worker's Compensation Act. As stated by the proposal, the fiscal impact of the rulemaking "is expected to reduce cost to the Department of Labor and Industry and the workers' compensation community by providing a more competitive environment for Utilization Review (UR) and by easing administrative burden associated with the adjustment and payment of medical bills." The physicians and administration of Orthopaedic & Spine Specialists (OSS) counter with the following argument: the proposed rulemaking will *increase cost to healthcare providers* and services by delaying treatment and increasing the administrative weight of said providers, by igniting a staffing burden required to complete additional paperwork, specifically to seek pre-approval for treatment and procedures. The associated downshift in reimbursement coincided with the entanglement of pre-authorization snares the injured worker in a cyclic process of approval versus denial. Above all the proposed regulations will cause a hardship to injured workers seeking prompt and appropriate treatment.

The following are key points for discussion at the upcoming July 11, 2006 forum:

- ✓ Please clarify the proposed reimbursement rates. Current Medicare rates equal our lowest reimbursement
- Please clarify Will rates be locked into a specific Medicare year or will they fluctuate year to year, like auto?
- ✓ Please discuss placing a capped fee schedule for Independent Medical Exam (IME).
- ✓ Please discuss at length the pre-certification process.
- ✓ Please highlight the expected turnaround time for the precertification process. What is a timely response to a provider request? Will the Bureau retain additional staff to support onslaught of demand? How will the pre-certification form be submitted? Online? Fax?
- ✓ Please discuss in detail the proposed UR process.

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✓ Please clarify the request for payment within 90 days of the treatment date – specifically, please speak to the following nuance: at times, patients will treat under commercial insurance first, only to realize down the line the problem is work related. As such, as a provider, we may lose our ability to file a claim with the workers' compensation carrier under this new ruling, if the process extends beyond 90 days. Please justify.

OSS supports the move from EOB to EOR and appreciates the proposed Bureau format. We appreciate the streamlined fee review process.

In conclusion, the proposed regulations will require a tremendous increase in healthcare provider workload. Lower reimbursement combined with more work is a pothole we will choose to avoid. Frankly, OSS would be required to hire additional staff to support the demands of the proposed rulemaking. An already somewhat adversarial patient relationship would bombshell into downright hostile. Healthcare providers, under the new regulations, can not be expected to provide the same level of service under the current law. The employment community – the Pennsylvania workforce – will lose access and quality healthcare for work-related injuries.

As presented, Orthopaedic & Spine Specialists will have no choice but to withdraw from the workers' compensation arena, if the proposed rulemaking is set in motion. We will simply not be able to maintain the level of service that will be required at such a minimal level of reimbursement.

Sincerely,

Steven J. Triantafyllou, M.D. President / OSS

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