

CEC, Inc.
218 Center Road
Monroeville, PA 15146-1749
412-374-1414 ph
412-374-1416 fx

July 3, 2006

Department of Labor and Industry
Bureau Of Workers' Compensation
Health Care Services Review Division
P.O. Box 15121
Harrisburg, PA 17105

Eileen Wunsch, Chief, Health Care Services Review Division

RE: 34 PA Code Chapter 127, Subchapter E, Proposed Rulemaking

Dear Ms. Wunsch:

Regarding the proposed changes to the above referenced as it pertains to certifying and or contracting with Utilization Review Organizations as published in the PA Bulletin, I respectfully request that you consider some of my misgivings, concerns and recommendations.

First, and foremost, CEC, Inc. has been providing quality UR determinations since 1994 with a miniscule error rate, which we believe reflects the close supervision and handling of assignments by my-self the owner, as well as the UR coordinator who's position and continued employment, in part, includes competent UR assignment processing. More importantly, we are not aware of any adverse actions, legal or otherwise, as a result of our errors that for the most part were considered suggestions and directives to improve report quality.

That said we believe that the quality of UR determinations will suffer if the largest current certified UROs or other large venders who subsequently apply for contracts and certification through Procurement (RFP Process) are chosen due to low-ball bids that they consider loss leaders enabling, in essence, a foot in the door to more potential lucrative

business. Specifically, under the procurement process UR report quality will be adversely affected because:

1. UR assignment income derived from low bid contracts would not constitute a material part of a large company's business income resulting in less quality assurance and control, including the quality of reviewers. Therefore, smaller UROs with a true vested interest in producing a quality product in excess of minimal requirements should be awarded contracts not based merely on price.
2. Low ball bids will drive down the amount available to pay to reviewers, causing quality reviewing health care providers to "drop-out" given their lower reimbursement rate; especially for the majority of reviewers that now consider themselves relatively underpaid. In essence, the required rigors of completing a UR assignment will not be worth their effort for less money, as I've been told. Frankly, small UROs have more wiggle room to maintain quality reviewers.
3. The higher turnover rate of large URO employees.

It is also imperative that the number of UROs that will be certified be stipulated when the new rules and regulations take effect to enable a fair and reasonable bid price, since knowing the volume of assignments will directly affect the bid price that incorporates sought after discounts from reviewers.

Otherwise, to level the playing field for smaller UROs we believe that certifying all current UROs once the new rules and regulations take effect until expiration of the most recently certified URO. This will prevent disruption and a seamless transition to the new system while enabling a working knowledge of the new rules and regulations prior to bidding.

Too, the lowest bid will not necessarily result in cost savings for the insurance industry since it has been our experience that the lesser paid reviewers approve the treatment under review regardless of the merit since they apply less time and thought to justify their lower reimbursement rate.

Additionally, reimbursement cost to the provider under review for record retrieval, copying, and mailing should likewise be stipulated, as it is now to, to control cost.

There is also added expense to have the BWC start invoicing the insurance companies and paying the UROs that is now accomplished quicker with direct billing and payment.

Cost savings would further be derived by allowing impartial written notice to the insurance company, with copy to the BWC, when UR requests are filed improperly or incorrectly.

Finally, the most efficient, unbiased and least conflicting way to award UR assignments is to continue random placement as currently takes place. This system avoids even the

appearance of a conflict of interest. Along the same line of avoiding conflicts of interest patients and/or providers should be allowed to submit "other documentation" pertaining to the treatment that they are receiving and under review since the reviewer may not be aware of all indications for any given treatment.

In closing, thank you for your time and consideration and Mary Jo and I look forward to seeing you in Pittsburgh July 13, 2006.

Respectfully submitted:

W. Brett Carothers
President CEC, Inc.

ORIGINAL: 2542

Gelnett, Wanda B.

From: LI, BWC-Administrative Division [RA-LI-BWC-Administra@state.pa.us]
Sent: Friday, July 07, 2006 8:04 AM
To: Wunsch, Eileen; Kupchinsky, John; Kuzma, Thomas J. (GC-LI); Howell, Thomas P. (GC-LI)
Subject: Comments on Regs. from Karla

-----Original Message-----

From: W. Brett Carothers [mailto:cecreview@adelphia.net]
Sent: Thursday, July 06, 2006 1:53 PM
To: RA-LI-BWC-Administra@state.pa.us
Subject: Proposed Rule Making 34 PA Code Chapter 127

Ms. Wunsch:

Please see the attached. Thank you.

brett
at
CEC, Inc.
412-374-1414 ph
412-374-1416 fx

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