Managed Care Organizations
Submitted by Majoris Health Systems Oregon, Inc.
April 15, 2022 Management-Labor Advisory Committee

Mister Chairs and members of the Committee:

In addition to the presentation provided to the Committee on April 14, 2022 providing an overview of Managed Care Organizations (MCOs) Majoris also submits this accompanying written narrative. Some of the below is a restatement of information submitted in response to a previous inquiry made in 2021, with additional detail added to support the April 14, 2022 presentation Majoris provided. Enclosed as an Exhibit A is also a sample precertification decision letter, as requested by Co-Chair Scott Strickland.

MCO History

MCOs were introduced into the Oregon workers' compensation system as part of a sweeping set of reforms now called the Mahonia Hall Reforms. At the time, the Oregon workers' compensation system was ranked one of the worst in the nation for costs and benefits, and the reforms set out to rebalance the system. There were a number of key changes, but a significant addition was the introduction of the MCO, which sought to put medical decision making back into the hands of medical providers.

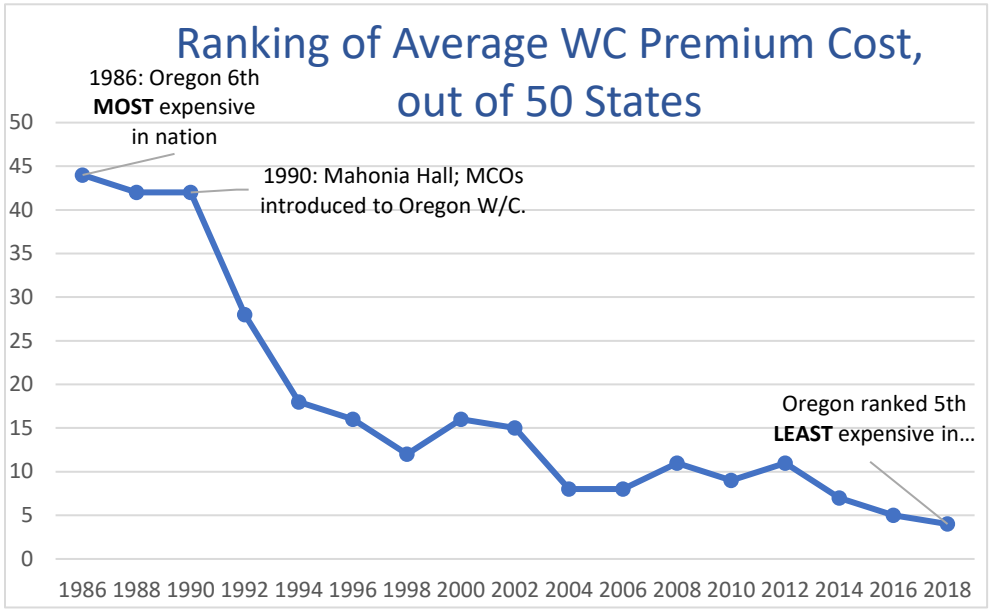
The primary goal of the MCO is to ensure injured workers receive timely, appropriate medical care for their work injury so they can return to work and life as quickly as possible. MCOs achieve this goal by building a network of providers who have been carefully curated and credentialed for the treatment of injured workers, and who have agreed to follow certain protocols intended to support and streamline the overall process.

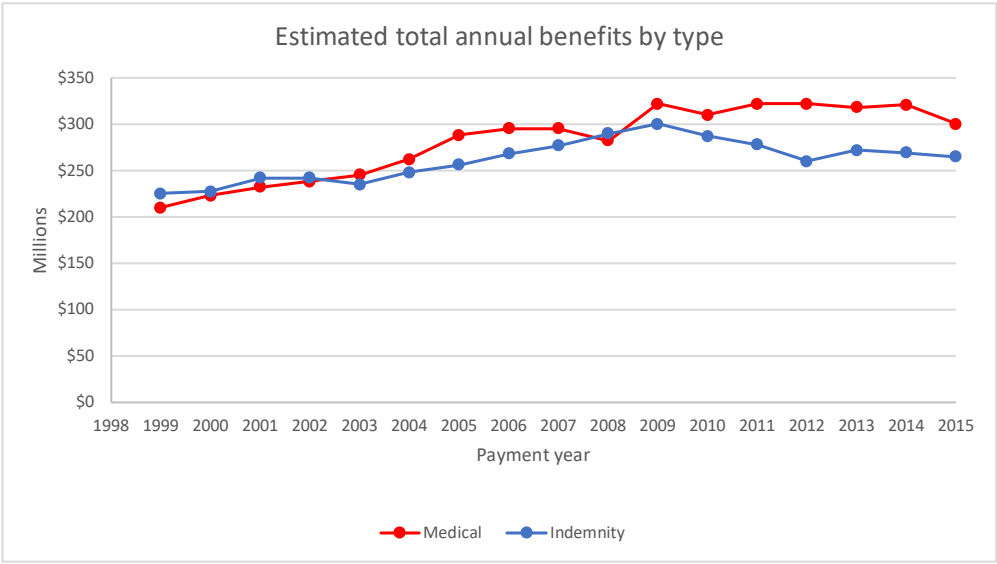
The outcomes are:

- Workers directed to providers who meet high standards in both treatment and in navigating the additional complexities of the workers' compensation system
- Workers receive care driven by evidenced based medicine and supported by objective findings
- Other stakeholders get the information they need to fulfill their obligations in the system
- Care is focused on the conditions related to the work injury so the system is not over-utilized and provides robust benefits not only to current workers, but for future employers and workers as well

While no system is perfect, and rarely makes everyone happy 100% of the time, when reviewing the past 30 years, the data supports that these reforms significantly improved the overall experience and outcomes of the Oregon Workers' Compensation system.

Majoris Health Systems Oregon, Inc.
P.O. Box 1728 • Lake Oswego, OR 97035 • Phone (503) 639-6080 • Fax (503) 639-8521 • Toll Free 1-800-525-0394





MCO Structure

The MCO structure is outlined in both statute and rule, providing a consistent framework for design while allowing each MCO to develop their own model for delivering the core functions. These core functions each MCO is tasked with providing are:

***Peer Review**: means evaluation or review of the performance of colleagues by a panel with similar types and degrees of expertise. Peer review requires participation of at least three physicians prior to final determination.*

Majoris Health Systems Oregon, Inc.
P.O. Box 1728 • Lake Oswego, OR 97035 • Phone (503) 639-6080 • Fax (503) 639-8521 • Toll Free 1-800-525-0394

***Service Utilization Review**: means evaluation and determination of the reasonableness, necessity and appropriateness of a worker's use of medical care resources and the provision of any needed assistance to clinician or member, or both, to ensure appropriate use of resources. "Service utilization review" includes prior authorization, concurrent review, retrospective review, discharge planning and case management activities.*

***Quality Assurance**: means activities to safeguard or improve the quality of medical care by assessing the quality of care or service and taking action to improve it.*

***Dispute Resolution**: includes the resolution of disputes arising under peer review, service utilization review and quality assurance activities between insurers, self-insured employers, workers and medical and health care service providers, as required under the certified plan.*

***Contract Review**: means the methods and processes whereby the managed care organization monitors and enforces its contracts with participating providers for matters other than matters enumerated in subparagraphs (A), (B) and (C) of this paragraph.*

MCOs are certified by the Workers' Compensation Division of DCBS to appropriately perform these functions. Additional oversight includes annual reporting to WCD regarding MCO activities, all MCO contracts must be on file and approved by the Department – both with insurers and providers, as well as any changes made to the original certified plan.

Process of Worker Enrollment

When a worker is enrolled into the MCO, written notice is sent to the worker that includes either notification they are treating with a paneled Attending Physician and no change is required, or that they are not and need to select a new Attending. Instructions are included on how to access the online directory or contact Majoris for assistance. Additional information is also provided regarding ancillary care such as physical therapy.

Under OAR 436-015-0037(e)(A) they are provided 14 days where they can continue to treat with non-network providers while identifying a panel option, and, depending on the specific case there may be other reasons that additional non-network treatment is allowed. Such as:

- Their Attending Physician is also their Primary Care Physician and qualifies for come-along privileges;
- They are within the global surgery period;
- Come-along privileges are being reviewed; or,
- Treatment such as Physical Therapy has already been approved by the adjuster, in which case that course of treatment is typically completed before a change is required.

Majoris Health Systems Oregon, Inc.
P.O. Box 1728 • Lake Oswego, OR 97035 • Phone (503) 639-6080 • Fax (503) 639-8521 • Toll Free 1-800-525-0394

The come-along eligibility is outlined in OAR 436-015-0070, which provides for an injured worker continuing to treat with a non-network provider that qualifies to be the Attending Physician and was established as their Primary Care Physician before the work injury. If the provider is confirmed eligible for come-along privileges, the MCO will extend an offer for the provider to agree to comply with MCO rules in order to continue treating the specific injured worker.

Worker's may also select a non-network provider for certain categories if there are fewer than 3 in the specified category in the GSA, or if the worker lives outside the MCO's certified service area and the non-network provider practices closer to the worker's residence than an MCO provider in the same category.

In all cases, while the MCO may extend the offer, the provider is not obligated to accept it.

Per OAR 436-015-0110(4), the worker is also provided appeal rights with the enrollment notice. To trigger an appeal, the only requirement is that the worker submit in writing that they are appealing, and to do so within 30 days from the date of notice. Between 2018 and 2020 Majoris had 16 appeals out of 29,000 enrollments, 7 of the workers were represented. If enrollment is appealed, the worker is allowed to continue treating out-of-network while the appeal is undergoing review.

79% of workers are enrolled within 60 days from their date of injury. One barrier to earlier enrollment is that legally, if an insurer enrolls the worker before accepting or denying the claim, even if the claim is ultimately denied the insurer has now accepted responsibility for all medical costs up to the point of denial. Enrollment timing is determined by the specific insurer and their contract with the MCO to best fit their processes.

Utilization Review

MCOs provide medical case management for claims with the goal of ensuring a worker's care and return to work is appropriate based on treatment guidelines that rely on evidenced based medicine.

Not all MCOs operate exactly the same, but Majoris utilizes physician reviewers to make all medical decisions. These reviewers include a mix of specialties and experience; some may be transitioning away from active practice or have retired, while others are still actively practicing full-time.

On average, precertification decisions take 3.25 business days from date of receipt to first decision. Roughly 70% have a decision in 3 days or less, and 88% have decisions issued within 1 week. Delays to making a decision can stem from a number of reasons, including waiting for updated medical records, a phone call between the Majoris Physician Reviewer and the Treating Provider, a response to a letter, or clarification on the request submitted.

Majoris Health Systems Oregon, Inc.
P.O. Box 1728 • Lake Oswego, OR 97035 • Phone (503) 639-6080 • Fax (503) 639-8521 • Toll Free 1-800-525-0394

When there are questions regarding treatment or work release, Majoris reviewers engage with the treating providers to discuss the case and identify a treatment plan that makes sense based on treatment guidelines and the specific facts of the case. Sometimes this results in a change in treatment plan, while other times the additional information provided helps clarify and support the original plan. For all precertification decisions, all parties have a right to appeal. This includes the worker, worker attorney, insurer and provider.

Decisions that are appealed go to a Medical Review Committee (MRC) for reconsideration. They are presented all relevant records, the original decision, and any additional information or reasoning provided by the appellant or other parties.

Between 2018 and 2020, Majoris issued 58,869 precertification decisions. 286 (0.5%) of precertification decisions were appealed and went on to the MRC, with 117 (41%) of those for workers with attorney representation. 53 (19%) of appeals were overturned by the MRC. Of those upheld, 52 (22%) went on to the Department where 12 (23%) were overturned at that level.

Appeals beyond the MCO

According to available data provided by the Workers' Compensation Division, 45.17% of disabling claims in 2018 were enrolled in an MCO, yet only 6.7% of all medical disputes heard at the Department level were attributable to MCO disputes.

Administrative Process

Medical records and responses to written requests for information provide key pieces of information necessary for the MCO, Insurer and the Employer to fully perform their roles within the workers' compensation system. This includes information on the diagnoses, curative treatment plan and related objective findings, clear physical restrictions, as well as regular updates on care and recovery progress. For some provider offices, providing timely and thorough information covering these elements can be a struggle. Because of this, Majoris established clear expectations for network providers as part of their contract on what information is needed and the timeline for providing it to the MCO (providing chart notes within 5 days from visit/date of service and responding to letters within 14 days of receipt).

Majoris forwards any records or bills received same day onto the insurer. This allows both parties to obtain the necessary information without requiring multiple submissions by the provider. It is up to the provider to choose whether they want to also send to the insurer, but because it is presumed they will comply with the contract agreement, the insurer will not automatically forward those records on to Majoris.

Provider Network

Majoris is selective in the providers we add to panel, and we work hard to develop a positive working relationship with our network partners. Our Provider Relations Department continuously reviews the

Majoris Health Systems Oregon, Inc.
P.O. Box 1728 • Lake Oswego, OR 97035 • Phone (503) 639-6080 • Fax (503) 639-8521 • Toll Free 1-800-525-0394

composition of our network by specialty, geographical service area, and overall access needs. Majoris Network Development starts with recruiting, contracting, and credentialing, but then it continues with contract compliance, recredentialing, provider education, and rarely, peer review. It also includes provider intervention and/or corrective action planning as needed.

Credentialing is a core value MCOs provide the workers' compensation system. They have the authority, knowledge and tools to perform in depth review of a provider's credentials and treatment history. Injured workers rarely have knowledge of how they can confirm a provider's quality of care or understanding of the workers' compensation network, and some credentialing resources, such as the National Practitioner's Database, are not available to the general public at all. MCOs use this credentialing information to provide injured workers a curated list of providers to select from, all vetted as providers with demonstrated ability to provide high quality care within the workers' compensation system.

Provider education is another critical element, as worker's compensation brings its own set of rules and expectations that are not a part of their standard treatment for non-work care. For example, the insurance adjuster is responsible for making compensability decisions and they rely on the providers to include a history and their reasoning regarding whether the current condition and treatment are due to the work injury or occupational disease. Majoris also includes ongoing education to keep providers focused on the need for pro-active treatment plans and returning patients to an appropriate level of work as soon as possible by providing current physical capacities at each visit. These are topics that are not normally covered in medical school, so providers have to learn the specifics on the laws in the state where they practice. The Attending Physician is responsible for determining when their patient is medically stationary, and the definition of medically stationary and maximum medical improvement can vary slightly from state to state.

Summary

This is a relatively high-level overview of the purpose and processes of the Managed Care Organization, and should also be recognized as coming from only one of multiple active certified MCOs in the state. Majoris would be happy to provide more details or statistical data on any of the above topics if requested.

Sincerely,

Ann Klein
President

Majoris Health Systems Oregon, Inc.
P.O. Box 1728 • Lake Oswego, OR 97035 • Phone (503) 639-6080 • Fax (503) 639-8521 • Toll Free 1-800-525-0394

EXHIBT A - PRECERTIFICATION DECISION SAMPLE

DATE

REQUESTING PROVIDER
Address Line 1
Address Line 2
Address Line 3

Re: Worker
Claim Number
DOI
DOB
Precert ID
Review Date
Decision

Dear PRESCRIBING PROVIDER:

The medical services listed below have been reviewed by Majoris Health Systems for medical necessity. PLEASE NOTE: THIS IS A REVIEW OF MEDICAL NECESSITY ONLY AND DOES NOT CONSTITUTE AUTHORIZATION FOR PAYMENT. PLEASE CONTACT THE INSURER DIRECTLY FOR PAYMENT INFORMATION.

Medical service(s) requested:
Physical Therapy

Medical service(s) approved:
Physical Therapy

Decision of physician reviewer:
APPROVED AS MEDICALLY NECESSARY FOR TREATMENT OF THE FOLLOWING DIAGNOSIS:
Other fracture of left lower leg, initial encounter for closed fracture

Terms of Service: 2 treatment(s) weekly to be provided at/by **THERAPY CLINIC** starting on XX/XX/XXXX and expiring on XX/XX/XXXX, and not to exceed 8 total treatments.

This approval encompasses active modalities only unless passive modalities are specifically listed in the approval. If approved services are not completed prior to the expiration date, a new request for approval must be submitted.

** The worker has exceeded the Official Disability Guidelines for the submitted diagnosis and it appears the worker's objective and functional limitations are plateauing. We understand the importance of good communication between the providers and the injured workers. Therefore, it is our recommendation the remaining approved visits be used to establish a home exercise program for the worker with an appropriate plan to progress the program independently to address any remaining impairments.

If you or the therapist believe the worker should not be moving toward discharge to a home exercise program, please do not hesitate to contact us. In doing so, please supply objective information highlighting the worker's progress and a treatment plan to address the remaining impairments or functional limitations with continued physical therapy.

Only those medical services specifically listed above have been addressed by this precertification review. THE INSURER MAY WITHHOLD PAYMENT FOR SERVICES THAT ARE NOT CONSIDERED MEDICALLY NECESSARY, ARE

NOT RELATED TO THE ACCEPTED COMPENSABLE CONDITION, OR ARE NOT REVIEWED IN ACCORDANCE WITH MAJORIS HEALTH SYSTEMS PRECERTIFICATION GUIDELINES.

NOTICE TO THE WORKER AND ALL OTHER PARTIES: If you want to appeal this decision, you must notify us in writing within 30 days of the mailing date of this notice. Send a written request for review to: Majoris Health Systems, P.O. Box 1728 Lake Oswego, OR, 97035. If you have questions, contact Abdiel Morfin at 1-800-525-0394. If you do not notify us in writing within 30 days, you will lose all rights to appeal the decision. If you appeal timely, we will review the disputed decision and notify you of our decision within 60 days of your request. Thereafter, if you continue to disagree with our decision, you may appeal to the director of the Department of Consumer and Business Services (DCBS) for further review. If you fail to seek dispute resolution through us, you will lose your right to appeal to the director of DCBS.

CC :
INJURED WORKER
ADJUSTER
THERAPY CLINIC