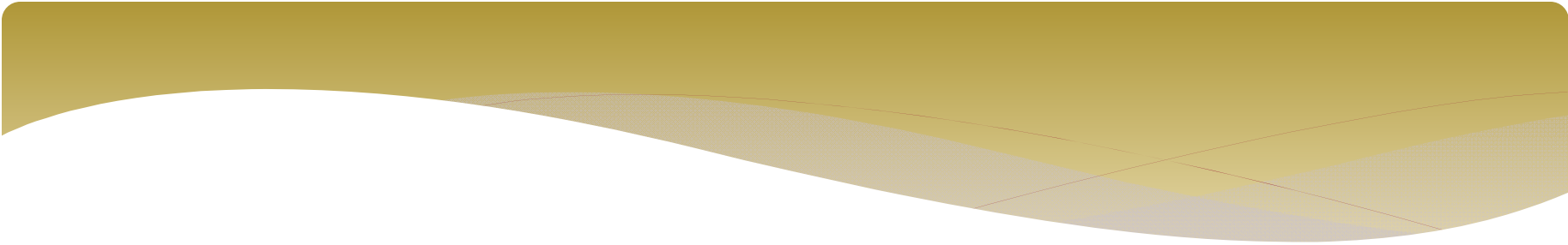


# Health Care Provider Reimbursement Under Michigan's Workers' Compensation System

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**No-Fault  
Issues**

**Self Pay  
Issues**

**Health Plan  
Issues**

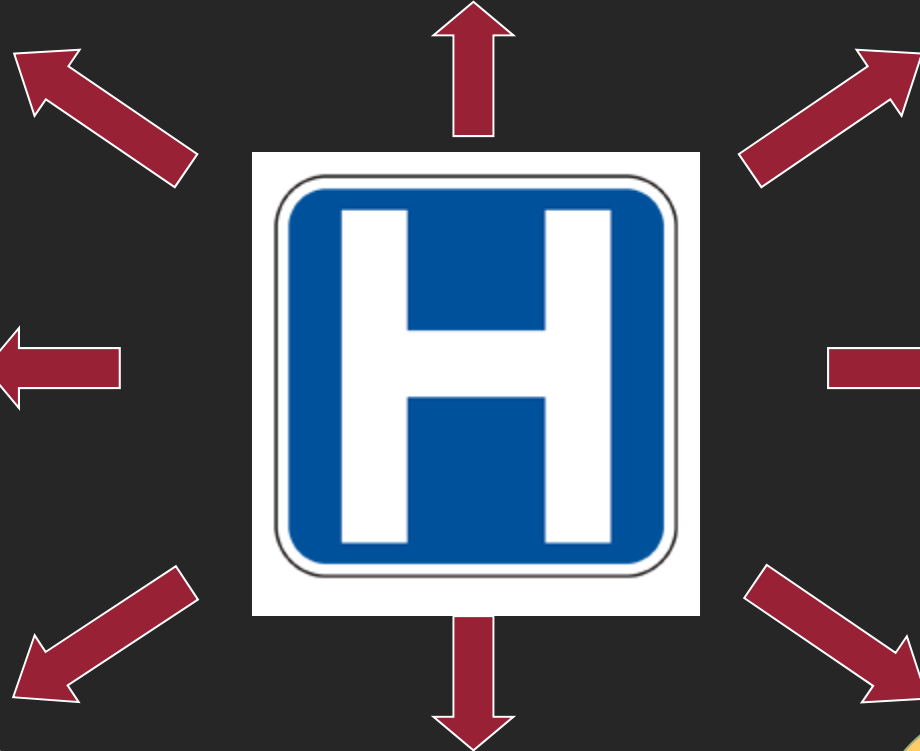
**Attorney  
Liens**

**In Custody  
Cases**

**Workers'  
Comp**

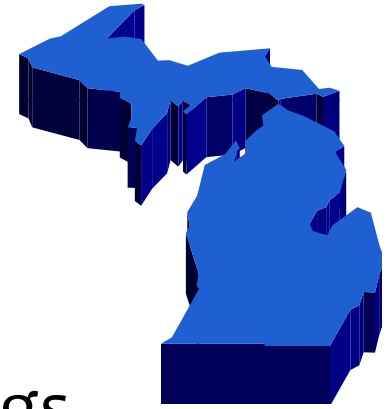
**Bankruptcy**

**Estates**



# MI Workers' Compensation System

- What does the Workers' Compensation (WC) system provide to injured workers?
  - Wage loss benefits.
  - Payment of medical bills.
  - Job retraining and placement services.
- “Weird Little World” - There are little things that you can do to maximize your WC reimbursement.



# Workers' Compensation (WC)

- What type of medical bills are covered by the workers' compensation system?
  - Medical treatment must be for a “work-related” condition (i.e., compensable injury).
  - All “reasonable and necessary” medical, surgical, and hospital services are covered (MCL § 418.315).
  - Provider must be recognized by the laws of the state of Michigan (i.e., state licensed).

# WC - Medical Bills

- Are there any laws that cover how medical bills should be paid under the WC system?
  - Workers' Compensation Agency (WCA) Health Care Services Rules.
    - R. 418.10101 - 418.101504 (Rule 101 - Rule 1504)
- WCA Health Care Services Division -  
<http://www.michigan.gov/wca/0,1607,7-191-26922---,00.html>

# Is it Work-Related?

- To be covered by WC, the patient must:
  - Have sustained a personal injury or occupational disease “arising out of and in the course of employment.”
  - Fairly broad coverage.
    - If the patient indicates that he/she believes the injury occurred at work, or if the patient’s pain or other symptoms occurred at work, WC should be investigated as a potential payment source for the patient’s bills. WC is primary insurance coverage.
      - Be aware – Patients sometimes think that their injury is work-related – but they are wrong.

# Common WC Coverage Issues

- Normal travel to and from work – Not covered by WC.
  - Potential exceptions – Company cars, travel during working hours, employer derived a special benefit from the travel.
- Parking lots – Injuries in employer parking lots before or after work are covered by WC.
  - Exceptions – Injuries that occur too long before or after an employee's shift will not be covered.



# Common WC Coverage Issues

- Injuries occurring on the employer's premises – Usually covered by WC.
  - Exceptions – Intentional misconduct, severe horseplay, drug/alcohol impairment, social or recreational activities at work.
    - *Crilly v Ballou* – Young men throwing shingles at each other – Covered by WC.
    - *Petrie v GMC* – Climbing on desks and equipment as a joke, touched an electrically charged rail – Not covered by WC.

# Common WC Coverage Issues

- Injuries occurring while driving for an employer – Usually covered by WC.
  - If an auto accident occurs “in the course of employment,” WC is responsible for all medical bills.
    - WC is primary; no-fault is secondary.
      - Obtain information on both WC and no-fault, if possible.

# Common WC Coverage Issues

- Non-work-related medical condition, symptoms manifest at work – Probably not covered by WC.
  - Idiopathic fall cases – Diabetic seizure, collapse at work, severe head injuries – Not work-related.
    - Exception – When employment places an employee in a position of increased risk of injury.
      - Diabetic seizure while driving, auto accident causes severe injuries – Injury is work-related.

# Common WC Coverage Issues

- Pre-existing medical conditions – Usually not covered by WC.
  - Exception – If employment “aggravates” a pre-existing injury, WC is responsible.
    - Increased pain and other symptoms is not enough. There must be evidence of an injury that is *medically distinguishable* from the pre-existing injury.
      - Must show that the pathology of the underlying condition has changed.
        - Normal progression of the injury or disease will not be covered. Work activities must have caused a medically distinguishable change.

# Information to Obtain from Patients

- SSN
- Name and address of employer
- Name of WC carrier
- Date of injury
- Facts about how the patient was injured
- Claim number, adjuster contact information
- Name of patient's attorney
- Health insurance information

# Information to Obtain from Patients

- If it is WC, should I get the patient's health insurance information?
  - Yes. It might not actually be WC. Patients often think it is a WC injury, and they end up being wrong.
  - Get health insurance information up front, so we can timely bill health insurance if WC denies.

# Communication

- Communication between patient registration personnel and billing/reimbursement personnel is critical.
  - If possible, patient registration personnel and billing/reimbursement personnel should be able to access and share information with one another.

# How Much Does The WC Carrier Have To Pay?

- In general, WC medical bills are paid three different ways:
  1. Fee Schedule (i.e., reimbursement by procedure code) (Practitioners / Pro fees - Rules 1001-1007).
  2. Ratio Method (Hospital Facilities - Rule 1015).
  3. By Report - no assigned value; a written description of services is needed (nursing homes, county medical care facilities, hospice, long-term care facilities, ambulance, home health).
- “Cost Containment”—payment in full is rare.

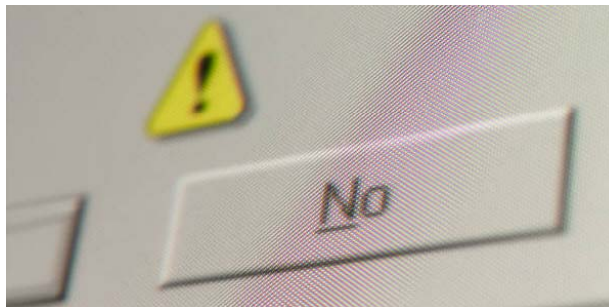


# Common WC Reimbursement Problems

1. Carrier does not respond to bill.
  - Be persistent - get names - get numbers - make a detailed record of all communications with the carrier.
  - Submit claims via certified mail. Resubmit claim after 30 days.
2. Coding problems.
  - CPT 2013; Medicare National Level II Codes.
  - Work with carrier and WC Health Care Services Division.

# Common WC Reimbursement Problems

3. No payment because “claim is in litigation” or “claim is controverted.”
  - Protect your rights as a health care provider.
  - Get your own attorney if charges justify it.
  - The patient’s attorney is **not** your attorney, and may **not** have your best interests in mind.



# Common WC Reimbursement Problems

Warning! – Watch out for cases in litigation.

- Do not assume the patient's attorney will get the patient's outstanding medical bills paid.
- Do not let a WC case get “settled out from under you.”
- Do not be the only health care provider “taking the hit” in the case.



# Common WC Reimbursement Problems

4. Do I have to pay the patient's attorney 30% for recovering payment for my medical bills? **No.**
- *Petersen v Magna Corp*, 484 Mich 300; 773 NW2d 564 (2009).
  - Amicus brief for the Michigan Health and Hospital Association.



# Common WC Reimbursement Problems

5. Carrier rejects implant charges until you provide an “invoice” for the implant.
  - Recon - Tell carrier only FOSFs have to provide invoices for their implants under Rule 1023(5).
  - Provide a detailed description of the implant and demand proper reimbursement (i.e., ratio for facilities).

# Common WC Reimbursement Problems

6. Carrier rejects entire claim stating “no claim on record,” “no record of injury,” “no injury reported for this employee / employer.”
  - Communicate with patient - Attempt to get WC claim filed with the carrier.
  - File your own claim with the carrier - Form WC-117H - “Provider’s Report of Claim & Request for Medical Payment.”

**PROVIDER'S REPORT OF CLAIM & REQUEST FOR MEDICAL PAYMENT**  
 Michigan Department of Energy, Labor and Economic Growth  
 Workers' Compensation Agency

**1. EMPLOYEE TO COMPLETE THIS SECTION**

Employee Name (Last, First, MI)			Social Security Number
Employee Address			Date of Birth
City	State	Zip Code	Employee Telephone Number
Employer Name			Supervisor's Name
Employer Address			Employer Telephone Number
City	State	Zip Code	
Describe the type of injury and explain how it happened.			
Date of Injury			Last Day Worked
Have you gone back to work? <input type="checkbox"/> Yes <input type="checkbox"/> No			Was injury reported to your employer? <input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, date of return			If yes, date reported
Employee signature			Date of this report

*Making a false or fraudulent statement for the purpose of obtaining or denying benefits can result in criminal or civil prosecution, or both, and denial of benefits.*

**2. PROVIDER TO COMPLETE THIS SECTION**

Health Care Provider Name			Telephone Number
Address			Employer's representative authorizing treatment
City	State	Zip Code	Employer's representative's telephone number
Provider signature			Date
Carrier, Self-Insured or Group Fund Name			

This form is to be submitted to the workers' compensation insurance carrier, self-insured employer or group fund.  
**DO NOT MAIL THIS FORM TO THE WORKERS' COMPENSATION AGENCY**

**Form  
 WC-117H**

# Common WC Reimbursement Problems

7. The WCA told me I cannot bill the patient until the WC case is resolved.
  - Absolutely incorrect. The patient can and should be billed, unless there is a specific order stating that the bill must be paid by the carrier.
  - No “balance billing” the patient, if the WC carrier made the required WC payment.
  - Rejected charges can be individually billed to patient.



# Common WC Reimbursement Problems

8. Incorrect reimbursement – Carriers often simply calculate your reimbursement incorrectly.
  - Do not just accept the carrier’s payment, and assume it is correct under WC.
  - Sometimes using an incorrect ratio will trim thousands of dollars off your reimbursement.
  - Sometimes when you bring the error to the carrier’s attention, they will fix it.

# Common WC Reimbursement Problems

9. Improper network contractual (Cofinity / Beech Street, etc.) reductions by the carrier.
  - Your network contract might allow a participating carrier to take an additional discount off the WC payment - it might not allow it.
  - Carriers routinely take unjustified or incorrect network contract reductions.
  - Most of the improper reductions are too high.
  - You likely have appeal rights under your contract! Be aware of your contractual rights.

# Common WC Reimbursement Problems

10. Can I bill health insurance, because the patient says not to because its WC? **Yes.**
- Bill all potential payers – we can always refund.
  - No voluntary health refunds until WC money is in the account.
  - Watch out! Health insurance “take backs,” “electronic credits,” “payment recapture.”
  - Medicaid - One year deadline - Do not accept Medicaid’s lower reimbursement when WC should pay.

# Common WC Reimbursement Problems

11. Does a WC carrier have to pay a late fee if it takes a long time to pay? **Yes - 3%.**
- Bill carrier properly - certified mail.
  - No response in 30 days - bill carrier again; add 3% late fee to billing form; certified mail.
  - No response for 30 days - file Form 104B and demand late fee.



U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

PLACE STICKER AT TOP OF ENVELOPE  
TO THE RIGHT OF RETURN ADDRESS.  
FOLD AT DOTTED LINE  
**CERTIFIED MAIL**

7000 0520 0017 2917 7637  
7000 0520 0017 2917 7637

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Recipient's Name (Please Print Clearly) (To be completed by mailer)

Street, Apt. No.; or PO Box No.

City, State, ZIP+4

PS Form 3800, February 2000 See Reverse for Instructions

# Common WC Reimbursement Problems

## 12. Audits – Requests for Settlement

- Beware of Genex Services, Inc., Fairpay Solutions, and other similar entities.
- Attempting to get you to accept a lower amount than you are entitled to receive.
  - Often promise prompt payment in return.
- Contractual settlement agreements.
  - Even if you are entitled to more under WC, if you agree to take less – you are stuck with it.

# Common WC Reimbursement Problems

13. Reductions based on “Ingenix Guidelines” or “Fairpay Solutions Review.”
  - Ingenix, Fairpay Solutions = Unfair reimbursement.
  - For most medical treatment, WC sets the amount that must be paid.
  - Any reduction below that WC ratio/fee schedule should be protested.

# Common WC Reimbursement Problems

## 14. Down Coding

- Carrier pays according to the procedure code that it thinks should apply to the services.
  - Some carriers automatically down code certain procedure codes. Saves \$\$.
- Protest down coding – If we coded it correctly, we should get paid correctly.



responsibility	TOTAL BILLED
for using a Network Part	
TYPE OF SERVICE	TOTAL BILLED
Medical Visit	138
Testing   X-ray   Lab	
ary	CLAIM

# Form 104B

- What action can providers take to protect their right to payment under the Workers' Disability Compensation Act?
  - Form WC-104B.
  - Mediation with Health Care Services.
  - Decision by a Magistrate.





# Form WC-104B

## APPLICATION FOR MEDIATION OR HEARING – FORM B

Michigan Department of Energy, Labor & Economic Growth  
Workers' Compensation Agency  
PO Box 30016, Lansing, MI 48909

I hereby certify that we have complied with Rules 1301 through 1306 and Parts 9 and 10 of the Workers' Compensation Health Care Services Rules

Submitted on behalf of:  Health Care Provider  Insurance Company  Self-Insured Employer

### EMPLOYEE IDENTIFICATION

1. Employee Name (Last, First, MI)	2. Social Security Number	3. Date of Birth	4. Date of Injury
5. Street Address	6. City	7. State	8. ZIP Code
9. County of Injury			

### EMPLOYER IDENTIFICATION

10. Employer Name	11. Federal I.D. Number		
12. Street Address	13. City	14. State	15. ZIP Code
16. Contact Person	17. Telephone Number		

### CARRIER IDENTIFICATION

18. Carrier or Self-Insured Name	19. NAIC or Self-Insured Number		
20. Street Address	21. City	22. State	23. ZIP Code
24. Claim Handler	25. Claim Number	26. Telephone Number	

### HEALTH CARE PROVIDER IDENTIFICATION

27. Provider Name	28. License, Registration, or Certification Number		
29. Street Address	30. City	31. State	32. ZIP Code

33. Date of Service	Amount of Bill	Date of 1 <sup>st</sup> Billing	Date of 2 <sup>nd</sup> Billing	Late Fee Requested	Reason for Filing (see codes on reverse)

34.  If the worker involved in this case is currently being denied treatment as a result of this dispute, check the box on the left and provide a description of the needed treatment that is being denied in the box on the back.

35.  If the carrier is currently paying for medical benefits pursuant to an order and this is a petition to stop such payment, check the box on the left and attach a copy of the order.

By signing this form, I certify that the information included on this form is true, correct and complete to the best of my knowledge. I understand that making a false or fraudulent statement for the purpose of obtaining or denying benefits can result in criminal or civil prosecution, or both, and denial of benefits.

36. Applicant Name	37. Applicant Signature	38. Applicant Telephone Number	39. Date
40. Name of Attorney (if applicable)	41. Attorney I.D.	42. Attorney Signature	

WC-104B (Rev. 6/09) (Front)

Reason for Filing Codes (last column in Line 33)

- A. No response to the bill
- B. Not paid in 30 days per R418.10116 (2)
- C. No carrier response to provider's request for reconsideration
- D. Incorrect payment, not resolved by provider's request for reconsideration
- E. Claim in litigation, medical services remain unpaid
- F. Carrier disputed utilization of medical services
- G. Carrier requests recovery of payment
- H. No report of injury on file with carrier
- I. Other

Additional information regarding Reason for Filing:

This form is only to be submitted in cases involving workers' compensation health care disputes between carriers (insurance companies, self-insured employers, or group funds) and health care providers.

The completed application must be mailed to the Workers' Compensation Agency, PO Box 30016, Lansing, MI 48909, with a completed copy mailed to the carrier. **There is no need to send additional documentation to have the teleconference scheduled.**

You must complete this form properly to avoid any delay in processing.

All parties involved in this case will be served a copy of the Form 104B and a teleconference will be scheduled. You can obtain more information or forms by contacting the Workers' Compensation Agency at 1-888-396-5041.

This application is provided in accordance with Part 13, R 418.101303 of the Workers' Compensation Health Care Services Rules.

ELEG is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

WC-104B (Rev. 6/09) (Back)

# WC Reimbursement Tips

1. Information is key – At intake: SSN, DOI, facts about injury (how did it occur?), employer name, attorney name (if any), case status.
2. Persistence - Multiple recons, frequent contact with patient and carrier, be the “squeaky wheel.”
3. Bill everyone – We can refund later; no refunds until WC actually pays.
4. Protect your right to proper WC reimbursement - Health care providers have rights in the WC system. Get your **own** attorney if the charges justify it.

# When Do I Contact Miller Johnson?

- When you have received improper payments from the WC carrier.
- When a patient has an attorney.
- When a claim is in litigation – Get your own attorney. (General rule - \$5,000+ balance)
- General questions – You do not need to formally refer every account. Sometimes you just need some informal advice. Please do not hesitate to call us.



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