

MAE News

Newsletter from the Office of Monitoring, Audit and Enforcement Maine Workers' Compensation Board

Spring 2015

Volume 11, Number 1



Paul H. Sighinolfi
Executive Director/Chair

Office of Monitoring,
Audit and Enforcement

Maine Workers'
Compensation Board

27 State House Station

Augusta, Maine 04333

Contacts:

Kimberlee Barriere
Deputy Director
(207) 287-7031

E-mail

Kimberlee.Barriere@Maine.Gov

Anne Poulin
Secretary Associate
(207) 287-7067

E-mail

Anne.Poulin@Maine.Gov

Website:

www.maine.gov/wcb/

From the Office of the Executive Director 2015 Annual Report on the Status of the Maine Workers' Compensation System

This report is available at: www.maine.gov/wcb/departments/triagencypublications.htm.

According to the Executive Summary, claims are down, employees who are injured are returning to work more quickly, and the Board's dispute resolution process is working well. The report states that Maine has transitioned from one of the most expensive workers' compensation systems in the nation to one that is moving to a level of average premium costs with a fair and reasonable benefit structure.

The report cites the following factors as evidence of the Maine workers' compensation system's continued improvement for both injured employees and the business community.

- The newly recreated Appellate Division has excelled, giving both employees and businesses an automatic right of appeal.
- The Board's Medical Fee Schedule, which is updated annually, has stabilized workers' compensation medical costs in our state.
- In 2014, vocational rehabilitation requests continued to increase, meaning more injured workers will be returning to gainful employment.
- Maine Employers' Mutual Insurance Company, the state's largest private carrier, declared another \$12 million dividend to Maine businesses.

NCCI files for 2.6% Maine workers comp loss cost rate increase

The National Council on Compensation Insurance Inc. (NCCI) has filed to increase Maine workers compensation loss cost rates by 2.6% beginning April 1. The increase is partly due to the state's 2.1% increase in lost-time claim frequency in 2012, NCCI said at its Maine Advisory Forum presentation on Tuesday, March 24, 2015. Lost-time claim frequency decreased 6.1% countrywide in the same year.

In addition, insurers reported a combined ratio of 122% in Maine in 2013, up from 111% in 2012, according to NCCI.

While medical benefits in the state make up 52% of total benefit costs, indemnity benefits make up 48%, according to NCCI. Countrywide, medical benefits constitute 59% of total benefit costs and indemnity benefits constitute 41%.

Despite the requested rate hike, Maine has seen loss cost rates decline a total of 23.1% since 2001, according to NCCI. In response to the filing, the Executive Director says it is not clear whether the Bureau of Insurance will accept the NCCI recommendation based on the impact of a few claims balanced against positive trends otherwise.

The NCCI presentation is available at:

<http://www.ncci.com/nccimain/Events/MinutesPresentationsMaterials/Pages/StateAdvisoryForumPresentations.aspx>

Please feel free to contact Paul Sighinolfi with any questions or comments.

MAE News

Newsletter from the Office of Monitoring, Audit and Enforcement Maine Workers' Compensation Board

Spring 2015

Volume 11, Number 1



Paul H. Sighinolfi
Executive Director/Chair

Office of Monitoring,
Audit and Enforcement
Maine Workers'
Compensation Board
27 State House Station
Augusta, Maine 04333

Contacts:

Kimberlee Barriere
Deputy Director
(207) 287-7031

E-mail
Kimberlee.Barriere@Maine.Gov

Anne Poulin
Secretary Associate
(207) 287-7067

E-mail
Anne.Poulin@Maine.Gov

Website:
www.maine.gov/wcb/

Compliance Training for Employers/Insurers

Open training sessions for the remainder of 2015 are scheduled for June 25-26 and October 29-30 at the Maine Department of Labor, 45 Commerce Drive in Augusta. Please contact Anne Poulin to reserve a spot at one of these sessions.

The Board continues to be busy performing on-site training for insurers, self-insurers, and third party administrators. If you would like information about on-site training for your organization, please contact Gordon Davis.

Training modules are also available on the Board's website by clicking on "Training Modules" on the right side of the Board's home page.

From the Office of Medical/Rehabilitation Services Medical Bill Review

The Board continues to note an alarming number of medical bill review denials based on the application of the Centers for Medicare and Medicaid (CMS) reimbursement policies and other bill review edits/rules marketed to maximize medical cost savings.

Please note that Workers' Compensation is a "creature of statute", meaning parties only have the authority granted by the statutory scheme. The application of CMS reimbursement policies and many other bill review edits/rules have no statutory or regulatory support and therefore cannot be applied to Maine Workers' Compensation claims.

The Workers' Compensation Board adopted the Maine Workers' Compensation Medical Fee Schedule effective on December 11, 2011. This rule establishes maximum reimbursement levels for hospital inpatient services; hospital outpatient services; ambulatory surgical center services; and professional services.

For payors that utilize a third party to provide medical bill review services, it is critical that the payor understand and oversee the application of various medical bill edits/rules. In addition, adjusters must have the knowledge and ability to correctly interpret the bill review vendor's payment recommendation and determine if the bill is being paid in accordance with the Medical Fee Schedule. As a reminder, if payment of a medical bill or a line item on a medical bill is recommended at any amount other than the amount due per the Medical Fee Schedule, a denial must be filed electronically with the Board with a copy sent to the provider. See Board Rules Chapter 5, Section 1.04(2).

Utilization Review

Effective August 18, 2014, the Workers' Compensation Board repealed the Board's utilization review treatment guidelines. This step eliminated workers' compensation utilization review in Maine (although it had been defunct for many years due to outdated treatment guidelines).

The Board of Directors is considering the adoption of a new pain treatment guideline to potentially reduce the number of workers' compensation claimants obtaining highly addictive medications blamed for drug abuse and deaths around the nation. In accordance with Title 39-A M.R.S.A. §210, the Executive Director has put together a group of appropriate professionals representing the health care specialty involved to develop a recommendation to the Board.