

1/7/09

**Workers' Compensation Inpatient Hospital Billing Process Reform**

Bill is issued by the Health care Provider (HCP) and sent to Insurer, Third Party Administer or Self Insured (PYR);

- (1) The insurer (PYR) has 15 business days from the receipt of the bill to request additional documented information, if needed, to issue and process payment. This is a one-time **bill related** request for the PYR per bill.
- (2) If additional information is requested by the PYR, the HCP has 15 business days to provide requested information to the requesting PYR. A penalty may be issued to the HCP for failure to provide requested information per the penalty matrix.
- (3) If the PYR does not request information within 15 business days, the PYR cannot request any documented information for this bill.
- (4) Furthermore, if no information is requested, the PYR must pay or deny within 30 business days. The PYR must pay the accepted charges in accordance with the Minnesota fee schedule or contracted rate.
- (5) If additional information was requested by the PYR, the PYR must pay, partially deny, or entirely deny within 15 business days of receipt of information or 30 business days from receipt of the original bill, [whichever is greater].
- (6) If the PYR does not pay **or deny** within 30 business days of receipt of the bill or within 15 business days of receipt of the requested information, the PYR must pay the entire amount of the original bill.

Notably, once the Health Care Provider (HCP) receives the explanation of benefits;

- (1) If the HCP disputes the amount paid by the insurer (PYR), it has 15 business days to request a medical bill resolution conference at the MN DLI, and must concurrently notify the PYR.
- (2) The medical bill resolution process will be designated by MN DLI.
- (3) If the HCP does not request a medical bill resolution conference within 15 business days, the HCP must accept the payment received. The HCP cannot file or request a medical bill resolution conference at any future date.

Once a request for a medical bill resolution conference is filed with MN DLI:

- (1) MN DLI will schedule a medical bill resolution conference within 15 business days from the date of the HCP request.
- (2) Both parties (the HCP and the PYR) are required to participate in the conference in person, or via phone, with necessary supporting evidence and information to support their claim. Necessary documentation must be filed within 14 business days of notice, and no attorney representation is necessary.
- (3) MN DLI will issue a ruling within 5 business days of the medical bill resolution conference.
- (4) Any additional payments owed to either party must be paid within 14 business days of notice of decision by MN DLI at the medical bill resolution conference.
- (5) If MN DLI finds that either party was frivolous or non-specific in their denial or the bill was not paid within the defined timelines, the offending party could be fined as follows. Penalties will be paid to the Assigned Risk Safety account.

<b>Type</b>	<b># Violations within a rolling 12 month period</b>	<b>\$\$ amount</b>	<b>Assessed Against</b>
Frivolous	1-5	\$2,000	Insurer
	6-10	\$5,000	
	11-20	\$10,000	
	21+	\$15,000	
Non-Specific	1-5	\$500	Insurer
	6-10	\$1,000	
	11-20	\$2,000	
	21+	\$5,000	
Failure to pay, Failure to respond to Request for info	1-5	\$500	Insurer, HCP
	6-10	\$1,000	
	11-20	\$2,000	
	21+	\$5,000	

\*These penalties are effective 6 months from the date this section is adopted into law.

#### Definitions

**Non Specific**-A notice of denial that does not state in detail the facts forming the basis for the denial and specific reasons explaining why the bill is being denied including the name and telephone number of the person making this determination.

**Frivolous**

A notice of denial that states a basis which is a clearly inaccurate statement of fact or the applicable law or is for purposes of gathering information outside the scope of processing the bill payment or is based on requests for information outside of the statutory guidelines in this section.

(6) Decisions made through the medical bill resolution conference process will be subject to appeal.

**General Process Comments:**

Mailed correspondence assumes receipt in 10 business days of the billing dates  
An electronic transaction assumes receipt the same day when transmitted during normal business hours.

**Code of Conduct Reform:**

A code of conduct will be instituted for the re-pricing industry that requires:

- Document reduction using rules and/or statutes
- Provide reason codes linked to a standardized list of fuller explanations.
- Contact information on bill with toll-free # answered M-F (excluding holidays) during regular business hours.

**Medical Documentation**

<b>Service Description</b>	<b>Required Documentation</b>
For all inpatient hospitalization services	ER record if applicable Copy of the operative report if applicable History/Physical Discharge Summary Radiology Reports
**Additionally, for inpatient hospitalization services that exceed \$50,000	Payers have the right to complete an onsite or documentation audit.