

This information is for EMPLOYER USE ONLY and should not be distributed to employees

Employers Frequently Asked Questions

1. What were some of the key Health Care Network (HCN) changes to the Texas Workers' Compensation Act?

- a) Employees of employers covered by an HCN must seek treatment from a provider in the HCN.
- b) Networks are not required to accept "any willing provider" for network participation and can designate which specialties can serve as treating providers.
- c) Fees for health care services can be negotiated at rates above or below the fee schedule.
- d) An insurance carrier may establish its own certified network or contract with a certified network to provide health care services.
- e) Carriers must notify in-network providers of any dispute of compensability and may not deny payment for health care services prior to such notification. If the carrier successfully challenges compensability, then liability for health care services is capped at \$7,000 up to the point of notification.
- f) Each network shall adopt treatment and return-to-work guidelines as well as individual treatment protocols. The treatment guidelines and individual treatment protocols must be evidence-based, scientifically valid; outcome focused, and designed to reduce inappropriate health care while safeguarding necessary care. Treatment cannot be denied solely because the treatment in question is not addressed in the treatment guidelines.
- g) The Texas Department of Insurance (TDI) must produce a report card on each network and comparatively measure the effectiveness of health care among certified networks and among certified networks and non-network providers.

2. What network is used by Liberty Mutual Insurance?

Liberty Mutual Insurance obtained certification of its own network on 8/22/06. The Liberty Health Care Network (HCN) consists of selected preferred providers and health care facilities that are members of First Health and Coventry's PPO network and physical therapists from the MedRisk network. Under the terms and conditions of the Liberty HCN, First Health/Coventry and MedRisk perform the required contracting, credentialing, and quality improvement functions.

3. How do employers participate in the Liberty HCN?

A policyholder must notify Liberty Mutual Insurance of its willingness to be covered by the Liberty HCN and add the Liberty Health Care Network endorsement to its workers compensation policy. Helmsman Management Services (HMS) customers must notify HMS of their desire to participate in the HCN prior to rolling out the program. Following notification of its intent to implement the Liberty HCN, an employer must provide its Texas employees with four documents at the time of rollout, within three days of a hire, and again at the time of an injury. The four documents are:

- **Employee Notification of Network Requirements:** Information on the Liberty HCN and the employee's responsibilities if he/she has a work-related injury or illness
- **HCN Map of Service Areas:** A map and a list of the HCN-covered counties
- **Employee Acknowledgment Form:** This form confirms that the employee has received notification regarding the Liberty HCN and must be retained by the employer. An employee who receives the Notification of Network

Requirements but refuses to sign the Acknowledgment Form remains subject to the network requirements. The employer must document the method of delivery, to whom the notice was delivered, the location of the delivery, and the date or dates of delivery

- **Injured Worker Survey:** This form allows the employee to share his/her feedback about the HCN after an injury has occurred.

4. Can employers contract directly with certified HCNs?

Yes, if the employer or employer group has been designated by the Division of Workers' Compensation (DWC) as a certified self-insured.

5. Which employees are subject to the HCN provision?

If an employer elects to be covered under a carrier's certified HCN, the employer's employees living within the HCN's service area must receive health care within the network.

6. Can injured workers be treated outside of the HCN?

Yes, if (1) such care constitutes emergency care, (2) the injured employee does not live within the carrier's network service area, or (3) the injured employee is referred to an out-of-network provider by the in-network treating provider, subject to network approval. The injured worker may also be treated by a pre-designated HMO provider if the HMO provider agrees to provide treatment in compliance with the terms and conditions of the network contract.

7. What is a pre-designated out-of-network provider?

An injured employee subject to an HCN is allowed to be treated by his/her HMO primary care provider (PCP). The PCP must agree to abide by the terms and conditions of the network contract.

Please note: The above applies only if your medical plan is an HMO, not a PPO.

8. What if the employee doesn't have or chooses not to be treated by a pre-designated HMO provider?

For each injury or illness, an employee shall select an initial treating provider from the list of all treating providers in the service area covered under network contract. The following providers do not qualify as an initial treating provider within a network:

1. A provider salaried by the employer,
2. A provider providing emergency care, or
3. A provider providing care before the injured/ill employee is notified of the network requirements.

9. Can the injured employee change treating providers?

The injured employee may select an alternative treating provider from the HCN's list of treating providers within the service area. The network may not deny a selection of an alternate treating provider.

10. How many times can the injured worker change providers?

An employee who is dissatisfied with an alternate treating provider must obtain authorization from the HCN to select any subsequent treating provider. The following do not constitute the selection of an alternate or subsequent treating provider:

- a) A referral made by the treating provider, including a referral for a second or subsequent opinion;
- b) The selection of a treating provider because the original treating provider (a) dies, (b) retires, or (c) leaves the network; or
- c) A change in the treating provider is required because the injured employee moves to a location outside the service area.

11. Who is responsible for notifying employees of the HCN and its requirements?

A carrier shall provide to an employer, and the employer shall in turn provide to its employees, all required network notices. An injured employee is not required to comply with network requirements until the employee receives such notices.

The employer shall obtain a signed acknowledgment from each employee to confirm each employee has received the required information regarding network requirements. The employer must also post a notice of the network requirements at each place of employment.

The employer must provide the required notices to all new hires within 3 days of hire.

The employer must also notify the employee of the network requirements at the time the employer receives actual or constructive notice of an injury.

12. What happens if the employee refuses to sign the acknowledgment form?

An injured employee who has received notice of the network requirements but refuses to sign the acknowledgment form remains subject to the network requirements.

13. Are claims that occur prior to the policy endorsement date subject to the HCN requirements?

Only claims with dates of injury prior to 9/1/05 may be considered for transition into the HCN. Claims with dates of injury occurring after 9/1/05 and before the date the endorsement is added to a company's workers compensation policy cannot be transitioned into the HCN.

14. What is a service area?

A "service area" is a geographic area defined under the network plan within which health care services from network providers are available and accessible to injured employees living within the same geographic area. For urban areas, treating providers and general hospitals must be located within a 30-mile radius of the injured employee's home address.

For rural areas, treating providers and general hospitals must be located within a 60-mile radius of the injured employee's home address. Specialists or specialty hospitals must be within a 75-mile radius of the injured employee's home address for both urban and rural areas. A network may make arrangements with providers located outside a service area to provide skilled or specialty medical services to injured employees if such services are not available within the service area.

15. What is a rural area?

A rural area is defined in the Workers' Compensation Act as (1) a county with a population of 50,000 or less, (2) an area not designated as an urbanized area by the U.S. Census Bureau, or (3) any other area designated as rural under the rules adopted by the commissioner of the Division of Workers' Compensation.

16. Can any provider be a treating provider in the HCN?

Networks designate which specialties can serve as treating providers within the network. An injured employee with a "chronic, life-threatening injury or chronic pain related to a compensable injury" may apply to a network to use a non-primary care specialist in the network as his or her treating provider.

17. Can a carrier suspend temporary income benefits or compute impairment income benefits based on an assessment by a network provider who has not completed the required training and testing?

No. Carriers can rely on maximum medical improvement and impairment rating assessments rendered by a network provider only if the provider has completed the required training and testing and been certified by the DWC to perform such levels of service.

18. Do the DWC rules pertaining to independent medical exams apply to injured employees receiving medical treatment within a network?

No. Disputes previously addressed through the independent medical exam process must be resolved through the network's defined dispute resolution process.

19. Can a network provider also be a designated doctor?

If an employee is receiving treatment within a network, a provider within that network may not serve as a designated doctor on the claim. A provider may serve as the designated doctor if the injured employee is receiving treatment within a network of which the provider is not a member, even if the provider is a member of another network.

20. Who can provide medical case management?

Networks must have a medical case management program with certified case managers. A claims adjuster cannot be used as the certified case manager. Nurses who have obtained at least one of the required certifications may provide medical case management.

21. Are HCN providers subject to utilization review?

Yes. Each network can establish its own utilization review process and procedures. The statutory preauthorization requirements covered under DWC Rule 134.600 do not apply to health care provided within a network unless these requirements have been specifically incorporated into the process developed by the network. Screening criteria used by the network for utilization review must be consistent with the network's treatment guidelines. All providers who are members of the network are subject to the network's utilization review process.

22. Can a provider be added to an HCN?

Criteria used to determine if a provider will be added to the Liberty HCN include (1) the carrier's needs within the service area, (2) the provider's understanding of and commitment to return-to-work efforts, (3) the provider's experience with treating workers compensation injuries, and (4) the provider's ability to demonstrate positive, sustainable outcomes. A Liberty Network Committee comprising claims and medical professionals will review provider applications.

23. How does the independent review organization (IRO) process affect HCNs?

A party to a medical dispute related to treatment within a network can request an IRO review only after the network denies the party's request for reconsideration of an adverse decision. The carrier is responsible for paying the cost of the IRO review. A party who is not satisfied with the IRO decision may request a judicial review. If judicial review is not requested within the required time frame, the IRO's decision becomes final and binding.

24. Are pharmacy services covered under the HCN?

Prescription medicine and services may not be delivered through a certified HCN. Pharmacy benefit management programs are allowed as long as the employer or carrier does not direct care into the program.