

Why Did the Chargeback Go Up?

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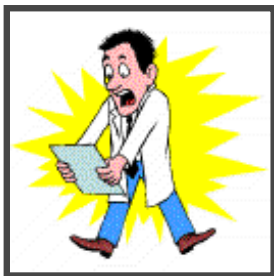
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Course Objectives

- ▶ Identify and formulate critical program performance measures
- ▶ Learn how to perform value added data analysis
- ▶ Learn how to effectively present data to reflect program performance
- ▶ Cite components of an effective marketing strategy

2

Is this your Boss/Director?



3

Reporting Data

- ▶ Know your audience
 - Upper level or mid level management
- ▶ Avoid TMI (Too Much Information)
- ▶ Drill down to specifics
- ▶ Provide at-a-glance perspective for managers on the current status
- ▶ Include historical data
- ▶ Analysis-identify key trends and relationships
- ▶ Provide remedies and program goals

4

Reports

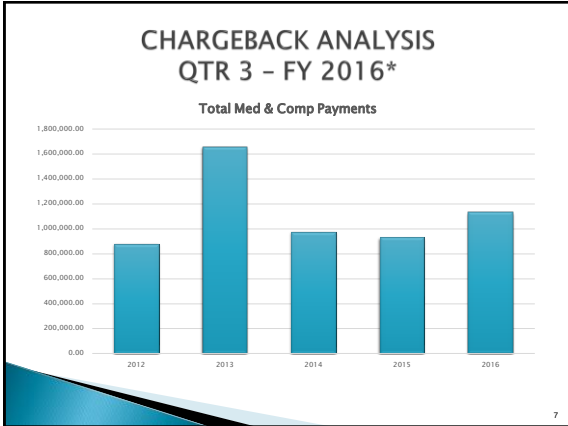
- ▶ Compensation Costs
- ▶ Medical Costs
- ▶ Increase or reduction from previous year/s
- ▶ Provide Value Added Data Analysis
 - Schedule Awards
 - Remands
 - Catastrophic Costs
 - Hearing Rebuttals
- ▶ Periodic Roll Costs
 - lifetime cost
 - cost savings

5

Example

Chargeback Report and Analysis

6



Chargeback Summary by Year

	Total Claims	Lost Time claims	Lost Time Rate	Medical Payments	Compensation Payments	Total Chargeback Costs	Remarks
2012	121	37	1.9	439,633.32	450,060.81	874,298.32	S/Claim 2/22/12
2013	118	31	1.57	1,037,014.39	614,243.68	1,651,258.02	1 Cat. Claim
2014	114	20	0.97	445,427.22	529,794.00	975,221.22	
2015	122	17	0.80	446,312.34	481,304.36	927,616.70	
2016	95	9	0.37	359,646.01	769,304.92	1,128,950.93	

What happened in 2013??

Stay tuned: We'll come back to this in a moment

The previous chart shows an example of how dramatically a chargeback can increase

First, the Chargeback for 2016

How do I make sense of this?

- ▶ Total claims lower than previous year...
- ▶ Lost time claims *much* lower...
- ▶ Chargeback is **not** lower...
- ▶ How can this be?
- ▶ WHAT have **you** been doing?
- ▶ **Where** is all the \$\$ going?

Lucy!! You got some 'splaining to do...



10

Analysis – 2016

- ▶ Data used for analysis of Chargeback is based on OWCP's Fiscal Year chargeback data from dates July 1 – June 30

Source documents:

- ▶ Cumulative Quarterly Chargeback Cost Detail Report, ending Qtr. 4, 2016.
 - Detail Report breaks down medical, compensation and total costs (combined) by claimant and claim number
- ▶ The Chargeback Report for 2016 contains costs of 13 surgeries and 4 large Schedule Awards, accounting for chargeback cost escalation

11

Analysis – 2016

- ▶ At year end, 44 open claims appear on the Chargeback Detail Report.
 - 186 claims were closed from this or prior years.
 - \$769,304.92 in compensation was paid. Medical treatment totaled \$359,646.01.
- ▶ Currently, 136 claims remain open for medical care and/or compensation.
 - Medical and compensation costs for these claims total \$1,128,950.93 including cases on Periodic Rolls (PR)
 - PR Cases totaled \$537,008.80 in costs

12

Analysis – 2016

- ▶ Of the 44 open claims, 10 claimants are currently on the Periodic Roles (PR) with no return to work possibility. 2 are LWEC.
- ▶ Job offers have been made to all claimants with work capacity.
- ▶ Updated medical is monitored on a continuum/bi-weekly
- ▶ Any claims older than a year with no activity, request closure

13

Analysis – 2016

Contributors to high costs Chargeback year 2016:

- ▶ 13 surgeries performed & comp paid.
- ▶ 4 scheduled awards were paid to claimants who have impairment ratings due to the injury totaling \$238,380.25. One SA exceeded 90k.
- ▶ The highest contributor to the excessive Chargeback YTD are due to schedule awards and surgeries from prior year/s.

14

Analysis of Catastrophic Claim in Chargeback Year 2013

- ▶ An opportunity was missed to ensure the employee had a medical release to return to work by his physician after a 3-week illness.
- ▶ The claim was timely challenged as an “idiopathic fall” which in general, occurs as a result of a non-work related underlying medical condition.
- ▶ The claim was accepted as an “Unexplained fall” by OWCP whose rationale was that the medical documentation did not establish the fall was the result of an underlying condition.

15

Analysis

- ▶ In 2013, this claim alone had medical and compensation costs totaling \$367,458.10; more than half of the Chargeback cost for just PR claimants that year.
- ▶ Currently this claim has added \$86,840.11 to this year's Chargeback.

16

Analysis and Remedy

- ▶ Reminders posted on the weekly Employee Bulletin Board reinforcing the supervisor's responsibility to ensure employees provide medical certification they are fit for duty prior to beginning work.
- ▶ New training was created and conducted on accident investigations at national venues beginning in FY-2012.
 - When proper investigations are performed, the results can translate into more successful challenges by WC, denied claims and limit liability to the agency.

17

Cost Containment

- ▶ Ongoing case reviews are performed. Letters are written to OWCP requesting closure on any claim that has no activity for 12 months.
- ▶ Every week claims are reviewed for possible closure and requests are sent to OWCP to close claims with no activity.
- ▶ Look for Rx bills AFTER a claimant has been RTW full duty and discharged from care. Notify OWCP and request closure.
- ▶ Complex cases are referred for File Review by Life Care.
- ▶ Suspected fraud cases are referred for investigation.

18

Cost Containment - 2016

- ▶ Total injury and illness claims decreased in FY-2016 compared to SPLY, by 27 claims (Data: Qtr 4, 2015/2016), however total Chargeback costs rose in 2016 by \$201,334.23.
- ▶ Why??? Double the surgeries from 2015 & previous years. Two SA's paid out @ \$100 & 91k and lesser SA's paid out.
 - 53 cases from prior years were closed
 - 10 OWCP denials resulted from claims that were challenged

19

Cost Containment

- ▶ A recent case review resulted in these findings: that a claimant was filling compounded prescriptions resulting in a large cost increase: From 2011 - 2014 the worker had charges of \$35,834.91. Medical did not support the need for or state the worker was prescribed these medications.
- ▶ OWCP was contacted in writing and an analysis was sent to the CE. As a result, the claim was closed and all costs were terminated.

20

Cost Containment

- ▶ Questionable claims are carefully and thoroughly challenged to attempt to mitigate costs or to obtain denials.
- ▶ COP is monitored very closely.
- ▶ New training was created and conducted on accident investigations at four national venues beginning in FY-2012 that continue to be held both to Safety and WC. ***WHY??***
 - Proper investigations can translate into more successful challenges by WC, denied claims and limit liability to the agency.

21

Periodic Roll (PR) Chargeback Cost Savings/Reduction (Example)

Status	Compensation	Years to 80	Lifetime Cost Avoidance	Resolved Date	Action
PR	\$1,240.00	29	\$467,480.00	8/11/01	Job offer/Working
PR	\$1,363.44	35	\$620,365.20	10/12/01	Job offer/OPM
PR	\$1,381.76	28	\$502,960.64	6/12/06	Job offer/Working
PR	\$1,427.18	28	\$519,493.52	1/26/02	Job offer/OPM
PR	\$2,781.00	12	\$433,836.00	8/11/02	Deceased
PR	\$1,644.00	41	\$876,252.00	8/11/02	Job offer/OPM
PR	\$2,304.52	25	\$748,969.00	10/6/02	Job offer/Working
PR	\$2,055.70	24	\$641,378.40	11/30/02	Job offer/Working
PR	\$1,390.68	3	\$54,236.52	11/26/03	Deceased
PR	\$1,726.06	18	\$403,898.04	5/12/07	Deceased
PR	\$970.00	31	\$390,910.00	1/1/03	Job offer/OPM
PN	\$4,591.82	23	\$1,372,954.18	6/14/04	Job offer/OPM
PN	\$1,549.56	5	\$100,721.40	5/2/04	Deceased
Total	\$24,425.72		\$7,133,454.90		

22

WC Program Goals

- ▶ Timely Filing of Claims
- ▶ Early Intervention/Medical Care
- ▶ Case Management to Case Resolution
- ▶ Written job offers/Limited duty tracking
- ▶ Ensure continuity of care for Injured Worker
- ▶ Maintain effective RTW Program/not retirement program
- ▶ Provide WC training for supervisors
- ▶ Teamwork approach
- ▶ OH/WCP/Safety/Infection Control/SPLC/IH

23

Summary

- In this course you have learned:
- ▶ To understand your audience
 - ▶ How to provide “just enough” of the right information
 - ▶ Tools and ideas to help you gain credibility and confidence in presenting data
 - ▶ How to strengthen and enhance the competency level of Program Excellence for agency Workers’ Compensation Specialists

24

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25
