

## MEETING MINUTES, WASCA AND LABOR & INDUSTRIES

MAY 13, 2010

### **L & I Representatives Present:**

Erik Landaas, Manager, Healthcare Policy & Payment Methods  
Robert Mayer, Medical Program Specialist, ASCs  
Morgan Wear, Medical Program Specialist, Payment Policy  
Dee Hahn, Medical Program Specialist, Hospital Facilities  
Josh Morse, Senior Health Policy Analyst  
Lee Glass, MD, Medical Director's Office  
Nikki D'Urso, Occupational RN, Medical Director's Office

### **WASCA Representatives Present:**

Naya Kehayes, Eveia Health Consulting and Management  
Eden McPherson, Proliance Surgeons  
Hiroshi Nakano, South Sound Neurosurgery  
Wendy Taylor, Overlake Surgery Center

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This one-hour meeting was held at the offices of the Department of Labor and Industries, and called to order at 10:10 am. Following introductions, the new discount factor for the July, 2010 fee schedule was announced. This year, ASCs will receive 74% of the OPPS APC rate of 85.1991. The OPPS APC rate represents the state-wide average of all in-state outpatient hospital facilities. It was further explained that ASCs will not be taking a hit to reimbursements this year, as the payment schedule is budget neutral. There are some payment changes within certain codes, but not any "overall" changes.

This department has two goals:

- 1) Keeping medical payments under control
- 2) Getting the injured worker back to work as quickly as possible

To that end, WASCA Representatives stated that ASCs are positioned to help the department meet both of those goals by:

- 1) Ability to schedule cases quickly
- 2) Lower infection rates than the hospital setting
- 3) Setting the expectation levels (mindset) of patients that out-patient surgery is not as traumatic.
- 4) WASCA offered to provide a copy of the WASCA QRI study for them, as they did not recall receiving it when it was published.

The floor was opened for suggestions from WASCA as how to better implement their reimbursement schedules. The concerns that were addressed are as follows:

- 1) **High Cost Implants** – Can the Department assess the possibility of high cost implant outliers being reimbursed outside of CPT codes. Suggestions were made as to a “deductible” type method. They will look into that further.
- 2) **Unlisted Codes** – should not have fixed allowable for these codes, since they are not well-defined. Would be better to return to BR for their reimbursement. Some are much too low. Example, CPT 27899.
- 3) **Codes not on L & I ASC List** – It was explained that we never set out to perform codes not on their list, but that sometimes, intra-operatively, the surgeon finds he must perform a procedure that ends up not being on their list. We used to be able to successfully appeal these with additional information to document why, but since the change to the CMS payment methodology, we have not been successful. They will look into this and suggested that we begin the process with Lucille when we ask for retro approval of codes. They will investigate further.
- 4) **Add-on Pain codes** – Their value is already greatly reduced, and CPT states they should not be further reduced by multiple procedure discounts; L & I reduces them by 50% (as does CMS-yet per CPT it is wrong to do so), leaving their reimbursement at around \$100, which is very low. The Department will look into this. Particularly in light of the payment reductions on pain procedures, and the fact that fluoroscopy is considered bundled, these payments are exceptionally low. Example, CPT 64491.
- 5) **Appeals and Denials** – Recent Remittance Advise documents from L & I state “Payments and Payment denials received here become final in sixty days, or, provider repayments ordered here become final in twenty days, unless: (1) you file a written request for reconsideration with the Department of Labor and Industries, Olympia, or (2) you file an appeal with the Board of Industrial Insurance Appeals, Olympia, within that time.” We used to have at least a year for appeals. This is too short of time to have to get the appeals researched properly, responses from the providers, and into Labor and Industries in many cases. The Department representatives did not seem familiar with this new policy and asked us to send a copy of it. This will be done by Wendy Taylor.

Discussion turned to the new Radiology Update, with details of their new Evidence Based Guidelines. All L & I Providers have received letters and the Bulletin outlining the new guidelines and UR detail. Further info can be found on the Qualis Health website: <http://www.qualishealth.org/cm/washington-landi/imagining.cfm>. There is a web-based checklist and access through OneHealth Port.

L&I seeks to implement a pilot program with quality ASCs, which would allow them the flexibility to reward highly efficient ASCs. This is something that a standard fee schedule increase does not allow them the flexibility to do, within the L & I “rules”. They asked that we brainstorm ways in which quality or efficiency can be measured for ASCs.

We also discussed the possibility of a “pilot” which would allow them to certify a select group of ASCs for emerging procedures. These would be procedures which they don’t necessarily wish to allow any

given ASC to perform, but which would be appropriate to do in ASCs which meet safety standards and which have solid protocols for performing these innovative procedures in the ASC setting.

Discussion of the benefit of more frequent meetings between L & I and WASCA was held. It was determined that there should be two or three meetings per year, with one or two being conference calls and one meeting in person set every year in February/March to allow time for adjustments, if needed, to the ASC fee schedule that becomes effective each year in July.

The representatives from L & I encouraged contact from ASC managers with regard to specific concerns as they come up, rather than waiting until our annual "meeting".

Meeting was adjourned at 11:15 am.

Respectfully submitted,

Wendy Taylor  
Secretary, WASCA