

Michigan Catastrophic Claims Association

September 2018

Review of Recent Amendments to the Plan of Operation

Today's Topics:

Attendant Care Preapproval Requirements

- ▶ MCCA's preapproval requirement for an attendant care rate involving family attendant care, agency attendant care and residential facility care
- ▶ Issues to consider when setting an attendant care rate
- ▶ How to request preapproval for an agreement setting an attendant care or residential care rate
 - ▶ New automated preapproval submission process available within MMS on September 24, 2018

Today's Topics:

Reporting of Litigation

- ▶ Reporting of litigation on existing MCCA claims and claims not yet reported to the MCCA
- ▶ How do I determine if litigation will cause the claim to become reportable to the MCCA
- ▶ What if litigation involves an alleged head injury?
- ▶ How to request preapproval for a proposed settlement involving a litigated claim
 - ▶ New automated preapproval request process available within MMS on October 22, 2018

Attendant Care

- ▶ Attendant care benefits account for nearly 57% of all payments made by the MCCA last year and 69% of our future liabilities
- ▶ The cost of no fault related attendant care is rising at a fast rate
- ▶ The Plan of Operation provides that members must seek preapproval of any agreement setting an attendant care rate
 - ▶ Members are required to seek preapproval of family attendant care rates, agency attendant care rates and residential care rates
 - ▶ MCCA has required preapproval for family attendant care rates since October, 2009, which has resulted in a stabilization of average rates paid

Attendant Care - Issues to Consider

- ▶ Evaluate whether an attendant care claim might be made, then begin gathering information
- ▶ Evaluation of the level of care required and an appropriate hourly rate should be established prior to discharge from inpatient hospitalization or acute rehabilitation

Attendant Care - Issues to Consider

- ▶ Members should attempt to secure a prescription outlining the level of care and the number of hours required per day
 - ▶ If “skilled” care is prescribed, seek clarification to determine the specific level of care required
 - ▶ If “nursing” or “skilled nursing” is prescribed, seek clarification to determine if the level of care needed is Licensed Practical Nurse (LPN) or Registered Nurse (RN)
 - ▶ A “Home Health Certification” or “Plan of Treatment”, provided by a nursing agency, may not satisfy reasonable proof of required care
- ▶ A Case Manager can assist in determining the type of services required

Family Attendant Care Issues to Consider

- ▶ The hourly rate should be assessed by considering what the prevailing hourly wage is for the same services provided in the same geographic area
 - ▶ www.bls.gov - U.S. Bureau of Labor and Statistics for Michigan specific wages by occupation and local area
 - ▶ www.careeronestop.org - For Michigan specific wages by occupation and local area. This site utilizes U.S. Bureau of Labor and Statistics data
 - ▶ www.salary.com, www.indeed.com, www.Monster.com, www.Careerbuilder.com. - Websites that provides salary and compensation data
 - ▶ Want Ads in the newspaper

Family Attendant Care Issues to Consider Continued

- ▶ You should not rely on a single method to assess an appropriate rate
- ▶ Reevaluate the claimant's attendant care needs on a frequent basis

Family Attendant Care MMS Preapproval Form

Agency Attendant Care Issues to Consider

- ▶ The hourly rate should be assessed by considering what the reasonable and customary rate is for the same services provided in the same geographic area
 - ▶ Case Manager or Claims Adjuster surveys
 - ▶ Medical bill repricing or other medical expense cost containment methods
 - ▶ Negotiate directly with an agency using previously negotiated reasonable rates from the same agency or others in the same geographic area.
- ▶ Issue to consider:
 - ▶ Nursing visit charges

Agency Attendant Care Issues to Consider Continued

- ▶ You should not rely on a single method to assess an appropriate rate
- ▶ Review agency bill to confirm the level of care and rate billed meet the negotiated standards.
- ▶ Reevaluate the claimant's attendant care needs on a frequent basis
- ▶ Agency attendant care preapproval requirement will begin on October 1st

Agency Attendant Care MMS Preapproval Form

Residential Care Issues to Consider

- ▶ A Case Manager can assist with navigating the complexity of a residential care claim
- ▶ Determine the level of care required by the claimant and whether the facility can provide that level of care
 - ▶ Residential Facility - Incl. Neuro care/Coma Stim.
 - ▶ Semi-Independent Living
 - ▶ Adult Foster Care/Group Home
 - ▶ Nursing Home
- ▶ Determine whether the residential facility requires state licensure

Residential Care Issues to Consider Continued

- ▶ CARF Accreditation
- ▶ Case Manager or Claims Adjuster surveys
- ▶ Direct negotiation with the residential facility may result in establishing a reasonable daily rate. A Case Manager can provide assistance
 - ▶ Residential facility rate sheet
 - ▶ Which services are included in the daily rate and which services will be billed separately.
 - ▶ Medical bill repricing or other medical expense cost containment methods should be utilized for medical services not included in the daily rate

Residential Care Issues to Consider Continued

- ▶ Negotiate bed hold rates
- ▶ You should not rely on a single method to determine an appropriate rate
- ▶ Review agency bill to confirm the level of care and rate billed meet the negotiated standards
- ▶ Reevaluate the claimant's attendant care needs on a frequent basis
- ▶ Residential facility attendant care preapproval requirement will begin on October 1st

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Residential Rate MMS Preapproval Form

Reporting of Litigation

- ▶ The Plan of Operation provides that members must report litigation within 60 days of the date the summons and complaint was received
- ▶ Timely reporting allows the MCCA to share information with our members

Reporting of Litigation Continued

- ▶ Litigation involving claims already reported to the MCCA
- ▶ PIP suits filed by the claimant or provider must be reported
- ▶ Notify the MCCA by submitting a Claims Status Report

Reporting of Litigation Continued

- ▶ Litigation involving a claim not yet reported to the MCCA
- ▶ Coverage disputes

Current paid to date	\$0
Current lifetime reserves	\$0
Plaintiff demand	\$250,000
Potential lifetime reserves	\$750,000
Potential exposure	\$1,000,000

- ▶ This claim meets MCCA's reporting requirement and an Initial Claim Notice must be submitted within 60 days of receipt of the summons and complaint

Reporting of Litigation Continued

- ▶ Litigation involving a claim not yet reported to the MCCA

Current paid to date	\$65,000
Current lifetime reserves	\$150,000
Plaintiff demand	\$175,000
Potential exposure	\$390,000

- ▶ This claim meets MCCA's reporting requirement and an Initial Claim Notice must be submitted within 60 days of receipt of the summons and complaint

Reporting of Litigation Continued

- ▶ Alleged traumatic brain injury (TBI) with ongoing cognitive deficits
- ▶ Factual basis to support the allegation of a head injury
 - ▶ Medical records that outline cognitive deficits
 - ▶ Medical bills that support ongoing cognitive therapies
 - ▶ Attendant care related to cognitive deficits that currently is being paid
- ▶ If there is a factual basis for the head injury, an Initial Claim Notice must be submitted within 60 days of when the factual basis was established

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Provider Litigation
Claimant Litigation
MMS Preapproval Forms

Conclusion

- ▶ Questions regarding today's presentation should be sent to claimstraining@micatastrophic.com.
- ▶ Survey sent by email

Thank You For
Attending!