



Virginia Orthopaedic Society
Founded 1933

February 1, 2014

To: Membership
From: John W. Mann MD, President

Re: Workers Compensation reform legislation

As you may know, the Virginia Orthopaedic Society (VOS) has been deeply involved in the public policy debate over the cost of musculoskeletal care in the workers compensation system. There has been great pressure from the General Assembly and influential business interests to take some actions to slow the growth of the medical cost component of workers compensation. The insurance industry has relentlessly pursued a statutory fee schedule based on Medicare rates and rules, as used in most other states. Proposed HB 946 would establish such a fee schedule. The VOS, the Medical Society of Virginia, and other provider groups have staunchly opposed this model and defeated proposed legislation for several years.

In a good faith effort to be responsive to businesses and legislators seeking to address some outlying cost drivers, we have tried to identify meaningful targeted reforms and have introduced legislation the past two years. This General Assembly session, through collaboration with important allies in the business community, we believe we can pass a bill that will implement some needed reforms.

Two very similar proposals, HB 1017 and HB 1083 would create the following changes in the workers compensation system:

- Establish prompt payment provisions for clean claims and processes for the carrier or employer to notify the provider why a claim is denied. Currently, there are no requirements for the timely payment of claims.
- Prohibit carriers/employers from retroactively denying payment and claw back some portion of the payment on services made more than 1 year in the past.
- Establishing a statute of limitations on how far back providers can go to contest a payment. This provides carriers, like self-insured companies, with certainty for underwriting.
- Create reasonable limits on what non-physician assistants and co-surgeons can charge.
- Apply CPT and National Correct Coding Initiative guidelines for billing and coding of multiple procedures. VOS supports use of consistent, accurate coding, regardless of the payor. This not only reduces inaccurate and more costly bills, it fosters less denials and faster reimbursement of claims.

Virginia has the 4th lowest workers compensation premiums in the country and good back-to-work results produced by high quality surgeons and other providers. We want to maintain the good parts of Virginia's system while pursuing reasonable reforms. Agreement on these reforms requires give-and-take with other stakeholders who are willing to compromise. The VOS leadership believes that we have taken steps to address fair concerns in the system, address outliers and some abuses, and avoid the very negative impacts of a statutory fee schedule.

We will continue to communicate with the VOS members as these measures move through the legislative process at the General Assembly. Thanks to all who have participated in the discussion and assisted in the advocacy effort.

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