

To the Mayor and Members of the City Council**May 12, 2015**

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**SUBJECT: WORKERS' COMPENSATION QUALITY AUDIT**

Last month the Mayor and Council were provided the preliminary report findings from the City's Workers' Compensation consultant, McGriff, Seibels and Williams of Texas, Inc., concerning a quality audit of the City's Workers' Compensation Third Party Administrator (TPA), CorVel. The report was issued on a preliminary basis pending completion of a survey of claimants regarding nurse case management. That survey is now complete and included in the attached final report.

The final report from McGriff, Seibels and Williams of Texas, Inc. summarizes the claimant survey results in the following statement:

"The employee survey provided a consistent depiction of dissatisfaction with Nurse Case Management assignments over the past two years. Although 75% of the employees felt that Nurse Case Management was necessary and needed on their claim, almost half of all the employee responses ranked their experiences with Nurse Case Management below average or poor. One of the most critical purposes for Nurse Case Management is assisting the injured employee in obtaining the appropriate medical care, which received the highest frequency of poor rankings at 34.5%. The issues with communication found in the WC Quality Audit claim review were consistent with and validated by the survey responses. Overall, the results of this Employee Satisfaction with Case Management Survey indicate that the employees surveyed do not believe this program is meeting their needs for Nurse Case Management."

As previously mentioned, the audit found concerns with the administration of the program. As a result, Human Resources for the City of Fort Worth has begun discussions with CorVel to ensure that corrective action is taken in areas needed for the remainder of this contract period, CorVel is in the third year of their three year contract and Human Resources will be starting a request for proposal process for Workers' Compensation TPA services this month. Human Resources is currently working with police, fire and general government employee/management representatives to explore alternative delivery models that, as a part of the RFP process, will address concerns and still provide a cost effective program.

David Cooke
City Manager

THE CITY OF FORT WORTH WORKERS' COMPENSATION PROGRAM QUALITY AUDIT

EXTENDING YOUR CAPABILITIES
COVERING YOUR FUTURE



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MARCH 31, 2015



Executive Summary

- A. OBJECTIVE** – The Human Resources Department of the City of Fort Worth has requested that McGriff, Seibels and Williams of Texas, Inc. conduct a Quality Audit of the City’s self-funded Workers’ Compensation Program. McGriff, Seibels and Williams of Texas, Inc. is the City’s Insurance Broker of Record for the purchase of Excess Workers’ Compensation insurance and related consulting services.
- B. BACKGROUND** – The City has established a self-funded Workers’ Compensation Program under Sec. 504.011 of the Texas Labor Code and contracts with a Third Party Administer (TPA) certified by the State to provide claims adjustment and administrative services in accordance with State statutes, rules, and regulations. Services provided by the TPA include determining eligibility, calculating benefits, approving and authorizing payments of benefits and medical bills, approving and authorizing medical treatments, and coordinating the claims process with City employees, doctors, medical providers, and internal and external service providers. The TPA or its sub-contractor will also provide Medical Cost Containment services which include functions specific to medical care and treatments involved in claims such as medical bill review and audit, nurse case management, pre-authorization of medical procedures, review of medical necessity, and peer review of medical treatments. The quality of service provided by the TPA has a direct impact on employee medical care and recovery, City fiscal responsibilities, and City service delivery.
- C. PURPOSE AND SCOPE OF PROJECT** – A predominant amount of the services provided by the TPA are determined or regulated by Texas Department of Insurance (TDI) rules and procedures. The TPA’s compliance with TDI statutes are not the subject of this audit but are referred to as applicable to quality performance measures. Additionally, Workers’ Compensation claims involve medical treatments, employee medical information, and professional medical decisions made by licensed medical providers. Audit, analysis, or review of medical decisions and treatments is beyond the scope of this audit.

The purpose of this Workers’ Compensation Program Quality Audit is to analyze the quality of services provided by the TPA. Quality services would be performing services in an effective manner to successfully administer the City program. Additionally, quality services include performing in a consistent and fair manner toward employees and medical providers in carrying out administrative duties.

Key measures focused on:

1. Claims and Denial Frequency
2. Pre-Authorization Processing and Denial
3. Nurse Case Management Assignments and Utilization
4. Complaints against Corvel
5. Employee Satisfaction with Case Management



The City's contract for TPA services with Corvel began on 01/01/13. Baselines and consistencies are measured against Texas Department of Insurance statistics and the prior City contracted TPA CCS Holdings, where applicable.

The City employs a wide variety of occupations - from office clerical to heavy labor. Although injuries can occur at any position, the inherent hazards associated with Police and Fire operations result in the highest frequency of claims, and subsequently a higher frequency of interaction with the TPA. Therefore this review incorporates a breakout of General Employee, Police, and Fire claims to account for this higher frequency of interaction.

- D. PROCESS** – Claims data was reviewed over a three year period (2012-2014) to include the final contract year of the City's prior TPA, CCS Holdings in 2012, and the first two years of the current contract with Corvel, 2013 and 2014.

2012 Data used throughout this report was obtained from claims data files and reports received from CCS Holdings, their subcontractor Review Med, and the City of Fort Worth.

2013 and 2014 Data used throughout this report was obtained from claims data files and reports received from Corvel, claims system access authorized and approved by the City and Corvel, and information provided by the City of Fort Worth.

Additional information was obtained from the Texas Department of Insurance through statistical reports, research data, and annual reviews available through on-line access of Texas Department of Insurance public information.

To assess employee satisfaction with Nurse Case Management, a survey was conducted of City employees assigned a Nurse Case Manager by Corvel over the last two years (2013-2014).

E. FINDINGS

- The frequency of City of Fort Worth Workers' Compensation claims being fully denied has remained consistent over the three year period reviewed with no significant change in denial frequency between Corvel and CCS. City claim denial rates are less than half of the State averages for all employers.
- Police and Fire department claims are denied less frequently than General Employees.
- Police and Fire have a higher average number of claims per employee than General Employees.
- Multiple injury claims require additional medical review to maintain separation during the processing of claims.
- Denial of pre-authorization for medical treatment has increased in frequency from 17% to 28% over the three year period. Changes in TDI rules for pre-authorization during this period have impacted denial rates.
- Case Management assignments have increased 39% over the past two years with no identifiable increase in City defined injuries requiring assignment. Increased case management activity is attributed to expediting the process of obtaining medical information from providers.



- A common theme throughout the complaints against Corvel reviewed is poor communication during the claims process.
- Texas Department of Insurance investigation of 28 complaints against Corvel has determined that 21 had no violations and were dismissed, 2 found Corvel to be noncompliant and warning letters were issued, and 5 complaints are pending.
- The Texas Department of Insurance 2014 Performance Based Oversight assessment of Corvel's performance in administration of the City of Fort Worth Workers' Compensation program resulted in an Average Performer ranking with a score of 92.67%. The 2012 TDI PBO assessment of CCS's performance in administration of the City of Fort Worth Workers' Compensation program resulted in a High Performer ranking with a score of 97.88%.
- In the employee satisfaction with case management survey, employee responses of Below Average or Poor exceeded responses of Above Average or Excellent in every category.
- Customer service received the most frequent employee survey responses of Below Average or Poor at 52%, followed by assistance in obtaining appropriate medical care at 49.8%, and communication at 44.2%.
- The survey category with the highest frequency of Excellent rankings was Professionalism at 13.5%; the lowest frequency of Excellent rankings was for Communication at 5.8%.
- No survey category received a Poor ranking less frequently than 19.3%.

F. CONCLUSION

The City of Fort Worth contracts with Corvel to provide Workers' Compensation claims adjustment and administration services in accordance with State law. The Texas Department of Insurance's assessment of Corvel's performance based on statutory compliance measures is that they are Average. This average performance on compliance measures also relates to the overall quality of service Corvel provides the City in the administration of the program. Corvel adjusts the City's claims, denies claims where appropriate, approves and denies pre-authorization of medical treatment following TDI rules and guidelines, assigns case management per City requirements, all in accordance with State law. There is no indication from the data and documentation reviewed for this audit that Corvel inappropriately denies claims or pre-authorization of medical treatment, or processes claims in any unfair manner.

However, there is a clear indication from this audit that Corvel does not effectively communicate with City employees during the processing of their claims that results in misunderstandings, complaints, and adversarial situations. This finding was consistent throughout the review of claim file data, review of complaints, and responses to the employee survey. This lack of communication creates dissatisfaction with injured employees and potentially creates an adversarial relationship which has an impact on effective resolution of their claim.

The Texas Workers' Compensation system is very complex and difficult to understand. Compliance with TDI rules and procedures by the adjuster is a legal requirement in the processing of claims. Effective communication with injured employees to explain these rules and inform them of required procedures is essential to providing quality claims administration services. Corvel's lack of effective communication with City employees has enhanced their dissatisfaction with the Workers' Compensation system and created a perception of poor quality performance as a service provider.



This perception was further evidenced during the employee survey. Although the survey was focused on Nurse Case Management, employees expressed their dissatisfaction with Corvel and the Case Management program. Several employees surveyed commented that their only communication with Corvel during the claims process was through the Nurse Case Manager and communication was ranked below average or poor in almost half of all responses.

It is the expectation of the City of Fort Worth that their Third Party Administrator not just provide claims administration, but provide Quality claims administration. To achieve this, the TPA should strive for improved performance, a High Performer ranking from TDI, and effective communication with City employees.

City of Fort Worth
Workers' Compensation Quality Audit
1. Workers' Compensation Claims Frequency

The City of Fort Worth has experienced a 13% decrease in claims frequency from 2012 to 2014, and a 16% overall decrease in total incurred costs. The data below shows the breakdown of the number of claims reported during fiscal years 2012, 2013 and 2014 by the fire department, police department and general employees. The reduction in City staff of 425 FTEs between 2011 and 2013 (381 attributed to General Government) is a factor in this overall decrease in claims frequency. The 2014 OHS Safety Program Audit noted that Safety Program improvements were needed across all departments; however specific Safety and Accident Investigation programs in the Equipment Services, Parks and Community Services, Code Enforcement, and Fire departments were having a positive impact on employee safety. These safety programs may also be a factor in the reduction of injury claims.

City of Fort Worth					
WC Claims Data: Fiscal Year 2012, 2013, 2014					
	Fiscal Year of Injury	Number of Medical & Indemnity Claims	Total Paid	Remaining Reserves	Total Incurred
Fire Department	2012	201	\$964,806.93	\$106,126.22	\$1,070,933.15
	2013	150	\$652,745.27	\$113,118.93	\$765,864.20
	2014	138	\$386,786.90	\$462,497.45	\$849,284.35
Police Department	2012	511	\$1,196,707.09	\$505,225.71	\$1,701,932.80
	2013	525	\$2,161,077.77	\$505,306.27	\$2,666,384.04
	2014	554	\$2,584,299.46	\$242,470.02	\$2,826,769.48
General Employees	2012	542	\$3,834,145.24	\$288,695.59	\$4,122,840.83
	2013	436	\$3,180,805.57	\$588,804.10	\$3,769,609.67
	2014	403	\$1,571,247.62	\$555,094.64	\$2,126,342.26



Workers' Compensation Claims Denied

All claims that were either fully or partially denied during fiscal years 2012, 2013 and 2014 were reviewed. The Texas Department of Insurance uses the form PLN 1 for a full denial – the entire claim is denied. The form PLN 11 is used for a partial denial of benefits, diagnosis, or treatment – part of the claim is accepted and part of the claim is denied.

The primary reason for a claim to be fully denied is the injury is determined to be not work related. An employee may injure themselves outside of work and claim the injury was work related. This may be intentional, but more commonly the employee does not know specifically how or when the injury occurred, such as the onset of back pain or soreness. In most cases, without a specific work related occurrence the injury is not “compensable” and the claim is denied. A common disease of life such as arthritis or hearing loss claimed by an employee as work related may also be determined to be not compensable and denied.

Partial denial of claims occur when an employee has a work related injury and medical treatment is sought or provided for body parts or conditions that were not affected by the work related occurrence. An employee may be receiving medical treatment for an on the job injury and pre-existing medical conditions at the same time and the medical provider files all of the treatment under the workers' compensation claim. Pre-existing medical conditions are not part of the compensable injury. Employees may have an “old” injury not work related and seek treatment for both the “old” injury and a “new” injury that is work related at the same time. When these situations occur, the injury that is work related is accepted and the injury or medical treatment that is not work related are denied – partial denial. A peer review, a second opinion provided by a qualified medical provider, may be obtained to review the diagnosis and treatment before the denial is filed.

In any of these situations, the insurance carrier, or if self-insured the designated Third Party Administrator, is responsible to initiate a dispute of compensability. Texas statutes have extensive requirements that must be met in order for a claim to be denied. If a dispute is not filed timely and/or does not meet the specified criteria, the State of Texas Division of Workers' Compensation will not approve the denial. A TPA that does not have a valid reason to dispute a claim subjects the self-insured insurance carrier to potential administrative violations and penalties.

Following is a chart of City of Fort Worth Denied Workers' Compensation Claims for 2012, 2013, and 2014. 2012 claims were administered by CCS Holdings, Inc. 2013 and 2014 claims were administered by Corvel. The chart breaks out claim denials for Fire, Police, General Employees and City totals.



City of Fort Worth									
Denied WC Claims: Fiscal Year 2012, 2013, 2014									
	Fiscal Year of Injury	Total Claims Denied	% of Total City Denials	Total Claims Reported	% of Denials vs. Reported Claims	Full Denial	% of City Full Denials	Partial Denial	% of City Partial Denials
Fire Department	2012	11	13%	201	5%	6	10%	5	18%
	2013	16	17%	150	11%	11	23%	5	10%
	2014	8	7%	138	6%	4	7%	4	7%
Police Department	2012	32	36%	511	6%	22	37%	10	36%
	2013	37	39%	525	7%	16	34%	21	44%
	2014	43	36%	554	8%	23	39%	20	33%
General Employees	2012	45	51%	542	8%	32	53%	13	46%
	2013	42	44%	436	10%	20	43%	22	46%
	2014	69	57%	403	17%	32	54%	37	60%
City Total	2012	88	N/A	1,254	7%	60	68%	28	32%
	2013	95	N/A	1,111	9%	47	50%	48	50%
	2014	120	N/A	1,095	11%	59	49%	61	51%

During fiscal year 2014, 11% of all City claims reported were either fully or partially denied by Corvel. This is up 2% from 2013 and 4% higher than the total denials by CCS in 2012. Corvel either fully or partially denied 8% of Police claims in 2014 compared to 6% denied by CCS in 2012, and 6% of Fire claims were denied in 2014 compared to 5% in 2012.

Police claims were denied less frequently than General Employees in each of the three years. Fire claims were denied less frequently than General Employees in two of the three years.

Below is a chart from the Texas Department of Insurance of the number of fully denied Workers' Compensation claims as a percentage of all reported claims from Insurance Carriers in the State by year. These figures include all governmental entities, self-insureds, and fully insured employers that report data as required by the State.

Per the Texas Department of Insurance, 12.6% of all reportable claims in Texas were fully denied (PLN 1) in 2013 and 11.4% in 2012. In comparison, full denials (PLN 1) of City claims were issued on 4.23% of all City claims reported in 2013, and 4.78% in 2012 (5.39% of all City claims reported in 2014 were denied). City of Fort Worth full claim denials are well below State averages.

Full denials of Police claims in 2014 were 4.15%, in 2013 3.04%, and in 2012 they were 4.30%. Full denials of Fire claims were 2.89% in 2014, 7.33% in 2013, and 2.98% in 2012. Full denials of Police claims occurred less frequently than both City averages and State averages in each year. Fire claims were fully denied less frequently than State averages in each year and City averages in two of the three years.



Reportable Claims Initially Denied/Disputed by Insurance Carriers (Whole Claim Initial Denials/Disputes)

Injury Year	Number of PLN1 Denials Reported to DWC*	Number of Reportable Claims	Denials as a Percentage of Reportable Claims
2005	18,296	116,831	15.7%
2006	16,898	116,738	14.5%
2007	16,390	112,106	14.6%
2008	14,994	107,727	13.9%
2009	12,040	97,164	12.4%
2010	11,110	99,171	11.2%
2011	11,110	98,524	11.3%
2012	10,962	96,430	11.4%
2013	10,513	83,369**	12.6%

Note *: A PLN1 is a Notice of Denial of Compensability/Liability and Refusal to Pay Benefits. These numbers do not reflect denied and disputed claims that were subsequently approved after the parties exchanged additional documentation or approved as a result of dispute resolution.

Note **: The number of claims reported per calendar year is expected to increase over time as injured employees with medical only claims begin to lose time away from work.

Source: Texas Department of Insurance, Division of Workers' Compensation, System Data Report, and Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2014.



July 2014

Average Number of Claims Per Employee

The hazards associated with Police and Fire operations expose those employees to a greater risk of on-the-job injury than most other positions in the City. Over the course of a multi-year career, there is potential for employees to incur multiple injuries. Accordingly, Police and Fire average more claims per employee than other departments. The chart below shows the average number of claims per employee since 1985 when the employee has filed one or more claims.



City of Fort Worth			
Average Number of Claims Per Employee: Fiscal Year 1985 to 2014			
	Fiscal Year of Injury	Number of Medical & Indemnity Claims	Average Claims Per Employee
Fire Department	1985 to 2014	5,045	5.40
Police Department	1985 to 2014	12,877	6.47
General Employees	1985 to 2014	10,311	2.82

Although risk of injury is an expected part of the job, employees having multiple injury claims present potential issues in the administration of these claims. The adjuster must separate the prior injury and medical treatment, which may still be on-going, from the current claim. Compliance with the State mandated ODG Treatment Guidelines is more difficult if the treatment prescribed must be altered to account for another injury or medical condition. Injuries to the same body part as a previous injury may take longer to heal and often require additional medical treatment. These complex issues require the adjuster to obtain additional medical reviews, peer reviews, and additional medical documentation to appropriately administer the claim. This process can delay medical treatment, and a lack of medical documentation and support could result in medical treatment being denied.

As City Police and Fire department employees have a higher frequency of more than one Workers' Compensation claim than General Employees, they may also have a higher frequency of delayed or denied medical treatment on a new claim.

2. Pre-authorization Review

The Texas Department of Insurance mandates the ODG Medical Treatment Guidelines be utilized by doctors, medical providers, insurance adjusters and bill payers, and other professionals in the Workers' Compensation system. Generally, medical treatment provided within these Guidelines related to the compensable injury is accepted and approved for payment by insurance carriers and adjusters. TDI has identified specific medical treatments or procedures that require pre-authorization. Pre-authorization is the process for reviewing proposed medical treatment to determine if it meets medical necessity in accordance with the ODG Guidelines.

TDI has issued rules and regulations involving the Pre-authorization process that must be followed and adhered to by insurance adjusters and medical providers. If the request is initially denied, the medical provider has the opportunity to modify their treatment recommendation and return for reconsideration. A copy of Rule 134.600, Preauthorization, Concurrent Utilization Review, and Voluntary Certification of Health Care provided by the Texas Department of Insurance, Division of Workers' Compensation is included in the Appendix to this report.

Pre-authorization is requested by the medical provider and performed by a utilization review agent certified by the Texas Department of Insurance. This review agent may be an employee of the TPA or an outside vendor. The City's current TPA, Corvel, provides pre-authorization in house. The City's prior TPA, CCS Holdings, outsourced pre-authorizations to their sub-contractor Review Med.

The table below shows a breakdown of pre-authorization requests over the last three years, 2013-2014 were performed by Corvel and 2012 CCS/Review Med.

City of Fort Worth									
Preauthorizations: Fiscal Year 2012, 2013, 2014									
	Fiscal Year	Total Number of Preauthorizations	% of City Total	Approved	Approval %	Modified	Modified %	Denied	Denied %
Fire Department	2012	211	14%	144	68%	28	13%	39	19%
	2013	167	14%	103	62%	20	12%	44	26%
	2014	213	14%	115	54%	43	20%	55	26%
Police Department	2012	663	43%	470	71%	96	14%	97	15%
	2013	566	48%	342	60%	80	14%	144	26%
	2014	706	47%	384	54%	104	15%	218	31%
General Employees	2012	662	43%	419	63%	113	17%	130	20%
	2013	455	38%	302	66%	50	11%	103	23%
	2014	574	39%	360	63%	62	11%	152	26%
City Total	2012	1,536	N/A	1,033	67%	237	16%	266	17%
	2013	1,188	N/A	747	63%	150	13%	291	24%
	2014	1,493	N/A	859	58%	209	14%	425	28%

The total number of pre-authorization requests has decreased by 3% from 2012 to 2014, which can be attributed to the decrease in claims frequency. The Police Department has accounted for the majority of pre-authorizations over the past 3 years with 46% of all City pre-authorizations, which is directly related to their percentage of all City claims filed during this period.

Denied pre-authorization requests have increased from 17% in 2012 to 28% in 2014. Amendments to TDI pre-authorization rules for prescription drugs outside of the closed formulary became effective July 1, 2012, which increased pre-authorization denial of those drugs throughout the Workers' Compensation system. An additional driver of pre-authorization denials is chiropractic care. ODG Guidelines specify chiropractic usage and the allowable number of visits. Treatment requests outside of these guidelines must be pre-authorized. Out of all individual medical providers on City claims over the past three years, a chiropractic provider ranked highest in the number of pre-authorization denials and received almost double the denials of the second most provider.



3. Case Management Assignments

Case Management is a process that facilitates recommended treatment plans to assure that appropriate medical care is provided to disabled, ill or injured individuals. It refers to the planning and coordination of health care services appropriate to achieve the goal of medical rehabilitation. A Nurse Case Manager is a healthcare professional whose job is to help make sure the injured employee is receiving the appropriate medical care for their injury to promote faster recovery. A Nurse Case Manager will attend doctor’s visits with injured employees as needed to assist and coordinate medical treatment, act as a resource for employees who have questions about their medical treatment, advocate for the employee as needed to obtain the appropriate medical treatment, and assist with providing information to the claims adjuster to facilitate the claims process.

Section 413.021 of the Texas Labor Code states that all claims with the potential for lost time must be evaluated to determine if nurse case management should be assigned. Additionally, the City has specified requirements in the Claims Handling Instructions with Corvel regarding the assignment of Nurse Case Management. These include catastrophic and severe injuries, head injuries, and injuries requiring surgery as well as situations where there is a language barrier or difficulties in obtaining medical information from a provider. Case Management information was not available from the prior TPA, only information from Corvel was available and reviewed.

The following table shows Nurse Case Management assignments over the last two years.

City of Fort Worth		
Case Management Assignments: Fiscal Year 2013, 2014		
	Fiscal Year of Injury	Assignments
Fire Department	2013	25
	2014	42
Police Department	2013	49
	2014	67
General Employees	2013	57
	2014	73

There has been a significant increase in the number of assignments from 2013 to 2014. There is not an identifiable increase in severe injuries or other City specified injury types that require case management in the claims data reviewed, however there is an indication that case management assignments have increased to assist with coordinating and obtaining medical information, treatment plans, and supporting documentation from medical providers. This increase in case management usage was recently directed by the City to Corvel as a means of expediting the claims process due to delays in receiving medical information from providers.

4. Complaints Against Corvel

Current issues have resulted in several City employees submitting complaints against Corvel and the City's Workers' Compensation program. Nine complaints were sent by the City to Corvel for response. These complaints and Corvel's responses have been reviewed. The central issues common to each of these complaints are poor communication and the lack of understanding of the Workers' Compensation system.

Two of the complaints regarded denials originally issued by the prior TPA and one of the complaints involved a former Corvel employee not associated with the City's program.

Five of the complaints are related to the denial or suspension of benefits and/or medical treatment. Based on our review of these five, the appropriate Workers' Compensation rules were followed. Corvel's failure to adequately communicate these adverse decisions to the employee along with the complexity of the Workers' Compensation rules resulted in the employee's dissatisfaction with the way their claim was handled.

One of the complaints involved the assignment of a case management nurse to a claim and a misunderstanding of the nurse's role and purpose of the assignment. Corvel's failure to inform the employee of the case management assignment prior to them being contacted created confusion and misunderstanding of the intended purpose.

Additionally, three formal complaints filed with the Texas Department of Insurance by City employees against Corvel have been reviewed. One complaint was for the failure to timely dispute entitlement to Supplemental Income Benefits. TDI determined no violation occurred and the allegation was unconfirmed. The other two complaints were for the terminating or reducing benefits without substantiating evidence. TDI determined no violations occurred and the allegations were unconfirmed.

The Texas Department of Insurance Division of Workers' Compensation issues a "Problem Report" whenever they receive a complaint from any involved party regarding the handling of a claim. The City receives a copy of this report along with any findings by TDI regarding the complaint. Since April 2011, the City has received 37 Problem Report notices from TDI. TDI has issued finding on 32 of these, 5 are pending. The 32 that have been finalized by TDI have been reviewed.

The City's prior TPA, CCS, accounted for 9 of these complaints. Of these, 7 were dismissed and the allegations were unconfirmed. TDI found non-compliance from 2 of these complaints resulting in Warning Letters, no Administrative Penalties were assessed.

Corvel accounts for 23 of these complaints. Of these, 21 have been dismissed and the allegations were unconfirmed. TDI found non-compliance from 2 of these complaints. Both violations involved the failure to timely issue payments to the claimants. Warning Letters were issued by TDI, no Administrative Penalties were assessed.



Texas Department of Insurance Audit

The Texas Department of Insurance Division of Worker's Compensation conducts annual performance assessments of selected insurance carriers including self-insured governmental entities through its Performance Based Oversight (PBO) program. The 2014 PBO included the City of Fort Worth in this assessment along with 115 other insurance carriers or self-insureds. A total of 26 governmental entities were included in this assessment. Although the City of Fort Worth is the self-insured entity, the City's TPA Corvel is responsible for the administration of the program and it is their actual performance that was evaluated. The following performance measures are used for PBO assessments:

- Timely payment of initial Temporary Income Benefits by the insurance carrier
- Timely submission of Initial Payment data via EDI
- Timely processing of initial medical bills by the insurance carrier
- Timely processing of request for reconsideration medical bills by the insurance carrier
- Timely submission of Medical Bill Processing data via EDI

Each carrier is graded on these measures and given a score. TDI has developed a Tier system to rank carrier performance – High Performer for scores of 95% or greater, Average Performer for scores between 80% - 94.99%, and Poor Performer for scores below 80%. The City was assessed a score of 92.67% – Average Performer for this 2014 PBO assessment.

Of the 26 governmental entities in the 2014 PBO, 23 of these entities scored as a High Performer. This list of High Performers includes the City of Dallas, Fort Worth ISD, and Tarrant County.

The City was ranked as a High Performer during the 2012 PBO assessment with CCS as the City's administrator and received a score of 97.88%.

5. Employee Satisfaction with Case Management

A survey has been conducted of City employees assigned a Nurse Case Manager by Corvel over the last two years (2013-2014) as part of their Workers' Compensation claim. The purpose of the survey is to assess employee satisfaction with Nurse Case Management.

Methodology

Reports were generated from the Corvel claims system of all City claims with Case Management assignments in 2013 and 2014. The reports included claims from prior years with Case Management that were transferred to Corvel upon the effective date of the Corvel contract. The resulting pool of claims with Case Management assignments totaled 356 claims. Utilizing an on-line random number generator, a 20% random sampling of claims was drawn to create a survey pool of 72 employee claims. The City's Human Resources department verified contact information and notified the selected employees of the survey. For employee confidentiality, 20% of the selected employees were removed from the pool at random and were not contacted. The names of the employees

participating were not disclosed to the City. A target range of 50 – 60 employee responses was established for credibility. Due to attrition, voluntary declinations, and other unavailability, response rates were low and a second random sampling was generated to increase the pool size and achieve a number of responses within the targeted range.

Process

The survey questions developed focused on the employee's experience with Case Management including the Nurse Case Manager's professionalism, assistance provided, knowledge, customer service, and communication. Employees were asked to rank their Nurse Case Manager for each question. McGriff, Seibels & Williams staff contacted the selected employees over a three week period by phone. An explanation of the survey and its purpose was provided to employees contacted with the option to decline. Employees were further notified that their responses would be held anonymous and confidential. Each question was read to the employee along with the response rankings. Responses were noted and submitted to a central McGriff staff member to be tabulated, combined, and totaled.

Results of Survey

A total of 52 employee responses were received, representing a 15% sampling of all employee claims with Nurse Case Management assignments during 2013 and 2014.

- Almost one half of all employee responses (44.9%) included rankings of Below Average and Poor.
- Less than one fourth of all employee responses (23.4%) included rankings of Above Average and Excellent.
- Below Average/Poor responses exceeded Above Average/Excellent responses in every survey category.
- Average/Below/Poor responses exceeded Average/Above/Excellent responses in every survey category.
- Average was the most frequent response in 3 of 6 categories, Poor was the most frequent response in 2 of 6 categories, and Below Average was the most frequent response in 1 of 6 categories.
- 52% of the employee responses ranked Customer Service at Below Average or Poor.
- Assistance in obtaining appropriate medical care received the highest frequency of Poor rankings at 34.5%.
- Communication received the lowest percentage of Excellent rankings at 5.8% and the lowest percentage of Above Average/Excellent combined at 19.3%.
- No survey category received an Excellent ranking greater than 13.5%.
- No survey category received a Poor ranking less than 19.3%.



Summary of Employee Satisfaction with Case Management Survey

The employee survey provided a consistent depiction of dissatisfaction with Nurse Case Management assignments over the past two years. Although 75% of the employees felt that Nurse Case Management was necessary and needed on their claim, almost half of all the employee responses ranked their experiences with Nurse Case Management below average or poor. One of the most critical purposes for Nurse Case Management is assisting the injured employee in obtaining the appropriate medical care, which received the highest frequency of poor rankings at 34.5%. The issues with communication found in the WC Quality Audit claim review were consistent with and validated by the survey responses. Overall, the results of this Employee Satisfaction with Case Management Survey indicate that the employees surveyed do not believe this program is meeting their needs for Nurse Case Management.



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