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To: Senate Select Interim Committee on Workers' Compensation

From: Bubba Klostermann OT, CVE, CEAS
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I am an Occupational Therapist and have been a health care provider in Abilene for 27 years. I employ 8 Physical Therapists, 2 Occupational Therapists who are also Certified Hand Therapists, and 7 support staff. I have been involved with workers' compensation patients all these years and was a member of the Texas Workers' Compensation Commission Medical Advisory Committee from 1993-2000 and continue to attend their meetings and hearings.

I have seen this system go from a system of providing care to injured workers and getting paid for what we billed in the 70's and 80's, to one requiring preauthorization of many services and getting paid most of the time in the early 90's, to now preauthorizing fewer services and even after services are preauthorized, provided and the injured worker returns to work, the insurance carriers retroactively deny payment and request to be paid back and/or report they never got the necessary paper work. This forces us to employ more staff to shuffle paperwork repeatedly. Ultimately, the injured worker has to either wait an extended time to receive care or gets no care at all. Neither of those options are good if the goal of the system is to get people back to work as soon as possible.

For many years now, I have verbalized that the cause for the excessive medical costs in Texas is over utilization by unethical providers, but the agency's efforts to deal with this problem are inadequate. I have suggested that the TWCC field offices focus on regularly auditing providers and making all of us accountable for what we do. It would be amazing to see the savings that would be seen if this occurred. There are many providers who do not have trained staff or the equipment to provide rehab services but yet they continue to charge for and get paid thus making it more difficult for the legitimate providers to survive.

As you all are aware, the problems with excessive hassles with paper work, problems with reimbursement in general and the discounts insurance company networks take have

caused physicians all over the State to stop seeing workers' comp patients. In Abilene, out of 14 specialists, there are no hand surgeons who will see workers' comp patients, one Orthopedist who will and 2 more orthopedists who are very selective in seeing workers' comp patients, as are one out of 3 spine surgeons. Free standing therapy clinics like mine are few and far between now because it is almost impossible to survive the hassles, delays in payments, denials, and all the other problems the workers' compensation system and insurance carriers have created. Most free standing clinics have either closed, merged with other facilities, or gone to work for physicians, a practice which used to be a violation of the Stark law.

The whole focus of providing quality care to injured workers is no longer in the forefront. For example, when we seek to preauthorize any services we have to wait 3 full days to get a response. Rarely do we ever get a response before the last minute of the 3rd day, and then many times the response is a denial given by the insurance company. Many times the excuse is that the request falls outside a guideline which does not even exist. Then if we dispute that decision it takes even longer to get a response. Hopefully after no more than 2 weeks, we can begin to provide care to the injured worker, but by then we have lost valuable time that is important in achieving maximum recovery. You must wonder, if the focus of the Texas Workers' Compensation Commission is early return to work, then why all this bureaucracy? No wonder costs increase and time away from work increases.

TWCC states that they follow Medicare guidelines, but it appears they pick and choose when and under what situations they follow these guidelines. Their motivation appears to be to follow Medicare guidelines when it can be used to limit care and deny payment, and not follow the guidelines when it would allow care to be provided quickly and paid promptly.

In summary the solution is very simple.

1. Providers must offer care that is ethical, objective, and based on functional work related tasks. They should be required to be certified by TWCC. Without this certification, providers should not be allowed to offer care to workers' comp patients or get paid for that care.
2. Preauthorization should be eliminated as it places personnel working for insurance companies in control and drives up costs due to the delay of initiation of care it creates.
3. Insurers should be required to pay providers promptly without all the red tape and hassles.
4. TWCC should be required to certify providers who want to participate in the system and audit these providers on site at least annually.

Again, thanks for the opportunity to testify. I will be happy to try to answer any questions you may have.