

TESTIMONY

TO: The House Committee on Business and Industry
The Texas Senate Select Interim Committee on Workers' Compensation

FROM: Bubba Klostermann OT, CVE, CEAS
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President, WORK & REHAB

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RE: The Workers' Compensation System in Texas

For 28 years I have been a healthcare provider in Abilene. I am an Occupational Therapist and employ 7 Physical Therapists and 2 Occupational Therapists/Certified Hand Therapists. I also served on the Texas Workers' Compensation Commission Medical Advisory Committee from 1993-2000 and continue to be very active in anything related to Workers' Compensation processes.

I have seen the workers' compensation system go from good to bad to worse due to providers who overutilize and abuse the system. Over the years, in many legislative hearings as well as those at TWCC, I along with many other providers have basically begged TWCC to audit these providers and get them out of the system. Little or nothing has happened despite the fact that these providers are easily flagged.

The system has also suffered from insurance companies doing whatever they please. As we all know, since September 2003, many primary care physicians and specialists have decided not to provide services for workers' comp patients due to the reimbursement and preauthorization problems. Now, even though we obtain preauthorization on the services we provide, often the carriers retrospectively deny payment.

The insurance carriers have created huge cash flow problems for many healthcare provider practices by delaying and denying payment for services. For example, in my practice we are just now getting payment from Texas Mutual Insurance Company for services we provided last September. To get our claims paid, we have had to submit and resubmit documentation while dealing with obstinate claims representatives. The most frustrating part is that the patient successfully completed our rehabilitation program and returned to work, yet the insurance company retrospectively denied our services saying they were not medically necessary.

As you try to determine the benefit of networks from a quality and cost standpoint, please remember that networks can work, but will not as long as the insurance companies delay, deny, and reduce payments for services. Also, networks will only work if there is a quality control requirement and the providers who are known to be abusers and overutilizers are not allowed to participate.

To increase accountability and reduce injuries, Texas should require employers to provide standardized functional testing when an employee is hired as well as when an injury occurs. The test should include motion measurements of the spine and extremities as well as functional data such as lifting, walking, climbing, and other job specific tasks. This would determine an employee's capability to perform the required work. That baseline information could then be used to determine the correct impairment rating if an injury occurs on the job. To REQUIRE functional testing prior to an injury would be a strong deterrent to injuries in the first place by ensuring the employee can safely perform the job duties from Day One. This is exactly what Texas needs to do to reduce lost work days. Functional testing should be the basis of the impairment rating instead of just motion measurements and diagnosis related criteria. Many employers are already doing this and recognize the cost benefit due to a significant reduction in on the job injuries and lost work days.

Thank you for this opportunity to testify. I appreciate your commitment to make this process work for the benefit of the injured workers of Texas and for all the legitimate healthcare providers of Texas. Please know I am very willing to assist in whatever way I can and will be happy to answer any questions you may have.