

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF WORKERS' COMPENSATION

PUBLIC HEARING

Tuesday, July 7, 2015
Elihu Harris State Office Building
1515 Clay Street, Room 1
Oakland, California

Lindsey Urbina
Moderator
Industrial Relations Counsel

George Parisotto
Acting Chief Counsel

Rupali Das
Executive Medical Director

Maureen Gray
Regulations Coordinator

Reported by: Richard H. Parker

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Lisa Anne Forsythe	8

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1 (Time Noted: 10:05 a.m.)

2 MS. URBINA: I think we're going to go ahead and get
3 started.

4 First of all, good morning. Thank you, everyone, for
5 coming today. My name is Lindsey Urbina and I am an Industrial
6 Relations Counsel of the Division of Workers' Compensation.

7 This is a public hearing for the proposed regulations
8 regarding the transition to ICD-10. There are copies of the
9 proposed regulations and related documents there on the front
10 table.

11 And if you haven't already, please -- oh, yes, I see
12 there's another sign-in sheet up there. If you haven't
13 already, please go ahead and sign in on the sign-in sheet on
14 the same table and indicate if you would like to testify today.

15 I would like to introduce the other members of our DWC
16 staff today. We have George Parisotto who is our Acting Chief
17 Counsel, and Maureen Gray who is our Regulations Coordinator,
18 also Dr. Das, our Executive Medical Director. And our reporter
19 today is Richard Parker.

20 When you come up to testify, please give your card, if
21 you have one, to Maureen Gray, our Regulations Coordinator.
22 All testimony given today will be taken down by the hearing
23 reporter.

24 If you have any written testimony with you that you
25 would like to hand in, you can also give that to Miss Gray.

1 I will call the names of those who have indicated that
2 they want to testify. I will also check when we're done with
3 those people to see if anyone new has come in who would like to
4 testify.

5 The hearing will continue as long as there are people
6 present who wish to comment on the regulations, but we'll close
7 at 5:00 o'clock this afternoon. If the hearing continues into
8 the lunch hour, we will take at least an hour's break for
9 lunch.

10 Written comments can be given to Maureen Gray if you
11 have them with you or will be accepted by fax or e-mail up
12 until 5:00 p.m. today or they can be delivered personally to
13 the Division's offices on the 17th floor of this building.

14 The purpose of this hearing is to receive comments on
15 the proposed amendments to the regulations and we welcome any
16 comments you have about them. All your comments, both those
17 given here today and those submitted in writing, will be
18 considered by the Administrative Director in determining what
19 revisions we may make to the regulations going forward.

20 Please restrict the subject of your comments to the
21 subject matter of the regulations and any suggestions that you
22 have for changing the proposed regulations.

23 Also -- well, we've got such a small crowd I think we
24 can probably forego the three-minute limit. But if we -- if
25 more people come and it gets lengthy, we may have to limit

1 represent orthopedic surgeons statewide.

2 We really appreciate the Division's effort to provide
3 comment on the implementation of the ICD-10. It's really going
4 to be a huge transition for physicians and certainly
5 appropriate for the Division to be correcting its forms to
6 allow for the seven-digit code.

7 At this point what I wanted to do is to bring to your
8 attention some areas that Medicare has been working on to help
9 providers prepare for the ICD-10 transition and just make one
10 comment about the forms.

11 Not sure if you're aware, but in the Medicare
12 communications and some group health payors that may already be
13 starting the ICD-10 implementation prior to October 1st, if
14 they're ready, they're allowing providers to put in box 21 on
15 the CMS 1500 form whether they're coding under ICD-9 or 10.

16 I think that's a good idea. We're certainly
17 encouraging our members to move to ICD-10 and it will be -- it
18 will be a problem, I would say, for providers to switch back
19 and forth between ICD-9 and 10. But at least during this
20 transition period, I think it would be helpful for the Division
21 to know and collect data on how many providers are actually
22 coding under ICD-10. So that's one way to do it.

23 Yesterday CMS announced that they're -- even though
24 they're going to go ahead and implement ICD-10 on October 1st,
25 they are allowing one additional year where they will not be

1 denying reimbursement for ICD-10 coding errors. We would
2 certainly urge the Division to follow suit with that and that
3 means that payment would not be held up and -- and the provider
4 has to be within the same coding family. But if they don't
5 code to that seventh digit, they are allowing and not auditing
6 for one additional year. So that would be good, I think, for
7 the Division to follow suit.

8 They're also setting up what they call a communication
9 and collaboration center which I know that that's probably not
10 something the Division can per se set up, but I would urge them
11 to urge the payors to set up a communications center that could
12 handle ICD-10 problems as they come up. And I would urge the
13 Division to do some monitoring to make sure that the problems
14 are handled expeditiously.

15 And then finally, I think it's terribly critical for
16 the Division to urge the payors to allow the providers to do
17 some end-to-end testing prior to October 1st. It's really the
18 only way that providers know whether their EMR systems or
19 whether they're set up and the payors are set up to handle the
20 ICD-10 codes.

21 And you know, I -- you know, I get a lot of questions
22 as to whether or not the workers' comp system is even going to
23 adopt ICD-10. So I don't know if the payors have been making
24 any communication with the providers as regard to their intent
25 to implement ICD-10.

1 ready so for us it doesn't matter one way or another.

2 But from an overall system expense and practicality
3 standpoint, we are concerned that come, you know, the second
4 week of October we're going to have bills hitting the floor in
5 a huge way if a hardline stance is taken and we have to reject
6 all of those.

7 I think probably a lot of people in this room read
8 David DePaolo's article. There's already a lot of criticism
9 about bills hitting the floor in California anyway. And we,
10 even though we are on the payor side, are somewhat concerned
11 that that's just going to make that problem much, much worse.

12 So we're thinking if there could be some sort of grace
13 period and there are many, many other states that are adopting
14 a grace period, especially for industrial-only clinics that are
15 not necessarily involved with CMS. We just feel that if there
16 is some leniency allowed, that would probably be beneficial to
17 the system overall.

18 As far as the one-year grace period for level of
19 specificity, from Coventry's standpoint we are not going to be
20 examining that down to the tiniest detail so we're not going to
21 be dropping bills based on level of specificity anyway. So
22 while we do appreciate what CMS is doing as far as the group
23 health side of things is concerned, from our perspective that's
24 not really going to be an issue.

25 As far as the question about what comp payors are

1 doing, I can only speak for Aetna Coventry and that's that we
2 are ready to handle both and can operate in parallel. Our only
3 concern would frankly be from the Division's perspective on the
4 state reporting side of the equation, we would like to know
5 will we -- if we -- if that grace period is allowed and we
6 accept those bills and pay them during whatever transition
7 period the state dictates is appropriate, then will we also be
8 able to pass those downstream to the state reporting and have
9 them not hit the floor on the back end. So for us whatever --
10 whatever is adopted in terms of what you guys decide, we would
11 just request that that also extend to the back end state
12 reporting side of the equation.

13 Thank you.

14 MS. URBINA: Thank you.

15 We don't have anyone else signed in that's indicated
16 that they wanted to testify. Is there anyone else here this
17 morning who would like to give testimony?

18 Why don't we take a ten-minute break just to make sure
19 nobody else shows up a little later that might want to testify.
20 So let us resume in ten minutes.

21 (Recess taken from 10:17 a.m. to 10:28 a.m.)

22 MS. URBINA: We're going to go ahead and go back on the
23 record.

24 Last call if anyone else would like to give any
25 testimony. If not, we will go ahead and close the hearing.

1 The hearing is closed.

2 There is still opportunity to file written comments up
3 until 5:00 p.m. this afternoon. Those comments should be
4 delivered to the DWC office on 17th floor or can be submitted
5 by e-mail or fax.

6 Thank you very much for your attendance and the input
7 you have given us. And thanks to our staff for their work here
8 this morning. The hearing is now closed.

9 (The proceedings adjourned at 10:29 a.m.)

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R E P O R T E R ' S C E R T I F I C A T E

I, Richard H. Parker, Official Hearing Reporter for the State of California, Department of Industrial Relations, Division of Workers' Compensation, do hereby certify that the foregoing matter is a full, true and correct transcript of the proceedings taken by me in shorthand, and with the aid of audio backup recording, on the date and in the matter described on the first page thereof.

Richard H. Parker

RICHARD H. PARKER,
Official Hearing Reporter
of the State of California,
Workers' Compensation Appeals Board

Dated: July 8th, 2015
Fresno, California
/s/