

IMPLEMENTATION OF NEW MEDICAL PROVIDER NETWORKS (MPNs) EFFECTIVE JANUARY 1, 2015

PRIME, the business unit within Keenan that provides a full suite of managed care services for our workers' compensation clients has announced a strategic alliance with Harbor Health Systems to create new Medical Provider Networks (MPNs) with outcome-based physician networks. This new program will utilize provider benchmarking solutions as key drivers in the management of medical care. Anthem will continue to be the primary network for the selection of physicians. But the network will now be based on outcome measurement to better assure the quality of treatment for the injured workers we serve.

WHY KEENAN AND HARBOR HEALTH HAVE TEAMED UP

The changes to the Medical Provider Network (MPN) generally relate to regulatory requirements under SB 863 (Chapter 363, Statutes of 2012) which specifically govern the approval, monitoring and administration of MPNs. However, this new arrangement will provide a number of enhanced capabilities and benefits for you and your employees:

- Reduction in indemnity claims (claims resolve more frequently as medical only files)
- Lower claims cost than standard MPNs
- Medical only to lost time ratio significantly better than standard MPNs
- Indemnity costs significantly lower than standard MPNs
- Systems, processes and programs to assure injured workers, claims examiners and employers are connected with high performance providers
- Ensure in-network compliance, manage billing workflows and emphasize use of best doctors
- Network, data and access-to-care standards are actively managed
- Care Concierge - one phone call connects adjusters and injured workers to providers with the best track record of outcomes. The Care Concierge service meets all regulatory requirements for Medical Access Assistance (MAA), a provision of SB 863.
- Harbor Health is the MPN applicant and is responsible for compliance with MPN regulations, including, but not limited to, penalties for non-compliance.

CHANGES TO KEENAN MPNS

- The four existing Keenan MPNs will be terminated effective January 1, 2015.
 - Pajaro Valley USD MPN
 - PRIME Advantage for Healthcare
 - PRIME Advantage
 - PRIME Plus
- Two new MPNs will be created effective January 1, 2015. Fees will not change on this date.
 - PRIME Advantage powered by Harbor Health Systems
 - PRIME Plus (with Kaiser) powered by Harbor Health Systems

WHAT DO YOU NEED TO DO?

For those MPN plans being terminated, they will automatically be enrolled in the PRIME Advantage Powered by Harbor Health Systems. This MPN does not include Kaiser on-the job clinics and physicians. Clients wishing to participate in PRIME Plus Powered by Harbor Health Systems should contact their assigned Claim Analyst. All fees associated with both MPNs will be absorbed by PRIME throughout the end of fiscal year 2014-2015.

Injured workers who are currently receiving care under an existing MPN will be notified about the change effective January 1. The Division of Workers' Compensation (DWC) just issued a model letter for this purpose which is attached to the end of this Briefing.

Should you have questions, or desire additional information, you may contact your Keenan Claims Analyst or the following:

Ron Nassif, Assistant Vice President, Managed Care (310) 212-0363 ext. 3933

Susie Crane, Director, Managed Care (310) 212-0363 ext. 3900

Keenan & Associates is not a law firm and no opinion, suggestion, or recommendation of the firm or its employees shall constitute legal advice. Clients are advised to consult with their own attorney for a determination of their legal rights, responsibilities and liabilities, including the interpretation of any statute or regulation, or its application to the clients' business activities.

Example:

End of Medical Provider Network (MPN) Coverage Notice (No Effect on Medical Treatment)

You are receiving this notice because you are receiving medical treatment for your work-related injury or condition through <insert NAME OF MPN ENDING USE> Medical Provider Network (MPN) under the MPN identification number <insert 4-DIGIT MPN ID NUMBER OF MPN ENDING USE>. On <insert DATE MPN COVERAGE ENDS>, your treatment coverage under MPN # <insert MPN NUMBER OF MPN ENDING USE > will end and you will no longer be covered for medical treatment under that MPN. As of <insert EFFECTIVE DATE COVERAGE BEGINS WITH NEW MPN> you will receive your medical treatment through the <insert NAME OF NEW MPN> MPN, with the identification number <insert 4-DIGIT MPN ID NUMBER OF NEW MPN>.

PLEASE BE ADVISED THIS CHANGE OF MPN WILL HAVE NO EFFECT ON YOUR MEDICAL TREATMENT. YOU ARE NOT REQUIRED TO TAKE ANY ACTION.

Your treatment with your current doctor(s) will not be affected. Your current treating physician(s) <IS ALSO A> or <ARE ALSO> member(s) of the <INSERT NAME OF NEW MPN> assigned unique MPN identification number <INSERT 4-DIGIT MPN ID NUMBER OF NEW MPN>.

The website for your current MPN is <INSERT CURRENT WEBSITE ADDRESS>. This website contains documents and additional information about the MPN currently covering your medical treatment.

For more information you can contact the current MPN Contact or Medical Assess Assistant for the MPN <4-DIGIT MPN ID NUMBER OF CURRENT MPN>:

The current MPN Contact is:

Name: <INSERT NAME OF MPN CONTACT PERSON>
Address: <INSERT MAILING ADDRESS OF MPN CONTACT PERSON>
Telephone Number: <INSERT TELEPHONE NUMBER OF MPN CONTACT PERSON>
Email address: <INSERT EMAIL ADDRESS>

The Medical Access Assistant contact information is:

Toll Free Telephone Number: <INSERT TOLL FREE TELEPHONE NUMBER OF MPN MAA>
Fax Number: <INSERT FAX NUMBER OF MPN MAA>
Email Address: <INSERT EMAIL ADDRESS OF MPN MAA>

For new injuries that occur when you are not covered by a MPN, you have the right to choose your physician 30 days after you notify your employer of your injury.

When providing the End of MPN Coverage Notice, the employer or insurer may also include a complete written employee notification of the new MPN to comply with the notice requirements when transferring treatment from one MPN to another MPN.

Option #1 - Sent by mail:

Attached is a copy of the complete written employee notification containing information about <INSERT NAME OF NEW MPN> MPN, with the identification number <INSERT 4-DIGIT MPN ID NUMBER OF NEW MPN>.

Option #2 - Sent electronically as an attachment to an email:

A complete written employee notification containing information about <INSERT NAME OF NEW MPN> MPN, with the identification number <INSERT 4-DIGIT MPN ID NUMBER OF NEW MPN> is attached as <INSERT NAME GIVEN TO THE COMPLETE WRITTEN EMPLOYEE NOTIFICATION ATTACHMENT> to this email.

Option #3 – Sent electronically as a website link in an email:

A complete written employee notification containing information about <INSERT NAME OF NEW MPN> MPN, with the identification number <INSERT 4-DIGIT MPN ID NUMBER OF NEW MPN> may be viewed by clicking on <INSERT WEBSITE ADDRESS OF NEW MPN WHICH CONTAINS THE COMPLETE WRITTEN EMPLOYEE NOTIFICATION>.

NOTE: If the employer or insurer for the employer does not include the complete written employee notification with this End of Medical Provider Network Coverage notice either by mail or electronically in lieu of by mail, then the complete written MPN employee notification shall be provided by the employer or insurer for the employer when medical treatment is transferred into the new MPN.