

November 30, 2017

Re: SB1160, MTUS Drug Formulary, and Zenith Requirements

Dear Provider:

Effective January 1, 2018, all employers, carriers, and providers will be required to comply with Senate Bill (SB) 1160 and the new Medical Treatment Utilization Schedule (MTUS) drug formulary. Zenith is outlining a few of the major changes, alerting you to new processes we're implementing, and providing you with some additional information. Please review this letter carefully as following the processes will help us respond to your Requests for Treatment quicker and can help avoid unexpected denials of treatment or payment. If you have questions concerning any topics, you can contact Provider Relations at 800-440-5020 (option 3) or providergroup@thezenith.com, and they will assist you.

The information provided below is organized based on whether it applies to all providers or only providers who participate in the Zenith Medical Provider Network (ZMPN). Please be sure to read all sections that apply to you.

INFORMATION FOR ALL PROVIDERS – MTUS GUIDELINES AND UTILIZATION REVIEW CHANGES

The following list sets forth certain Zenith requirements for utilization review and changes that were required by SB1160. You may also review Zenith's Utilization Review Plan online at TheZenith.com. Under the Medical Providers section, select Medical Networks and Panels, then Network Policies and Procedures, and you will find the Plan under California. It is important that you familiarize yourself with the processes below to help avoid delay in the processing of your treatment requests and prescriptions for medications.

- All providers are required to treat within MTUS guidelines, MTUS Drug Formulary, or within other applicable evidence based guidelines when MTUS does not apply.
- Providers must demonstrate the recommended treatment is medically necessary. Zenith requires treatment, including prescriptions that **are not** listed as Exempt on the MTUS Drug Formulary, to be authorized before treatment is rendered except as set forth in SB1160 and the MTUS Drug Formulary. While payment will not be automatically denied, payment may be denied if retrospective review determines the requested treatment was not medically necessary.
- **SUBMISSION OF TREATMENT REQUESTS:** Treatment requests must be submitted using DWC Form RFA. The form must be correctly and completely filled out and submitted to Zenith along with documentation substantiating the medical necessity of the treatment at one of the following:

BY MAIL:

ZENITH INSURANCE COMPANY
PO BOX 769
WOODLAND HILLS, CA 91367

BY FAX:

818-227-3057

Failure to submit documentation substantiating medical necessity may result in the RFA being rejected as INCOMPLETE.

- **Effective January 1, 2018, Zenith will no longer accept nor respond to any treatment request submitted to other addresses or through other means, including RFAs submitted through the electronic billing systems. Bills for services should be submitted separately from RFAs.**
- SB1160 requires that utilization review be performed by a URAC-certified entity for denials and modifications of treatment requests. Zenith has used UniMed Direct, a URAC-certified entity, for several years and will continue to do so in the future. However, treatment requests should continue to be submitted directly to Zenith as noted above.
- The RFA form may be returned as INCOMPLETE if it is missing information, the physician's signature, is submitted by someone other than the requesting physician, or does not include information to substantiate the medical necessity of the requested treatment, including medication details like strength, quantity, and frequency of use.
- Effective January 1, 2018, Zenith may require a Pre-service Evaluation when medically appropriate. Pre-service Evaluation means a medical evaluation that must be performed by a medical provider in the Zenith Medical Provider Network to evaluate whether the injured employee is medically cleared or eligible to receive the requested medical service(s). Pre-service Evaluation does not include a pre-op clearance review once a requested surgery has been found to be Medically Necessary. Zenith currently requires a Pre-service Evaluation for the following medical services:
 - Spine Fusions (All)
 - Spinal Cord Stimulator
 - Functional Restoration Program
 - Bariatric Surgery (Gastric Bypass)
 - Pain Pump Insertion

This list may change without notice. Therefore it is the provider's duty to periodically check the Pre-Service Evaluation List posted at TheZenith.com in the Medical Providers section, under Policies and Procedures. Zenith may also request a Pre-Service evaluation for other unlisted services if medically appropriate to do so. If a service requires a Pre-service Evaluation, Zenith may, at its sole discretion, defer utilization review and request the Pre-service Evaluation or issue either a conditional approval or conditional denial until the required Pre-service Evaluation is completed. If a service is conditionally approved, failure to obtain the required Pre-service

Evaluation may result in denial of payment for the medical service except as set forth in SB1160. Zenith requires that Pre-Service Evaluations be performed by a ZMPN physician who has no financial or personal conflict of interest that would potentially impact the appearance of impartiality of the Pre-Service Evaluation. Zenith expects Pre-Service Evaluations to be free from bias caused by the Pre-Service Evaluator's own financial interests or the financial interests of persons or entities with whom the reviewer is affiliated or related. Conflicts can arise due to financial interests in medical groups and practices, and through personal relationships. Pre-Service Evaluations by family members of either the requesting provider or provider performing the medical service will not be permitted.

- Emergency medical services are not subject to preauthorization but are subject to retrospective review for medical necessity unless an exception applies.
- Zenith is modifying its utilization review letters to include all decision types in one letter whenever possible. We hope this change will make it easier for you to see all decisions related to requests for treatment submitted on an RFA in one place. Additionally, Zenith will no longer include the text of the guidelines used to render decisions in the letters but instead will use a citation format. You may always contact Zenith to obtain a copy of the applicable guideline. Zenith also will no longer send approval letters to all parties but will instead send the approval letter only to the requesting physician.

INFORMATION FOR ALL PROVIDERS – PROCESSES RELATED TO THE NEW MTUS FORMULARY

The new MTUS formulary takes effect on January 1, 2018. The formulary classifies drugs as Exempt, Non-Exempt, and Unlisted. Basically, under Zenith's utilization review and Pharmacy Network programs, you will be required to obtain preauthorization for any medication that is not listed on the Exempt list. Drugs on the Exempt list must be used within MTUS guidelines. Additional information follows:

- Non-Exempt and Unlisted drugs will require preauthorization through prospective Utilization Review. Use of Exempt drugs are within MTUS guidelines for certain uses but may be outside of MTUS for other uses. To decrease possible delays in dispensing of medications, please submit complete RFAs as soon as possible after an office visit occurs for treatment requiring prospective review. Be sure to include documentation supporting the medical necessity of the medication. Please submit refill requests before the injured employee runs out of their medication to allow time to complete the utilization review process.
- The MTUS Drug Formulary Section 9792.27.12 addresses special fills which means a drug that requires prospective review because it is "Non-Exempt" but will be allowed to dispense without prospective review because it is prescribed as the result of a single initial treatment visit within 7 days of the date of injury. Section 9792.27.13 creates special rules related to perioperative and post-operative fills which is 4 days before and after surgery. Prescriptions for special fill, perioperative and post-operative fills must comply with all MTUS and regulatory requirements.

- If an injured employee presents a prescription at the pharmacy that requires prospective review and no RFA has been submitted, the pharmacy will not dispense the drug. In this circumstance, it will be your responsibility to either change to an Exempt drug as list on the MTUS Drug List or submit an RFA to Zenith with supporting documentation as quickly as possible to allow review of the medication.
- Utilization review time frames for medications remains 5 days, however, there is no longer a 14-day period for additional information, so be sure to submit everything or we may have to deny based on lack of medical necessity.
- Zenith requires use of generics whenever possible and use of formulary before non-formulary. Providers will need to submit information showing medical necessity for any drug not listed as Exempt on the MTUS Drug Formulary. Requests for brand name drugs must also include information demonstrating why a generic drug will not meet the injured employee's medical needs.
- Independent Medical Review (IMR) time frames for medications is different than time frames for other medical treatment so be sure you familiarize yourself with IMR requirements. The injured employee will have only 10 days to request an IMR related to a utilization review denial or modification of a drug. IMR does not apply to deferrals of utilization review pending receipt of an RFA when preauthorization is required.

ADDITIONAL INFORMATION FOR ZMPN PROVIDERS

SB1160 created a separate set of preauthorization requirements that apply to carriers, employers, and providers that participate in medical provider networks. Most of the key changes do not apply to providers who are not a member of the applicable medical provider network. Zenith provides medical treatment to injured employees through the Zenith Medical Provider Network and Zenith Pharmacy Network. The provisions set forth below will apply to the ZMPN providers. Zenith at its sole discretion may extend the privileges established by SB1160 to providers outside of the ZMPN on specific claim files. The following changes go into effect on January 1, 2018:

- Participants in the Zenith Medical Provider Network ("ZMPN") will be permitted to provide certain treatment within the first 30 days of the date of injury without first obtaining authorization. Certain services are required to be preauthorized. Providers who do not participate in the ZMPN are still required to obtain preauthorization before providing treatment.
- Regardless of whether preauthorization is required or not, ZMPN providers are required to submit an RFA for all treatment that is provided within the first 30 days of injury.
- The Report of First Injury and an RFA must be submitted within 5 days of the first patient visit or treatment. If you fail to comply with this requirement, Zenith has the right to revoke your ability to

provide further treatment without utilization review within the first 30 days. You may also be removed from the ZMPN for failure to meet Zenith's timely reporting requirements.

- After the first report of injury, treatment requests must be submitted before treatment is rendered unless for an emergency or unless treatment is an Exempt drug as previously discussed.
- Zenith may conduct retrospective review for treatment not subject to preauthorization within the first 30 days of the date of injury but solely for the purpose of determining if the treatment was within MTUS guidelines. If the treatment is outside of MTUS guidelines, Zenith may remove the provider from the ZMPN if there is a pattern and practice of treating outside of guidelines.
- The following medical services and treatment are still subject to preauthorization within the first 30 days following the initial date of injury:
 - (1) Pharmaceuticals, to the extent they are neither expressly exempted from prospective review nor authorized by the drug formulary adopted pursuant to Section 5307.27.
 - (2) Nonemergency inpatient and outpatient surgery, including all pre-surgical and postsurgical services.
 - (3) Psychological treatment services.
 - (4) Home health care services.
 - (5) Imaging and radiology services, excluding X-rays.
 - (6) All durable medical equipment, with combined total value exceeding two hundred fifty dollars (\$250), as determined by the official medical fee schedule.
 - (7) Electrodiagnostic medicine, including, but not limited to, electromyography and nerve conduction studies.
 - (8) Any other service designated and defined through rules adopted by the administrative director.
- Any services provided without authorization within the first 30 days following the date of injury must be billed within 30 days of the date of service except emergency services, which must be billed within 180 days of the date of service.
- Providers that participate in the ZMPN are required to comply with Zenith's ZMPN Participating Provider Requirements. Zenith will be enforcing its requirement that services be provided at network facilities more stringently in the future. If you are not certain whether a facility is in the ZMPN or not, please contact Zenith Provider Relations at 800-440-5020 (option 3) or review at TheZenith.com under the Medical Provider section. It is important that you ensure you have privileges at facilities that are within the ZMPN in order to meet Zenith requirements. A copy of the ZMPN requirements is enclosed for your convenience.

FREE CONTINUING EDUCATION OPPORTUNITIES SPONSORED BY THE DWC

The California DWC offers two online Continuing Medical Education (CME) courses at no charge to physicians. The first course focuses on the MTUS, and we encourage you to take advantage of this service. The MTUS course covers:

- What the MTUS is and how to use it.
- How to navigate the MTUS treatment guidelines and apply recommendations via case scenarios.
- When to consider recommendations outside of the MTUS guidelines for the care of your patient.
- The role of utilization review and independent medical review physicians.

This online one-hour course is for treating physicians, qualified medical examiners, physician reviewers, and other health care providers, as well as anyone else interested in learning how to use the MTUS. Feel free to share the following link with your staff: <https://www.dir.ca.gov/dwc/CaliforniaDWCCME.htm>

A new course on Evaluating California's Injured Workers: Qualified Medical Evaluators (QME) was recently released. This course covers:

- How to prepare for an evaluation and the components of a quality report.
- How to properly identify and apply the complexity factors in the medical-legal fee schedule.
- Administrative regulations to stay in compliance as a QME.

Medical doctors and chiropractors who take these courses will receive one hour of free CME credit for each course.

Sincerely,

A handwritten signature in cursive script that reads "Arden Taber".

Arden Taber, PsyD
Director, Provider Relations and Network Management