

ZENITH MEDICAL PROVIDER NETWORK POLICY

Title: California Provider Evaluation Policy

Application: Zenith Insurance Company and Wholly Owned Subsidiaries

Policy Number: CA010

Issued: December 28, 2007

Revised: May 9, 2018

Approved By: Rupali Das, M.D., SVP and California Medical Director; Arden Taber, Director of Provider Relations and Network Management; Sharon Hulbert, VP and Assistant General Counsel

POLICY STATEMENT

It is the policy of Zenith Insurance Company (“Zenith”) to conduct provider evaluations to determine whether or not providers will be included within the Zenith Medical Provider Network (the “ZMPN”), which shall be done in a manner consistent with California Labor Code Section 4616.1, et seq.

DEFINITIONS

“Medical Treatment Utilization Schedule” and “MTUS” means the most current version of guidelines developed and adopted by the Administrative Director pursuant to LC §5307.27 and set forth in CCR Title 8, sections 9792.20 et seq.

POLICY PURPOSE

This Policy describes the process utilized by Zenith to evaluate “a particular physician, provider, medical group, or individual practice association based in whole or in part on the economic costs or utilization of services associated with medical care provided or authorized by the physician, provider, medical group, or individual practice association.” First, this Policy sets forth the methodology for such evaluation. Second, this Policy describes how such an evaluation may be used by Zenith.

METHODOLOGY

Zenith shall use defined metrics to directly monitor utilization of services associated with medical care provided by physicians, providers, medical groups, individual practice associations, clinics and ancillary providers (together, “Providers”) within the ZMPN. Such metrics may include examination of temporary, total disability; claim duration; return to work; narcotic utilization; prescribing patterns; surgery utilization; utilization review outcomes; patient safety and efficacy; compliance with Zenith expectations; and/ or litigation rates, and may further include, directly or indirectly, an examination of economic costs and/or utilization of services. Zenith may also utilize a provisional participation status for providers added to the network in order to provide sufficient time to evaluate provider performance.

Zenith may compare results for each metric against the Medical Treatment Utilization Schedule (“MTUS”) and other applicable evidence-based guidelines, such as the guidelines of the American College of Occupational and Environmental Medicine (“ACOEM”), or the Official Disability Guidelines (“ODG”). In addition, the results for each metric for a particular Provider may be compared against the average results for such metric for other Providers. Providers that have results outside of the evidence-based guidelines or that, to a relevant degree, are above or below the average for the peer group of Providers are identified as potential outliers and may be further evaluated by Zenith as described below (collectively, this process is the “Evaluation”).

PROCEDURES

Zenith may review Providers that have been identified pursuant to the Evaluation, including, as appropriate, a review of relevant medical records (the “Performance Review”) and other pertinent performance measures. Zenith may utilize both internal and external reviews as deemed necessary. If Zenith determines that as a result of a Performance Review further steps are required to maintain professional

standards (as determined, among other things, by evidence-based guidelines) and/or quality of care within the ZMPN, Zenith may take any appropriate actions in a fair and non-discriminatory manner including but not limited to:

- Corrective actions. If the Performance Review discloses a concern that needs addressed, Zenith will take corrective action to address the concern. This can be through monitoring, mentoring, placing the provider on probation or other actions deemed necessary. Providers may also be required to complete educational requirements to address specific issues, such as billing courses or medical records documentation courses.
- Retention, termination or removal decisions. Such decisions may include, as appropriate, internal review, review by Zenith's legal team, and review by any third party at Zenith's discretion when Zenith determines additional review may be required. An appeals process will be provided for terminations and removals of Providers. The appeals process may vary depending on whether the termination or removal is from the ZMPN itself or from a ZMPN sponsored program. The availability of the appeal process is limited to providers that participate in the ZMPN on an unconditional status. Providers added to the ZMPN are added under a two year provisional status to allow sufficient time to assess provider performance. Zenith may remove the provider from the ZMPN at any time within the provisional period for failure to meet ZMPN expectations. No appeal rights are provided for removals occurring during the two year provisional period. Upon completion of the provisional period, the provider will be given full appeal rights. Providers are advised that they may choose not to participate in the network if they do not want to under this condition.
- Change in the degree or extent of utilization review (within the scope of the filed utilization review plan applicable to the ZMPN). Such a change in the review process may include a reduction of the utilization review process for Providers that provide services within the appropriate guidelines or within or above the average for their peer group, and/or an increase of the utilization review process for Providers that provide services outside of the appropriate guidelines or outside or below the average for their peer group.
- Change in the degree or extent of peer review. Such change in the review process may include a reduction of the peer review process for Providers that provide services within the appropriate guidelines or within or above the average for their peer group, and/or an increase of the peer review process for Providers that provide services outside of the appropriate guidelines or outside or below the average for their peer group.
- Implementation of any appropriate incentive or penalty programs. Incentives may be provided to Providers that provide services within the appropriate guidelines or within or above the average for their peer group, and/or penalties may be assessed upon Providers that provider services outside of the appropriate guidelines or outside or below the average for their peer group.