



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation

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Designated Doctor Process

Claim Overview

What happens when employees are injured on the job? How do they obtain medical benefits?

When an employee is hurt on the job, the employee should notify his or her employer and seek medical treatment for the injury. The employer has a duty to notify its workers' compensation insurance carrier, which will investigate the claim. If the employee is not able to return to work as a result of the on-the-job injury and the claim is covered by the workers' compensation policy, the injured employee will begin to receive income benefits from the insurance carrier.

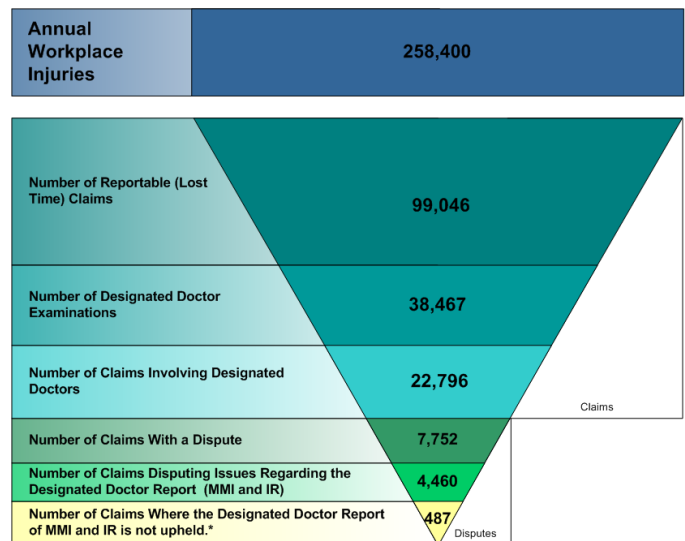
For medical care for the injuries, the injured employee must select a treating doctor to provide the health care. The doctor will determine what care the injured employee will receive. The treating doctor may also refer the injured employee to another health care provider for additional treatment. If the injured employee does not believe he or she is getting the treatment needed, the injured employee may request change of treating doctor. Many insurance carriers have managed care networks of health care providers that provide medical care to injured employees if the employer has agreed to participate in the insurance carrier's network. These networks are certified by the Texas Department of Insurance. Injured employees who are given network notices must seek all their medical care from in-network health care providers unless the network approves a referral out of network to another health care provider.

In some instances, the insurance carrier may not agree to preauthorize or pay for certain medical treatments. If the injured employee or the employee's health care provider disagrees with that decision, either may request that a doctor from an independent review organization determine if the medical care is needed. If the injured employee or the health care provider is not satisfied with the result of the review, they may also request a hearing with the Division of Workers' Compensation (DWC) to resolve the dispute.

Designated Doctor Examinations in Perspective

Employees in Texas experience approximately 250,000 injuries and occupational illnesses annually. The majority of claims are managed between the injured employee, their treating doctor and the insurance carrier with no assistance from DWC:

- less than 50% of claims involve days away from work (lost time);
- less than 25% of these claims need a designated doctor examination;
- only 20% of designated doctor's assessments of an injured employee's medical condition are disputed;
- of these disputes, more than 75% of the designated doctor's findings are upheld.



Figures averaged over 5 years, FY2010 through FY2014

The chart illustrates the frequency of designated doctor examinations within the workers' compensation system.

Role of the Designated Doctor

Providing independent medical opinions to answer questions about an injured employee's entitlement to workers' compensation benefits

Designated doctors are selected by DWC to answer questions about a work-related injury or occupational illness. Texas Labor Code §408.0041 authorizes designated doctors to examine injured employees in order to help resolve the following issues:

- the percentage of physical impairment caused by the injury;
- whether the employee has reached maximum medical improvement;
- the extent of the employee's injury;
- whether an injured employee's disability is a direct result of a work-related injury;
- the ability of the employee to return to work; or
- other similar issues.

The injured employee, the employee's representative, if any, the insurance carrier, or DWC is permitted to request a designated doctor examination. Designated doctors may not provide medical treatment or determine the appropriateness of medical care for an injured employee. All designated doctor appointments for a particular claim, as well as any related medical testing, are paid by the insurance carrier and the fees for these appointments are established by rule (28 TAC §134.204).

Qualification Requirements

What types of doctors can conduct designated doctor examinations?

Doctors of medicine (MD) and doctors of osteopathic medicine (DO) are qualified to evaluate all types of injuries. However, certain complex diagnoses, such as traumatic brain injuries, spinal cord injuries, and severe burns must be evaluated by an MD or DO with certain board certifications. Chiropractors (DC) are qualified to evaluate injuries to the musculoskeletal aspects of the body, such as hand, arms, legs, and spine. Doctors of podiatric medicine are qualified to evaluate only feet. Doctors of optometry are qualified to evaluate only eyes. Doctors of dental surgery are qualified to evaluate only teeth and jaws. 28 Texas Administrative Code (TAC) §127.130 outlines the types of doctors allowed to conduct designated doctor examinations.

Doctors who wish to become certified to perform designated doctor examinations must complete all DWC required training, pass the required test, and must retrain and test every two years to remain on the designated doctor list. In addition to training and testing, doctors must maintain an active medical license, have had an active medical practice for at least three years after licensure, own or subscribe to the currently adopted return-to-work and treatment guidelines and submit a complete application to DWC.

House Bill (HB) 2605 (82nd Legislature, 2011) amended Texas Labor Code §408.1225(f) to require the originally assigned designated doctor to provide all necessary designated doctor services for the injured employee's injury, unless the doctor is removed by DWC.

Designated Doctor Selection Process

How are designated doctors assigned to a claim?

Texas Labor Code §408.1225 requires the next available doctor on DWC's list of designated doctors whose qualifications are appropriate to examine the injured body part and the injured employee's diagnosis to perform each examination. During fiscal year 2015, designated doctors conducted 32,663 examinations and billed workers' compensation insurance carriers approximately \$26 million dollars for those services.

DWC staff evaluates examination requests to see if they meet DWC rule requirements, and, if approved, determine which type of doctor is needed. DWC selects a doctor with the appropriate qualifications in the injured employee's county of residence. If a doctor with the appropriate qualifications is not available in that county, a doctor from a neighboring county is selected.

DWC uses information reported by the designated doctor, such as serving as a health care provider in the same managed care network as the injured employee or serving as a prior treating doctor for the injured employee, to help ensure there are no conflicts (called "disqualifying associations") for the designated doctor. Designated doctors are also responsible for identifying any disqualifying associations and notifying DWC within two business days so an examination can be reassigned to a new designated doctor.

Once the doctor selection is made, DWC will send an order to all parties with the time and date of the examination. Any changes to the examination location must be approved by DWC. Once a designated doctor is assigned, another designated doctor can only be assigned by DWC if the first designated doctor:

- is no longer on the designated doctor list;
- relocates their residence or practice;
- is no longer qualified to evaluate the injured employee's body areas and/or diagnoses; or
- continued service on the claim would be impracticable or could impair the quality of examinations performed on the claim.

Disqualifying Associations

Designated doctors may not perform an examination on injured employees within any workers' compensation health care network to which the doctor belongs, nor may they perform other examinations or reviews (required medical examinations, treating doctor examinations, utilization reviews, peer reviews) on a claim if the doctor has already been assigned as a designated doctor. 28 TAC §127.140 details disqualifying associations for designated doctors. Other disqualifying associations may include:

- receipt of income, compensation, or payment of any kind not related to health care provided by the designated doctor;
- shared investment or ownership interest;
- contracts/agreements that provide incentives such as referral fees or payments based on volume or value, and waiver of beneficiary coinsurance and deductible amounts; or
- contracts/agreements for space or equipment rentals, personnel services, management contracts, referral services, billing services agents, document management or storage services or warranties, or any other services.

The Role of Administrative Services Companies

An administrative services company, or "scheduling company," is a private company with which a designated doctor may contract for administrative support services, including:

- examination location management;
- scheduling activities with the injured employee;
- travel coordination for the designated doctor;
- medical records coordination;
- distribution of designated doctor reports to the injured employee, insurance carrier, and DWC; and
- billing and other related administrative tasks.

Currently, there are eight scheduling companies providing services to approximately 75 percent of all designated doctors. DWC does not regulate scheduling companies. Instead, designated doctors are held responsible for any violations of the Workers' Compensation Act or rules that emanate from their work.

Travel by Designated Doctors to Conduct Examinations

Designated doctors decide which counties they are willing to travel to, if any, to conduct examinations. The Labor Code does not restrict designated doctors from choosing to travel to counties where local qualified designated doctors are already available. For example, a designated doctor located in one large metropolitan area may travel to another large metropolitan area to conduct examinations, although there may be many qualified local designated doctors in the area. The Sunset Advisory Commission's report to the 82nd Legislature recommended that DWC allow all designated doctors to participate in any county desired, rather than adhere to restrictions to a 20 county service area in place at that time.

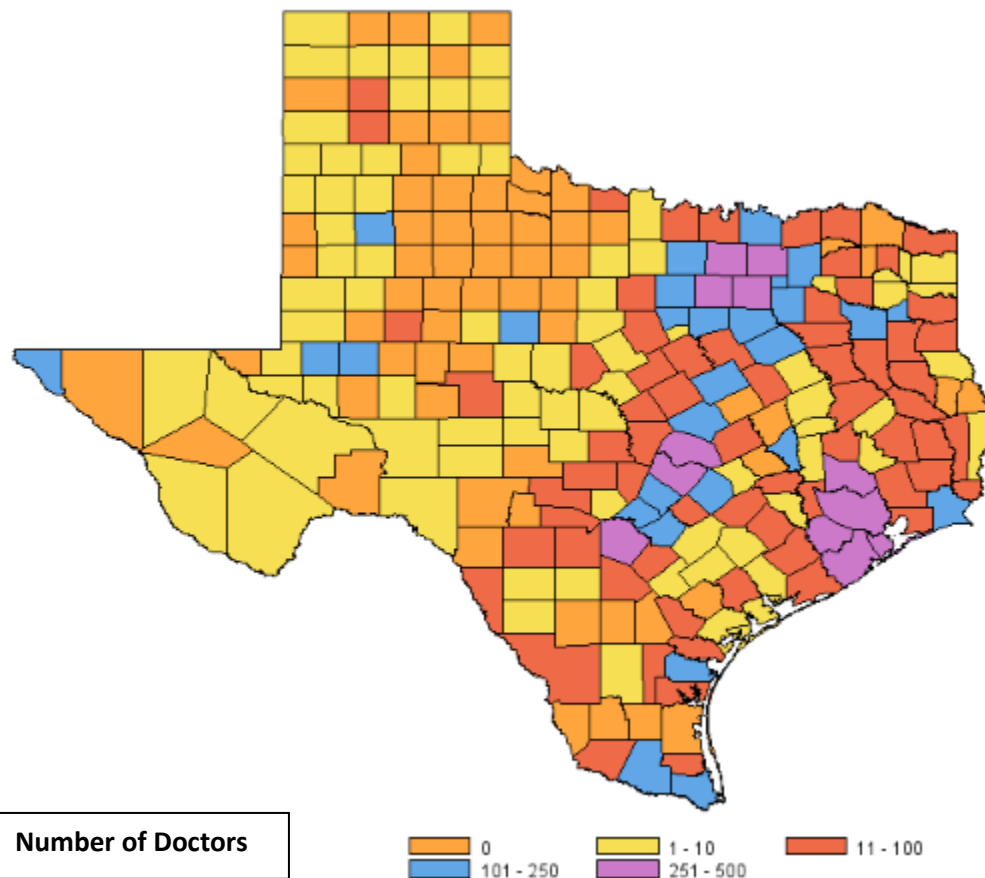
Designated doctors are not paid to travel to conduct examinations. DWC may need designated doctors with certain qualifications to travel to certain rural areas to examine injured employees. DWC rule, 28 TAC §134.2, requires the insurance carrier to add an incentive payment to the maximum allowable reimbursement for services performed in a designated workers' compensation underserved area.

Designated Doctors by Provider License Type as of January 2016

Doctor of Medicine and Doctor of Osteopathy (MD)/(DO)	Doctor of Chiropractic (DC)	Doctor of Podiatric Medicine	Total
260	353	2	615

Source: Texas Department of Insurance, Division of Workers' Compensation, 2016.

Distribution of Designated Doctors as of January 2016*



*A single designated doctor may travel to many locations statewide.

Source: Texas Department of Insurance, Division of Workers' Compensation, 2016.

Designated Doctor Examinations in Fiscal Year 2015

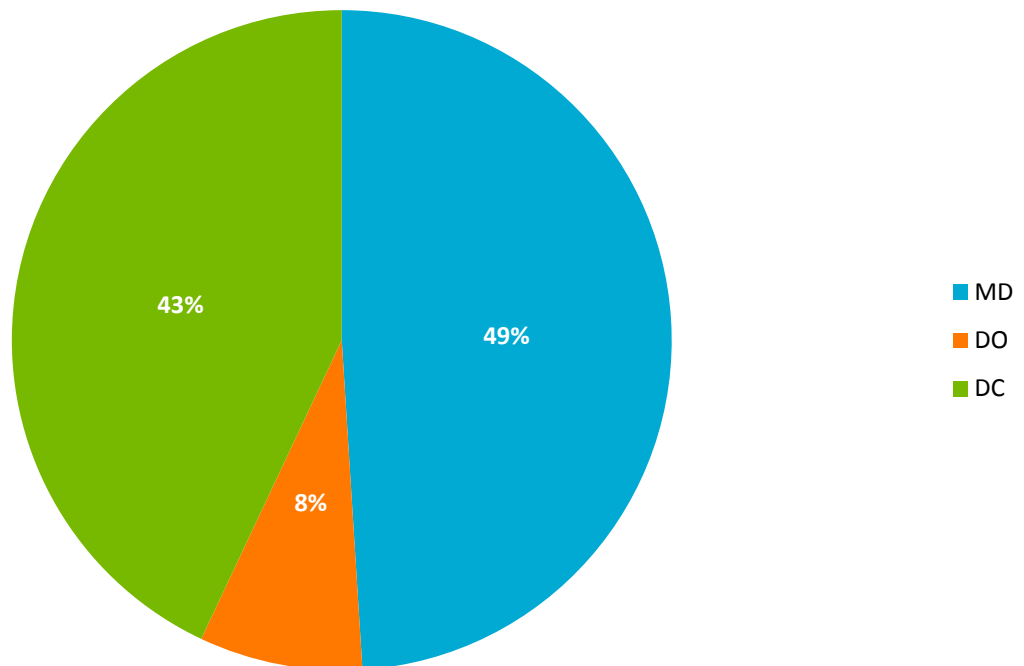
Examination Type	Number of Examinations
Initial Examinations	25,888
Subsequent Examinations	6,775
TOTAL	32,663

Initial Examinations: The first examination on a particular claim assigned to a unique designated doctor.

Subsequent Examinations: Examinations following an initial examination on a claim where the same designated doctor was assigned.

Source: Texas Department of Insurance, Division of Workers' Compensation, 2016.

Distribution of Designated Doctor Examinations by Provider License Type in Fiscal Year 2015



Source: Texas Department of Insurance, Division of Workers' Compensation, 2016.

Note: Exams conducted in FY2015 included Disability 5%, Extent of Injury 20%, Maximum Medical Improvement and/or Impairment Rating 90%, Return to Work 26%, and Other Reasons 2%.