

**COLORADO DEPARTMENT OF LABOR AND EMPLOYMENT  
DIVISION OF WORKERS' COMPENSATION**

***General Q&A for Medical Providers:***

**What is Workers' Compensation and generally how is the health care community involved?**

As early as 1915, the Colorado legislature determined that there needed to be a governmental system in place that would afford workers some relief when they were injured on the job. Lawsuits to establish liability and apportion costs between workers and employers were an expensive and inefficient solution to this problem. The workers' compensation system was developed as a "no fault insurance" system, eliminating the need for such litigation. The General Assembly developed the system to provide for medical and disability benefits for injured workers in these situations at a reasonable cost to employers. The system was intended to balance the needs and rights of all parties while reducing judicial intervention.

The Colorado Division of Workers' Compensation provides system oversight. This Division is one of several divisions in the Colorado Department of Labor and Employment, the executive director of which reports to the governor. The overall responsibilities of the Division include claims processing, records maintenance, insurance and employer compliance, premium and medical cost containment with supporting educational programs, medical treatment guidelines development, and providing various forums for dispute resolution.

In Colorado, employers are required to have workers' compensation insurance, with some exceptions for specifically excluded occupations and individuals. Employers purchase insurance coverage through private insurance carriers, or they are self-insured.

Injured workers may receive injuries that readily heal and result in no long term problems, or the injury may have resulted in a permanent change which affects one's ability to perform work duties or other activities of daily living. If a permanent change in function occurs, the injured worker is deemed within the system to have an "impairment." Impairment in the form of a percentage or a "rating" is assessed by Level II-accredited physicians, and the Division provides the Level II training.

By statute the Division maintains a medical fee schedule which sets the maximum fees for compensation to medical personnel who provide services to workers' compensation patients. Using both staff resources and representative medical providers of many disciplines from the workers' compensation community, the Division also creates evidence-based and consensus-based medical treatment guidelines.

## **How does the Division of Workers' Compensation administer its programs and involve the medical community?**

The legislature created certain programs to educate physicians about their roles and duties within the workers' compensation system, and to address disputes between the parties over treatment rendered to injured workers and impairment determinations reached by physicians. Also, legislative programs were created to set fees for medical services and to write treatment guidelines for high-frequency work-related injuries and illnesses.

Physicians participate in the system by treating injured patients, by reviewing the treatment provided to injured workers by other physicians, or by providing independent evaluations regarding injuries and/or treatment. The Division administers a training or "accreditation" program for physicians wishing to become involved in determining impairment ratings for injured workers and for chiropractors wishing to treat workers who have lost time from work due to their injury. Accreditation is *not* required in most instances only to treat an injured worker and/or to offer specialized services such as surgery, physical therapy or occupational therapy. The Division also manages various programs where a medical provider performs a special type of peer review in workers' compensation cases, or performs an independent medical evaluation. Overall, physicians and many other types of health care providers are urged to develop special knowledge and expertise to more effectively participate in the system. The medical and administrative rules and procedures that apply to these educational programs are developed and maintained by the Division.

### **More specifically, what are some of these programs?**

Most of the Division's medical programs or services are organized under the general "umbrella" of the **Medical Policy Section**. These programs include:

#### ***Medical Treatment Guidelines***

- This program develops, updates, and maintains evidence-based treatment guidelines which address the most frequent or most costly work-related injuries and conditions. There are currently 9 guidelines which are developed in consultation with the Division's Medical Director, program coordinator, medical researchers, and multidisciplinary medical task force members drawn from many sections of the medical community. The guidelines are periodically updated to include new guidance and recommendations resulting from research and treatment advances.

#### ***Medical Fee Schedule***

- The Division is required by statute to establish fees for the medical services provided to injured workers. This program develops and updates a medical fee schedule in consultation with insurers, business representatives, the medical community, and other workers' compensation service providers.

### ***Utilization and Billing Standards***

- The program clarifies Division policies and procedures concerning health care billing and utilization. In concert with the Fee Schedule Program, it facilitates dialogue and/or settlement between payers and medical providers regarding billing disputes, and provides guidance regarding billing and payment procedures, medical reporting requirements, prior authorization requirements, and other processes such as handling referrals to out-of-state providers. A formal dispute resolution program is available specifically to address disputes between payers and providers if informal efforts are not successful.

### ***Physicians' Accreditation Program***

- This program was established in 1991 to educate physicians about participation in the workers' compensation system. Both the Level I and Level II Accreditation Programs address the medical, administrative and legal aspects of the workers' compensation system especially as they impact and involve medical providers. The Level II program addresses the formulation of impairment ratings utilizing the AMA Guides, 3<sup>rd</sup> edition (revised). Level I is primarily, though not exclusively, oriented to chiropractors, who then obtain special consideration when treating patients for extended or multiple visits. Accreditation is available in Colorado to every licensed physician, chiropractor, dentist and podiatrist with consideration of specialty and geographic area. Medical providers who, per the statute, are not brought under the accreditation 'umbrella' are encouraged to audit some of the courses available through the Division. Continuing education credits may be available.

### ***Division Independent Medical Examination Program (DIME)***

- This program provides an independent review of workers' compensation cases in which a date of maximum medical improvement and an impairment rating have been rendered by the treating physician. Where the worker and employer or insurer disagree about the physician's conclusions, they may seek review of those issues in this program. Because impairment ratings are involved, only Level II-accredited physicians may participate on the IME panel of physicians.

### **Medical Utilization Review Program**

This program is under the oversight of the Division Director's office. It provides for peer review of a treating provider's care in a specific case to determine whether the provided services were reasonable, necessary and appropriate. Medical providers of any specialty or discipline can be subject to review. A panel of experts of the same or equivalent specialty as the provider under review is convened by the Division to conduct a "paper" review of the case and evaluate the services provided. The outcome of such proceedings may require a change of provider in that case, no change of provider, retroactive denial of fees, and/or revocation of accreditation (if applicable).

**How can I get in touch with the Division to learn more about some of the medical programs?**

The following is some program contact information:

Physicians' Accreditation: 303-318-8763 or [physaccred@state.co.us](mailto:physaccred@state.co.us)

Medical Treatment Guidelines: 303-318-8766

Medical Fee Schedule: 303-318-8761

Utilization Standards / Billing Dispute Resolution: 303-318-8765

Division IME Program: 303-318-8655 or [IMEUnit@state.co.us](mailto:IMEUnit@state.co.us)

Medical Utilization Review: 303-318-8769

General Customer Service: 303-318-8700 or toll free 1-888-390-7936