



**JOHNS EASTERN COMPANY, INC.**

Claim Adjusters & Third Party Administrators

**SPEED AND ACCURACY**

# COMMON CLAIMS

## MEDICARE RIGHTS AND RECOVERY

All of us are in some way going to be involved in a settlement that Medicare has an interest in. In order to understand why you have to change the way you are doing things, let's look at the law and Medicare's set up for recovery. The law existed since December 5, 1980. Federal law since 1980 has required that Medicare's interest be protected. 42 USC 1395 y (b) (2). Now electronic reporting has been added, with stiff fines for non compliance.

Medicare has two types of contractors who they employ. The first is the Coordination of Benefits Contractor. The COBC looks at the available coverage and determines if Medicare should pay a bill as primary insurance. If the primary coverage should be the responsibility of a liability insurer, yet they are not paying medical bills because, for example, liability carriers rarely accept paying medicals for claimants, Medicare can pay the bill and expect to be paid back. This payment is known as a Conditional Payment.

The second type of contractor Medicare employs is the MSPRC. This is the Medicare Secondary Payer Recovery Contractor. Once this contractor sends out a letter to the claimant, their attorney, the TPA, or the insurance company, payment must be made in the amount specified in the letter. If payment is not made within 60 days, then interest, may be charged. If Medicare is forced to go to court to collect its damages, then "the amount of damages shall be in an amount double the amount otherwise provided." Medicare recoveries should go up.

Be careful to identify any claimant correctly. The name you obtain should be the same as it appears on the social security card, or the Medicare identification card. To determine whether an injured party is a Medicare beneficiary, the COBC must match your data to Medicare's. For matching an individual, the COBC uses the SSN or HICN, first initial of the first name, first 6 characters of the last name, date of birth and gender.

First the COBC must find an exact match for the SSN or HICN. Then if three of the other four criteria are matched, you will always be returned an accurate HICN (Health Insurance Claim Number)

If you obtain an HICN, then you have a Medicare beneficiary, however you will not be informed by the COBC of any lien during the query process. We will need a signed authorization to get that information. Upon our request Genex (The Medicare Set Aside Company we are using for reporting and MSA's) is going to send out the authorization for the claimant's signature, and check on any Conditional Payments that have been made (the lien). The amount of the Conditional Payment and future medical charges that are for treatment of the injury must be considered in any settlement agreement with a Medicare beneficiary.

Our clients have completed Part One of Registration and we are completing Part Two. Testing begins the fourth quarter of 2009.

Internal programming and a dedicated Medicare team has expended a significant amount of time to meet the deadlines and offer reporting services to our clients. This dedication give Johns Eastern Company a competitive edge in the industry.

Contributing Writer: Jim Boelter, AIC  
Liability Quality Assurance Manager



## Claims **EDI** Update

Linda Yon, Sr. Management Analyst Supervisor, Bureau of Data Quality and Collection, FL Division of Workers' Compensation presented a class on Claims EDI Release 3 Update at the recent Workers' Compensation Conference in Orlando, FL, August 19, 2009. In her presentation, Ms. Yon reviewed the top five industry-wide errors for filings submitted during July, 2009.

For the month of July, Johns Eastern Company had 81.8% of all transactions accepted, compared to industry-wide all transactions accepted of 56.6%. We are striving to reach our goal of having 100% of our transactions accepted.

Adjusters are learning new ways of handling their claims. They now need to know if the ZIP code is correct on the accident site, if the accident site has an address or if it is to be described in a narrative form, and if the claimant's name is a Jr. or a II, or III, where to put that information in our claim system. EDI is the epitome of "crossing the T's and dotting the I's". Getting through the learning curve is the difficult part. In the long run, Claims EDI should prove to be very helpful to everyone - the adjuster, the claimant, the employer and the State.

Contributing Writer: Nancy Riley  
Manager, Special Account Services

### JECO COST CONTAINMENT/BILL REVIEW AUGUST REPORT CARD 😊

**99.3%** ✓

Acceptance rate of submitted JECO bills  
compared to 96.6% for all other submitters

**99.4%** ✓

Acceptance rate of DWC-9 filing

**3 Days** ✓

Average turnaround time for incorrect forms  
compared to 10 days from competitors

Source: Submitter Medical Filing Report Card,  
Workers' Compensation Medical Data System (MDS)

**BE ECO-FRIENDLY!** If you prefer to receive our quarterly newsletter via email instead of a hard copy, please send an email to Audrey Roman [aroman@johnseastern.com](mailto:aroman@johnseastern.com)

## JULY - A **HOT** MONTH FOR JECO'S SIU DEPT.

July 2009 proved to be the culmination of several notable achievements culminating into one of the busiest months within the history of JECO's SIU Department.

### ARREST 1

An employee of the School District of Lee County, was arrested and charged with workers' compensation fraud stemming from an SIU investigation initiated nearly a year earlier.

Employee X filed an alleged work related claim on August 25, 2008 wherein he claimed an injury to his back while mopping the floors of a restroom. Over the next several months, Employee X made repeated visits to his doctor, opining that his condition was worsening and that he was in 'severe' pain, unable to conduct any type of routine activities. Employee X's restrictions were then changed from light duty to sedentary to accommodate his complaints.

During the claims process, red flags were quickly identified by the Claims Adjuster. These included medical notes indicating the Claimant exhibited "dramatic behavior" and that the symptoms were not related to the work related accident. This triggered both the use of surveillance and a referral to the JECO SIU Department.

Surveillance was then conducted simultaneous to Employee X's complaints, documenting extreme physical activities. This included the changing of automobile tires, the use of an impact wrench, rolling tires down a roadside and other various automotive repairs to include Employee X crawling under the vehicle. This type of activity was documented over a 14 day period.

JECO's SIU Department presented their completed investigation to the Division of Insurance Fraud (DIF) and the State Attorney's Office. Employee X was charged with workers' compensation fraud and was subsequently arrested on July 16, 2009.

Criminal proceedings are pending. All parties are presumed innocent until proven guilty in a court of law.

### ARREST 2

Employee Y, an employee of another school district, was arrested and charged with workers' compensation fraud and grand theft stemming from an SIU investigation initiated several months earlier.

Employee Y filed a claim in 2008 wherein she claimed to suffer a work related injury. Over a period of the next 14 months, Employee Y received medical treatments for her injury, during which she submitted inflated mileage reimbursement requests for her travel to and from her appointments.

During a routine review of Employee Y's mileage reimbursement paperwork, the Claims Adjuster identified 'irregularities' in the mileage totals. A more detailed examination revealed that Employee Y was systematically and repeatedly padding the total mileage to

from her medical appointments. A referral was then made to the JECO SIU Department; wherein a complete mileage verification investigation was initiated.

It was determined that 1,917 miles were earmarked as being inflated and 'not valid.' The total amount was identified at \$853.07.

JECO's SIU Department presented their completed investigation to the Division of Insurance Fraud (DIF) and the State Attorney's Office. Employee Y was charged with workers' compensation fraud and grand theft. They were subsequently arrested in July 2009.

Criminal proceedings are pending. All parties are presumed innocent until proven guilty in a court of law.

#### **RSIGHT ACQUIRED BY LITIGATION SOLUTIONS, LLC**

RSight Investigations, Inc has had the honor and privilege of being Johns Eastern Company's contract SIU Department for the past five years. This appointment is the natural extension of a wonderful professional working relationship dating back over the past 12 years. JECO's SIU Department is a known leader within the SIU community.

We take great honor, pleasure and pride to announce that RSight Investigations, Inc. has been acquired by Litigation Solutions, LLC on July 20, 2009.

This strategic merger will allow JECO's SIU Department to leverage better technologies, provide larger geographic coverage areas and offer a greater range of fraud abatement services. Management, investigative staff and administrative support remain completely intact; only strengthened as a result of the acquisition.

We are very excited about the additional SIU resources that are now available to us. This strategic merger will only enhance and improve the overall capabilities of JECO's SIU Department.

#### **NEW SIU DIRECTOR**

On July 15, 2009, Jeff Korte, former Major with the Florida Division of Insurance Fraud (DIF), has been named the Director of the Special Investigative Unit (SIU) for RSight Investigations, a Litigation Solutions, LLC company.

Mr. Korte brings more than 28 years of law enforcement experience to RSight Investigations, spending the past 20 years with the Florida Division of Insurance Fraud (DIF) where he retired as Major/Bureau Chief in 2008.

During his tenure at DIF, Mr. Korte managed approximately 55 DIF law enforcement detectives and supervisors. He worked and managed complex insurance fraud cases to include claimant fraud, premium fraud, clinic fraud, medical provider fraud, auto liability and staged accidents.

We are thrilled to have Jeff as a part of the JECO SIU team. He will absolutely enhance the SIU capabilities and provide a tremendous resource to all Johns Eastern clients.

Contributing Writer: Steve Cassell, JECO SIU Manager

## **Who's WHO at Johns Eastern?**



**ALICE BANE, CWCL  
CLAIMS MANAGER  
LAKEWOOD RANCH, FL**

Ms. Bane joined Johns Eastern Company in 2006. She has over 20 years of experience in workers' compensation. She began her employment at Johns Eastern as a Senior Adjuster and was promoted to Claims Supervisor in 2007. She was promoted to Claims Manager in 2009.

Ms. Bane is experienced in adjusting claims dating back prior to 1984 law, permanent total disability claims, and resolution of claims through annuity arrangements. She is experienced in handling school boards, municipal transit authorities, hospitals, city and county governments, and Florida religious organizations. Ms. Bane also provides supervision of insurance company claims handled by Johns Eastern. As Claims Manager, she is responsible for the overall operational production of the workers' compensation claims unit and medical management services for self-insured clients.

Ms. Bane is a Board Certified All-Lines Adjuster in the State of Florida. She is a member of the Association of Workers' Compensation Claims Professionals. Ms. Bane obtained her Certification of Workers' Compensation Litigation management designation and is committed to continuing education through industry seminars and workshops. She is currently studying for her Associate in Claims (AIC) designation through the Insurance Institute of America.

## **SPNET**

We are excited to announce we have partnered with Select Provider Networks for our physical and occupational therapy needs as a part of our commitment to contain costs and provide proven therapy results.

SPNet is a clinically based network company who owns, manages, and employs several thousand licensed physical and occupational therapists. Their expertise in physical and occupational therapy creates a true EPO (Expert Provider Organization). SPNet's proprietary concurrent peer to peer utilization management system provides superior cost containment for rehabilitation by focusing on the frequency of services. Along with competitive pricing this model has yielded superior savings for clients.

At Johns Eastern Company, we have integrated our system to allow our nurses, adjusters, and our partners to work side-by-side with one goal in mind; returning an injured employee to work as soon as possible. The result for you is decreased workers' compensation costs; and an increased bottom-line.



**JOHNS EASTERN COMPANY, INC.**

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## CEU SEMINARS & CONFERENCES

- OCT 25-28 2009 Annual PRIMA Conference, Naples, FL
- OCT 29 - Timelines and Penalties for Adjusters & PTD and Supplemental Benefits
- NOV 12 - Compensability Topics & Top Ten Tips for Better Claims Handling
- CEU for Nurses**
- NOV 4 - Changing Times: A Claims Professional Ethical Approach to Working with Multicultural Populations
- DEC 4 - Medical Error



## THE SCHOOL DISTRICT OF MANATEE COUNTY

'Inspiring Our Students to Learn, Dream, and Achieve'

The School District of Manatee County partnered with Johns Eastern Company, Inc. in August 2009 for their self-insured workers' compensation, general liability, auto liability, property, errors & omissions, and employment practices third party claims administration.

The District is one of the largest in Florida, with over 42,000 students and 51 schools. Their mission is to inspire our students with a passion for learning, empowered to pursue their dreams confidently and creatively while contributing to our community, nation and world<sup>(1)</sup>.

The School District of Manatee County has several factors attributing to their successful program, including:

- > Quarterly claims meetings with Johns Eastern Company
- > An effective light duty program
- > Johns Eastern's medical management program, including an on-site nurse
- > Claim are reported online via Johns Eastern's website
- > Ad Hoc Reporting via Johns Eastern's website

Johns Eastern Company working in conjunction with the School District of Manatee County is a successful combination with result driven objectives.

Source: (1) <http://www.manatee.k12.fl.us>