

MCCP including IBR/IMR Guidelines

(Updated 2/1/2016)

In the past several years, there have been changes to the reporting of unit statistical data in the Workers' Compensation Uniform Statistical Reporting Plan – 1995 (USRP) relating to medical cost containment programs (MCCP), independent bill review (IBR), and independent medical review (IMR) due to legislative changes or decisions made by the California Department of Insurance. The changes apply to data reported on unit statistical reports as well as aggregate financial data calls. In summary, the USRP specifies as follows:

- The costs of MCCP with respect to a particular claim or which can be allocated to a particular claim should be reported as allocated loss adjustment expenses (ALAE); however, for claims from policies incepting prior to July 1, 2010, the costs of MCCP should be reported as part of medical loss, rather than as part of ALAE. (The cost of MCCP that cannot be allocated to a particular claim should be considered unallocated loss adjustment expenses, regardless of policy inception date.)
- The fees and costs associated with independent bill review (IBR) conducted pursuant to Labor Code Section 4603.6, including the associated cost of procuring copies of medical records, should be included as a cost of ALAE but not as a part of MCCP for all accident years; however, IBR reports that are paid on or before January 1, 2016 should be included in MCCP whenever MCCP is reportable in ALAE.
- The fees and costs associated with independent medical review (IMR) conducted pursuant to Labor Code Sections 4610.5 and 4610.6 or 4616.4, including the associated cost of procuring copies of medical records, should be included as a cost of ALAE but not as a part of MCCP for all accident years; however, IMR reports that are paid on or before January 1, 2016 should be included in MCCP whenever MCCP is reportable in ALAE.

Guidelines on how to report these types of costs to the WCIRB on aggregate financial data calls is described below.

Accident Year Exhibit of the Quarterly Call (CA-QT-xQyy) and Large Deductible Call (CA-LD-yyyy)

MCCP, IBR, and IMR information reported on the Accident Year Exhibit as of the evaluation date must be in accordance with the following:

(Column 3) Paid Losses (Medical): For claims covered by policies incepting **prior to** July 1, 2010 **only**, include the cumulative paid costs of MCCP that are not related to IBR and IMR.

(Column 7) Paid ALAE: All costs of IBR and IMR should be included in this field, i.e., this field includes the cumulative costs of IBR and IMR amount paid for each accident year as of the evaluation date of the call. For claims covered by policies incepting **on or after** July 1, 2010 **only**, also include the cumulative paid costs of MCCP that are not related to IBR and IMR.

(Column 7a) Paid Cost of Medical Cost Containment Programs Included in ALAE: For claims covered by policies incepting **on or after** July 1, 2010 **only**, report the cumulative costs related to IBR, IMR, and other medical cost containment programs that are paid on or before January 1, 2016 but do not include the cumulative costs related to IBR and IMR that are paid after January 1, 2016 for each accident year as of the evaluation date of the call. The amount reported should also be included in column 7 (Paid ALAE).





(Column 8) Paid Medical on Medical-Only Claims: For medical-only claims covered by policies incepting **prior to** July 1, 2010 **only**, include the cumulative paid costs of MCCP that are not related to IBR and IMR.

(Column 10) Paid Medical Losses on Open Indemnity Claims: For open indemnity claims covered by policies incepting **prior to** July 1, 2010 **only**, include the cumulative paid cost of MCCP that are not related to IBR and IMR.

Paid M CCP, IBR, and IMR Costs when in question can be clarified with the diagram below:

For clarification purposes, “[M CCP]”, [Medical Losses]” and “[ALAE]” are defined as follows.

[M CCP] = M CCP not including IBR and IMR
[Medical Losses] = Medical losses not including M CCP, IBR and IMR
[ALAE] = ALAE not including M CCP, IBR and IMR

Accident Year	3	7	7a
	Paid Medical Losses*	Paid ALAE	Paid Cost of Medical Cost Containment Programs Included in ALAE
 Claims from Policies Incepting Prior to 7/1/2010	[Medical Losses] + [M CCP]	[ALAE] + IBR + IMR	N/A
 Claims from Policies Incepting On or After 7/1/2010	[Medical Losses]	[ALAE] + [M CCP] + IBR &+ IMR	 Costs Paid On or Before 1/1/2016 [M CCP] + IBR + IMR
			 Costs Paid After 1/1/2016 [M CCP]

* Note that Paid Medical on Medical-Only Claims (Column 8) and Paid Medical Losses on Open Indemnity Claims (Column 10) should also be reported on this basis.

Aggregate Indemnity and Medical Costs (CA-IM-20xx), PART C (Paid Medical)

In general, the losses on the Aggregate Indemnity and Medical Costs Call should be reported on a consistent basis as those reported on the Quarterly Call. Please refer to the guidelines above for the Quarterly Call in reporting the Payments for Medical Cost Containment Programs in Part C.

Expense Information for Calendar Year 20xx (CA-EX-20xx), Section I. Expense Exhibit

In general, the losses and ALAE on the Expense Call should be reported on a consistent basis as those reported on the Quarterly Call. Please refer to the guidelines above for the Quarterly Call for reporting losses and ALAE in Section I.