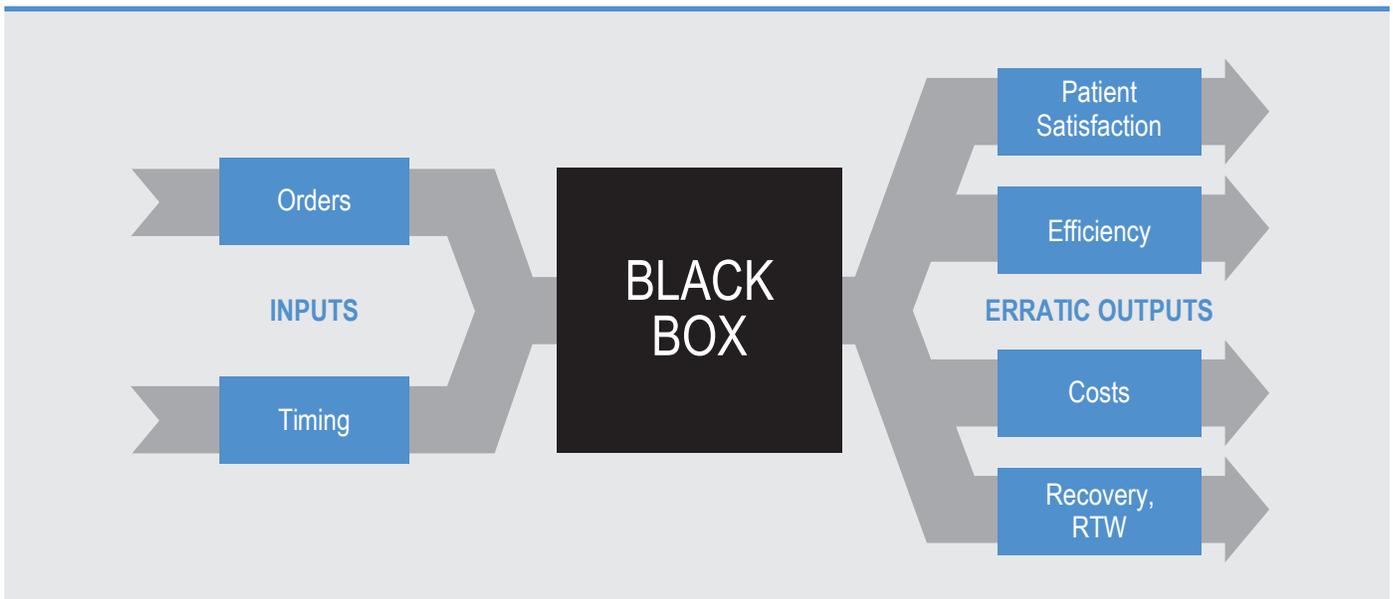


Unlocking the DME “Black Box”

By Bob Smith, CEO of PCS and Ted Smith,
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In science and computing, a black box is defined as a device, process or system, whose inputs and outputs are known, but whose internal workings are often not well understood.



According to this definition, Durable Medical Equipment (DME) has traditionally operated as a black box of sorts for claims adjusters in the workers' compensation space – and with justified reason.

As a specialized area of ancillary services, DME's inner workings are complex. There is a wide range of equipment. Within each category, there's a significant number of products that vary in nuanced ways, with many products offering slightly different functions. As a result, costs run the gamut, and coding gets complicated with a “miscellaneous” code used for products that aren't easily categorized.

From the adjusters' perspective, the DME black box has known “inputs” and “outputs,” which we'll review, but the “inner workings” can often be shrouded in mystery, which we'll outline and unlock in this paper.

DME Black Box: Critical Inputs

As mentioned, the inputs into the DME black box are known and understood:

Orders. The main inputs are DME referrals sent from treating physicians. For the most part, the physicians may also be unaware of the wide variety of equipment available and what each may cost. They may inadvertently write a prescription for a costly brand name product, when a cheaper generic version is available.

Timing. Oftentimes, DME is needed on complex injury claims. An injured worker may be in the hospital or another medical facility, soon to be discharged. Although adjusters may try to work with these facilities in advance, they often receive last-minute notice of an injured employee being released with urgent DME needs. As a result, it’s quite common to receive a DME request on a Friday afternoon, making it difficult to fulfill the order and ensure a smooth transition home.

DME Black Box: The Inner Workings

When adjusters receive DME orders, most of the time, they simply pass them on to the ancillary service provider to fulfill. However, if the inputs aren’t great to begin with and the vendor doesn’t have a stellar internal process, then the resulting outputs could vary significantly in terms of quality, patient satisfaction, cost, and other outcomes. As such, let’s consider the key factors that make up the internal workings of the DME process, so they can be more carefully tracked and monitored to ensure a better end result:

Broad DME Product Expertise. An ancillary service provider should have deep expertise across a wide variety of DME products that are available, including:

Standard DME - Rental and Purchase Available:

- Ambulatory aids – wheelchairs, walkers, crutches, canes
- Hearing aids and supplies
- Bath and hygienic equipment
- Conditioned pain modulation (CPM), cold therapy, wound VAC

Specialty Rehab Equipment:

- Custom wheelchairs and scooters
- Lift chairs and lifts
- Specialty beds and mattresses

Orthotics and Prosthetics:

- Custom and Off the Shelf

Modification Services:

- Home, Vehicle and Workplace

Medical Supplies:

- Respiratory
- Wound Care
- Urinary and Incontinence
- Burn Care

Electrotherapy Units and Supplies:

- TENS Units
- Muscle Stimulators
- Galvanic and Interferential Stimulators
- Bone Growth Stimulators

Adjusters want and need education on DME, but they often don’t have the time or bandwidth to research different products in the midst of an injured employee being discharged or in the middle of managing a claim. Instead, they need to rely on an ancillary service provider to have ready knowledge to review orders on their behalf and to bring any concerns to their attention.

However, adjusters should choose ancillary service providers who can help educate them about DME by organizing training sessions. In this way, adjusters can gain the DME knowledge they need on a date and time specifically set aside for continuing education. In addition, a valued ancillary service partner will also provide adjusters with education along the way, as DME issues come to light.

Critical component in the DME process: Deep expertise across a wide variety of products.

High-level Customer Service. An ancillary service provider will offer both customer and patient-focused delivery of DME products. A small shop might not have the connections and means to facilitate a high-touch customer experience, while a large, highly siloed company may be too unwieldy, resulting in fragmented service.

Efficiency is affected by how the ancillary service provider is structured. Some divide their operations by product lines, with ancillary services such as diagnostics, home health care, and DME handled by separate units. As a result, adjusters might have to jump through hoops to meet all of their claimant’s ancillary service needs and to obtain a comprehensive update on a file. Adjusters might end up losing precious time, which could have been used to manage their caseloads or interact with injured employees or other workers’ comp stakeholders.

Priority Care Solutions (PCS), a division of Genex Services, has tailored its service and delivery to help customers eliminate the burden of administrative hassles. Customers are assigned a single care coordinator to handle all ancillary service needs on a single case. Whether it’s DME, home health care, or diagnostic imaging, there’s a single point of contact for all services. Adjusters appreciate this approach, as it simplifies things on their end.

Unlike other large ancillary providers, PCS’s service model is designed around the needs of the adjusters – and their claimants. With personalized service and dedicated account teams, adjusters receive 24/7 access to care coordinators and the information they need when they need it. Orders can either be submitted online or by phone – at the discretion of payers and their adjusters. In addition, communication protocols are customized to meet their needs as well. To streamline communications, PCS will acknowledge any emails received within hours of receipt, and its call-wait times are kept low – at 15 seconds on average.

Broad Network. A national network of credentialed DME and supply vendors offer prompt delivery, convenience and significant savings on fee schedules. Credentialing is also key. An ancillary service provider must vet DME providers, ensuring these vendors are properly licensed and insured.

PCS offers a best-in-class national network. Its carefully curated national network includes a full spectrum of specialized DME solutions. It also performs rigorous network evaluation and grading to ensure it continues to utilize only the best providers. It can also customize its national network to fit a customer’s unique needs. And it can coordinate rush, same day, and weekend delivery at no additional charge. In short, PCS provides prompt, reliable and safe delivery of DME products and medical supplies that are therapeutically appropriate and cost effective.

Continuum of Care. An ancillary service provider should work in close collaboration with nurse case managers to ensure clinical oversight is applied to ancillary service needs. Many times, claimants require medical and ancillary services together. As a result, a coordinated approach ensures better overall results, value, and savings. There have been many examples when a nurse case manager, who was helping to oversee a complex or catastrophic injury, ended up advocating on behalf of the injured employee for a critical piece of equipment, which could help in the recovery process, such as an exoskeleton to help a paraplegic walk again.

Another critical component: A high-touch customer experience for adjusters and patients.

Case in Point: A referral is received for a TENS unit. There are many different types, but the treating physician has ordered a name brand product, which costs \$3,000. An ancillary service provider with deep product knowledge will review the order and take the initiative to contact the treating physician and ask if it’s okay to substitute the name brand product with a generic one of the same quality but much lower cost. A treating physician will typically approve such a modification, but it’s the ancillary service provider who has the product knowledge to identify the opportunity for savings on behalf of the customer.

DME Black Box: Ensuring Quality Outputs

The main output of the DME box centers around the delivery of DME to the injured employee, but that process can be divided into several key aspects. It's also important to understand that “positive” outputs are only achieved when the inner workings of the DME box have reach a certain level of excellence:

Patient Satisfaction. The ancillary service provider typically receives the claimant's contact information with the original DME order. With this information, it can contact claimants to ensure they've received their DME products, have obtained proper training (if needed), and are generally satisfied with the equipment. Likewise, patients should have received the ancillary service provider's contact information, so they know with whom to follow-up in case equipment doesn't arrive or if there are issues with the item.

Efficiency. Injured employees should receive their DME product in a timely manner, so they can begin to use it when they most need it. Timeliness also ensures a prompt discharge and smooth transition home, as well as a prompt recovery and return to work, when possible.

Overall, when the inner workings of the DME box are optimized, then administrative burden is significant reduced – if not eliminated entirely. This is a tremendous benefit for busy adjusters. PCS works hard to ensure that adjusters don't have to deal with these types of hassles. Its care coordinators work in advance to connect the dots between physicians, DME vendors, claimants, and billing. They also communicate directly and proactively to minimize confusion and delays, and they properly align expectations among stakeholders. For example, if a customized brace is required, it may take a lot longer to deliver than standard equipment, like a cane. The care coordinators will strive to keep adjusters and claimants updated each step of the way.

Costs. The medical costs on a workers' comp claims can be significant. By containing DME expenses, an ancillary service provider contributes to medical cost containment. PCS strives to save costs for its customers in multiple ways. For example, it will:

- Submit a DME plan in line with treatment guidelines to the adjuster to obtain prior authorization and a purchase order for equipment. As such, the rigmarole of unauthorized orders – which may include the filing of liens and attempted collections – may be avoided. This not only saves costs but also eliminates administrative hassles.
- Negotiate optimal rates with DME vendors to achieve costs that are below state fee schedules.
- Develop and offer programs such as rentals caps, which generate more savings. If a claimant starts out renting equipment but needs it for a longer period than expected, there's no risk that the payer will be overcharged through an indefinite rental period. Instead, rental costs are capped at the purchase price of the item, and when this sum is reached, the item is owned outright.
- Check to see if a generic substitution can be made, if and when a costly brand name product is ordered – this is achieved through the PCS ancillary benefit management service.
- Apply retrospective savings through its bill review process, when DME claims circumvent its prospective controls.

When the inner workings of the DME process are finely tuned, positive outcomes result.

Recovery and Return to Work (when and where possible). Unfortunately, not all claims – especially those that are catastrophic in nature – will end in return to work. However, when and where possible, ancillary service providers should look for and present any and all opportunities to help improve recovery times and return-to-work results.

In order to do this, PCS stays abreast of modern, innovative and emerging technologies. For example, a new device might be shown to have better results in addressing a certain medical issue, such as reducing post-operative knee pain and recovery times, and thereby, improving return-to-work results. An adjuster might balk at this more expensive DME option, preferring a device with costs and results they’re more familiar with. However, PCS will provide the adjuster with the medical evidence which demonstrates that the device has a proven track record of bringing about better outcomes.

From Black to Unlocked Box

The fact that adjusters are dealing with a full-plate of responsibilities has necessitated and perpetuated the DME black-box paradigm. Claims professionals do not have the spare time to become experts in yet another area, especially since they have high caseloads, must stay up to date with legislative changes, and deal with a plethora of day-to-day interactions with claimants, employers, and physicians.

Today, ancillary service providers like PCS are striving to fulfill adjusters’ DME needs, while also turning around the traditional black-box situation. With a black box, you can’t see what’s inside, but this paper has unlocked and revealed the inner workings of the DME process, so it can operate with greater transparency – and in the end, better results.

When and where possible, an ancillary service provider will look for opportunities to improve recovery and RTW results.



Bob Smith is CEO of PCS. With more than 30 years of experience, he is highly influential in the workers' compensation industry. Bob oversees sales and marketing, the development of new products, and evaluates potential acquisitions that would enhance the company's overall growth while supporting the corporate vision.

Ted Smith is senior vice president of national sales at PCS. With more than 10 years of experience in the workers' compensation industry, Ted is an expert on managing ancillary services, including diagnostics, durable medical equipment (DME), and home health services. In his current role, Ted has worked to grow and expand the company's ancillary service offering.

About PCS

PCS, a division of Genex Services, is a leading specialty managed care services and network provider for the workers' compensation industry. The company draws on the cumulative experience of its executive team with an average of 20 years in all areas of workers' compensation. The company has used this experience to create unique, proactive solutions that mitigate risk, create operational efficiencies and reduce costs, while providing compassionate, exceptional, and timely care to injured employees.

Based in Tampa, Florida, PCS works to meet the ancillary service needs of carriers, third-party administrators, self-insured employers, government agencies and managed care organizations. Its comprehensive set of solutions has helped to tackle the industry's most pressing challenges. The results are faster, more efficient and cost-effective claims resolution and injured employees who receive the care they need.



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