



## Changes to Claim Processing for Compression Hose, Orthotics, and Orthopedic Shoes – Regular Group

As a benefits provider, one of Great-West's mandates is to ensure that benefits are paid fairly, accurately, and promptly. We regularly audit claim payment efficiency and accuracy, and monitor claim trends.

Over the past several years, there has been a significant increase in the volume of claims submitted for orthotics, orthopedic shoes and compression hose. This is mainly attributable to a drastic increase in utilization.

For example, from 1999 to 2004,

- the average cost for orthotics increased by 9.14% while the actual number of claims increased by 126.86%;
- the average cost for orthopedic shoes increased by 4.42% while the actual number of claims submitted increased by 259.30%;
- the average cost for compression hose increased by 42.00% while the actual number of claims submitted increased by 332.63%.

To ensure that benefit utilization is reasonable we are modifying some of our adjudication practices to:

- ensure that members receive the benefits that they are entitled to
- help better manage the cost of the benefit plan

### Implementing change

In order to address this issue, effective April 1, 2006 the following changes will be implemented on all Great-West plans, unless the plan specifically provides otherwise.

### Orthotics and orthopedic shoes

- Prescriptions for orthotics or orthopedic shoes will be accepted from practitioners who are qualified to prescribe orthotics and orthopedic shoes including a medical doctor, podiatrist, or chiropodist. Prescriptions from physiotherapists or chiropractors will no longer be accepted.
- Claims for orthopedic shoes that are required to accommodate orthotics will no longer be paid. Custom-made or custom-fitted orthopedic shoes should not require an orthotic as they have been specially constructed for the patient.
- Orthotics for sandals and orthopedic sandals will be adjudicated on the same basis as described above for orthopedic shoes.
- Claims for mass produced, brand name orthopedic shoes that have not been custom fitted as per our contract, will not be reimbursed.

## **Compression Hose**

### **Compression hose maximums encouraged**

There are some plans that have unlimited or high annual maximums. To help manage plan costs, we encourage plan sponsors to review their plan maximums to ensure that the amounts are reasonable.

### **Benefit Policy Changes**

Effective April 1, 2006 the following changes will be implemented:

- coverage will be limited to stockings with a compression factor of 20 mmhg or higher.
- the following information will be required for each prescription:
  - name of patient
  - diagnosis
  - compression factor
  - model number of hose
  - number of pairs required
  - physician's signature with date

## **Claims Adjudication**

Claims incurred on and after April 1, 2006 will be adjudicated under the new benefit policy rules but we will allow "first-time forgiveness." This means that if prior to April 1, 2006, a plan member had a claim paid under "old" benefit policy, we will pay their next claim on that basis. We will advise the plan member that future claims will not be covered.

### **Impact on Plan Sponsors**

The immediate impact on claim costs will not be significant. Our goal is to be proactive in controlling claim costs and to reduce the trend in claim cost increases. Claiming patterns for these products are not the same for all plans. Consequently, the impact of this adjudication policy will vary. The impact of changes in the amount of claims submitted will be reflected in future renewals.

### **For More Information:**

Please contact your benefits advisor or Great-West representative.

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