



# JOHNS EASTERN

Claim Adjusters & Third Party Administrators



## CEU SEMINARS

**3/14/17:**  
**“Fight or Flight: When to Challenge Treatment Plans”** by Mary Frances Nelson with Eraclides, Gelman, Hall, Indek, Goodman & Waters, PA. 11:30 AM – 1:00 PM, Holiday Inn Lakewood Ranch, 6231 Lake Osprey Dr., Lakewood Ranch, FL.

**3/20/17:**  
**“Prescription Meds and Effects on Mental and Oral Health”** by Michael Turner with EZ Dental Care. 11:30 AM – 1:00 PM, Johns Eastern, 6015 Resource Ln, Lakewood Ranch, FL.

**4/27/17:**  
**“Case Managing Brain Injured Clients”** and **“Mind-Body Connections”** by Teah Gulley with NeuroRestorative and Shay Velsor with One Call. 11:30 AM – 2:00 PM, Holiday Inn Lakewood Ranch.

**For more details, contact:**  
 Rose Rome at [rrome@johnseastern.com](mailto:rrome@johnseastern.com)

## WORKERS’ COMPENSATION ALERT!

### A Cautionary Tale of Fraud for Florida Employers and Workers

A situation has recently come to light across the state involving HealthIE Network, LLC and Sentrix Pharmacy. Based on recent investigations, the situation arises when an injured employee receives a call purportedly on behalf of a Third Party Administrator or insurance carrier.

The caller offers to assist the employee with their medical care. The employee is asked if he/she is satisfied with the care he/she is receiving or would like to talk to another doctor. If the employee agrees, then a letter is sent to the employee which includes the date of accident and case number.

The letter requests “authorization to receive treatment” from a consulting physician. The employee is told to sign the letter if they want to talk to the doctor. A follow-up call is then made to the employee with an offer to speak with a doctor or sometimes a pharmacist. If the employee agrees to speak with the doctor, the

doctor obtains information from the employee and “examines” the employee via video phone chat.



The physician then prepares a report and recommends medications. In most cases, the prescriptions are for compounded medications.

The employee is provided the prescription medications via mail and bills are sent to the Third Party Administrator for payment. Included with the bill is a letter purportedly signed by the employee requesting “consultative medical services through HealthIE Network.” The letter includes notice that “if no response is received within five days of receipt of this request, I will assume my request is authorized and I will proceed with scheduling my appointment through

HealthIE Network.”

Be advised that there is no provision in Florida Statutes Chapter 440 for “consultative medical services.” The “letter” requesting consultative medical services is not and should not be construed as a request for a one-time change. Florida Statutes section 440.13(2)(f) requires the request for a one-time change be in writing from the employee – not a provider.

Constant and diligent medical monitoring of the employee’s medical care by the Johns Eastern team of professionals has averted payment of questionable bills associated with HealthIE Systems and Sentrix Pharmacy.

The Florida Attorney General has also been alerted to this situation. As the statutes governing workers’ compensation medical care do not provide for this type of “treatment,” defense attorneys and claimants’ attorneys alike are working to help stop this practice by HealthIE Network and Sentrix Pharmacy.

Nancy Blastic, Esq.  
 Broussard & Cullen, P.A.

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# PHYSICIAN DISPENSING: MYTH OR FACT?

Some physicians argue that providing medications in office benefits the patient. But the impact of this practice on workers' compensation patient outcomes – and ultimately costs – tells a very different story.

**MYTH:** Physician dispensing improves patient adherence to medication, leading to improved patient outcomes.

**FACT:** Physician dispensing is associated with poorer clinical outcomes and up to 30% more lost time.<sup>1, 2</sup>

**MYTH:** Physician dispensing ensures closer patient monitoring, optimizing patient safety.

**FACT:** Physician dispensing removes the safeguard of having licensed pharmacists act as a second line of defense to identify drug therapy risks such as:

- Drug-drug and drug-disease interactions
- Therapeutic duplication
- Inappropriate therapy or dosing

In fact, up to 70% of medication errors happen at the time of prescribing.<sup>3</sup>

**MYTH:** Prices for physician-dispensed medications are equivalent to pharmacy-dispensed medications.

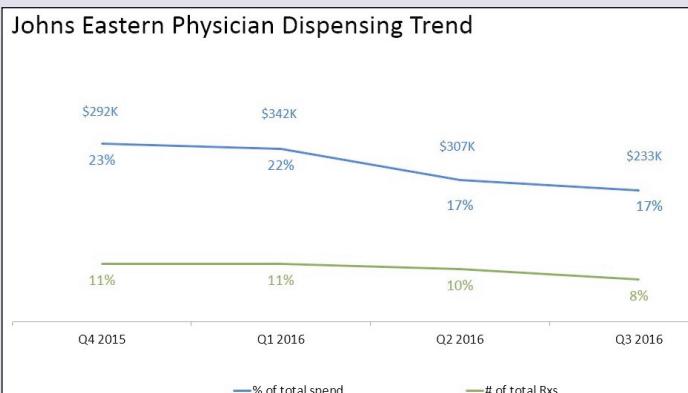
**FACT:** More than 90% of prescribers perceive their prices are equivalent to or lower than pharmacies.<sup>4</sup> In reality, prices paid for physician-dispensed medications are often 60-300% higher for the same drugs dispensed by a retail pharmacy.<sup>5</sup>

Johns Eastern has been consistently working to educate and inform prescribers and patients about these concerns. Over the past year, the spend and count of total physician-dispensed medications has significantly decreased as a result of this effort.

## How Does Physician Dispensing Impact Employers and Injured Employees?

### Drug Therapy Risks

Healthsystems data shows top physician-dispensed drug classes include opioid analgesics, NSAIDs, muscle relaxants, dermatologicals/topicals, and anti-ulcer medications. Many of these medications pose safety



risks to the injured worker and are linked to poorer outcomes.

### Higher Medical Costs

Not only are direct costs of physician-dispensed medications significant, but they increase overall medical costs. A study of workers' compensation claims in Illinois found that medical costs were 39% higher in claims with physician-dispensed medications.<sup>2</sup>

### No Pharmacy Oversight

Medications dispensed by a pharmacist in a retail pharmacy undergo a drug utilization review for clinical appropriateness and potential drug-drug interactions. Physician-dispensed medications bypass this safeguard.

Due to the significant concerns associated with physician-dispensed medications, Johns Eastern requests that the practice of physician dispensing be minimized. When possible, all prescriptions should be dispensed by a retail pharmacy or mail order facility.

<sup>1</sup> Swedlow, Alex, Laura Gardner, John Ireland. "Differences in outcomes for injured workers receiving physician-dispensed repackaged drugs in the California workers' compensation system." CWCI Research Brief. February 2013.

<sup>2</sup> White, Jeffrey, Xuguang Tao, Ryan D. Artuso, Craig Bilinski, James Rademacher, and Edward Bernacki. "Effect of physician-dispensed medication on workers' compensation claim outcomes in the state of Illinois." *Occupational and Environmental Medicine* 56, no. 5 (May 2014): 459-64.

<sup>3</sup> "Prescribing errors are the most common medication errors in primary care practices." AHRQ Archive. February 2009. <https://archive.ahrq.gov/news/newsletters/research-activities/feb09/0209RA5.html>.

<sup>4</sup> Munger, Mark A., James H. Ruble, Scott D. Nelson, Lynsie Ranker, Renee C. Petty, Scott Silverstein, Erik Barton, and Michael Feehan. "National Evaluation of Prescriber Drug Dispensing." *Pharmacotherapy: The Journal of Human Pharmacology and Drug Therapy* 34, no. 10 (2014): 1012-021.

<sup>5</sup> Wang, Dongchun. Physician Dispensing in Workers' Compensation. WCRI. 2012: 12-24.

**Vendor Partner: Clinical Services Team, Healthsystems**



# MEDICARE UNVEILS REPORTING CHANGES



**John Powers**  
TPA Liability  
Quality Assurance  
Manager

Medicare has lowered the bar again. This time, effective January 1, 2017, they have lowered the threshold for reporting liability bodily injury settlements from \$1,000.01 to \$750.01. This cuts a sizeable chunk out of the already small safe zone adjusters had to negotiate a settlement that did not include Medicare. Also, for the first time ever, Medicare has implemented a threshold for no-fault/medical payments claims. That threshold is \$750.01, and is retroactive to October 1, 2016. This means that no-fault/medical payments and Total Payment Obligations to Claimant (TPOCs) of \$750 and less do not have to be reported.

Meanwhile, Medicare Advantage Plans scored a huge victory last year in the case of *Humana Medical Plan v. Western Heritage Insurance Company*. Western Heritage had previously settled with a Medicare Advantage enrollee who had received Medicare benefits through Humana, but lied about it to Western. When Western learned of Humana's involvement, they tried to add Humana on the settlement check, but the terms of the agreement barred them from doing so. They reached an agreement with the plaintiff's attorney to

hold the \$19,155.41 in escrow to reimburse Humana when the issue was resolved. However, Humana filed a private cause of action against Western seeking double damages. Western argued that a Medicare Advantage (MA) organization does not have the power to bring a private cause of action. The U.S. Court of Appeals for the Eleventh Circuit entered judgment in favor of Humana.

The Appeals Court found no question as to whether a MA organization has the right to bring a private cause of action, citing language from the Medicare Secondary Payer (MSP) Act that gives MA organizations the same rights as Medicare. They also opined that Western, being a party to tort litigation, had been in a position where they were able to discern the enrollee's health insurance coverage. The court found the MSP Act requires a primary plan to reimburse an MA organization in the event the beneficiary has not done so within 60 days of settlement, even if the plan has already reimbursed the beneficiary or other party. The original court's judgment was upheld on appeal.

These recent changes in the Medicare landscape set yet another precedent that requires an extra level of vigilance in adjusting bodily injury and no-fault/medical payment claims.

# JE EMPLOYEES EXCEED GOAL FOR OUR LITTLE ANGELS



**Rose Rome**  
Executive Assistant

Johns Eastern employees were once again excited to partner in the 4th quarter with the Manatee County School District's ESOL/Migrant Department for a program we like to call "Our little Angels." The aim of this program is to give support to families who would otherwise be unable to provide gifts to their little ones. This year our employees had the pleasure of

bringing the joy of the holidays into the lives of 43 children!

While the philanthropy committee held several events to raise awareness and funds for "Our little Angels," our spotlight fundraiser was the "Ultimate Chili Cook-Off."

Eleven chefs entered the contest to show off their chili-making skills and each special recipe was rated by employees. Our contest winners were:

- 1st: Kira Everingham
- 2nd: Shirley Mora
- 3rd: Beverly Adkins

Thanks to the participation of JE employees, we were also able to raise \$896, which helped us purchase gifts for eight additional children.



# MAXIMUM WORKERS' COMPENSATION RATE INCREASES

The Florida Department of Economic Opportunity has determined the statewide average weekly wage paid by employers subject to the Florida Reemployment Assistance Program Law to be \$886.46 for the four calendar quarters ending June 30, 2016.

Subsection 440.12(2), Florida Statutes (2016), expressly provides that, for injuries occurring on or after August 1, 1979, the weekly compensation rate shall be equal to 100 percent of the statewide average weekly wage, adjusted to the nearest dollar, and that the average

weekly wage determined by the Department of Economic Opportunity for the four calendar quarters ending each June 30 shall be used in determining the maximum weekly compensation rate with respect to injuries occurring in the calendar year immediately following.

Accordingly, the maximum weekly compensation rate for work-related injuries and illnesses occurring on or after January 1, 2017 shall be \$886.00.



State of Florida, Division of Workers' Compensation

## 5 TIPS TO IMPROVE YOUR MEMORY

As we start a new year, many of us start to think about sharpening our minds and boosting our brain power. Experts say the mind should be treated as a muscle, and as such, it can be trained to adapt and change. Here are a few tips to train your brain and improve your memory:

### 1. *Feed Your Brain*

Diets rich in fruits, vegetables, whole grains, omega-3 fatty acids and lean protein can help improve memory.

### 2. *Give Your Brain a Workout*

Taking part in activities like completing puzzles, learning a foreign language, or playing an instrument can all keep your brain engaged and interested.

### 3. *Get Plenty of Sleep*

Sleep is the time when your brain consolidates memories, solves problems encountered during the day and gives an outlet to creativity. Experts recommend adults get between 7 - 9 hours of sleep each night for maximum benefit.



### 4. *Limit Your Stress*

Over time, chronic stress can damage the hippocampus – the area of the brain involved in the formation of new memories and the retrieval of old ones. Feeling stressed? Consider meditation or physical activity as an outlet.

### 5. *Connect with Family & Friends*

Social activity with family and friends can be one of the best activities to keep your brain young. Laughter engages multiple areas of the brain and can actually support brain repair and the creation of new brain cells!

U.S. Department of Health and Human Services,  
National Institute on Aging

## HAVE YOU CONNECTED WITH JOHNS EASTERN?

Join us today on:



# COURT UPHOLDS 30-DAY ALLOWANCE

## EMPLOYMENT LAW UPDATE

In December 2016, the U.S. Court of Appeals for the Eleventh Circuit held that employers may use a “best qualified” policy for filling vacancies, even as a reasonable accommodation under the Americans with Disabilities Act (ADA).

In *EEOC v. St. Joseph’s Hospital, Inc.*, the Equal Employment Opportunity Commission (EEOC) filed suit on behalf of a nurse claiming she should have been considered for three vacancies in order to accommodate a walking disability that required her to use a cane; the nurse had previously been deemed not qualified for her position working in the psychiatric ward because her cane could have posed a hazard. To address those safety concerns, the hospital gave the nurse 30 days to apply for other positions at the hospital for which she was qualified. The nurse was, however, required to compete with other candidates for these positions in accordance with the hospital’s best-qualified hiring policy and apply for the job openings as an external candidate.



Ultimately, she was not hired for any of the three open positions. For the first position, she did not have the medical, surgical and educational experience required; the second position was filled before she applied; and the third position was posted in error.

The case went to a jury, which determined that the hospital denied the nurse a reasonable accommodation in violation of its ADA requirements. After the verdict was rendered, the District Court required the hospital to consider reinstatement based on the jury’s finding.

The Eleventh Circuit, however, vacated the reinstatement order by ruling against the EEOC and directed entry of a judgment for the hospital, concluding that the ADA does not

mandate reassignment without competition for disabled employees. As a result, the 30-day period to look for other work was reasonable as a matter of law to fulfill the hospital’s ADA obligations.

Sniffen & Spellman, P.A.

## CONFERENCE CONNECTION

Plan now to meet Johns Eastern representatives at an upcoming conference:

**South Carolina Public Risk Management Association (PRIMA) Annual Conference**  
March 5 - 7, 2017 • Myrtle Beach, SC

**Georgia Public Schools Workers’ Compensation Administrators Annual Conference**  
March 8 - 10, 2017 • St. Simons Island, GA

**Virginia PRIMA Spring Conference**  
March 30 - 31, 2017 • Virginia Beach, VA

**Risk Management Society (RIMS) Annual Conference & Exhibition**  
April 23 - 26, 2017 • Philadelphia, PA

**Georgia PRIMA Educational Conference**  
April 24 - 26, 2017 • Savannah, GA

**Public Risk Management Association (PRIMA) Annual Conference**  
June 4 - 7, 2017 • Phoenix, AZ



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**JOHNS EASTERN COMPANY**  
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- State of Florida, Division of Workers' Compensation
- U.S. Department of Health and Human Services, National Institute on Aging

## CONGRATULATIONS TO OUR STAFF!

Thank you to the following employees for their many years of dedicated service to Johns Eastern:

- 5 years:** Cori Carpenter, Joseph DeLorme, Sarah Humberson, Michael Klein, Gary Strassberg and Julia Pugh
- 10 years:** Keri Cano, Susan Comes, Robert Compton, Sabrina Elder, Dave Heagerty, Ellen Johnson, Joan Kinnear, Dorothy Lenz, Brandon Long, Javier Melendez, Jessica Rinehart, Matthew Turney, Paul Velasco, Alice Wells, and Warren Wilson
- 20 years:** Lisa Gibbins, Darryl Hopkins, and Jason Smith
- 30 years:** Beverly Adkins, Richard Brelsford, and Brian Harlow
- 35 years:** Lori Capdarest

## IN THE SPOTLIGHT



Meet John Powers, Johns Eastern's Liability Quality Assurance Manager! John joined Johns Eastern in 2010 and was promoted to Liability Quality Assurance Manager in 2015. Since joining Johns Eastern he has obtained his Associate in Claims (AIC), his Associate in Risk Management (ARM) and his Associate in Management (AIM) designations from The Institutes.

As the Liability QA Manager, John oversees subrogation and excess recoveries, is responsible for the overall operational production of Medicare Reporting, and is actively engaged in the litigation management of claims for many of our public and private entity clients. He is bilingual in English and Spanish and is licensed to adjust claims in Florida, Georgia, Arizona and

Oregon.

John graduated from Lehigh University in 2002 with a Bachelor of Science degree in Finance. He has been married for 11 years and has a son and two step-daughters. When not spending time with his family, John enjoys golfing, weight training, cooking, gardening and volunteering at his church.