

ENCOMPASS INSURANCE COMPANY OF NEW JERSEY DECISION POINT & PRECERTIFICATION PLAN

DECISION POINT REVIEW

Pursuant to N.J.A.C. 11:3-4, the New Jersey Department of Banking and Insurance has published standard courses of treatment, Care Paths, for soft tissue injuries of the neck and back, collectively referred to as the Identified Injuries. The Care Paths provide that treatment be evaluated at certain intervals called Decision Points. On the Care Paths, Decision Points are represented by hexagonal boxes. At decision points the Named Insured, Eligible Injured Person or treating health care provider must provide us information about further treatment that is intended to be provided (Decision Point Review). In addition, the administration of any diagnostic tests set forth in N.J.A.C. 11:3-4.5(b) is subject to Decision Point Review regardless of the diagnosis. The Care Paths and accompanying rules, are available on the Internet on the Department's website at <http://www.nj.gov/dobi/aicrapg.htm> or by calling ENCOMPASS INSURANCE COMPANY OF NEW JERSEY at 1-800-260-1454.

We will advise the Named Insured and/or Eligible Injured Person of the care path requirements upon notification to us of a claim filed under Personal Injury Protection. The Decision Point Review requirements do not apply to treatment or diagnostic tests administered during emergency care or during the first ten days following the accident causing injury.

We will review the course of treatment at various intervals (Decision Points), unless a comprehensive treatment plan has been precertified by us. In order for us to determine if additional treatment or the administration of a test is medically necessary, the treating provider or the Named Insured and/or Eligible Injured Person must provide us with reasonable prior notice together with the appropriate clinically supported findings that the anticipated treatment or test is medically necessary.

We will review this notice and supporting materials within three business days. Encompass Insurance Company of New Jersey's vendor, CHN Solutions, may assist in the medical review when necessary. Following the review, we have the option to:

- a. authorize or deny reimbursement for the treatment or test; or
- b. schedule a physical examination of the Named Insured and/or Eligible Injured Person where the notice and supporting materials are insufficient to authorize or deny reimbursement for the further treatment or test.

If we request a physical examination, the examination will be conducted in accordance with our Decision Point Review & Pre-certification Plan.

We will notify the treating provider, Named Insured and/or Eligible Injured Person of our decision to authorize or deny reimbursement of the treatment or test as promptly as possible, but no later than three business days after a request has been made. Any denial of reimbursement for further medical treatment or tests will be based on the determination of a physician or dentist. The Named Insured and/or Eligible Injured Person or his designee may request a copy of any written report prepared in conjunction with any physical examination we request. If we fail to take any action or fail to respond to the Named Insured and/or Eligible Injured Person within three business days after receiving the required notification and supporting medical documentation at a decision point, then the provider is permitted to continue the course of treatment until we provide the required notice.

An additional co-payment of 50 percent will apply to the eligible charge for medically necessary services, treatments and procedures, diagnostic tests, durable medical equipment or otherwise potentially covered expenses that are incurred after notification to us is required for continued treatment or administration of a test if:

- a. requests for decision point review are not submitted where required, or;
- b. clinically supported findings that support the decision point review request are not submitted.

This additional co-payment will not apply if we have received the required notice, supporting medical documentation, and have failed to act within three business days to authorize or deny reimbursement of further treatment or tests.

MANDATORY PRECERTIFICATION

If the Named Insured and/or Eligible Injured Person does not have an Identified Injury, we will require that the Named Insured and/or Eligible Injured Person or their health care provider request precertification for services, treatments and procedures outlined in Exhibit A which includes diagnostic tests, durable medical equipment or otherwise potentially covered medical expense benefits. In the event that a Named Insured and/or Eligible Injured Person is injured in an automobile accident, the Named Insured and/or Eligible Injured Person or their health care provider should contact Encompass Insurance Company of New Jersey in order to obtain precertification. Precertification will not apply to treatment or diagnostic tests administered during emergency care or during the first ten days after the accident causing the injury.

Our approval of requests for precertification will be based exclusively on medical necessity, as determined by using standards of good practice and standard professional treatment protocols, including, but not limited to, Care Paths recognized by the Commissioner of Banking and Insurance. Our final determination of the medical necessity of any disputed issues shall be made by a physician or dentist, as appropriate for the injury and treatment contemplated. The Named Insured and/or Eligible Injured Person or their health care provider must provide us with reasonable prior notice of the anticipated services, treatments and procedures as outlined above, as well as, the appropriate clinically supported findings to facilitate timely approval. When appropriate, the health care provider may submit a comprehensive treatment plan for precertification.

An additional co-payment of 50 percent will apply to the eligible charge for medically necessary services, treatments and procedures, diagnostic tests, durable medical equipment or otherwise potentially covered expenses that are incurred after notification to us is required for continued treatment or administration of a test if:

- a. Requests for precertification are not submitted where required, or;
- b. Clinically supported findings that support the mandatory precertification are not submitted.

This additional co-payment will not apply if we have received the required notice, supporting medical documentation, and have failed to act within three business days to authorize or deny reimbursement of further treatment or tests. Our failure to respond within three business days will allow a provider to continue treatment until we provide the required notice. If we request a physical examination, the examination will be conducted in accordance with our Decision Point Review & Pre-Certification Plan.

VOLUNTARY PRECERTIFICATION

Health care providers are encouraged to participate in a voluntary precertification process by providing Encompass Insurance Company of New Jersey with a comprehensive treatment plan for both Identified Injuries and other injuries listed in Exhibit A. Encompass Insurance Company of New Jersey will utilize nationally accepted criteria and the Care Paths to work with the health care provider and certify a mutually agreeable course of treatment to include itemized services and a defined treatment period. Encompass Insurance Company of New Jersey's vendor, CHN Solutions, may assist in the voluntary precertification when necessary.

In consideration for the health care provider's participation in the voluntary certification process, the bills that are submitted, when consistent with the precertified services, will be paid so long as they are in accordance with the PIP medical fee schedule set forth in N.J.A.C. 11:3-29.6. In addition, having an approved treatment plan means that as long as treatment is consistent with the plan, additional notification to Encompass Insurance Company of New Jersey at decision points is not required.

DECISION POINT REVIEW/PRECERTIFICATION PROCESS

For every claim that is reported by our Named Insured and/or Eligible Injured Person, a loss report is created and transmitted electronically to our claim office. A claim representative contacts the Named Insured and/or Eligible Injured Person, confirms coverage and reviews the policy requirements. During this conversation, the claim representative explains that Decision Point Review is required for Identified Injuries and Pre-certification is required for other injuries, services, treatments and procedures outlined in Exhibit A. The Named Insured and/or Eligible Injured Person is sent a letter confirming receipt of the claim and explanation of the benefits and processes. The medical provider (if known) is sent a letter explaining this Decision Point Review/Precertification process.

Medical providers are furnished with Encompass Insurance Company of New Jersey's toll free number, fax number & e-mail address for providing either Decision Point Review notice, Mandatory Precertification notice and/or Voluntary precertification notice. Upon receipt of Decision Point Review/Precertification notice by a provider, the claims adjuster will review the documentation submitted. When the services that are being requested are found to be clinically supported and medically necessary, both the provider and the Named Insured and/or Eligible Injured Person are notified by Encompass Insurance Company of New Jersey of the approval by fax.

In the event that further medical review is necessary, the submission will be referred to Encompass Insurance Company of New Jersey's vendor, CHN Solutions. The provider will be contacted by CHN Solutions and the submission and any further Decision Point Review/Precertification requests will then be handled by CHN Solutions on behalf of Encompass Insurance Company of New Jersey.

PPO NETWORKS

PPO networks include providers in all specialties, hospitals, outpatient facilities, and urgent-care. Named Insured and/or Eligible Injured Person will always make the choice of health care provider. The PPO networks are available as a service to the Named Insured and/or Eligible Injured Person who does not have a preferred health-care provider. There is no copayment penalty applied for failure to use a network provider. When requested, information about the network and providers in the network, including addresses and telephone numbers, shall be made available to the Named Insured and/or Eligible Injured Person and the treating medical provider. The Named Insured and/or Eligible Injured Person can visit CHN's Preferred Provider Network's website @ www.chn.com, contact CHN by phone @ (800) 293-9795, via fax @ (877) 254-9572, or in writing @ 3525 Quakerbridge Road Hamilton, NJ 08619 to assist in locating a network provider. The available PPO networks are approved as part of a workers' compensation managed care organization pursuant to N.J.A.C. 11:6.

When the Named Insured and/or Eligible Injured Person receives services at a participating PPO network provider, any bills received from the participating PPO network provider, will be reviewed for payment recommendation and repriced to reflect the appropriate contract network rates. Encompass shall provide an Explanation of Benefits (EOB) to the participating providers and Named Insured and/or Eligible Injured Person that reflects the application of the PPO network contracted rates.

MEDICAL EXAMINATIONS

At our request, we may require a medical examination (IME) to determine medical necessity of further treatment or testing. The appointment will be made within 7 calendar days of receipt of the notice that an IME is required unless the injured person agrees to extend the time period. The IME will be completed by a provider in the same discipline as the treating provider and upon request the injured person must provide medical records and other pertinent information to the provider conducting the IME. The IME will be conducted at a location reasonably convenient to the insured and/or eligible injured party. Within three business days following the examination the injured party and provider will be notified as to whether they will be reimbursed for further treatment. The injured party or his designee may request a copy of any written report prepared in conjunction with any physical examination we request. If there are two or more unexcused failures to attend the scheduled exam, notification will be immediately sent to the Named Insured and/or Eligible Injured Person, Attorney if noted and all health care providers providing treatment for the diagnosis (and related diagnosis) contained in the attending physician's treatment plan form. The notification will place the parties on notice that all future treatment, diagnostic testing, durable medical equipment or prescription drugs required for the diagnosis (and related diagnosis) contained in the attending physician's treatment plan form will not be reimbursable as a consequence for failure to comply with the plan. Treatment may proceed while the IME is being scheduled and until the results become available.

APPEALS

When Encompass Insurance Company of New Jersey's vendor, CHN Solutions, fails to certify a request, clinical rationale for this determination is available upon request. You are encouraged to utilize CHN Solutions' internal review process **Reconsideration** by contacting CHN Solutions at 1-800-293-9795.

ASSIGNMENT OF BENEFITS

Assignment of a named insured's or eligible injured person's rights to receive benefits for medically necessary treatment, durable medical equipment, tests or other services is prohibited except to a licensed health care provider who agrees to:

- (a) Fully comply with Encompass Insurance Company of New Jersey's Decision Point Review/Precertification Plan,
- (b) Provide complete and legible medical records or other pertinent information when requested by us,
- (c) Utilize the "Reconsideration Process" which shall be a condition precedent to the filing of a demand for alternative dispute resolution
- (d) Submit disputes to alternative dispute resolution pursuant to N.J.A.C. 11:3-5,
- (e) Submit to statements or examinations under oath as often as deemed reasonable and necessary.

Failure by the health care provider to comply with all the foregoing requirements will render any prior assignment of benefits under Encompass Insurance Company of New Jersey's policy null and void. Should the provider accept direct payment of benefits, the provider is required to hold harmless the insured and Encompass Insurance Company of New Jersey for any reduction of payment for services caused by the provider's failure to comply with the terms of the insured's policy.

EXHIBIT A

The administration of any of the following tests are subject to Decision Point Review, regardless of diagnosis:

- Brain audio evoked potential (BAEP)
- Brain evoked potential (BEP)
- Computer assisted topographic studies (CT, CAT Scan)
- Dynatron cyber station cyber
- Electroencephalogram (EEG)
- H-reflex Study
- Magnetic resonance imaging (MRI)
- Needle electromyography (needle EMG)
- Nerve conduction velocity (NCV)
- Soma sensory evoked potential (SSEP)
- Sonogram/ultrasound
- Thermography/Thermograms
- Brain Mapping
- Videofluoroscopy
- Visual evoked potential (VEP)
- Any other diagnostic test that is subject to the requirements of Decision Point Review by New Jersey law or regulation

These diagnostic tests must be administered in accordance with New Jersey Department of Banking and Insurance regulations which set forth the requirements for the use of diagnostic tests in the evaluation of injuries sustained in auto accidents.

For all injuries other than Identified Injuries, the following services require Pre-certification:

- Non-emergency inpatient and outpatient hospital care;
- Non-emergency surgical procedures;
- Home health care;
- Extended care rehabilitation facilities;
- Infusion therapy
- Outpatient care to include follow-up evaluations for soft-tissue/disc injuries of the person's neck, back, and related structures not included within the diagnoses covered by the Care Paths;
- Physical, Occupational, speech, cognitive or other restorative therapy or other therapeutic or body part manipulation including manipulation under anesthesia and including follow-up evaluations by referring physicians, except that provided for Identified Injuries in accordance with Decision Point Review;
- Out-patient psychological/psychiatric services and testing including biofeedback;
- All pain management services except as provided for identified injuries in accordance with Decision Point Review;
- Non-emergency dental restoration;
- Temporomandibular disorder; any oral facial syndrome;
- Carpal tunnel syndrome
- Bone scans;
- Vax-D;
- Transportation Services costing more than \$50.00
- Brain Mapping other than provided under Decision Point Review;
- Durable medical equipment including orthotics and prosthetics costing more than \$50.00