

LIVE VIRTUAL COMMITTEE MEETING



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TO PROVIDE PUBLIC COMMENT

You may submit a request to speak during Public Comment or provide a written comment by emailing PublicComment@lacera.com. If you are requesting to speak, please include your contact information, agenda item, and meeting date in your request.

Attention: Public comment requests must be submitted via email to PublicComment@lacera.com no later than 5:00 p.m. the day before the scheduled meeting.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

**THE MEETING OF THE
DISABILITY PROCEDURES AND SERVICES COMMITTEE
and
BOARD OF RETIREMENT***

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

**300 NORTH LAKE AVENUE, SUITE 810
PASADENA, CA 91101**

8:30 A.M., WEDNESDAY, MAY 5, 2021 **

This meeting will be conducted by the Disability Procedures and Services Committee by teleconference under the Governor's Executive Order No. N-29-20.

Any person may view the meeting online at
https://members.lacera.com/lmpublic/live_stream.xhtml.

*The Board may take action on any item on the agenda,
and agenda items may be taken out of order.*

COMMITTEE TRUSTEES:

JP Harris, Chair
Wayne Moore, Vice Chair
Herman B. Santos
Gina Zapanta
William Pryor, Alternate

I. CALL TO ORDER

II. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of April 15, 2021

III. PUBLIC COMMENT

IV. ACTION ITEMS

A. Recommendation that the Disability Procedures and Services Committee recommend to the Board of Retirement to adopt one of the two fee schedules proposed in this memo and approve a new contract with LACERA's panel physicians for the 2021-2022 fiscal year that includes this new fee schedule (Memo dated April 23, 2021)

V. ITEMS FOR STAFF REVIEW

VI. GOOD OF THE ORDER
(for information only)

VII. ADJOURNMENT

***The Board of Retirement has adopted a policy permitting any trustee of the Board to attend a standing committee meeting open to the public. In the event five (5) or more trustees of the Board of Retirement (including trustees appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Trustees of the Board of Retirement who are not trustees of the Committee may attend and participate in a meeting of a Board Committee but may not vote, make a motion, or second on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting. Please be on call.**

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to trustees of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.

Persons requiring an alternative format of this agenda pursuant to Section 202 of the Americans with Disabilities Act of 1990 may request one by calling the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.

MINUTES OF THE MEETING OF THE
DISABILITY PROCEDURES AND SERVICES COMMITTEE
and
BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

THURSDAY, APRIL 15, 2021

This meeting was conducted by the Board of Retirement by teleconference under the Governor's Executive Order No. N-29-20.

COMMITTEE TRUSTEES

PRESENT: Wayne Moore, Vice Chair
Herman B. Santos
William Pryor, Alternate

ABSENT: JP Harris, Chair
Gina Zapanta

ALSO IN ATTENDANCE:

BOARD TRUSTEES AT LARGE

Shawn Kehoe
Vivian Gray
Keith Knox
Ronald Okum
Les Robbins
Alan Bernstein

STAFF, ADVISORS, PARTICIPANTS

Ricki Contreras, Disability Retirement Services Manager
Tamara Caldwell, Disability Retirement Services Supervisor
Francis J. Boyd, Senior Staff Counsel

I. CALL TO ORDER

The Meeting was called to order virtually by Vice Chair Moore at 10:51 a.m.

II. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of March 11, 2021

Mr. Santos made a motion, Mr. Pryor seconded, to approve the minutes of the regular meeting of March 11, 2021. The motion passed with all trustees present.

III. PUBLIC COMMENT

There were no requests from the public to speak.

IV. REPORTS

A. Discussion regarding Government Code Section 7522.56 and Employment of Vito Campese, M.D., as the Board of Retirement's Medical Advisor (Memo dated April 5, 2021)

The matter was pulled by the Executive Office for further development.

V. ITEMS FOR STAFF REVIEW

There was nothing to report.

VI. GOOD OF THE ORDER

There were no comments during the Good of the Order.

VII. ADJOURNMENT


With no further business to come before the Disability Procedures and Services Committee, the meeting was adjourned at 10:59 a.m.



April 23, 2021

TO: Disability Procedures & Services Committee
J.P. Harris, Chair
Wayne Moore, Vice Chair
Herman B. Santos
Gina Zapanta
William Pryor, Alternate

FROM: Francis J. Boyd 
Senior Staff Counsel

Ricki Contreras, Manager 
Disability Retirement Services

FOR: May 5, 2021, Disability Procedures & Services Committee Meeting

SUBJECT: PROPOSED CHANGES TO PANEL PHYSICIANS' FEE SCHEDULE

RECOMMENDATION

It is recommended that the Committee recommend to the Board of Retirement that it adopt one of the two fee schedules proposed in this memo and approve a new contract with LACERA's panel physicians for the 2021-2022 fiscal year that includes this new fee schedule.

DISCUSSION

In March 2021, Disability Retirement Services began the process of updating its contracts and fee schedule with the Board of Retirement's panel physicians. The contracts and fee schedule were last updated in 2013. To remain competitive in the market for medical-legal evaluations, LACERA's fee schedule has historically matched the schedule for evaluating physicians in the California workers' compensation system.

On April 1, 2021, the Division of Workers' Compensation adopted new rules governing payment for medical-legal evaluations, and the new rules significantly increased the costs for the evaluations. The workers' compensation Official Medical Fee Schedule was last updated in July 2006.

Most, if not all, of our panel physicians provide medical-legal evaluations in the workers' compensation system, and they will be paid under the newly adopted fee schedule. To maintain the quality of our evaluation reports for our members, staff believes it is necessary to closely match the workers' compensation fee schedule for our panel physicians.

The following is a comparison of our current fee schedule with the new schedule adopted by the Division of Workers' Compensation.

A. LACERA's Current Fee Schedule

Type of Service Provided	Costs
Examination and Initial Report by Physician:	\$1,500.00
Psychiatric and Neurological Initial Reports:	\$1,800.00
Additional Fee for Review of Medical Records: LACERA will pay up to 1 hour of record-review time per inch of medical records:	
<ul style="list-style-type: none"> • Record Review by Physician: 	\$350.00 (per hour)
<ul style="list-style-type: none"> • Record Review by Registered Nurse: 	\$75.00 (per hour)
Supplemental Reports based on additional information:	\$350.00 (per hour)
Supplemental Reports to provide omitted information:	No Payment
Deposition fee:	\$350.00 (per hour)
Preparation for testimony at administrative hearing:	\$350.00 (per hour)
Expert witness fees in Superior or Appellate Court: (No Change)	\$3,500.00 (½ day)
	\$7,000.00 (full day)

B. Workers' Compensation Fee Schedule Adopted April 1, 2021

Type of Service Provided	Costs
Examination and Initial Report by Physician to include 200 pages of record review and \$3.00 per page thereafter:	\$2,015.00
Psychiatric/Psychological Examination and Initial Report to include 200 pages of record review and \$3.00 per page thereafter:	\$4,030.00
Toxicology and Oncology Examination and Initial Report to include 200 pages of record review and \$3.00 per page thereafter:	\$3,022.50
Re-evaluation within 18 months of the prior exam to include 200 pages of record review and \$3.00 per page thereafter:	\$1,316.25
Supplemental Report to include 50 pages of additional record review and \$3.00 per page thereafter:	\$ 650.00
Deposition Fee (per hour with 2 hour min)	\$ 455.00
Fee to review sub rosa video (per hour)	\$ 325.00

C. Projected Increase in Costs if New Workers' Compensation Fee Schedule is Adopted

Using data from the prior three fiscal years, the current estimated average cost for a panel-physician evaluation and report, based on a review of five inches of medical records (1,250 pages), is \$3,250.00. This average is based on the costs for all medical-legal reports in total, including psychiatric and neurological reports.

Adoption of the new workers' compensation fee schedule will increase the average cost per report to \$5,165.00:

Current Fee Schedule	
Examination and Report:	\$1,500.00
Five inches of medical records (\$350.00 x 5 hours)	<u>1,750.00</u>
	\$3,250.00

New Workers' Compensation Fee Schedule	
Examination and Report (includes 200 pages of record review):	\$2,015.00
Review of remaining 1,050 pages (\$3.00 per page)	<u>3,150.00</u>
	\$5,165.00

Based on the average-cost-per-case scenario presented above, there will be an approximate 62% increase in fees under the new fee schedule. LACERA currently budgets \$1.8 million dollars for medical fees; however, under the new workers' compensation fee schedule, it would be necessary to allocate an additional \$1.1 million dollars for Fiscal Year 2021-2022 to accommodate the new fee increases. These increases are significant, but, as noted above, the Division of Workers' Compensation has not raised the fees for medical-legal evaluations in 15 years.

D. Proposed Fee Plans

To remain competitive in the market for medical-legal evaluations and receive quality reports for our members, staff recommends that LACERA adopt a new fee schedule. If LACERA does not adopt a competitive fee schedule, it is likely that a number of physicians would no longer agree to serve on our panel. This would affect our members by slowing down the processing time for our applications.

Staff is seeking guidance on one of two possible schedules.

1. New Workers' Compensation Fee Schedule

As described above, adoption of the new workers' compensation fee schedule would increase the cost for an average panel physician report from \$3,250.00 to \$5,165.00, a 62% increase. Based on the \$3.00 per page fee, costs would be higher in cases involving voluminous medical-record review.

2. Alternative Fee Schedule

Generally, evaluations for disability-retirement applications involve the review of more records than reports in the workers' compensation system. Using the per-page record-review fee found in the new workers' compensation fee schedule would significantly increase the fees for applications necessitating the review of voluminous records. To keep these costs under control, LACERA could adopt the following fee schedule that closely follows the workers' compensation fee schedule but pays an hourly fee per inch of records reviewed.

Type of Service Provided	Costs
Examination (in office) and Initial Report by Physician (plus per hour record review charge – see below):	\$2,015.00
Record Review Only (no exam) and Initial Report (plus per hour record review charge – see below):	\$1,007.50

Each Trustee, Disability Procedures and Services Committee
 April 23, 2021
 Re: Proposed Changes to Panel Physicians' Fee Schedule
 Page 5 of 6

Psychiatric/Psychological Examination (in office) and Initial Report (plus per hour record review charge – see below):	\$4,030.00
Psychiatric/Psychological Record Review Only (no exam) and Initial Report (plus per hour record review charge – see below):	\$2,015.00
Toxicology and Oncology Examination and Initial Report (plus per hour record review charge – see below):	\$3,022.50
Toxicology and Oncology Record Review Only (no exam) and Initial Report (plus per hour record review charge – see below):	\$1,511.25
Record review (per inch per hour):	\$455.00
Supplemental Report (per hour):	\$455.00
Deposition Fee: (per hour with a two (2) hour minimum)	\$455.00
Expert witness fees in Superior or Appellate Court: (No Change)	\$3,500.00 (½ day)
	\$7,000.00 (full day)

Adoption of the above alternative fee schedule will increase the average cost per report from \$3,250.00 to \$4,290.00:

Examination and Initial Report:	\$2,015.00
Review of five inches of records	\$2,275.00
Total	\$4,290.00

Based on the average-cost-per-case scenario presented above, this alternative fee schedule would result in an approximate 33% increase in fees. As noted above, LACERA currently budgets \$1.8 million dollars for medical fees; however, under this alternative fee schedule, it would be necessary to allocate an additional \$600,000 for an approximate total of \$2.4 million for Fiscal Year 2021-2022 to accommodate the new increases. Staff believes this is a more sustainable approach from a cost perspective.

Though a physician may argue that this alternative fee schedule does not exactly match the new workers' compensation fee schedule, it can be pointed out that the two

Each Trustee, Disability Procedures and Services Committee

April 23, 2021

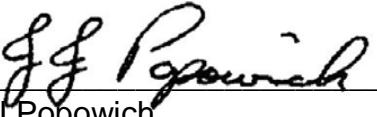
Re: Proposed Changes to Panel Physicians' Fee Schedule

Page 6 of 6

systems are not identical, and the contract with LACERA would be up for renegotiation in five years while the workers' compensation schedule is dependent on the decisions of the Division of Workers' Compensation which until recently had not raised the fees in 15 years.

IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE recommend to the Board of Retirement that it adopt one of the two fee schedules proposed in this memo and approve a new contract with LACERA's panel physicians for the 2021-2022 fiscal year that includes this new fee schedule.

REVIEWED AND APPROVED



JJ Popowich
Assistant Executive Officer

FJB:mb