

DELEGATION ORDER



RETRAINEE – JOB CREATION

Training Proposal for:

Qualified Billing and Collections, LLC

Agreement Number: ET15-0348

Approval Date: January 22, 2015

ETP Regional Office: North Hollywood

Analyst: M. Webb

PROJECT PROFILE

Contract Attributes:	Retrainee SET Job Creation HUA	Industry Sector(s):	Services Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	Los Angeles	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 169	U.S.: 169	Worldwide: 169
Turnover Rate:	13%		
Managers/Supervisors: (% of total trainees)	N/A		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$99,765		\$0	\$0		\$99,765

In-Kind Contribution:	100% of Total ETP Funding Required	\$154,525
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TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee SET	Business Skills, Commercial Skills, Computer Skills, Cont. Imp. Mgmt. Skills	4	8-200	0-13	\$450	\$27.09
				Weighted Avg: 30			
2	Retrainee SET HUA	Business Skills, Commercial Skills, Computer Skills, Cont. Imp.	147	8-200	0-13	\$495	*\$12.03
				Weighted Avg: 33			
3	Retrainee SET Job Creation Initiative HUA	Business Skills, Commercial Skills, Computer Skills, Cont. Imp.	35	8-200	0-13	\$720	*\$12.03
				Weighted Avg: 36			

*This proposal was scheduled to be heard in December. Staff recommends "grandfathering" the CY 2014 wages to ensure there is no detriment caused by the cancellation of December's meeting where, as here, some occupations would not meet CY 2015 wages.

Minimum Wage by County: Job Number 1 (SET): \$27.09 in Los Angeles County: Job Number 2 (SET/HUA): \$12.03 in Los Angeles County: Job Number 3 (SET/Job Creation/HUA): \$12.03 in Los Angeles County.

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No Maybe

Up to \$2.03 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Billor		1
Manager		2
Account/Sales Representative		1
Job Number 2		
Mailroom Clerk		8
Billor		47
Medical Records Scanning Clerk		9
Court/Calendar Prep		18
Pre-Collections Associate		12
Medical Recovery Analyst		42
Account/Sales Representative		11

Job Number 3		
Biller		6
Medical Records Scanning Clerk		3
Court/Calendar Prep		3
Pre Collections Associate		7
Medical Recovery Analyst		7
Account/Sales Representative		9

INTRODUCTION

Founded in 2009, Qualified Billing & Collections, LLC (QBC), is a medical billing and collections company headquartered in Los Angeles. The Company is not a traditional collection agency but they work with doctors to receive payment from insurance companies. QBC is hired by doctors to handle the collection process which can take years to resolve. QBC provides clients with billing analysis, strategic recommendations, and consultation services.

The billing and collection industry has experienced an increase in competition from off shore labor. To remain competitive, QBC has chosen to invest in staff by producing a more knowledgeable workforce. Training will improve employee expertise and increase the number of resolved cases for QBC.

SB 873 (codified in multiple sections of Government Code and Labor Code) is a Worker's Compensation System (System) reform act that took effect on January 1, 3013. It "overhauled" the System as enforced by the Division of Worker's Compensation (DWC) in the Department of Industrial Relations. According to the DWC website, SB 863 was the result of months of negotiations between labor unions and employers with a focus on two equally important goals:

- Increasing permanent disability benefits paid to injured workers to compensate for the lasting effects of workplace injuries; and
- Improving the efficiency of the California workers' compensation system by reducing the costs and time it takes to deliver benefits to injured workers and resolve disputes.

SB 863 resulted in DWC regulations with staggered effective dates throughout CY 2013. This reform act made significant changes to the System in the following areas:

- Increases permanent disability values
- Simplifies the permanent disability rating method
- Resolves medical treatment disagreements through independent medical review
- Resolves bill payment disputes through independent bill review
- Simplifies the supplemental job displacement voucher system
- Requires payment of a filing or activation fee for liens
- Improves medical provider networks
- Updates the Official Medical Fee Schedule
- Establishes fee schedules for copy services, interpreters, vocational experts, and in-home health care
- Provides additional payments for workers with disproportionate wage loss

PROJECT DETAILS

Senate Bill 863 made significant changes to California's workers compensation system. Changes include the creation of fee schedules, lien claims and independent bill reviews to resolve disputes of the amount doctors should be paid, and new medical review processes. QBC must provide training to be certain staff can interpret and implement new processes.

Given these changes, QBC must provide staff with training on new regulations and reforms to ensure accurate interpretation and application that affect collection techniques. It is important employees are knowledgeable of these changes to ensure compliance and to resolve billing and collection cases. Training on Medicare billing software will be provided to enhance skills on how to access information and identify billing codes.

Managers will participate in a Train-the-Trainer course developed by QBC's Vice President. This will enable Managers to deliver training to all staff on a continuous basis to remain up-to-date on new systems and techniques utilized throughout the Company.

Training Plan

Topics delivered will increase trainee knowledge and update staff on changes that have occurred within the industry. QBC must apply and implement these changes in a timely manner to ensure compliance and better assist clientele.

Business Skills (15%): Training will be offered to Account/Sales Representatives and Managers. Topics delivered will enhance trainee skill set in time management and account acquisition.

Commercial Skills (30%): Training will be offered to Billers/Medical Recovery Analysts, Court/Calendar Prep, and Medical Records Scanning Clerks. Training will ensure staff fully comprehends workers compensation law and can apply it to billing and collection services. Newly hired representatives and associates will receive extensive training to increase knowledge and proficiency.

Computer Skills (20%): Training will be offered to all occupations in new software programs to access information and provide services. Training will also include CompData and ConExem.

Continuous Improvement (20%): Training will be offered to all occupations on new laws and billing codes used within the field. Topics include Litigation, Billing Codes and SB863.

Management Skills (5%): Training will be offered to Managers to equip them with the skill set to teach new regulations and reforms as they become enacted over time. The course developed by QBC staff will improve communication and overall knowledge of workers compensation law.

Computer-Based Training (10%)

Computer-Based Training (CBT) will be utilized as a training method to learn new laws and billing codes. Although courses will be delivered via class/lab, CBT will be used as a tool to ensure trainees are fully aware of all regulations and reforms. Trainees will receive no more than 13 total hours of CBT.

Retrainee - Job Creation

The Panel offers incentives to companies that commit to hiring new employees. Training for newly hired employees is reimbursed at a higher rate and trainees are subject to a lower post-retention wage. The wage modification for High Unemployment Areas (HUA) may be applied, as well.

QBC must be up-to-date with new changes in the industry. A growing trend among competitors is outsourcing services. To remain competitive, the Company will increase its staff size to provide a knowledgeable workforce to better handle increased client levels. With additional staff, caseloads will receive the dedicated time required to find resolution.

QBC has committed to hiring 35 full-time employees (Job Number 3). Newly hired staff will receive training in all regulations and reforms regarding workers compensation. Trainees will receive up to 60 hours of training in Business, Commercial and Computer Skills to increase knowledge and better understand billing and collection services.

QBC represents that the date-of-hire for all trainees in the Job Creation program will be within the four-month period before contract approval or within the term-of-contract. [Note: The usual date-of-hire "window period" for this program is three months. In this case, because the proposal was held over due to cancellation of the Panel meeting in December 2014, and the Company has already started hiring, staff recommends extending this period by one additional month. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

Frontline Worker

QBC is requesting to include two Managers in this training proposal. These employees manage and work with Billers, Clerks, and Representatives. These managers are frontline workers, non-exempt from overtime, spending more than 50% of their time performing frontline work duties. Trainees meet the Panel's definition of frontline workers and qualify for Special Employment Training (SET) funding.

Commitment to Training

QBC spends approximately \$100,000 annually on staff training. Training takes place on a monthly basis and is job specific.

ETP funds will not displace the existing financial commitment to training. Safety training is provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

QBC has identified staff members to administer this ETP Agreement. QBC staff will be responsible for scheduling training sessions to ensure employees receive the training needed to improve job performance. The Company has also hired Jewish Vocational Services (JVS) to provide administrative services.

SET/HUA ETP Minimum Wage

The 99 trainees in Job Numbers 2 and 3 work in a HUA, with unemployment exceeding the state average by at least 25%. QBC, located in the city of Los Angeles, qualified as HUA status under these standards. These trainees meet and qualify for the ETP Minimum Wage/HUA (\$12.03) rather than the Statewide Average Hourly Wage. QBC requests this wage modification for Job Number 2 and 3.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

JVS in Marina Del Rey assisted with development of this proposal for a flat fee of \$9,730.

ADMINISTRATIVE SERVICES

JVS will also perform administrative services for a flat fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Conflict Resolution
- Record Keeping
- Financial Matrix
- New Account Acquisition

COMMERCIAL SKILLS

- Billing
- Utilization Review (UR)
- Independent Bill/Medical Review (IBR/IMR)
- Reviewing Medical Reports
- SB863 and Relevant Laws

COMPUTER SKILLS

- CompData
- ConExem
- Electronic Adjudication Management System

CONTINUOUS IMPROVEMENT

- SB863 Training in all Related Workers Compensation Billing Codes Employee Assessment

MANAGEMENT SKILLS (Managers Only)

- Train-the-Trainer

CBT Hours

0 – 13

COMMERCIAL SKILLS

- UR (1 Hr)
- IBR/IMR (1 Hr)
- Reviewing Medical Reports (2 Hr)
- SB863 and Relevant Laws (2 Hr)

COMPUTER SKILLS

- CompData (2 Hr)
- EAMS (1 Hr)
- ConExem (4 Hr)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee.