Auto Casualty

Auto Casualty Updates & Trends: mPower Conference 2020 Takeaways

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4 MIN READ

The auto insurance industry—and the world at large—has faced no shortage of changes and challenges in 2020. From treatment trends to legislative updates, we've had to manage not only a changing business climate, but also industry-altering events that are reshaping auto insurance. During the 2020 mPower industry conference held in October, Mitchell experts shared several updates and highlighted trends that will impact the auto casualty industry in the coming year. Below are summaries of their discussions, along with links so you can get all the details.

Michigan No-Fault Reform Updates

As a part of the historic Michigan no-fault reform, the new administrative rules for Michigan utilization review went into effect on July of 2020. The industry is still waiting for the final version of these rules and clarification on some of the details introduced in the reform, including the provider appeal process. Looking ahead, the new Michigan fee schedule is set to go into effect for care rendered on or after July 2, 2021 and there is a new bill, HB5858, in the Michigan House of Representatives that we have our eye on, which would revise the fee schedule in part for post-acute care for rehabilitation clinics.

COVID-19 Testing

Another hot topic in the auto industry this year is testing for COVID-19. Mitchell's bill review data shows that the following five states have had the highest volume of COVID-19 testing for auto casualty claims in order of frequency: Michigan, Florida, Illinois, New Jersey and New York. In some cases, these tests are a result of regulations in certain states that require patients be tested for COVID-19 both before and after undergoing elective surgery. In other cases, a claimant may be tested for the virus if they were potentially exposed to COVID-19 during care in an office, emergency room or other site of service. Pricing for COVID-19 testing has varied across the board. For example:

- Medicare is reimbursing up to $100 for COVID-19 testing.
- America's Health Insurance Plans (AHIP) reports the average cost per test is $130, but 9% of out-of-network claims can cost more than $400.
- Blue Cross Blue Shield of Texas reports out-of-network costs average $1,114.

Telemedicine

Telemedicine has boomed in popularity since the start of the pandemic, which has led to more telemedicine visits being billed via auto claims than ever before. Mitchell's third party bill review data found a 2000% growth in telemedicine usage in April 2020 compared to April 2019, though even with that spike, telemedicine still represents less than 1% of total charges associated with third party claims. Mitchell's first party bill review data shows that the top states by volume for telemedicine for first party auto claims have been Michigan, New York, Florida, New Jersey and Pennsylvania—all no-fault states. The top procedures that are being billed via telemedicine according to Mitchell's first party data are office visits (CPT code 99213) followed by therapeutic exercise (CPT code 97110).

Learn from Mitchell's regulatory experts as they discuss the impacts of 2020 on auto casualty policy:

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Marijuana Legalization

Even as the pandemic has taken center stage this year, multiple states have had movement on marijuana legalization. Several states across the U.S. had ballot initiatives regarding marijuana legalization, many of which passed, and a few federal initiatives are under consideration. Additionally, in 2020, courts have heard a few cases surrounding this topic that may affect the auto casualty industries, including whether claims organizations will be required to cover the cost of marijuana.

Better understand recent and future marijuana policies:

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Care Trends and Gaps in Treatment

The COVID-19 pandemic and related rules and regulations have changed the way patients get care for injuries stemming from auto accidents. We have seen gaps in treatment, required COVID-19 testing prior to procedures, fewer patients being allowed into a site of service at one time and new ways of obtaining prescription medicines to name a few. A Consumer Medical survey from July found a 65% reduction in elective surgery from March to April, a 35% drop in physical therapy visits and a four month wait time to reschedule elective surgeries that were postponed. Mitchell's third party auto bill review data shows a few interesting care trends that have taken place over the first six months of 2020:

- In early March 2020, third party claims averaged about eight days between each date of service. By the middle of June, that treatment gap had increased to 14 days—a 63% jump.
- We have seen a 32% reduction of total charges associated with the emergency room in the first months of 2020 compared to the same time period in 2018 and 2019. On the other hand, inpatient stays have increased 157% in the same time frame.
- The percent of total charges associated with soft tissue injuries have decreased in 2020 compared to previous years, while the percent of total charges associated with fractures and traumatic brain injuries have increased.

Join Mitchell experts as they explain third party insurance trends and share tips for managing claims in today's changing environment:

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