Workers' Comp

Managing the Labor Challenge: Provider Networks

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Tom Kerr (TK): As new adjusters enter the workplace there are so many unique facets of the industry that they need to learn about. This includes finding the best providers to help injured employees get back to work as quickly as possible. In Part 3 of our podcast series on workforce strategies, Kate Farley-Agee offers insight on how provider networks can help with these decision-making processes.

Kate, because of turnover occurring in insurance markets, there are a lot of new adjusters who don't have a lot of experience in our industry. How can pairing with a good provider network be valuable for them?

Kate Farley Agee (KFA): That’s a great question. You know, this industry changes pretty quickly and we have certainly seen a lot of turnover and a lot of people entering the workforce in this particular industry. And I think that you're right, this is a complicated space, and so I think it's important for us to provide overall training, in general. And so, to train adjusters and claim handlers on how our industry works is always a good thing and helps us streamline the process as we go along in the system.

As far as provider networks, I would say when you think about how adjusters do what they do, their goal is really to manage the claims as best they can. They're looking for shorter durations. They're looking to get these employees back to work and back to their routines as quickly as possible.

And when you have an injury, medical treatment is one of the more important things, as well as getting the injured employee what they need to meet that goal, whether it be durable medical equipment or physical therapy. Provider networks allow adjusters to access those resources available to them so they don't have to go searching for a provider in a certain market without really knowing who's available and how familiar they are with comp cases. Provider networks give them a place not only to start, but it allows them to access a network of providers that's already been vetted. Meaning, these providers have signed a contract. The adjusters know who they're contracted with, so they have an understanding of how that particular network or that particular payer works.

The network vets the providers from a credentialing standpoint, making sure they have licensure and are set up to practice in those areas. And then once they really start using this list adjusters can pick out primary providers or those skilled in specific orthopedics or PT or whatever the patient needs, and they can isolate those in a provider list, which usually helps them make those selections quickly.

And, as the adjusters start getting experience, particularly in certain markets, they find out which providers they like to work with or which ones do a lot of workers' comp cases. That just further allows them to streamline and get more and more efficient as they go through the process.

TK: And what are some ways that provider network managers or staff help new adjusters achieve better overall claim outcomes?

KFA: So, when we were talking about how to use provider networks, as adjusters become more and more proficient and use these providers, then they can start to figure out "which ones do I have a better relationship with? Which ones do I seem to be able to assign patients with, either more quickly, or have the recovery durations be shorter? And, which providers really understand the protocols?" And so, they become comfortable with those protocols as they keep doing it over and over again.

An example, say an adjuster uses a certain primary provider who, in turn, uses a certain orthopedic, they can follow those cases and get a comfort level with exactly how those providers practice. "Are they using protocols that get my patients back to work as quickly as possible? Do they have a high return-to-job rate?" You begin to build a comfort level there and there's satisfaction not only from the adjuster side but from the patient side as well. And then, we take a look at how those providers perform and you can start running reports once you have all of that data, and you've been using those providers for a long time.

Also, cost containment is innate in using that provider network. So, if you're using a provider that's in the network, you're already attaining some cost savings just by using a provider that's agreed to accept a lower rate for treatment. But, as you go on further through that, if you have an injury where, let's say, the average rate of return to work is 30 days, and you're seeing the provider network returning injured employees with those injuries at an average of 20 days, that also adds to the cost containment because not only per service are you getting a discount, but then, overall, just by virtue of the volume of those days or treatment coming down, you're also achieving additional cost savings in the system.

And again, you have to wait until you get to the end of the case but, over time, you will see those outcomes from a financial standpoint, from a return-to-work duration, so you settle into an average rate.

TK: We talked about some of the positives, but what are some problems or challenges that can occur when an adjuster doesn't understand how to identify a good provider, or maybe the right provider for the injured worker?

KFA: That's a great question because, we talk about all these tools that we have available to help the adjuster, but you also have to make sure that they're using them correctly and they're looking at the right search criteria.

And so, the search criteria is the online directory. I'm old enough to remember when we had paper directories, which weren't as helpful [laughs] and went out of date as soon as you printed them. The online directories are kept up to date and offer options where you can just pick different criteria and the computer gives you the best providers in that area.

But you're right, if you're not using those tools correctly or don't know where to go, that really hinders the process. So, I would say that if you don't get to the right provider or you don't know how to search for a provider within that area, that will create problems. Sometimes, it delays care. Sometimes, it can muck things up and extend the length of treatment or time away from work duration, or then, maybe you have to switch providers. Sometimes that will happen just because of a complication of a case, but if you can tamp those issues down and not have these issues happen, it's always a better situation. And so, I would say that those are probably the primary things.

And, outside of the delays, it's injured employee satisfaction as well. I mean an adjuster may get frustrated when the case goes awry, the patient certainly will and, that's not something we want. If I were to talk to an adjuster who seems to be having those kinds of frustrations, I would say, "Make yourself more familiar with the tools. Sit down and work with it and learn how it works. Do some test scenarios in a market you know and get familiar with it, and then that will help guide you as you move along."

TK: What are three important factors new adjusters should look for when looking at provider network models?

KFA: There certainly are a lot of tools to help the adjuster help the patient move through the process. And I'm going to start with the broad?based network.

So, the broad?based network is pretty much the largest network of providers available. This includes having providers available in all different kinds of specialties. That's the broadest type of network you have and it gives you a lot of choice and, sometimes, weeding through all those providers can be difficult. But, when you're really starting off in a market, broad-based is very helpful because you see the scope of the providers right there in front of you on your screen.

And so, I would say the broad?based network gives you the most access. Let's say you have a patient who needs a new specialty treatment that you've never really used before. I think that it's helpful to have the broader network and be able to just go through and kind of get some familiarity with it and have that access and see which providers are available.

In some states, there is what we call a certified program. In many states, there's about 17 or 18 of them across the country. And if you're in one of those markets, there's additional tools and additional management opportunities of a case.

So, a certified network is a network that the state certifies, and you have to comply with a number of different requirements, access being one of them. So there has to be enough access. But if you have a network that's certified in some of these states, and again, all of them are different as to what types of things you can get out of it.

So, in most states, for example, the certified network allows you to direct overtly within the network. And so, you go in the network if you're in that program. And so, you know what your scope is. You know exactly what providers you have access to, but it also allows you to do things like manage the case to certain protocols.

And it's a tighter system. When I first started doing MCOs a number of years ago — and they've changed over time — it kind of felt to me like it was more like an HMO for workers' comp. And, not an HMO in total restriction, but does allow you kind of that ability to be able to manage things more tightly.

And, in some cases, you also get some things like premium credits back if you use these types of programs. So, there are different reasons why you might use them depending on what state you're in and what outcomes a company would like to achieve, from an adjustment and a claims processing standpoint.

Examples would be California, which has what we call an MPN — medical provider network — and that is something that has to be managed within the network. And so you can direct in that network for the life of the client.

Texas has a health care network (HCN). It also has enhanced directing capabilities. New York is another one which requires a certified program where you can direct in the first 30 days to a network provider, a primary treater. And so, those are just some examples, but again, for an adjuster, know what market you're in and, what opportunities you have if you want to manage cases more tightly with a clinical capability along with a network provider.

The other thing that you'll find in those states is that network providers know what those rules are because they work within the system and know what they have to do, whether it's filling out certain forms or directing within the network or using a certain protocol for treatment.

And then another one that we have is called OBN, which is the outcomes?based network. That's a network where we've reviewed all our providers to a different standard, and looked at some key metrics as to how they perform, like duration of care, utilization of PT, utilization of opioids, and legal intervention. We've measured those things on our providers and identified those that perform the best within each market and provide that information in a channeling tool in an online directory and allow the adjuster to be able to search with that as one of the criteria.

So, if you're looking for a primary treater or an orthopedic that manages the cases in a way that's efficient, and better than their peers, you'll see a symbol indicating to direct through those providers. In some cases, that may be a better opportunity to be able to manage a case. And so that really helps you to identify those providers. And also those providers usually are ones that are handling more work comp cases.

We know from data points and their expertise that these providers are able to help injured employees meet their goals more quickly, and they just have more expertise with workers' comp injuries. And again, that's another opportunity to be able to manage the case better.



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