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[Workers' Comp](#)

# A Deep Dive into the Texas Health Care Network

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Read our recent interview with Heather Tomhave, Program Manager for the Coventry Texas Health Care Network (HCN) to discuss the TX WC system, how the TX HCN works, program requirements and the benefits of using the Coventry TX HCN.

**Q: Can you give us a quick review of the workers' compensation system overall in Texas**

A: The State of Texas is unique in that the state does not require private employers to purchase workers' compensation insurance for their employees. Employers who decide not to purchase a workers' compensation policy are called "non-subscribers".

Based on recent estimates published by the State of Texas, approximately 20% of the private sector workforce in Texas is employed by a non-subscriber to the WC system.

Managing the treatment for work-related injuries for non-subscribers falls outside the State's Workers' Compensation Rules and Regulations. As a result, non-subscribers do not benefit from some of the legal protections offered to subscribers to the workers' compensation system. However, from a provider contracting perspective, because non-subscribers fall outside the State's Work Comp Rules and Regulations, they do have the option to access provider contracts through any alternative coverage plans they may have in place for their employees.

**Q: Can you describe what the Texas Health Care Network (HCN) is and how it works?**

A: The Health Care Network (or HCN) solution is available to subscribers to the workers' compensation system in Texas. Those who have a workers' compensation policy in place for their employees.

In 2006, the Texas State Legislature implemented House Bill 7. The bill was designed to reform the Texas workers' comp system, which was experiencing double-digit cost increases, high medical utilization and low return-to-work rates. The key initiative of HB7 was the establishment of Health Care Networks.

Health Care Networks offer a framework to lower medical costs, ensure the care injured employee receives is medically appropriate, improve return-to-work rates, aid injured employee satisfaction and access to care, etc.

Beginning in 2011, additional legislation in Texas removed the option for employers subscribing to the workers' compensation system, but not yet enrolled in an HCN, from accessing provider discounts below the State fee schedule. Today any subscribers to the WC system wanting to access a formal provider network in Texas, must do so through a certified HCN.

**Q: How does the Health Care Network (HCN) certification process work?**

A: The Texas Department of Insurance regulates Health Care Networks. A specific and detailed application process is required to obtain certification from the State. Once certified, the HCN is available to contract with carriers as well as self-insured employers to provide health care services to injured employees in Texas. An employer may elect to use, but is not required to use, a certified workers' compensation network. Recent estimates published by the State of Texas indicate that approximately 48% of subscribers to the workers' compensation system today are enrolled in an HCN.

**Q: Why wouldn't an employer decide to enroll in an HCN?**

A: The feedback we have received is that the program may be a bit of an administrative burden for some employers. However, because Coventry has been offering HCN solutions to employers in Texas since its inception, we have a streamlined and clear implementation process. Coventry assists carrier's and their employers with the administrative pieces of the program, so they can take advantage of the benefits of the program, which outweigh some of the initial implementation steps and requirements.

**Q: Can you explain what is meant by the "administrative pieces" of the program?**

A: Once certified, an HCN is required to hold contracts with Carrier's and/or Self-Insured Employers looking to access their HCN. Additionally, any required component of the HCN that is not performed by the HCN itself, must be managed through a third-party delegation agreement between the certified HCN and the vendor performing the service. That agreement includes oversight of the third-party delegate by the Certified HCN to ensure all components of an HCN are being managed according to the State's Rules and Regulations.

In addition to the required contracting pieces, carriers and employers are required to provide employees with notice of the HCN program. That Notice is required to go out to all employees when the program is implemented (or within 3-days of hire to new employees, once the program is in place). Notice is required to be given to the employee again when an injury occurs. Additionally, Employers are required to post notice of the HCN in common areas of their workplace.

These contract and notice requirements share specific details about the required components of the HCN program.

**Q: What are the required components of the TX HCN?**

A: The basic components of an HCN include the access to a provider network, a case management and quality insurance program, utilization review, network administration services, complaint management and reporting programs.

The State certifies each HCN by County, to ensure access to care is sufficient for injured employees living within that “network service area” or county. When an injury occurs, if emergency care is needed, the employee can go to the nearest emergency facility – regardless of if that facility is in the HCN, or not.

However, once the emergency is resolved or when non-emergency care is needed, an injured employee must select a treating doctor from the list of network providers to further manage their care. The treating doctor would be responsible for referring the injured employees to any specialists (also within the network) when specialized care is required.

HCN Rules do allow injured employees not satisfied with their initial choice in treating doctors to make one change without the HCN’s approval. Any subsequent changes must be approved by the HCN’s via network administration services. Those services may also include approving out-of-network treatment if a network provider cannot be found to provide the service and reviewing other potential provider scenarios like established HMO providers or specialists who would like to serve as the injured employees treating doctor.

An injured employee’s treatment is managed via a collaboration of efforts between the employer, the treating provider and the HCN’s case management program to ensure the injured employee receives the most appropriate care for their injury, to return them to work, health and life as quickly as possible.

Texas requires utilization review for all injured employees, whether they are enrolled in a HCN or not. However, HCN’s can establish different utilization review requirements than the State’s standard list – which can further manage the appropriateness of the care the injured employee is receiving. HCN’s also have specific reporting requirements that they must work in collaboration with the employer / carrier to meet.

If any participant in the HCN program becomes unsatisfied with the service they receive related to any of these components they are welcome to file a complaint. The HCN must have a process in place to manage and record any complaints received.

Coventry has proven and established workflows in place to meet or assist the carrier and/or employer in fulfilling all of the required components. Once implemented, the carrier and employer can take advantage of the benefits of the HCN program.

**Q: What are the benefits of accessing an HCN?**

A: The biggest benefit is the ability to access the Network’s contract rates below the state fee schedule. The ability to ensure the injured employee has the access to care they need and that care is delivered by network providers with proven results is also key. Treatment within the HCN can be strictly managed by requiring out-of-network approval any time an injured employee needs to obtain care outside the HCN.

And, of course, the injured employee’s care is managed through case management and utilization review components that ensure treatment is appropriate and effective. All working to return the injured employee to work as soon as it is safe and appropriate to do so.

The State of Texas reviews the results of injuries managed through network and non-network settings every other year via their Network Report Card. Recent years clearly show injured employees enrolled in a network

tend to be more satisfied with the care they receive, receive the care they need quicker, and return-to-work faster than claims managed outside an HCN. Costs associated with care received via a network also tend to be lower; especially as the claim matures.

**Q: Do different payers have different needs and goals when it comes to an HCN?**

A: As of the 27 HCN's certified by the State of Texas today, Coventry has some relationship (whether that be holding the certification ourselves or supporting the certification of one of our Network Partners with 16 of those HCN's. Each network is established to serve a specific population of injured employees and meet the various goals of the specific HCN.

**Q: What type of TX HCN programs does Coventry offer?**

A: Coventry offers several HCN options designed to meet Texas statutory requirements, manage medical care, reduce claim costs, and improve overall claim outcomes. The most broadly used solution is the Coventry Workers' Comp Network. Originally certified by the State of Texas in 2007, the Coventry Workers' Comp Network is certified in all 254 counties in the State and more than 10,000 injured employees access the network each year.

**Q: What makes the Coventry HCN different?**

A: Coventry has decades of expertise working with our clients on state filings, compliance and regulations with 15 fully bundled and network only certified programs nationwide. Built on years of combined expertise with Mitchell, Genex and Coventry. Teams across Enlyte work together to fully support the Coventry Workers' Comp Network and other Coventry HCN solutions.

Coventry provides the provider network expertise; committed to identifying and recruiting the best primary treating and specialty providers available. We collaborate with those providers to ensure they make referrals to other network providers when at all possible and adhere to all network treatment and return-to-work guidelines.

Genex provides case management and utilization review expertise; with the goal of improving outcomes, ensuring care is appropriate and ultimately returning the injured employee to work as soon as medically appropriate.

Mitchell provides the bill review system that manages the pricing and cost containment solutions and ensures all reporting requirements are appropriately managed and met.

All three of these Enlyte organizations offer a full-service managed care solution to the workers' compensation market. Through these established and proven teams, the Coventry Workers' Comp Network and all other Coventry HCN solutions are administered with strict adherence to HCN rules and requirements. The seamless integration between Enlyte teams certainly enhances HCN overall outcomes and benefits.

For those who prioritize excellence in workers' compensation outcomes, Enlyte remains dedicated to providing unparalleled expertise in healthcare network solutions (HCN). [Schedule a consultation](#) with a network expert today to explore our comprehensive suite of network offerings, ensuring your organization's needs are met with precision.

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