[Workers' Comp]

Destination Care

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Destination care, centers of excellence, medical tourism, benefit driven travel and geographically recognized care centers – mean what exactly? And if the concept is quickly growing in popularity for group health patients, can it be applied for workers' compensation claimants too? Whereas medical tourism tends to involve patients traveling outside of the United States (think Asia and Mexico) for purportedly less expensive medical treatments, destination care moves patients within the U.S. to medical centers of excellence with broadly recognized, measurable quality outcomes in conjunction with reduced, bundled cost structures. Centers of excellence concentrate on key medical procedures - and do a whole heck of a lot of them. In addition to focused clinical teams, "patient navigators" act as concierges to ensure seamlessly delivered care experiences. The high number of specialized treatments result in the centers' ability to attract highly skilled physicians, develop coordinated/synchronized medical care teams, and operate replicable care delivery models. They also draw from a depth of resources, financially benefit from volume cost savings (purchasing, etc.), achieve predictably enhanced patient care experiences, ultimately realizing better patient health results and the ability to charge significantly less (e.g. Costco model) with simplified, bundled fee structures tied to outcomes. Destination care to recognized centers of excellence complements the health care industry's transition to value based reimbursement models. Walmart's Centers of Excellence program began with the Mayo Clinic around 2013 and then expanded to other health centers. It reflects founder Sam Walton's comments from around 30 years ago when he stated, "health care was skinnin' us alive". Through participating in the program, employees have zero out of pocket medical costs, along with company paid travel and lodging for themselves and a caregiver. Walmart's Centers of Excellence program covers cancer treatment, organ transplants, hip and knee replacements, spine surgery and second opinions for cancer diagnoses and possible heart surgeries. Some of the nationally recognized health care providers available to Walmart employees includes Cleveland Clinic (OH), Johns Hopkins Hospital (MD), Geisinger Medical Center (PA), Memorial Hermann (TX), Emory, Healthcare (GA), Mercy Springfield (MO) and Mayo Clinic (MN)[1]. The Mayo Clinic in Rochester, MN has historically been known as a center of medical excellence. Building on Mayo's reputation, in 2013 Minnesota Governor Mark Dayton and the Minnesota Legislature kicked off plans to develop Rochester as a Destination Medical Center. The initiative will cost over $6 billion and is expected to create more than 30,000 new jobs in the area - further ensuring Mayo's draw as a destination for quality medical care[2]. In addition to being a center of excellence for Walmart, Geisinger in Danville, PA has also partnered with Lowe's to offer destination care for their employees' group health plan. Treatments for specifically identified procedures (heart, spine and bariatric) are offered as bundled care packages with shared savings for both the employers and employees[3]. Okay, since destination care is effective at improving outcomes for high acuity related services and lowering the costs for group health plan sponsors and their employees with predictable bundled prices – when will the concept finally be adopted for workers' compensation claimants? Group health benefit structures may be replicated across states and encourage patient engagement through financial participation (e.g. premiums, deductibles, co-pays and co-insurance). Group health insureds have a heightened awareness of health care costs due to the proliferation of high deductible plans and increased financial contributions. Workers' compensation regulations differ greatly amongst the states and there is no financial responsibility with employees for their medical care. Employees are largely insulated from an awareness or care of their company's' workers' comp related treatment costs. A recent report by the Workers' Compensation Research Institute (WCRI) highlighted the state differences with prices paid for professional major surgery services with California, Florida, Michigan and South Carolina being around 55-60% of the report's 31 state median. While Illinois, Indiana, New Jersey and Wisconsin were 100% above the median. Outcomes also varied throughout the U.S., with the WCRI report showed only 7% of Indiana employees not returning to work due to their injury, while in Georgia and Pennsylvania the rate doubled to 14%. Clearly, sending injured employees to centers of excellence could result in lower costs and improved health outcomes. However, there are significant headwinds stacked against the work comp sector's engagement of destination care.

- States' regulations and MCO guidelines may restrict, or at a minimum, discourage carriers and employers from considering treatment in another state where they may lose control of the injury claim.
- State fee schedules may be misaligned with applying a value based, bundled price for treatment in a state outside of where the injury occurred, and the claimant resides.
- Direction of care statutes may prevent employees from being channeled to a provider outside of their choosing, much less in another state.
- There isn't always "goodwill" between an employee and their employer after an injury. The concept of sending the employee out of state for care may not be a comfortable proposition for either party.
- Since there is no financial participation on behalf of the employee, compliance with set appointments may be an issue.
- Workers' compensation adjusters prefer to have specified workflows and may be hesitant to inject intra-state travel coordination tasks and "unknowns" to their heavy caseload.
- The indemnity costs, time off work, and disability assessment could be negatively impacted by any incidental injury /episode which may occur during the claimants' travels to a center of excellence.
- Where would the funding for a caregiver's travel with the claimant come from and how would it be accounted for in the claim? Who would be responsible if the caregiver suffers an injury during travel with the claimant?
- Who would be responsible for clinically managing the workers' compensation care (primary treating physician) and coordinating / submitting the necessary state forms?

Are the hurdles to work comp decision makers' embracing destination travel insurmountable? Absolutely not and the opportunities for better outcomes, lower costs and enhanced return-to-work results are definitely attainable. As Abraham Lincoln said, "the best way to predict your future is to create it."

[1]**https://one.walmart.com/content/usone/en_us/me/health/health-programs/centers-of-excellence.html** [2]**https://www.fastcompany.com/3041355/the-65-billion-20-year-plan-to-transform-an-american-city** [3]**https://hbr.org/2017/06/why-ge-boeing-lowes-and-walmart-are-directly-buying-health-care-for-employees**

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