Workers' Comp

Overview of the 2020 Texas Department of Insurance Workers' Compensation Network Report Card

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4 MIN READ

The Texas Department of Insurance recently released its annual Workers' Compensation Network Report Card. The 2020 Report Card includes medical cost and utilization measures for 10 workers' compensation networks. The 2020 Report Card focuses on injuries occurring between June 1, 2018 and May 31, 2019.You can review the analysis of the 2019 Network Report Card on our blog as well.

Specific results for the Coventry HCN make up 11% (11,755 claims) of the overall network claims; while the First Health HCN (managed by Coventry) makes up 3% (3,116 claims). In addition to the Coventry and First Health HCNs, several other HCNs supported by Coventry are included in the State's results.

Employer use of networks has settled into a consistent pattern over the past several years. On average, subscribers to the workers' compensation system in Texas see about 48% enrollment in networks.

The 2020 Report Card results demonstrate the continued success networks achieve in medical cost containment, limiting medical utilization, improving return-to-work results and ensuring injured employee satisfaction with medical care.

- **Medical Costs:** On average, networks have realized lower medical costs per claim at six months post-injury than non-network. In 2020, the difference between network and non-network cost per claim was 3.8%. When claims reach 18-months maturity, the gap between Network and Non-Network costs expands further to an 8.4% differential.

Claim mix and volume may account for variances in medical cost results between networks. Networks successful in reducing their percentage of lost-time claims may conversely see higher than average medical costs. As the population of lost-time claims decreases, a greater share of the remaining lost-time claims will likely be more severe, higher-cost injuries. As a result, the average cost of lost-time claims will increase. The Coventry HCN reported fewer lost-time claims than the network average; while the First Health HCN saw lower lost-time claims than both the network non-network average.

The Coventry HCN saw lower than average overall medical costs, lower than average costs for lost-time claims and lower than average costs for hospital services; when compared to average results.

- **Medical Utilization:** In some cases, Networks may see higher utilization of services during the first six-months of injury than Non-Network. However, when a claim reaches 18-months maturity, costs within a Network setting are typically lower than Non-Network. This may be an indicator that Network utilization decreases, as the claim ages.

In support of this theory, the State of Texas highlighted the utilization of several ancillary services six months post injury (see chart below). Utilization was higher for Networks, for the majority of these service categories than Non-Network. Higher utilization of these services closer to the date of injury, could improve the overall outcome of the claim – as the duration of the claim is extended.

Percent of Injured Employees Receiving Professional Services by Service Type (6 Months Post Injury)

Although utilization of certain ancillary services may be higher for Networks during the first six months post injury, overall Networks see fewer hospital services in that same timeframe. Limiting these high cost hospital services early in the claim is another clear example of Networks' success in managing medical utilization.

2020: Percent of Injured Employees Receiving Hospital Services 6 Months Post Injury

- **Return-to-Work:** Networks have consistently returned injured employees to work at a higher rate than those not enrolled in a Network. In 2020, 95% of Network injured employees reported returning to work after their injury, compared to 89% for Non-Network injured employees.
- **Satisfaction with Medical Care:** Injured employee satisfaction with care can be demonstrated by the reported physical functioning and mental functioning scores recorded through the injured worker survey. Over the years, injured employees have consistently reported higher scores in these two categories when treatment was received in a Network setting. This trend continued in 2020.

Injured employees treated within a Network reported improved access to care when compared to Non-Network counterparts. More Network injured employees reported no issues scheduling appointments with the provider of their choice and also reported the ability to see that provider quickly.

In summary, Networks continue to receive high marks from the State of Texas in return-to-work results, medical cost / utilization containment and injured employee satisfaction with and access to care.

COVID-19 Note

The 2020 Report Card focuses on services provided to injured employees as of December 31, 2019. Therefore, COVID-19 had limited impact to this year's report. The injured worker surveys utilized for the Report Card were conducted from March-June 2020; which may have impacted some injured employee return-to-work responses. The State of Texas recommends keeping the timing of the survey in mind as Report Card results are reviewed. The larger impact of COVID-19 will likely present itself in the 2021 Report Card.



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