Workers' Comp

Workers’ Compensation – A plus for providers who participate

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Image
Surgical Crop

Most discussions about the state of U.S. health care quickly lead to a simple but grim diagnosis: The system is broken. The evidence abounds and it’s compelling. The U.S. spends[1] more per capita than any other country yet often produces only lackluster outcomes.[2] Access to care can be poor.[3] Even average life expectancy, which notched steady gains for decades, has ticked lower in recent years.[4]

But it’s not all bad news. Unpacking the state of health care reveals that not every aspect of the system is dysfunctional. In fact, some parts have never been better. A profusion of medical research is arming clinicians with deeper insights into how the body works.[5] Previously unimaginable treatments are poised to become commonplace.[6] Technology is erasing sometimes enormous distances between caregiver and patient.[7] Data analytics, including artificial intelligence, is making an impact on priorities and decisions in the system.[8]

There is another element of care delivery that’s seeing exciting reinvention: networks. In this era of rapid changes to health care, networks are becoming more important than ever. They’re evolving from relatively straightforward mechanisms for directing patients and controlling costs to collaborative partnerships between payers and providers. Call it Network 2.0. This evolution of networks, particularly those focused on workers’ compensation, prioritize both efficacy and efficiency. The best clinicians can more easily rise to the top of the stack thanks to deeper insights into patient trajectories. In the emerging scenarios, powerful analytics and algorithms pull data to evaluate outcomes and push data to aid clinicians in doing what they do best — taking care of patients in supporting their return to work and a return to their daily routines.

How networks can help

To start, networks can continue to lean into being the best at what they’ve always done: managing the relationship with the provider. In addition, workers’ comp networks offer providers another stream of revenue

that features less administrative effort. Networks continue to work with providers to streamline administrative burdens. These steps include letting providers:

- Bill insurers directly, often electronically, thereby reducing the guesswork and the collections burden
- Grow and diversify their patient base
- Benefit from being independently credentialed
- Establish long-term relationships with patients extending beyond the care for work-related injuries or illnesses
- Support employers in their communities
- Reduce instances of coordination of benefits with multiple payers

Workers' compensation networks are unique in other ways. The pool of injured workers goes beyond patients who might solely be served by a particular payer or by Medicare, for example. This allows providers to expand the reach of their practice to new segments of the community in which they operate. And when providers seek to refer injured workers to other clinicians, a network offers an extension of their current referral patterns.

Workers' comp networks sidestep patients' financial challenges

Treating those hurt on the job makes sense to providers for other reasons as well. The injured worker isn't responsible for paying a deductible or copay. This is becoming an ever-more-important differentiator. That's because out-of-pocket costs can be difficult for patients to manage, especially as many are now expected to shoulder a larger share of the medical expense with the rise of high-deductible commercial plans.[9] It's worth considering how onerous this burden has become for many people, the provider, the patient, and the insurance company.

By sidestepping the need to collect copays, it's easier for providers to receive the full contractual reimbursement directly from the payer in a timely manner. Not having to pursue patients for past-due bills is another benefit, particularly concerning medical expenses and the administrative costs associated with collections activities.

There are other long-standing benefits of workers' comp networks that appear to be becoming more pronounced. The reimbursement rates for providers remain well above those seen in group health. One examination by the National Council on Compensation Insurance (NCCI) found prices in workers' comp are 12 percent higher than those in group health.[13] It's worth recalling that part of the reason reimbursements are higher is because workers' comp reimbursements are meant to meet the actual cost of administering the care. Too often providers simply can't cover their expenses. Research highlights the problem. For example, the nonpartisan Congressional Budget Office (CBO) found private insurers pay physicians and hospitals well above what Medicare pays for a basket of common services.[14] Doctors, of course, didn't need the CBO report to understand the problem. A recent poll of about 475 physicians found two-thirds believed Medicare payments in 2019 wouldn't prove sufficient to cover the cost of care.[15] Some respondents contend the complexity and comorbidities often associated with caring for older individuals make Medicare reimbursements all the more inadequate compared with workers' comp care.

In our next blog post we'll discuss the best practices that payors, employers and reinvented networks are using to get workers back on the job.

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