Workers' Comp

Inside Texas Workers' Comp: How Certified Health Care Networks Shape Outcomes

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In Texas, unique workers' compensation rules and open provider choice present both opportunities and challenges for managing medical costs and recovery outcomes. Certified Health Care Networks (HCNs) were introduced to address rising medical spend, overutilization, and delayed return-to-work. In this interview, Heather Tomhave, Director, Product Management at Enlyte, shares insights on how the HCN model works, recent state report card results, and what the data reveals about cost containment, access to care and injured worker satisfaction.

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 private employers are not required to purchase workers' compensation insurance. Employers who decide not to purchase a policy are known as "non-subscribers." About 20% of the Texas private sector workforce falls into this category.

Managing work-related injuries for non-subscribers falls outside the State's Workers' Compensation Rules and Regulations. While they don't benefit from the same legal protections as subscribers, they can still access provider contracts through alternative coverage plans.

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

A: The Health Care Network (HCN) is available only to subscribers: Texas employers who provide workers' compensation coverage for their employees through an insurance policy or self-insurance program.

In 2006, House Bill 7 reformed the system, addressing double-digit cost increases, high utilization, and low return-to-work (RTW) rates. The law established certified Health Care Networks to lower costs, improve care

appropriateness and speed recovery.

Since 2011, subscribers cannot access network provider discounts below the State Fee Schedule unless enrolled in a certified HCN. As of 2024, 51% of Texas WC subscribers are enrolled in a network.

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

A: Certification is regulated by the Texas Department of Insurance (TDI) and requires a detailed application. Once approved, the HCN can contract with carriers and self-insured employers to manage care for injured employees.

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

A: Certified HCNs provide:

- Access to a provider network
- Case management & quality assurance programs
- Utilization review (UR)
- Network administration
- Complaint management
- State-mandated reporting

The HCN gatekeeper referral model ensures all specialty care is approved by the treating doctor, reducing unnecessary specialty visits. We also maintain an expanded preauthorization list beyond state minimums to control utilization.

Q: What are the benefits of accessing an HCN?

A: The biggest benefit is the ability to access PPO network contracted rates below the state fee schedule. For the Coventry Workers' Comp Network those savings average 12-14% below fee schedule. The HCN allows injured employees get the care they need from network providers, while carriers and employers benefit from reduced claim costs. Treatment within the HCN is closely managed, with out-of-network care requiring approval, which helps maintain quality and cost controls.

The Texas Department of Insurance's Workers' Compensation Network Report Card, published every two years, consistently shows that network-enrolled injured employees are more satisfied with their care, receive treatment faster, return to work sooner and experience lower overall medical costs. The 2024 Report Card findings for Coventry's Texas HCN compared to non-HCN results include:

- 5% lower average medical cost per claim.
- 7-10% RTW rate for network injured employees.
- 16% better same-day care access.
- 11% higher injured worker satisfaction in both physical and mental functioning.

Q: Why wouldn't a payer decide to enroll in an HCN?

A: Some employers cite the initial administrative steps. Our implementation process minimizes the burden with step-by-step guidance, notification materials, and carrier coordination. Coventry wants to make onboarding to

the Coventry TX HCN as easy as possible for our Carrier and Payer partners. Coventry can assist with available options, as you consider how to initiate and/or increase HCN enrollment.

Coventry's Texas Workers' Compensation Network has been certified in all 254 Texas counties since 2007, serving over 10,000 injured employees annually. We also have a relationship with 17 of the 26 certified HCNs statewide, giving us extensive experience in supporting employers through the enrollment process.

Enrollment offers significant opportunities for cost savings and improved outcomes. If more non-enrolled subscribers join, there is significant untapped potential for additional network savings and improved cost outcomes for clients.

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

A: Absolutely. Of the 26 certified Texas HCNs, Coventry supports or directly certifies 17. Each program is designed to match the goals of its target injured employee population, whether that's faster RTW, better access, cost savings, or a combination.

Q: What makes the Coventry HCN different than the other HCN networks?

A: Our HCN combines years of expertise across Enlyte's suite of products from provider networks, case management and utilization review and bill review. Enlyte's uniquely integrated model delivers:

- Proactive case management at claim onset
- Tight utilization control to prevent overuse
- Seamless compliance and reporting
- Proven financial savings and RTW results

With rising Texas WC costs driven by high reimbursement rates and overutilization, Coventry's TX HCN offers a proven, data-backed path to help cut costs, accelerate recovery and improve injured worker satisfaction.

Schedule a consultation?with a network expert today to explore how our comprehensive suite of network offerings ensures your organization's needs are met with precision.

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