Workers' Comp

How High-Performing Networks Deliver More Value

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P&C leaders are feeling the mounting pressure to control overall claim spend in the face of rising medical costs, while maintaining access to care and supporting better recovery for injured individuals. Provider networks still play a central role in that effort, but not all networks successfully protect that value.

The strongest networks do more than deliver discounts, they help sustain savings over time through broader access, better care direction, and more consistent performance.

Recent WCRI findings highlight the value of provider networks, citing network use is associated with meaningful financial impact:

- 26% lower total claim costs
- 27% to 28% lower medical payments
- 23% lower indemnity costs
- 1.5 weeks shorter disability duration
- About 20% faster access to initial care
- 12% fewer litigated claims
- About 40% lower litigation costs

The risk: Network value erosion

For years, many network models were expected to perform with limited ongoing intervention. Contracts were negotiated, providers were added, and the structure largely stayed in place. That approach is no longer reliable to deliver results payers need. Provider consolidation continues, treatment patterns evolve, regional access gaps emerge, reimbursement conditions shift, and regulatory complexity grows. A network that is not actively managed can lose value over time, even if it once performed well.

The solution: Shifting from static network presence to dynamic network performance

To combat the erosion of value that happens with static network management, the most effective networks are dynamically managed to strengthen and preserve value over time. That includes:

- Continuous monitoring of contract performance
- Maintaining provider access by monitoring care and specialty gaps
- Improving pricing discipline by revising rates as necessary for market conditions
- Using robust analytics to identify problems before they affect claims

A stronger network combines competitive negotiated rates with the operational discipline needed to sustain performance as access, reimbursement and regulatory conditions evolve.

Six checkpoints to evaluate network value

Traditional measures still matter, but PPO penetration and savings rate only tell part of the story. A network built for sustained performance should also deliver:

1. Access to care is one of the clearest indicators of a network's success. WCRI research shows that injured individuals treated within networks receive care sooner. Delays in treatment occurring early in a claim can create disruption, extend disability and increase total cost. Payers need a provider network whose structure negotiates, credentials and sets up rates proactively to make sure the treatment process runs smoothly, no matter where the injured individual is located.
2. Size of the network alone does not dictate success. A network may look strong on paper and still fall short in practice if local access is weak or care is difficult to reach. Actively managed networks pay close attention to geographic coverage, local provider availability, and channeling so injured individuals can receive appropriate care quickly and consistently.
3. Direction of care also plays a major role in network value. Discounts remain a core source of savings, but stronger networks create additional value by helping guide care toward experienced providers and more appropriate medical pathways.
4. In practice, network value depends on more than negotiated reimbursement. It also depends on whether provider data is current, whether contracts are actively maintained, whether reimbursement is administered accurately, and whether organizations can respond quickly to changing state requirements. These capabilities may be less visible, but they directly affect whether savings and performance hold up over time.
5. Compliance is part of network performance. Legislative and regulatory developments can affect both network operations and client workflows. A network must keep pace without creating more work for the payer.
6. Networks that invest in provider relationships often see stronger retention, better adherence to pricing and workflow expectations, fewer disputes, and more stable access over time. Those are not soft benefits. They affect administrative burden, network adequacy, and the staying power of savings.

In today's environment, an actively managed, dynamic network does more than lower spend, it helps create more stable claims through better care experiences for injured individuals along with greater confidence in total results required by leaders today.

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