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Specialized Care Network Found to Reduce Workers' Comp Costs

September 12, 2006

In workers' compensation cases, management of injured workers by a specialized network of health care providers—without third-party utilization review—can reduce missed work days and lower health care costs, reports a study in the September Journal of Occupational and Environmental Medicine.

The journal is the official publication of the American College of Occupational and Environmental Medicine (ACOEM).

Led by Dr. Edward J. Bernacki of Johns Hopkins University School of Medicine, Baltimore, the researchers looked at how management by a specialized network affected the care and outcomes of Louisiana workers' compensation claims. In the statewide network, called Omnet Gold, each phase of treatment was coordinated by an occupational medicine physician or other specialist with experience in treating workers' compensation patients and expert knowledge of the physical demands of work. These managing care physicians could call in other network specialists, such as surgeons, chiropractors, and physical therapists, to provide needed services.

The network health care providers were free to make diagnostic and treatment decisions without oversight, or "utilization review," by the state workers' compensation insurance company. The outcomes of 176 cases managed in the Omnet Gold network were compared with 1,464 cases managed in the traditional way, including utilization review. The claims were reviewed a median of two years after injury, by which time over 90 percent of cases were closed.

Claims managed by Omnet Gold were associated with significantly less missed work time than cases managed in the traditional way. Average number of missed work days was 53 for workers managed in the network, compared to 99 days for traditionally managed claims.

The costs of care were also lower for claims managed in the network: about \$12,500, compared with \$20,400 for traditional claims. Average costs for medical care were \$3,995 with Omnet Gold versus \$9,850 for traditional care. Other costs, such as management fees and legal expenses, were also lower with Omnet Gold.

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Several studies have suggested that specialized health care networks can lower costs and disability in workers' compensation cases. Omnet Gold was created to see if such a network could produce similar savings on a statewide basis. A previous evaluation suggested that Omnet Gold did reduce disability and costs. However, at the time, most of the cases were not yet closed—that is, the problem was not yet resolved or the injured worker was still receiving treatment.

This follow-up study supports the initial results by showing reductions in costs and missed work time for cases managed by a specialized network of health care providers. Early management by a specialist in treating injured workers—most of whom were occupational medicine physicians—resulted in significant reductions in lost time and costs in workers compensation.

"Utilization review seems to have little impact on the behavior of experienced healthcare providers pre-selected for their ability to appropriately treat and manage workers' compensation cases," Dr. Bernacki and colleagues conclude. With their experience and expertise in treating injured workers, occupational medicine physicians appear to be able to reduce patient disability, using fewer medical resources, without insurance company oversight.

Source: Journal of Occupational and Environmental Medicine, published by the American College of Occupational and Environmental Medicine (ACOEM). ACOEM, an international society of more than 5,000 occupational physicians and other health care professionals promotes health and safety of workers, workplaces and environments.

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