Medical management
How to take a comprehensive managed care approach to your workers’ comp

Returning injured workers to a healthy and productive lifestyle is the goal of any workers’ compensation program, but the cost can be high for all involved. For an injured worker, there is the recovery from the injury itself, anxiety regarding the workers’ compensation system and the potential loss of the identity that he or she enjoys through work. For the employer and insurer, there are the escalating costs and complexities connected with managing claims, as well as the temporary or permanent loss of valuable employees.

All could benefit from the expertise and oversight that can only be provided by a comprehensive managed care approach.

“With workers’ compensation claims, you need to have a beginning-to-end strategy,” says Deborah Mehalik, manager of Network Services for UPMC WorkPartners, which is part of the UPMC Insurance Services Division. “The traditional managed care approach needs to be expanded to specifically target extremely vulnerable points within the workers’ compensation system for all parties involved.”

Smart Business talked with Mehalik about the advantages of having a robust managed care approach to help employers handle workers’ compensation issues.

How can a managed care approach impact a company’s workers’ compensation program?
Managed care must be expanded to include concepts such as:
- Accessing medical expertise throughout the life of the claim.
- Identifying quality providers who have expertise in workers’ compensation.
- Aggressively identifying early, safe return-to-work potential.
- Developing an in-depth understanding of cost containment strategies.

What is the key benefit that a managed care approach brings to workers’ compensation?
The primary benefit in a comprehensive managed care approach is that it is structured to produce a win-win for all stakeholders involved.

How does managed care contain costs?
Costs can be contained in several ways. This would include the identification of medical providers who understand the importance of safe, early return to work and how it directly impacts lost time days and indemnity costs. Medical expertise can assist with causality determinations and appropriateness of treatment, and also ensure correct acceptance and payment for both.

Having a clear understanding of injury drivers assists safety personnel in making the necessary changes to process and policy in an effort to avoid similar claims.

Understanding cost drivers such as pharmacy and physical therapy allows for an evaluation of the gap between current and best practices and gives valuable insight when determining which vendor to partner with. Having knowledge of bill repricing and the network(s) being utilized on the employer/insured’s behalf assists in managing costs by maximizing preferential pricing and allows for continued evaluation of provider performance.

What can employers gain from using a workers’ compensation plan with managed care?
An employer will gain enhancements in areas such as case closure rate, causality determination and utilization review. Employers also should experience reductions in areas such as DART rate (days away/restricted/transfer), and medical and indemnity costs. Accessing sophisticated data analytics allows benchmarking of current programmatic performance and, when well structured, shows value or areas of cost shifting when new strategies are introduced.

What do employees gain?
A managed care approach that focuses on quality care and outcomes benefits employees by utilizing a best-of-the-best approach, linking them to superior providers and treatment platforms. By identifying best practices in areas such as pharmacy management and physical therapy, the employee has seamless access to a prescribed regime that maximizes the recovery effort.