BACKGROUND / INTRODUCTION

The Pennsylvania Department of Labor & Industry (DLI) is required by the Workers’ Compensation Act to retain the services of an independent consulting firm to perform an annual accessibility study of healthcare services for injured workers. Pennsylvania’s workers’ compensation law aims to ensure access to quality care as well as cost containment.

The Workers’ Compensation Act:

- Caps provider reimbursement at 113 percent of Medicare reimbursement mechanisms.
- Mandates an annual study to be conducted by an independent consulting firm to study injured workers’ access to quality healthcare and products.
- Enables employers to establish lists of designated health care providers (panels). When a panel is utilized, injured workers are required to be treated by members of the panel for the first 90 days from the date of the first visit for their injury.

The Medical Access Study collects data from injured workers, healthcare providers, and insurance companies in the Commonwealth of Pennsylvania to consider the effects the current Fee Schedules and utilization of provider panels may have on access to quality care and lost days from work.

**Methodology:** The 2017 Medical Access Study was derived from survey data and analysis. Survey results are weighted to compensate for over-represented cohorts within the respondent population.

Survey information was collected from three groups of stakeholders:

- Injured Workers
- Providers
- Insurance Companies

In the 2017 study, the values presented are all weighted. In past years, some values were weighted while other values were unweighted. In 2017, a decision was made to report only weighted values. This is an improvement in consistency within the report and a sounder basis to transition to going forward. However, this methodology improvement limits comparability with certain values from past years’ studies.

In order to improve consistency and clarity, there were also changes in how the 2017 data was calculated for some measures.

- The subgroup for measures specific to injured workers using a provider panel was previously defined based on data from two questions, “Did your employer provide you with a list of doctors/other health care providers?” and “How was the decision made where you received treatment?”. The 2017 report uses only data obtained from respondents who indicated their employer provided them with a list of doctors and other health care providers.
• The subgroup for measures specific to Return to Work related issues previously included data from respondents who had not indicated they returned to work. The 2017 report uses only data obtained from respondents who indicated they had both lost time due to their injury and returned to work.

• Management of skipped questions in previous reports was noted to be inconsistent. The 2017 report does not include non-responses in the analysis.

Key findings from each survey follow.

Response Rates

Response rates have declined in all three survey populations. Response rates follow:

• Injured workers: 10.7% response rate down from 11.4%

• Providers: 24.3% of providers were represented (some responses represented multiple providers in a practice) a decrease of 3.2% in representation from 2016

• Insurance Companies: The 3% response rate was down from last year at 9.5%

Declines in survey response rates have been noted nationally across a variety of survey populations and have been described by the term “survey fatigue.” Survey fatigue includes the phenomenon of degrading quality of data consistent with survey abandonment prior to completion and survey avoidance. The length of the survey can contribute to survey fatigue; this is an important consideration for the injured workers’ survey as it consists of more than 30 questions and has several open-ended inquiries.

The quality of contact data used for survey outreach can also impact response rates. DLI provides the contact data for each of the three study populations (injured workers, providers, and insurance companies). Message content is another factor. Changes in message content designed to increase the response rate are in place for future studies.

Injured Workers’ Survey

The responses from injured workers revealed several encouraging trends:

• The initial diagnosis correct rate remains steady. Accuracy of the initial diagnosis was reported at 77%. This is slightly better than the misdiagnosis rate of 26% reported in a 2012 study in Mayo Clinic Proceedings.

• Average days lost per injury was at a five year low of 22 days at the time of survey without an increase in subsequent injury. Average days lost was reduced by more than half of what it was in 2013. Note that not all workers surveyed had returned to work at the time of the survey.

• Being seen by a Doctor within 48 hours at 87. 5% has been very steady over the past 5 years, fluctuating between 86% and 89%. The data suggest that increasing this percentage may lead to reductions in days lost without subsequent injury.
• **Satisfaction with care under workers’ compensation was equivalent to satisfaction with care in other settings.** Overall, injured worker satisfaction with the care received was 89.9%, a tie for the five year high. At the same time, 88.5% of injured workers rated their care under workers’ compensation the same or better when compared with other healthcare, a five year high.

• **The majority of injured workers utilizing a panel reported their right to select a provider was respected.** In 2017, 76.1% of injured workers reported they had their right to select a provider respected; this percentage has changed very little in the past three years.

• **Injured workers who used panel providers indicated greater satisfaction with the timing of their return to work.** 74.1% of workers reported satisfaction with when they returned to work as compared to 72.7% of workers who did not use a panel. The increased satisfaction may represent improved communication relating to the workers’ convalescence.

TheWorkers Compensation Research Institute (WCRI) offers an additional corroborating reference point and insight into Pennsylvania Workers’ Compensation outcomes compared with other States.

  o In a June 7, 2018 presentation titled “Pennsylvania 2018 Workers’ Compensation Conference” WCRI presented information based on their *CompScope™ Benchmarks Study, 18th Edition*. It was noted that PA had fewer claims with more than 7 days of lost time compared with most other study states. For example, PA had 20% of all paid claims with more than 4 days of lost time vs. Massachusetts with 32%. The lowest report % was 16% in Indiana. (Belton et al. 9)

  o There was a difference of nearly two (2) weeks longer disability after injury when the worker waited for more than one (1) week to receive treatment rather than seeking treatment within 24 hours of injury. It is consistent with a study cited in the WCRI *FlashReport*, released in July of 2018, that found decreasing the lag time from injury to receiving medical care may help to shorten the length of the disability for workers with low back injuries. Low back strains are the type of injuries for which initial care may be delayed; initially, the injured worker may believe the injury will resolve or improve without care and delay treatment until symptoms worsen. (Telles et al. 3)

The Pennsylvania Workers’ Compensation Act requires employees to receive notification of their rights and duties under Sec. 306 (f.1)(1)(i) of the Act if the employer establishes a list of designated health care providers. This is also referred to as a "panel."

Equally encouraging is the positive impact of provider panels on the workers’ experiences and the increased use of provider panels within the program.

Injured workers who reported using a provider panel increased to 72.2% of respondents, up 3.1% from 2016. Survey data indicates use of a panel:

• Does not adversely impact worker satisfaction with care received.

• Does not create undue delays in access to specialists.

• Reduces days lost from work due to an injury without an increase of subsequent injury.

• Does not negatively impact injured worker satisfaction with return to work timing.
An important finding that continues to emerge from comparisons of days lost data is workers who stated their employer does not have a panel of providers averaged 29.8 days lost vs. workers who affirmed their employer uses a panel of providers who had an average of only 19.2 days lost from work. While some of the variances may be explained by changes in the composition of the injured worker sample, it is likely the reduction of days lost is influenced by employers electing to utilize panel providers.

The comparative success of carriers vs. self-insured vs. group self-insured employers in controlling days lost per injury also correlates closely with the degree of panel use by each of the three segments. In other words, group self-insured employers use panels the most and have lowest days lost; while employers using traditional carrier insurance use panels the least and have the highest days lost.

**Survey of Providers**

The survey for providers was sent out in January 2018 to 1,380 providers. The 87 responses represented 335 individual providers.

The responses from providers showed:

- 60% of providers that treated workers’ compensation patients belonged to a provider panel, up 2.6%.
- 87.8% of the providers who treated workers’ compensation patients reported receiving payments at the Pennsylvania Workers’ Compensation Fee Schedule rate all or most of the time.
- The top number of provider specialties represented in the survey were Family Medicine, Chiropractic, and Orthopedic Surgery. Chiropractic responses increased from last year; however, due to variations in the mailing lists it cannot be determined if this correlates to an increase in use of this provider type.

Some providers are contracted by payers under preferred provider organization (PPO) agreements. These agreements can include mandatory repricing at lower fees than the Pennsylvania Workers’ Compensation Fee Schedule and Chargemaster. Providers who do not participate in such agreements continue to comment that some repricers take discounts when there is no PPO agreement or after the PPO agreement has expired.

An additional challenge relating to provider experience with panels and PPO agreements is reported by some providers. Some surveyed providers have responded they are interested in being included on a panel but are denied enrollment because the providers refuse to accept PPO discounts the panel manager requires of panel participants. Current PA Workers’ Compensation regulations do not address this aspect of panel management.

The practice of repricing based on PPO agreements can result in increased utilization of the Medical Fee Review process as providers attempt to obtain what they believe is correct reimbursement. However, the Fee Review process cannot address parties’ obligations under private agreements and renders administrative decisions based on the Pennsylvania Workers’ Compensation Fee Schedule and Chargemaster. In certain circumstances, this results in the need for additional dispute resolution activity by the parties in order to address the PPO agreement aspect of the bill dispute.

Currently, there is no indication PPO agreements are jeopardizing injured workers’ access to quality medical treatment. However, continued monitoring of the effect of PPO agreement use on
reimbursement is of value to ensure the lack of regulatory required payment minimums does not create a situation that deters providers from treating injured workers or participating on panels.

**Fee Schedule Comparison**

The 2017 Pennsylvania Workers’ Compensation Fee Schedule was compared with Medicare (Philadelphia five-county area) and the fee schedules used by auto insurers for medical care reimbursement over the same period for 55 procedure codes commonly used for workers’ compensation claims. Additionally, a national study published by WCRI was used to evaluate the Pennsylvania Workers’ Compensation Fee Schedule.

**Medicare:** Thirty-four procedures in the PA Workers’ Compensation 2017 Fee Schedule had fees more than 25% higher than the Medicare rate. Only three procedures had reimbursement rates lower than Medicare, and only one was more than 10% lower. The average percentage rate above Medicare is 175%. This is significantly above the 113% baseline established in the Medical Cost Containment regulations.

**Workers Compensation Research Institute (WCRI):** WCRI offers a reference point corroborating the Medicare data comparison. In a June 7, 2018 presentation titled “Pennsylvania 2018 Workers’ Compensation Conference” based on their CompScope™ Benchmarks Study, 18th Edition, it was noted Pennsylvania’s Workers’ Compensation Fee Schedule ranked 14th out of 43 states in percent above/below Medicare rates. The WCRI study also confirms the schedule is more than 25% higher than Medicare on average (Belton et al. 33). This research suggests the PA Workers’ Compensation Fee Schedule is very competitive with those in other States (Belton et al. 33). However, it is possible other states leverage tools such as prior authorization, formularies, and/or treatment guidelines to assist with medical cost containment, thus limiting the impact of fee schedules with reimbursement significantly higher than Medicare.

**Auto Insurance:** The 2017 Pennsylvania Workers’ Compensation Fee Schedule is higher than auto insurance schedules for most procedures. Fourteen procedures had a lower reimbursement than auto insurance with only three being more than 10% lower.

**Insurer Survey**

The survey was sent out in January 2018 to 480 insurance carriers, self-insured employers, and group self-insured trusts that covered workers’ compensation cases in 2017. There were 15 organizations that responded resulting in a 3% response rate. Of note, many organizations chose to submit a single survey aimed at representing multiple subsidiary organizations suggesting the low response rate may underestimate the scope of the stakeholders represented. All respondents completed the survey using the online option. DLI is investigating ways to improve the response rate and tracking of the insurer aspect of the survey for 2018.

Respondents were asked to identify the most important characteristics considered when requesting a provider to join a panel. The top three characteristics reported are:

- Communication/Rapport
- Ease of Access/Proximity to the Employer Location
- Credentials/Knowledge
The respondents reported utilizing a combination of surveys and complaints to monitor the quality of care and patient satisfaction with providers on a panel.

The most commonly cited reasons for removing a provider from a panel were injured workers' satisfaction and performance on quality measures.

It is interesting to note that respondents did not emphasize acceptance of PPO agreements as the most critical consideration when determining to add a provider to their panel. As many providers indicated PPO agreements are an obstacle to panel participation, it may be fruitful to target this issue for further exploration in future studies.

Conclusions:

- Injured workers have timely access to quality care that allows workers to return to work upon completion of an appropriate convalescence.
- Injured workers are satisfied with care received at the same level that they are satisfied with care received outside of workers’ compensation.
- The Pennsylvania Workers’ Compensation Fee Schedule remains competitive with other lines of insurance within the healthcare industry. Compensation to providers at the established fee schedule should not be a barrier to access to care but may fall short of regulatory intentions aimed at cost containment.
- When employers utilize panels, they are generally administered correctly. Injured workers treated by panel providers experienced fewer days lost with no increase in subsequent injury suggesting use of panels are beneficial to all workers’ compensation stakeholders.

Recommendations:

- DLI should continue to investigate options to increase the response rates in surveyed populations.
- There is an opportunity to educate employers and workers on the benefits of being seen within 48 hours of injury.
- There is an opportunity for a more in-depth exploration of the reason behind provider concerns relating to reimbursement amounts. These concerns may be driven by provider experiences with preferred provider organization agreement-based reimbursements rather than the Pennsylvania Workers’ Compensation Fee Schedule reimbursement amounts.
- The use of panels is associated with improved results without compromising on workers’ rights. There is an opportunity to promote the use of panels focused on large employers who are not currently utilizing this option.
Citations:

