

**AN EVALUATION OF THE
COMPREHENSIVE AND ORGANIZED
MANAGED CARE PROGRAM:
FINAL REPORT**

prepared for

The Robert Wood Johnson Foundation

and

The Joint Industry Board of the Electrical Industry

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Table of Contents

Executive Summary	i
Medical Costs	
Income Maintenance Benefits	
Injured Workers Satisfaction Survey	
I. Overview of the Electrical Employers Self-Insurance Safety Plan	1
II. Comprehensive and Organized Managed Care Program	2
III. Objectives of the Present Evaluation of COMP	3
IV. Claim Cost Comparisons	4
A. Data Considerations	4
B. Claim Costs	5
1. Claimant Characteristics	
2. Average Costs for Medical Care	
3. Average Costs for Income Maintenance Benefits	
4. Breakdown of Medical Treatments	
V. Injured Worker Satisfaction Survey	12
A. Survey	13
B. Review of Responses	14
1. Questions Concerning the Injured Worker's Perception of the Seriousness of the Injury	
2. Questions Concerning the First Clinic or Medical Visit	
3. Questions Concerning the Last Clinic or Medical Visit	
4. Questions Concerning the Nurse Advocate	
VI. Conclusions	28
Medical Costs	
Income Maintenance Benefits	
Injured Workers Satisfaction Survey	
Limitations	30
Appendix A -- A Comparison Of The Claim Summary And Payment Transaction Data	

LIST OF TABLES

- IV-1 Claim Counts for Injured Workers with Payments through 18 Months from the Start of the Accident Year, by Accident Year
- IV-2 Claimant Characteristics
- IV-3 Number of Claims and Average Costs for Accident Years 1992-1995 and 1997-1998
- IV-4 Number of Claims and Average Medical Costs for Accident Years 1992-1995 and 1997-1998: Payment Transaction Data
- IV-5 Number of Claims and Average Income Maintenance Benefits for Accident Years 1992-1995 and 1997-1998: Payment Transaction Data
- IV-6 Distribution and Average Number of Treatments by Type of Medical Service for Accident Years 1997 and 1998 Claims, Evaluated as of June 30, 1998 and June 30, 1999, Respectively
- IV-7 Distribution and Average Payment per Claim, by Type of Medical Service Medical Service for Accident Years 1997 and 1998 Claims, Evaluated as of June 30, 1998 and June 30, 1999, Respectively
- V-1 Eligibility Criteria for Injured-Worker Satisfaction Survey
- V-2 Injured Worker Satisfaction Survey: Response Rates

The following tables present responses to selected questions from the Injured Worker Satisfaction Survey:

- V-3 Please rate how severe your work injury was at the time the accident occurred.
- V-4 In your opinion, are you now fully recovered from your work injury?
- V-5 Because of your work injury, how many visits to a clinic or medical office have you had with a doctor or other health professional until now?
- V-6 How much time did it take to travel to the medical office or clinic for your first visit?
- V-7 How soon after your scheduled appointment time were you seen by the doctor or health professional (for the first clinic or medical office visit)?

LIST OF TABLES
(continued)

- V-8 How would you rate the following in terms of your first clinic or medical office visit: The amount of time you had with the doctor or health professional.
- V-9 How would you rate the following in terms of your first clinic or medical office visit: Attention given by the doctor or health professional (to what you had to say).
- V-10 How would you rate the following in terms of your first clinic or medical office visit: Attention given by the doctor or health professional to the workplace conditions associated with your injury.
- V-11 How would you rate the following in terms of your first clinic or medical office visit: Awareness of the doctor or health professional about your duties at work.
- V-12 All things considered, how satisfied now are you with the care you received during your first clinic or medical office visit?
- V-13 How much time did it take to travel to the medical office or clinic for your last visit?
- V-14 How soon after your scheduled appointment time were you seen by the doctor or health professional (for the last clinic or medical office visit)?
- V-15 How would you rate the following in terms of your last clinic or medical office visit: The amount of time you had with the doctor or health professional.
- V-16 How would you rate the following in terms of your last clinic or medical office visit: Attention given by the doctor or health professional (to what you had to say).
- V-17 How would you rate the following in terms of your last clinic or medical office visit: Attention given by the doctor or health professional to the workplace conditions associated with your injury.
- V-18 How would you rate the following in terms of your last clinic or medical office visit: Awareness of the doctor or health professional about your duties at work.
- V-19 All things considered, how satisfied now are you with the care you received during your last clinic or medical office visit?

Appendix A

- A-1 Number Of Claims And Average Costs For Accident Years 1992-1995 And 1997-1998 Claim Summary And Payment Transaction Files

EXECUTIVE SUMMARY

On January 1, 1967, the Electrical Employers Self-Insurance Safety Plan (EESISP) commenced operations as a group self-insurance workers compensation program for electrical contractors in New York City. Currently, there are approximately 300 employers participating in EESISP, with approximately 15,000 covered workers. As the result of legislative action in the mid-1990s, EESISP was permitted to participate in a program that permitted certain groups of employers to direct care to a medical network. Introduced in April 1996, the Comprehensive and Organized Managed Care Program (COMP) is the principal focus of the present report.

COMP has included a managed care program and a process for resolving claim disputes. The managed care program was designed to include the following:

- A high-quality medical network to provide cost effective and accessible services to injured workers.
- A case management approach that ensures appropriate medical treatment to injured workers. The interest of the injured worker has been of primary concern to the case management team and a vehicle for communication between the worker, provider, case management team, and representatives of the worker. Nurse advocates were the front-line personnel in the case management program.
- Utilization of the Medical Department at the Joint Industry Board. The specialists employed in the Medical Department were familiar with the work requirements of the electrical industry and experienced in handling workers with injuries through the administration of JIB's Disability Pension Program (for non-occupational injuries).
- Assurance that the case management team, JIB's Medical Department, EESISP claim personnel, and the providers integrated their expertise in the dispute resolution process.

EESISP received a grant from the Robert Wood Johnson Foundation to evaluate this program. EESISP arranged with Milliman & Robertson, Inc. and the Integrated Benefits Institute to evaluate the impact of COMP on the costs of medical care, return-to-work results, claims administration, and employee satisfaction. There have been two major components of the evaluation performed by Milliman & Robertson, Inc. and the Integrated Benefits Institute.

- In November 1998, an evaluation was completed concerning the treatment patterns of occupational and non-occupational injuries.
- The present report concerns the evaluation of occupational injuries, which includes a comparison between the costs of work-related injuries prior to and since COMP was introduced, and an evaluation of a survey of injured workers.

In the discussions that follow, by “Pre-Program” period or group of injured workers, we are referring to workers injured during 1992 through 1995, and by “Program,” we are referring to workers injured during 1997 and 1998. During 1996 EESISIP was working out the details for implementing the program, including informing Local 3 members of the new network, and working with MagnaComp to establish the nurse advocate protocols, design of the provider and hospital network, and data reporting procedures.

We were provided data on medical payments and income maintenance benefits for all claims with dates of injury since January 1, 1992. To control for the amount of experience on a claim, we limited payments to 18 and 30 months from the beginning of an accident year. For claims with dates of injury during 1992, we used payments through June 30, 1993 and June 30, 1994; for claims with dates of injury during 1993, we used payments through June 30, 1994 and June 30, 1995; and so on. The year in which the injuries occurred is referred to as the “accident year” (AY).

MEDICAL COSTS

We performed two evaluations using the medical payments transactions—one using payments through 18 months from the beginning of an accident year, and a second using payments through 30 months. For each accident year, we adjusted the average medical cost for cost trends between the accident year and 1998.

- Medical costs for 1997 injuries averaged 12% lower than the pre-program period at the 18-month evaluation and 17% lower at the 30-month evaluation.
- Medical costs for 1998 injuries averaged almost 25% lower at the 18-month evaluation.

Much of the cost reduction between AYs 1997 and 1998 can be attributed to EESISIP’s stepped-up enforcement of a feature of COMP that permitted EESISIP to cover medical treatments only from providers in MagnaComp’s network. Under COMP, injured workers receive full medical coverage for treatments in MagnaComp’s network; treatments outside MagnaComp’s network are the responsibility of the injured worker. This feature was new to Local 3 members—previously, injured workers received full medical coverage regardless of who administered the care.

From the beginning of COMP, EESISIP engaged in a campaign to inform workers of the MagnaComp network, the nurse advocate process, and that only medical care administered by a MagnaComp provider would be reimbursed. Through the end of 1997, EESISIP was lenient with the last feature of COMP, and in most instances paid for medical care administered by non-MagnaComp providers. As a consequence, costs were higher because the fee-per-service for non-MagnaComp providers were not discounted below the New York State fee schedule and MagnaComp had less control over the treatment administered by out-of-network providers.

Beginning in 1998, EESISIP became stricter with the feature that medical care payments would be limited to treatments administered by providers in MagnaComp’s network. Since the program had been in place for over one year and EESISIP had worked closely with Local 3 to disseminate information on the program, very few treatments were administered by non-MagnaComp providers during 1998.