

**MID-AMERICA COALITION ON
HEALTH CARE**

**BENCHMARKS FOR INDUSTRY IN
ASSESSING
EFFECTIVENESS OF WORKERS'
COMPENSATION
MEDICAL MANAGEMENT PROGRAM**

June 21, 1999

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BENCHMARKS FOR INDUSTRY IN ASSESSING EFFECTIVENESS OF WORKERS' COMPENSATION MEDICAL MANAGEMENT PROGRAM

Close communication between employers and physicians is at the heart of effective management of workers' compensation medical costs and early return to work. Based on a 2 year study of over 900 OSHA reportable injury cases of 16 self insured employers, the Mid-America Coalition on Health Care has developed "benchmarks" that employers can use to assess the effectiveness of their workers' compensation management systems. A model Uniform Workability Reporting Form developed by 15 major Kansas City employers and regional physicians, served as the method for gathering the data used in the study. The Coalition is a regional alliance of over 70 major employers, medical centers, health plans, medical societies, state and local governments and labor, in the bi-state Greater Kansas City region.

The Uniform Workability Report Form, the centerpiece of the data gathering process for the study, was designed by employers and physicians to allow timely communication between the provider and the employer. This form provides essential management information on the health status of the injured worker after each physician visit. The form is not intended to cover every possible piece of information that an employer wishes to know about the injured worker. But, the form does contain most of what an employer needs to know in order to make effective management decisions about an employee's absence, potential for return to work, treatment plans ordered, referrals made, work activity restrictions and date of return visits to the physician if required.

Benchmarks were developed from the reported data over the two-year period, which compared individual employer data with the aggregate data of all participating employers. These "benchmarks" are shown below.

The benchmark data can be used as a checklist for employers to assess their own management practices and outcomes in the operation of the company's workers' compensation program. The benchmarks can assist employers in targeting possible areas for improvement in desired outcomes, reduced costs and potential savings in their workers' compensation systems.

A possible application for the "benchmarking" data is to project potential cost savings for employers. For example, if an employer's individual company data showed that the average number of physician visits per injury for shoulder pain was 6.5 and the aggregate for all employers was 2.8, the employer could determine the

cost impact of the 3.7 additional visits per injury and why it was experiencing such a higher number of visits for this type of injury. Another example might be if the average time between occurrences of an injury and when it was reported was 4.5 days for the employer and the aggregate was 2.7 days, a cost could be determined for the extra 1.8 days.

The project captures other “benchmarking” data that offer similar opportunities for quality of care improvements and overall cost reductions: medical and workability status of injured employee after initial physician visit; number of referrals per type of injury and time between injury and initial physician visit.

**INDUSTRIES REPRESENTED IN PROJECT
Data Collected from April 1997-October 1998**

	<u>Number of Employers</u>	<u>Number of Covered Employees</u>	<u>Number of OSHA Reported Injuries</u>
Construction	3	1,950	36
Food Distribution	1	2,000	44
Hospitals	7	12,970	421
Insurance	1	500	2
Mun. Govt./Non-Profit	2	4,720	359
Publishing	1	1,800	11
Transportation	<u>1</u>	<u>650</u>	<u>83</u>
TOTAL	16	24,590	956

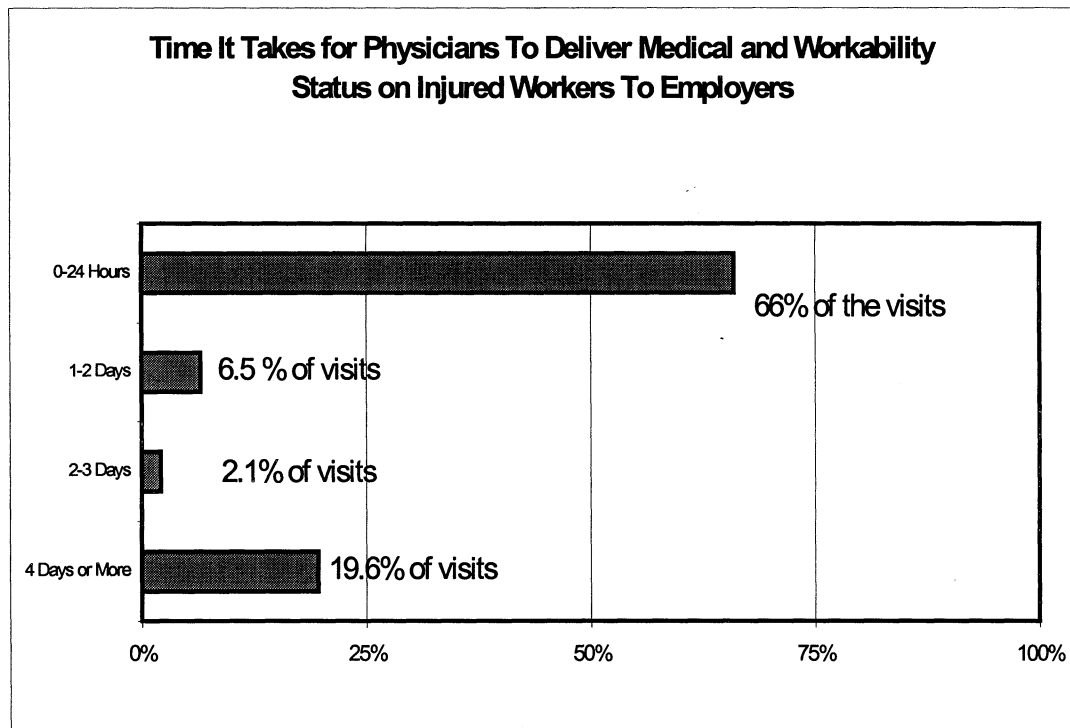
All data was collected from the Uniform Workability Reporting Form used by the participating employers.

BENCHMARK # 1

Medical and Workability Status

Employers need to know the medical and workability status of an injured employee as soon as possible after an injury occurs. This information is critical to the employer in order to know how to assist the employee in getting follow-up care, arranging for job replacements, planning for early return to work and other management decisions.

This benchmark measures the time it takes from the time an injured employee sees the physician until the employer receives the Uniform Workability Reporting Form back from the physician. This form contains the essential information that the employer needs for decision making.

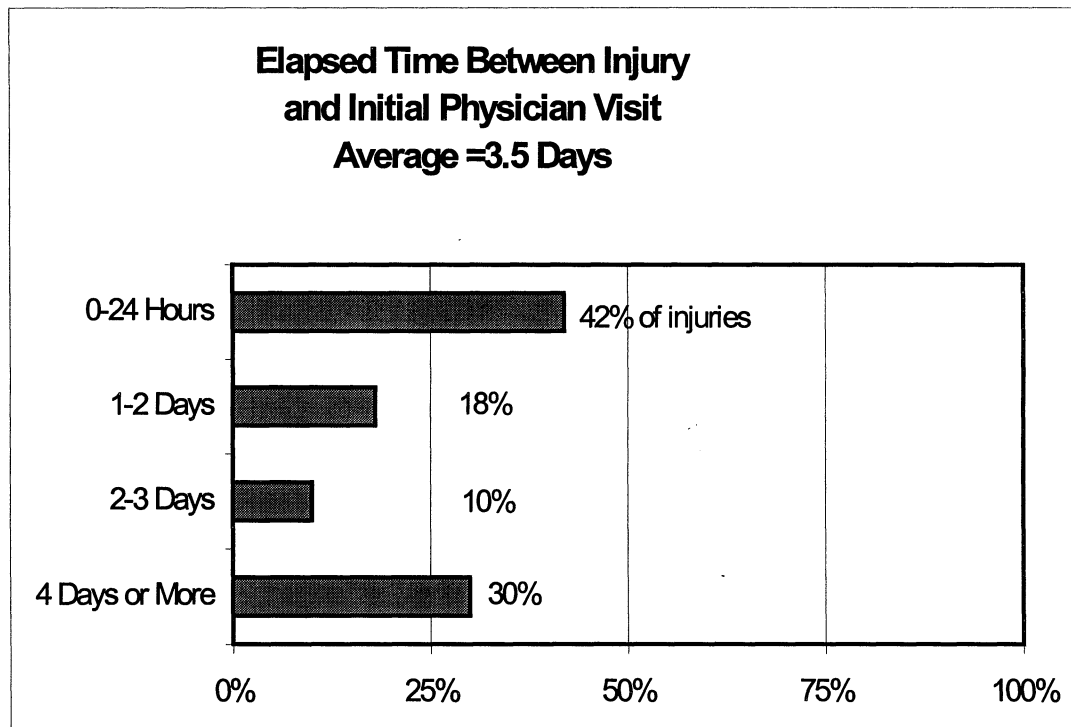


BENCHMARK # 2

Time Elapsed Between Injury and First Physician Visit

It is to the employer's advantage for an injured employee to see a physician as soon as possible after an injury occurs. Serious complications can occur when this time is unnecessarily extended, including medical and legal problems.

This benchmark measures how long it takes from the time of injury until the first visit to see a treating physician.

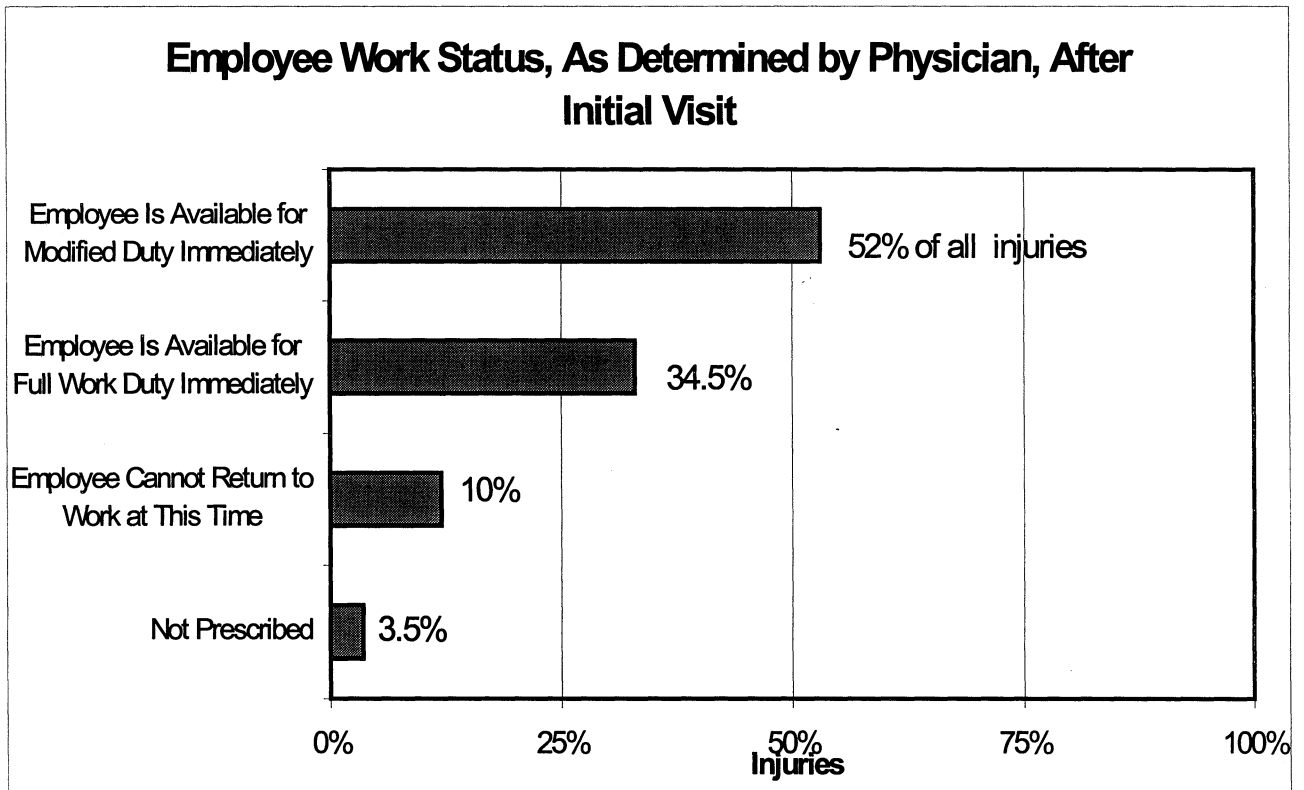


BENCHMARK # 3

Availability of Employee for Work After First Physician Visit

Employers need to know the work status of an injured employee as quickly as possible after the initial physicians visit. This information is critical to the employer in order to arrange job replacements, modified duty assignment, follow-up care, specialist referral and case management needs.

This benchmark shows the workability status of injured employees after the initial physician visit. The information is obtained from the Uniform Workability Reporting Form that is faxed back to the employer by the physician after treating the injured worker.

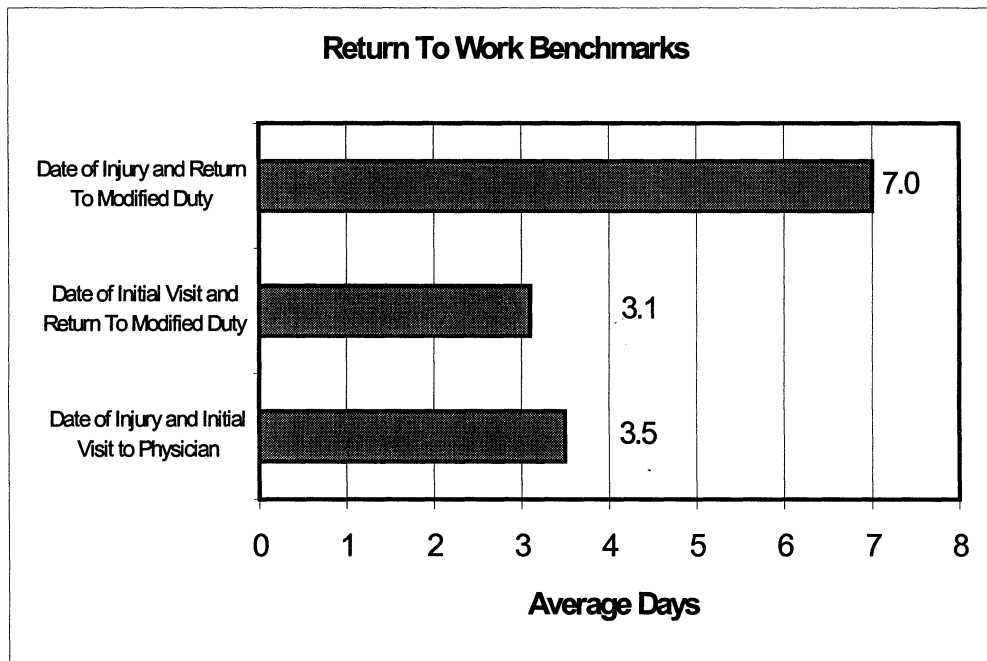


BENCHMARK # 4

Average Times Between Injury and Return To Work

Employers need to know the time between the series of events after an injury to an employee occurs, especially when a lost time injury is involved. Timing of reporting of the incident, initial treatment and return to work all impact quality of care and cost containment.

This benchmark measures the time gap from the date of injury and return to modified duty, the date of initial visit and returned to modified duty and the time between the date of injury and initial visit to physician when a lost time injury was involved. This data is all obtained from the Uniform Workability Report Form.



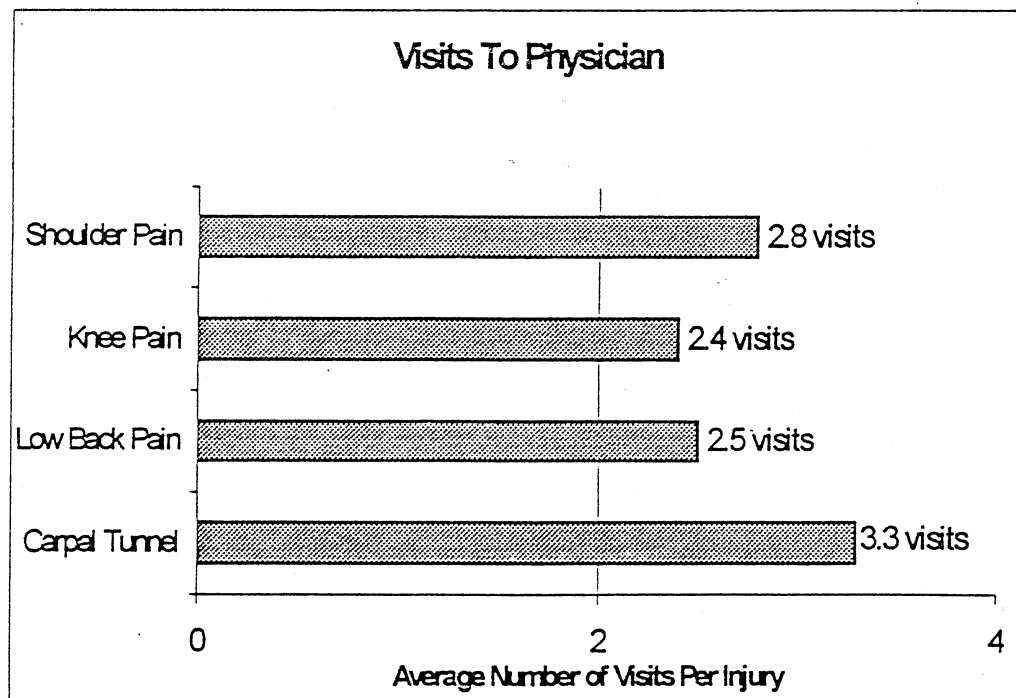
Benchmark # 5

Physician Visits for Major Injuries

Certain categories of injuries occur more frequently in workers' compensation than others. Four major injury areas are: Shoulder Pain, Knee Pain, Low Back Pain and Carpal Tunnel.

The Coalition project shows that employees who incur injuries in these four areas make more visits to physicians than the average workers' compensation injury case.

The benchmark data below shows the average number of visits made by injured employees when they incur injuries involving shoulder pain, knee pain, low back pain and carpal tunnel. These cases were tracked over the 18-month period of the study. (Some cases were still open at the end of the study period.)



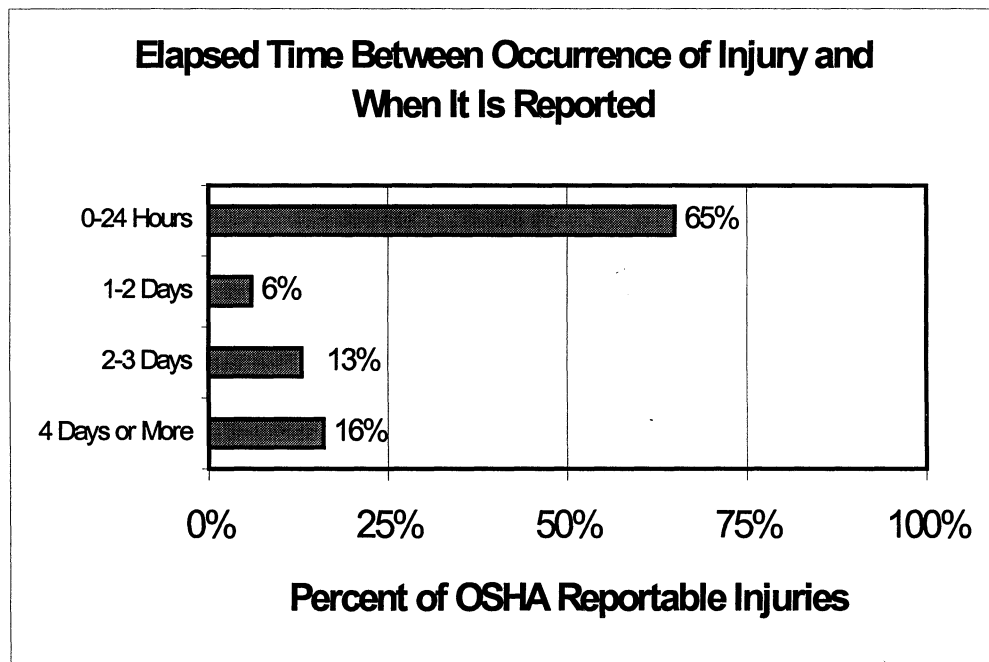
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BENCHMARK # 6

Elapsed Time Between Occurrence of Injury and When Injury Is Reported

Employers need to know the elapsed time between when an injury happens and when it is reported. This information is important to the employer in order to expedite the treatment process and to minimize the potential of lost productivity, lost work time and misunderstandings.

This benchmark measures the time between when an injury occurs and when it is reported to the employer. The shorter the time between the injury and when it is reported the better the chance for minimizing lost workdays and getting a favorable health outcome for the employee.

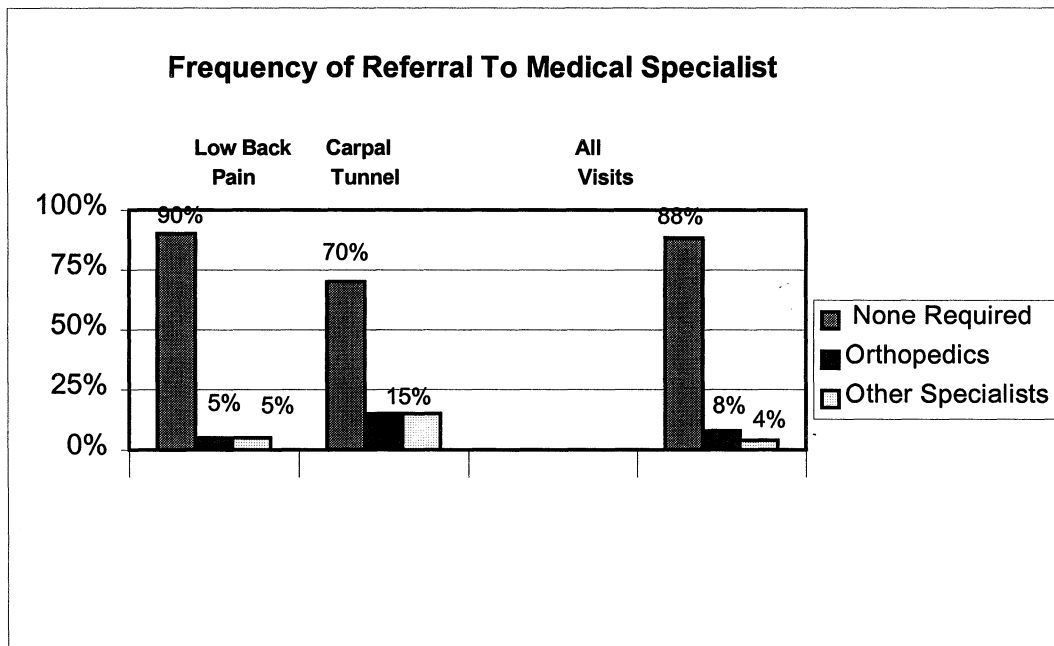


BENCHMARK # 7

Referral To Medical Specialist

In order to effectively track the ongoing status of an injured employee and to develop an understanding of referral needs for particular types of injuries, the employer needs to know referral patterns by injury. This will allow the employer to plan for lost work time as well as to manage the costs more efficiently.

This benchmark measures the frequency with which the treating physician referred the injured employee to a specialist for evaluation or treatment. The benchmark tracks two main categories of injuries: Low Back Pain and Carpal Tunnel. All other categories, abrasions, burns, bruises, strains, etc. were grouped together because of their low referral rates.



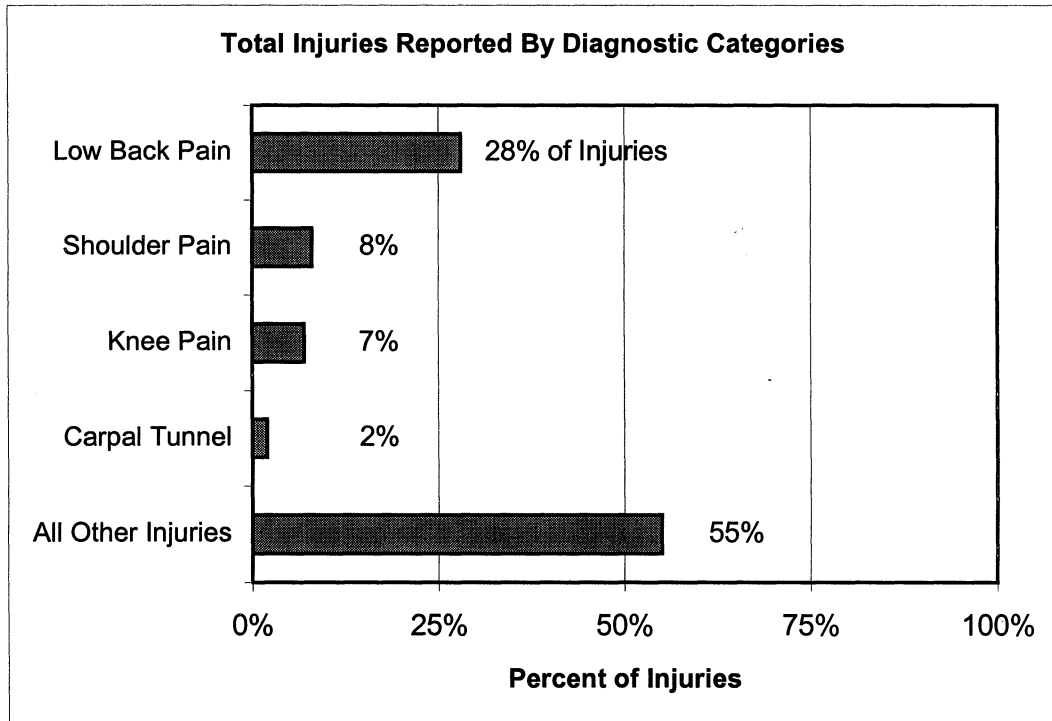
BENCHMARK #8

Total Injuries Reported in Study by Diagnostic Categories

Employers need to know the type of job injuries that are being experienced by their employees in order to institute prevention programs and to assure the safest possible work environment on the job. It is also necessary to know the most common injuries in order to develop an effective medical management component of the workers' compensation system.

This benchmark measures the four most common types of injuries reported in the 18-month study and groups all the remaining injuries into the "other" category. There were 956 OSHA reportable injuries reported during the study period.

The category of "All Other Injuries" includes: lacerations, burns, bruises, rashes, insect stings, strains and other miscellaneous.



MID-AMERICA COALITION ON HEALTH CARE
Checklist for Assessing Effectiveness of Employer's Workers' Compensation and
Quality Improvement Program

The following checklist criteria for assessing an employer's workers' compensation medical cost containment and quality improvement program, is based on the Coalition's findings and experience in the field since 1992 and more recently from the findings derived from a demonstration grant the Coalition received from the Robert Wood Johnson Foundation in 1996-1998. The checklist is not intended to be rigidly or narrowly applied, but rather to be used as a guide for workers' compensation managers to identify strengths and potential weaknesses in the employer's program, procedures, data gathering system and policies.

CHECKLIST

Item #1

Mechanism in place to measure the time it takes for employer to know the medical and workability status of injured worker.

Item #2

Mechanism in place to measure the elapsed time from the time of injury until the first visit to see a treating physician.

Item #3

Mechanism in place to allow the employer to know the workability status of the injured worker as soon as possible after the initial physician visit.

Item #4

Mechanisms in place to measure the time it takes from the date of injury to when the initial visit to the treating physician took place; the time between the initial visit and return to duty and the time between the date of injury and return to duty when a lost time injury is involved.

Item #5

Mechanism in place to measure the average number of physician visits made by injured employees, by the most common type of injuries incurred, at the employer's location.

Item #6

Mechanism in place to measure the time between when an injury happens and when it is reported to the employer.

Item #7

Mechanism in place to measure the frequency that the treating physician referred the injured worker to a physician specialist for evaluation or treatment.

Item #8

Mechanism in place to measure the number and frequency of the most common types of injuries experienced by the employer.