

Workers' Compensation Medical Care: Innovations in Research and Policymaking



In 1995, The Robert Wood Johnson Foundation established the Workers' Compensation Health Initiative (WCHI), a national grant program that supports demonstration and evaluation projects to test new models of improving the quality and containing the cost of workers' compensation medical care. A national program office was created at the University of Massachusetts Medical School to direct this six-year, \$6 million initiative.

Since its inception, the WCHI has awarded 21 grants to a variety of institutions and agencies. A complete list of grant recipients, their contact information, and project descriptions can be found at the Initiative's web site, www.umassmed.edu/workerscomp. The web site also provides a bibliography of publications based on grantee research.

The WCHI's projects are shedding new light on ways to improve workers' compensation medical care, as they address challenges raised by ongoing concerns about costs, the adoption of managed care techniques in workers' compensation medical care, restrictions on workers' choice of providers, and a fragmented health care system. Following is a brief summary of key areas where progress is being made.

- *Impact of Managed Care Arrangements.*

Studies suggest that managed care can contain workers' compensation medical costs more successfully than "un-managed care" through a variety of techniques, such as:

- ▼ introducing discounted fee schedules;
- ▼ decreasing medical service utilization through prospective utilization review;
- ▼ applying treatment guidelines; and

The WCHI's projects are shedding new light on ways to improve workers' compensation medical care.

- ▼ using case management approaches that improve communication among patients, employers, and medical providers regarding workers' medical limitations and appropriate job modification.

As in general health care, however, patient satisfaction with managed care is sometimes diminished. A WCHI-sponsored evaluation of Washington state's managed care pilot program found that the average medical cost per injury declined 21.5 percent, but that fewer patients expressed satisfaction with their care, particularly with access to their medical providers.¹

- *Communication.* Research has documented the importance of communication among patients, employers, providers, and workers' compensation insurers throughout the course of treatment, including return to work.² In Kansas City, the WCHI-supported Mid-America Coalition on Health Care is experimenting with several new communications tools and procedures designed to remove barriers to care. And at Georgetown University in Washington, DC, another WCHI study is evaluating "enhanced" case management protocols for federal employees that involve patient education, improved communication, and coordinated job redesign efforts.
- *Integrated 24-Hour Plans.* Pilot programs in Oregon, California, Maine, and other states have explored the feasibility of coordinating or integrating medical care and wage replacement benefits available through workers' compensation with other private and public health

¹ Kyes, K.B. et al. 1999. Evaluation of the Washington State Workers' Compensation Managed Care Pilot Project II – Medical Outcomes and Patient Satisfaction. *Medical Care*. 37(10): 972-981 and Cheadle, A. et al. 1999. Evaluation of the Washington State Workers' Compensation Managed Care Pilot Project II – Medical and Disability Costs. *Medical Care*. 37(10): 982-993.

² Intracorp. 1997 (July). *Intracorp Injured Workers Study: The Workers' Compensation Experience*. Philadelphia: Intracorp. Also, Sum, J. 1996. *Navigating the California Workers' Compensation System: The Injured Workers' Experience*. San Francisco: Commission on Health and Safety and Workers' Compensation.

insurance programs. These efforts have proved to be technically challenging and politically difficult. For example, low enrollment in pilot programs impeded WCHI-sponsored research projects in California and Maine. Other projects are experimenting with integrated disability prevention and management.

- *Health Outcomes Assessment.* There is a serious need for new methods to assess not only the direct economic results of work injuries but also a broad range of health-related consequences, such as quality of life, psychological well-being, satisfaction with care, risk of re-injury, and subsequent work experiences. Numerous research instruments are under development to measure these and other outcomes. In 1999, the National Institute for Occupational Safety and Health and the WCHI co-sponsored a national conference that brought together leading experts to help focus attention on this issue.³
- *Rehabilitation.* Increasingly, medical authorities are suggesting that early return to work and a prompt resumption of limited physical activity following low-back injuries and other musculoskeletal disorders can help maintain functional capacity and minimize long-term impairment.⁴ Several new treatment guidelines have adopted this approach. WCHI-funded studies are evaluating clinicians' acceptance and use of these guidelines and the impact on quality and functional outcomes of mandatory practice guidelines issued by the Minnesota Department of Labor and Industry.
- *Managed Care Accountability.* New mechanisms are needed to hold managed care organizations (MCOs) accountable for the quality of care they provide to workers receiving treatment for occupational disorders. This can be done through a variety of ways. The American Accreditation HealthCare Commission/URAC, in a project funded by the WCHI, is leading an effort to develop a set of performance measure-

ment standards for MCOs treating patients covered by workers' compensation.⁵

- *Data Resources.* Until recently, lack of credible data specific to workers' compensation issues has limited research options. This is changing with the launch of more studies that incorporate worker self-reported survey data and medical record review, and with expanded reporting by health care systems. Recently, the WCHI awarded a grant to a large consortium of researchers led by investigators at the University of Texas-Houston School of Public Health who are working to devise a standard research methodology for use in creating a national database on workers' compensation medical care.
- *Dissemination of Information.* The WCHI has awarded two grants to establish model resource centers in Rhode Island and California to collect and disseminate information on how to improve workers' compensation medical care. These efforts could help stimulate the creation of similar resource centers in other states and nationally.

The major policy issues in workers' compensation medical care – provider choice, delivery system structure, quality assurance and improvement, integrated benefits, and linkages between work, health, and productivity – can all be informed by projects that are currently underway. By using research to develop new knowledge, the WCHI and its grantees are helping to address the concerns of working populations. ●

This fact sheet series was created by the Workers' Compensation Health Initiative, a national program of The Robert Wood Johnson Foundation. The goal of the Initiative is to support innovations in workers' compensation that will contain costs and improve the quality of care provided to injured workers. For more information, visit the program's web site at www.umassmed.edu/workerscomp.

³ National Institute for Occupational Safety and Health. 1999 (June). *Proceedings of the NIOSH/RWJF Conference: Functional, Economic, and Social Outcomes of Occupational Injuries and Illnesses: Integrating Social, Economic, and Health Services Research.*

⁴ Margoshes, B.G. and B.S. Webster. 2000. "Why Do Occupational Injuries

Have Different Health Outcomes?" In T.G. Mayer et al. (eds.). *Occupational Musculoskeletal Disorders: Function, Outcomes, and Evidence.* Philadelphia: Lippincott, Williams, and Wilkins.

⁵ For more information about the URAC MCO performance measures, visit the organization's web site at <http://www.urac.org/>.