

CLIENT NEWSLETTER



THE LAW OFFICE OF RICKY D. GREEN, PLLC

October 4, 2012



The Texas Department of Insurance (TDI) Workers' Compensation Research and Evaluation Group (TDI-WCREG) released the annual network report card on Tuesday, October 2, 2012. This is the 6th network report card released since networks began operating in 2006. The network report cards compare network and non-network claims on a variety of measures, including health care costs, utilization of care, satisfaction with

care, access to care, return-to-work outcomes, and health outcomes. It also compares 504 (political subdivision) networks with 1305 (private) networks and non-network claims. As of August 31, 2012 there are 30 networks in Texas that cover 250 of the 254 counties in Texas.

The TDI-WCREG group released the following statement: "Overall, networks certified by TDI continue to show improvements in a variety of measures, including medical costs, return-to-work outcomes, and health outcomes, compared to previous report cards, and networks generally produced better return-to-work and health outcomes compared to non-network claims. Non-network claims continued to have lower average medical costs than network claims, but cost reductions in networks have closed that gap (and) is now 7 percent compared to 17 percent in 2011."

Networks studied had a total of 78,408 injured employees: Texas Star (26,017), 504-Alliance (19,259), Travelers (6,112), Liberty (6,782), Coventry (5,888), Corvel (2,420), Zurich (1,962), Chartis (1,301), 504-Others (1,117), IMO (945), First Health (1,229), and all other networks (5,376). Non-network injured employees totaled 147,995.

- Overall non-network medical cost per claim for 6 months after the date of injury (DOI) averaged \$2,602. Corvel had the highest medical cost average at \$3,751, while the 504-Alliance Group had the lowest medical cost average at \$2,168. For 1305 networks, Zurich had the lowest medical cost average at \$2,420. Texas Star (the largest 1305 network) had an average cost of \$3,006.

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- The average lost-time cost for non-network claims was \$7,592. Chartis had the highest lost-time average at \$10,384, and 504-Alliance had the lowest lost-time average at \$6,579. Texas Star (the largest 1305 network) had a lost-time average of \$7,226.
- For satisfaction with medical care regarding the treating doctor, 83% of injured employees agreed or strongly agreed with their treating doctor's treatment in non-network claims. 504-Alliance had an 87% approval rate, and Texas Star (the largest 1305 network) had an 85% approval.
- For return to work, the average number of weeks injured employees reported being off work in non-network claims was 23 weeks. 504-Alliance had an average of 7 weeks of lost-time. Texas Star (the largest 1305 network) had an average of 20 weeks of lost-time.
- All networks had higher physical functioning outcome scores among their injured employees than non-network injured employees.
- All 12 network entities reported higher return-to-work rates than non-network and had lower average number of weeks off from work.
- Injured employees from seven network entities reported higher levels of agreement with their treating doctors than non-network injured employees—up from zero networks in 2011.
- Networks tended to have higher overall health care utilization rates for professional and pharmacy services, but lower utilization rates for hospital services, than non-networks.

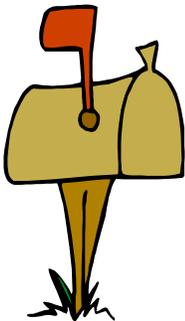
In 2012, Texas Star, which treats injured workers for Texas Mutual Insurance Co. policyholders and is the largest network, accounted for 33% of all claims that were treated in networks, down from 36% a year ago. That decrease resulted from smaller networks treating an increasing share of injured employees.

You can see the full network report card at:

http://www.tdi.texas.gov/reports/wcereg/documents/2012_report_card.pdf

You can view a listing of all of the certified 1305 networks with respective coverage areas at:

www.tdi.state.tx.us/wc/wcnet/wcnetworks.html.



QUESTIONS? COMMENTS? Have questions or comments about any of the stories in the newsletter or general questions about a workers' compensation matter? Drop us a line at questions@rickygreen.com, or give us a call at (512) 280-0055. We look forward to handling all of your workers' compensation needs.

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