

VIII. RESULTS: PAYER SURVEY

This section presents the results of the 20 California payers who responded to our survey. Of the 20 completed surveys, 6 were insurers, 5 were TPAs, and 9 were SISAs. Overall, the survey focused on 6 different areas relating to WC in California: (1) the creation, use, and characteristics of MPNs, (2) physician contracting, (3) physician reimbursement, (4) perception of physician willingness to treat injured workers, (5) standards for access to quality medical care, and (6) perception of injured worker access to physicians. Summary responses for all payers are presented below.

All of the insurers and TPAs and 2 of the 9 SISAs provide statewide coverage; the remaining SISA respondents covered clients in the Greater San Francisco Bay Area, San Joaquin Valley, Sacramento Area, Los Angeles County, and North Coast/North Inland/Sierras. The SISAs cover between 8,500 and 80,000 employees in California. The percent of all WC claims represented by each of the payer types is shown below in Exhibit 85 separately for 2004 and 2005.

Exhibit 85. Characteristics of respondents by payer type, California, 2006

Payer Type	Sample Size	% of all 2004 WC claims represented†	% of all 2005 WC claims represented†	Geographic Regions Covered
Insurer	6	37.8%	31.1%	Statewide
TPA	5	15.7%	21.1%	Statewide
SISA	9	3.2%	3.5%	
Private	3	1.4%	1.6%	2 Statewide 1 San Joaquin Valley
Public –non-JPA	3	1.4%	1.6%	1 Los Angeles County 1 Greater San Francisco Bay Area and San Joaquin Valley 1 Sacramento Area
Public –JPA	3	0.3%	0.4%	2 Greater San Francisco Bay Area 1 Los Angeles County 1 Sacramento Area and North Coast, North Inland, and Sierras
TOTAL	20	56.7%	56.4%	

† Source: California Department of Industrial Relations, Division of Workers' Compensation Audit Unit Annual Report of Inventory

USE AND CHARACTERISTICS OF MPNs

MPNs are a relatively new feature of the California WC System. As a result, not much is known about MPN arrangements in the state. Questions in the survey include use, formation, and difficulties encountered when trying to create MPNs (Exhibit 86).

Exhibit 86. Use and formation of MPN lists by payer type, California, 2006

	Insurer	TPA	SISA	TOTAL
Number of payers with an MPN	6 of 6	5 of 5	3 of 9	14 of 20
Constructed MPN list from scratch	1 of 6	2 of 5	3 of 3	6 of 14
Customized existing MPN list	2 of 6	3 of 5	1 of 3	6 of 14
Supplemented existing MPN list	3 of 6	1 of 5	2 of 3	6 of 14
Mandate for employers to use MPN	0 of 6	0 of 5	3 of 3	3 of 14
Percentage of employers using MPN	Mean = 76%; Range = 30-99%	Mean = 55%; Range = 10-80%	Mean = 87%; Range = 60-100%	Mean = 70% Range = 10-100%
Planning new/additional MPN(s)	0 of 6	1 of 5	3 of 9	4 of 20
For employees not covered under MPN, employer chooses PTP within first 30 days of illness or injury	6 of 6	5 of 5	6 of 7	17 of 18

NOTE: Due to skip patterns in the survey, not all respondents answered all questions. Therefore, total respondents may vary throughout.

Fourteen of the 20 respondents reported the use of one or more MPN products; all 6 respondents without an MPN were SISAs. The 3 SISA respondents with an MPN all mandate that their California employees be covered under an MPN, while none of the other 11 respondents reported such a requirement. On average, 70% of employers use an MPN, with a range of 10% to 100% of employees covered. For employees not covered under an MPN, 17 payers stated that they choose the PTP the injured worker sees during the first 30 days of illness or injury. In terms of network formation, 6 say they created their provider network from scratch, including selecting, credentialing, and contracting with providers; 6 customized an existing MPN list; and 6 supplemented an existing MPN list with additional providers. Of the 20 payers surveyed, 4 reported they were planning to start new or additional MPNs within the next year or sooner. Of these, one respondent currently has one or more MPN products, while the other 3 do not.

ACCESS AND QUALITY

Physician Contracting

Nine payers found some specialty physician types harder to contract with, especially dentistry, psychology, psychiatry, dermatology, orthopedic surgery, and neurosurgery (Exhibit 87). Furthermore, 12 felt that certain regions of the state were difficult to find physicians willing to contract for WC care, particularly the North Coast/North Inland/Sierras, San Joaquin Valley, and Central Coast. One respondent noted that rural areas proved especially difficult because physicians in smaller towns are “not willing to contract at a discount, even a small discount.” When asked what reasons physicians were giving for not wanting to contract for WC care, responses were similar to those received from physicians in the provider survey. The most common reasons were related to payment issues, the level of paperwork and reporting requirements, UR/ACOEM guidelines/AMA guidelines, general administrative hassles, unwillingness to treat chronic pain and transfer cases, and no WC experience.

Exhibit 87. Difficulties with physician contracting by payer type, California, 2006

	Insurer	TPA	SISA	TOTAL
Number reporting difficulty contracting with certain specialties	4 of 6	1 of 5	4 of 9	9 of 20
Number reporting difficulty finding providers in certain regions of CA willing to contract	6 of 6	3 of 5	3 of 9	12 of 20

Physician Reimbursement

No respondent reported paying any physician types or specialties above the WC OMFS (Exhibit 88). Instead, of those who responded to the question, 13 reported they generally (but not necessarily always) pay physicians at the fee schedule rate and 4 reported they generally pay physicians below the fee schedule rate. Furthermore, 7 respondents reported that when they do pay discounted fees, the discounts range from 4% to 14% below the fee

schedule. Each physician type and specialty is paid by at least one payer at the fee schedule rate. Physician types most commonly paid below the fee schedule include chiropractors, occupational medicine providers, physical medicine and rehabilitation providers, and radiologists. Only one payer varies the compensation for physicians by region of the state, paying physicians in the North Coast/North Inland/Sierras a higher rate than others.

Exhibit 88. Physician reimbursement rates by payer type, California, 2006

	Insurer	TPA	SISA	TOTAL
General physician payment rates				
Above fee schedule	0 of 6	0 of 5	0 of 9	0 of 20
At fee schedule	2 of 6	2 of 5	9 of 9	13 of 20
Below fee schedule	1 of 6	3 of 5	0 of 9	4 of 20
% below fee schedule for physician types paid below fee schedule	5%	4-12%	10-14%	4-14%
Number paying physicians different rates by region of the state	1 of 6	0 of 4	0 of 9	1 of 19

Perception of Physician Willingness to Treat Injured Workers

Six payers responded that there are certain physician specialty types and seven responded that there are regions of the state where physicians they contract with are more likely to refuse to take WC patients (Exhibit 89). Specifically, psychology, allergy and immunology, dermatology, and urology were the most common specialists refusing to treat WC patients. In terms of region, the most commonly cited problem areas are North Coast/North Inland/Sierras, the Greater San Francisco Bay Area, the Central Coast, and the San Joaquin Valley. According to respondents, the most frequent reasons physicians give for not wanting to accept WC patients are: payment issues including the fee schedule and reimbursement rates; UR/ACOEM/AMA guidelines; paperwork, reporting, and other administrative issues; patient related issues such as the complexity of cases and patients wanting control of medical decisions; and business reasons such as the practice being too busy.

Exhibit 89. Physician willingness to treat in the WC system by payer type, California, 2006

	Insurer	TPA	SISA	TOTAL
Are certain specialties not likely to accept WC patients? (number reporting yes)	2 of 6	0 of 5	4 of 9	6 of 20
Are physicians in certain regions not likely to accept WC patients? (number reporting yes)	4 of 6	2 of 5	1 of 9	7 of 20

Access and Quality Standards

Recent reforms require time and distance standards for MPN products, but no such standards are required for non-MPN products. Therefore, questions on access and quality standards were asked separately for MPN and non-MPN products. For their MPN products, of the thirteen payers responding to these questions, all have a standard for days to first appointment with a PTP ranging from 0 to 3 days, while 11 payers also have a standard for days from referral to the first appointment with a specialist or consulting physician (5-21 days) (Exhibit 90). The majority of payers – twelve – also have distance standards to the PTP and specialist for their MPN products. The PTP distance standards range from 5 to 30 miles with a mode of 15 miles, while the specialist distance standards range from 15 to 30 miles with a mode of 30 miles. Six payers have provider performance measures and 2 have patient satisfaction measures that they currently track. Provider performance measures include scorecards, quality assessment reviews, and other methods coordinated through network contracting. Frequent patient satisfaction surveys were the most common method for assessing patient satisfaction within the MPN.

Two SISAs and all five TPA respondents did not have any non-MPN products. Therefore, there were only 13 possible respondents to the questions on access and quality standards for non-MPN products. Of those, 8 have a standard for days to first appointment with a PTP (1-3 days) and 5 have a standard for days from referral to the first appointment with a specialist or consulting physician (5-30 days). Five respondents have a distance standard to the PTP of 5 to 15 miles and one respondent who does not have a standard reported that they do try for

the same geographic region. For distance to specialist physician, three reported that they have standards ranging from 10 to 50 miles. SISAs were the only payers to have provider performance measures for their non-MPN products. Examples of some of the reported measures include monitoring of customer complaints, requiring continuing education credits, time requirements for submission of forms and reports, requirements on patient waiting times, and periodic peer reviews. There were 4 payers with patient satisfaction measures, primarily assessed with satisfaction surveys.

For both MPN and non-MPN products, 17 respondents monitor whether the standards are being met – 12 monitor all standards and 5 monitor only a portion of the standards. Sixteen payers reported that their company takes specific action when monitoring efforts indicate that any of the standards are not being met, though they were not asked what these actions were.

Exhibit 90. Standards for access to quality medical care by payer type, California, 2006

	Insurer	TPA	SISA	TOTAL
Number with standard and days of standard for first appointment with PTP				
MPN	6 of 6 3 days	4 of 4 1-3 days	3 of 3 0-3 days	13 of 13 0-3 days
non-MPN	2 of 6 3 days	N/A	6 of 7 1-2 days	8 of 13 1-3 days
Number with standard and days of standard from referral to first appointment with specialist/consulting physician				
MPN	6 of 6 5-21 days	4 of 4 20-21 days	1 of 3 20 days	11 of 13 5-21 days
non-MPN	2 of 6 5-20 days	N/A	3 of 7 7-30 days	5 of 13 5-30 days
Number with standard and miles of standard for distance to PTP				
MPN	6 of 6 15 miles	4 of 4 15-30 miles	2 of 3 15 miles	12 of 13 15-30 miles
non-MPN	1 of 6 15 miles	N/A	4 of 7 5-10 miles	5 of 13 5-15 miles
Number with standard and miles of standard for distance to specialist/consulting physician				
MPN	6 of 6 15-30 miles	4 of 4 30 miles	2 of 3 30 miles	12 of 13 15-30 miles
non-MPN	1 of 6 30 miles	N/A	2 of 7 10-50 miles	3 of 13 10-50 miles
Provider performance measures				
MPN	2 of 6	2 of 4	2 of 3	6 of 13
non-MPN	0 of 6	N/A	5 of 7	5 of 13
Patient satisfaction measures				
MPN	1 of 6	1 of 4	0 of 3	2 of 13
non-MPN	1 of 6	N/A	3 of 7	4 of 13
Number monitoring all or some standards	5 of 6	4 of 4	8 of 9	17 of 19
Number that take action when standards are not met	5 of 6	3 of 5	8 of 9	16 of 20

Perception of Injured Worker Access

When asked about their experiences with the WC system before and after the 2004 reforms, 19 of 20 reported that access to PTPs did not change at all and one said access is better now due to their being a finite list of providers with which the respondent and employer have a relationship (Exhibit 91). Fifteen of 20 reported that specialist access is the same now as before 2004, four reported that it is now worse, and one said it is now easier for the same reason that PTP access is now easier. Among those who felt specialist access is now worse, reasons cited include fewer specialty doctors seeing WC patients, more communication required to select specialists for MPN, physician frustration with UR and permanent disability ratings, and some specialists not accepting transfer patients. Eighteen payers have mechanisms for reporting access issues to network administrators, including toll-free phone numbers, provider relations departments, and specific contact people.

There were numerous barriers reported in providing access to medical care within the current WC system, including: payment issues (fee schedule, reimbursement rates, delays in receiving payment), paperwork, too much red tape, UR related issues, availability of specialty doctors for appointments, physicians who do not understand the WC system requirements, litigation and attorneys who want to direct treatment, uncertainty about who should initially treat the patient, lack of quality physicians, providers who do not want to treat WC patients (including those in rural locations), providers not willing to be in networks, lack of PTP-employer relationship, and general frustrations with the system (including being too time consuming and complex). However, despite all these barriers, the majority (17) of respondents said that they feel injured workers' access to medical care is the same now as it was prior to 2004.

Exhibit 91. Perception of access to WC medical care by payer type, California, 2006

	Insurer	TPA	SISA	TOTAL
Patient access to PTP is the same now as before 2004	6 of 6	4 of 5	9 of 9	19 of 20
Patient access to specialist is the same now as before 2004	5 of 6	4 of 5	6 of 9	15 of 20
Do you have existing mechanisms for reporting access issues? (number reporting yes)	6 of 6	5 of 5	7 of 9	18 of 20
Overall access to WC medical care is same now as before 2004	6 of 6	3 of 5	8 of 9	17 of 20

SUMMARY AND CONCLUSIONS

1. MPNs are common, but payers report difficulties contracting with certain provider types and specialists, and with providers in some regions of the state.

- All responding insurers and TPAs have one or more MPN products, and one-third of SISAs have MPN products.
- Payers report the most difficulty contracting with dentists, psychologists, psychiatrists, dermatologists, orthopedic surgeons, and neurosurgeons.
- The regions where payers have the most difficulty contracting with physicians for WC care were the North Coast/North Inland/Sierras, the San Joaquin Valley, and the Central Coast. Reasons physicians give to payers for not wanting to contract include inadequate payment, paperwork and reporting requirements, UR/ACOEM guidelines, and administrative hassles.
- No respondent pays any physician type or specialty above the fee schedule. The physician types most often paid below the fee schedule include chiropractors, occupational medicine providers, physical medicine and rehabilitation providers, and radiologists

2. Payers report that some providers they contract with are more likely to refuse to treat WC patients.

- The specialties most likely to refuse WC patients were psychologists, allergists and immunologists, dermatologists, and urologists.
- The regions where payers reported physicians were most likely to refuse WC patients were the North Coast/North Inland/Sierras, the Greater San Francisco Bay Area, the

Central Coast, and the San Joaquin Valley. Reasons for refusing to treat WC patients, as reported by payers, include inadequate payment, UR, paperwork and reporting, business reasons, and patient-related issues.

3. Payers report their perceptions that overall access for injured workers has remained the same since 2004.

- Most respondents expressed their belief that injured workers' access to PTPs and specialists is the same now as it was before 2004. Furthermore, 17 of the 20 respondents reported that overall access to quality medical care in the WC system is the same now as before 2004.
- Most respondents have time and distance standards for their PTPs and specialists as part of their MPNs. Among respondents with non-MPN products, the majority of respondents had a standard for days to first appointment with a PTP, but few had any other standards.