



Do Employers Know How They're Paying Medical Providers?

- Dec 09, 2008

Saving money that is to be spent on medical care for injured workers is particularly difficult if you don't know how the providers of that care are being compensated, which is the position many employers find themselves in, according to a new online survey conducted by Injury Management Partners, LLC and *Occupational Health & Safety*. Nearly 60 percent of the respondent employers were not sure how their third-party administrators (TPAs) or managed care organizations (MCO) are compensated for medical provider network development, and 74 percent did not know the compensation arrangements for TPA and MCO bill review services, the survey showed.

[Injury Management Partners](#) (727-785-0464) is a consulting and development firm that is based in Palm Harbor, Fla. It helps employers reduce the number, cost, and duration of workplace injuries.

Nearly 100 employers representing a variety of workers' compensation programs participated in the survey. Forty-eight percent were self-insured. "The fact that employers do not know if their TPAs or MCOs are paid on a percentage-of-savings basis or fee-for-network access is disturbing," said Susan S. Toussaint, president of Injury Management Partners. "This is a huge concern because some payment methodologies create misaligned incentives and actually drive up claim costs."

She said another concern was that more than half of the respondents said their TPA/MCO did not conduct injured worker satisfaction surveys, and 32 percent of the respondents were not sure about this. "The industry forgets who the ultimate customer is," Toussaint said. "We spend millions of dollars trying to restore injured employees to health and full capacity, and we don't even ask them, 'How is this working for you?'"

Slightly less than half of the respondents knew their physicians were committed to practicing evidence-based medicine. About half use a post-offer, pre-placement medical screening prior to hiring an employee, and 82.9 percent use job descriptions that specify the physical demands and essential functions of their jobs. More than 78 percent have written and communicated return-to-work programs for injured workers. The best news, said Toussaint, is that more than 56 percent of the companies said injured employees returned to work, including for modified duty, within four days.

"We believe that most of our readers have effective safety programs in place and are now focusing on new ways to reduce workers' compensation-related costs," said Susan Stilwill-Gentry, group publisher of 1105 Media Inc.'s Health & Safety Group, which publishes *Occupational Health & Safety*. "This survey helps us identify areas that can be improved and to develop education and programs to help employers achieve their goals."

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