

# 2021

## Workers' Compensation Network Report Card Results

September  
2021



Workers' Compensation  
**Research &  
Evaluation Group**

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**Division of Workers'  
Compensation**

Under Chapter 405 of the Texas Labor Code, the Workers' Compensation Research and Evaluation Group at the Texas Department of Insurance, Division of Workers' Compensation (DWC) is responsible for conducting professional studies and research on various system issues, including:

- the delivery of benefits;
- litigation and controversy related to workers' compensation;
- insurance rates and rate-making procedures;
- rehabilitation and reemployment of injured employees;
- the quality and cost of medical benefits;
- employer participation in the workers' compensation system;
- employment health and safety issues; and
- other matters relevant to the cost, quality, and operational effectiveness of the workers' compensation system.

This report is available at [www.tdi.texas.gov/wc/reg](http://www.tdi.texas.gov/wc/reg).

Direct questions regarding certified networks to the Managed Care and Quality Assurance Office at [MCQA@tdi.texas.gov](mailto:MCQA@tdi.texas.gov).

## **Acknowledgements**

The Workers' Compensation Research and Evaluation Group would like to thank Dr. Kirby Goidel and his staff at the Texas A&M University, Public Policy Research Institute for successfully administering the injured employees' survey.

Botao Shi managed the project, conducted the analyses, converted statistical results into tabular and graphical output, and interpreted the results. Amy Lee provided methodological support, conducted the data management, and co-authored the final report. Conrado Garza provided valuable editorial comments.

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## Executive Summary

In 2005, the 79th Texas Legislature passed House Bill 7, which authorized the use of workers' compensation health care networks certified by the Texas Department of Insurance (TDI). This legislation also directed the Workers' Compensation Research and Evaluation Group (REG) to publish an annual report card comparing the performance of certified networks with each other, as well as with non-network claims, on a variety of measures including:

- health care costs;
- utilization;
- satisfaction with care;
- access to care;
- return to work; and
- health outcomes.

In 2021, the 87th Texas Legislature passed House Bill 1753, which directed the REG to change the publishing of this report card from annually to every even-numbered year.

As of June 1, 2021, there are 30 networks covering 254 Texas counties that are certified to provide workers' compensation health care services to insurance carriers. Twenty-four certified networks actively treated injured employees as of May 31, 2020. Since 2006, about 1.2 million injured employees have been treated in workers' compensation networks. This report card examines only new claims and excludes legacy claims from the analyses, unless otherwise noted.

## Public Entities and Political Subdivisions

Certain public entities and political subdivisions (such as counties, municipalities, school districts, junior college districts, etc.) have the option to:

- use a workers' compensation health care network certified by TDI under Texas Insurance Code Chapter 1305;

## Key Findings

**Medical Costs:** Networks generally have lower medical costs per claim than non-networks, especially at 18 months maturity.

**Medical Utilization:** A higher percentage of network injured employees received evaluation and management, physical medicine, and pharmacy services than non-network claims. A higher percentage of non-network injured employees received hospital services.

**Satisfaction with Care:** While overall satisfaction with medical care was mixed for network and non-network claims, many network injured employees reported higher levels of satisfaction with their treating doctor.

Regardless of network status, about 3 out of 4 injured employees reported that their work-related medical care was the same or better than the medical care they normally receive when injured or sick.

**Access to Care:** Overall, networks provided non-emergency care sooner after an injury than non-network claims. Most networks had a higher percentage of injured employees who reported that they had no problems getting needed medical care after their injury than non-network claims.

**Return to Work:** Overall, network claims had higher return-to-work rates than non-network claims.

**Health Outcomes:** Most network claims had higher physical and mental functioning scores than non-network claims.

- continue to allow their injured employees to seek health care as non-network claims; or
- contract directly with health care providers if a certified network is not “available or practical,” essentially forming their own health care network.

This report includes public entities such as the Political Subdivision Workers' Compensation Alliance (the Alliance), a joint contracting partnership of five political subdivisions that chose to directly contract with health care providers. While not required to be certified by TDI, these entities must still meet TDI's workers' compensation reporting requirements and are required to be included in the report card.

## **How Network Results Are Reported**

The results in this annual report card show a comparison of 11 groups, 10 of which are networks, with a total of 99,647 new injured employees with injuries occurring between June 1, 2019, and May 31, 2020. These 11 groups, along with their number of injured employees for the study period are: WorkWell (31,754), 504-Alliance (19,893), Coventry (11,094), Travelers (4,992), Sedgwick (4,736), IMO (3,797), Liberty (3,190), First Health (2,705), Corvel (2,571), and all Other Networks (14,915) relative to the non-network injured employees (103,282).

The “Other Network” category is comprised of the remaining networks and public entities under Chapter 504 that were too small, in terms of the number of injured employees treated in each network during the study period (June 1, 2019, to May 31, 2020), to have their results analyzed separately.

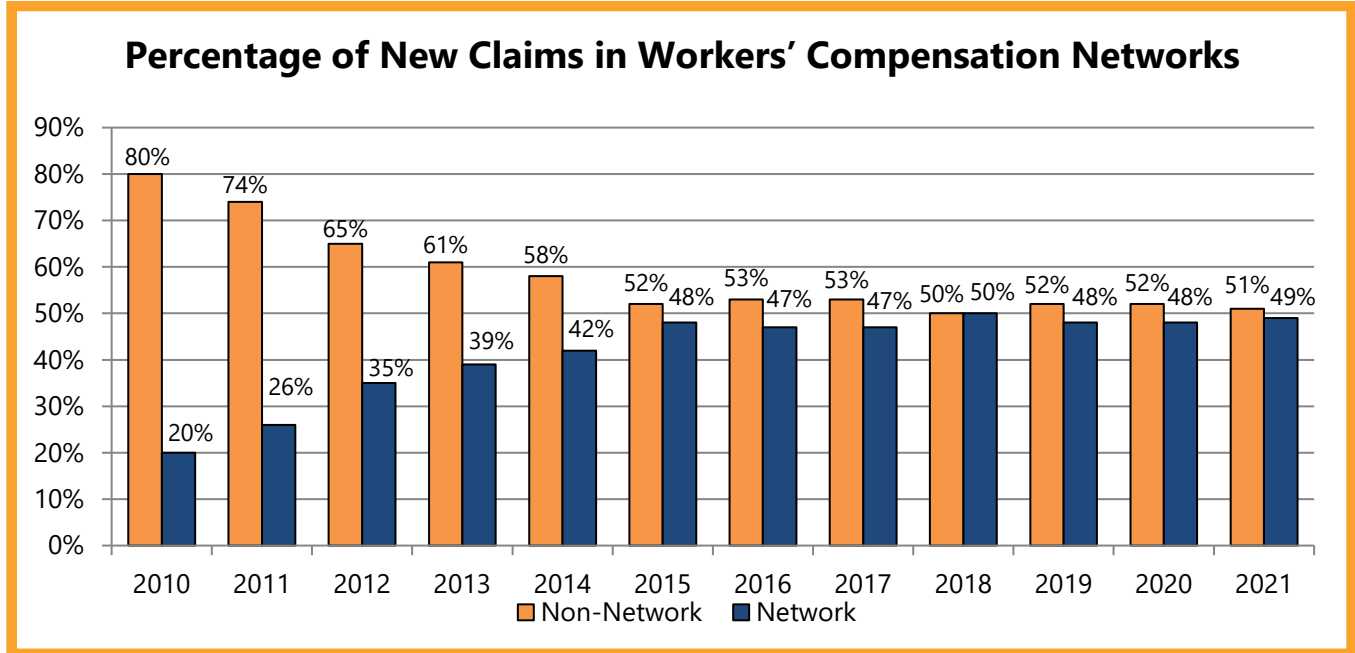
The TDI Managed Care Quality Assurance (MCQA) Office, maintains a list of the certified networks, each with a map of their respective coverage areas at [www.tdi.texas.gov/wc/wcnet/wcnetworks.html](http://www.tdi.texas.gov/wc/wcnet/wcnetworks.html).

## **COVID-19 Impact**

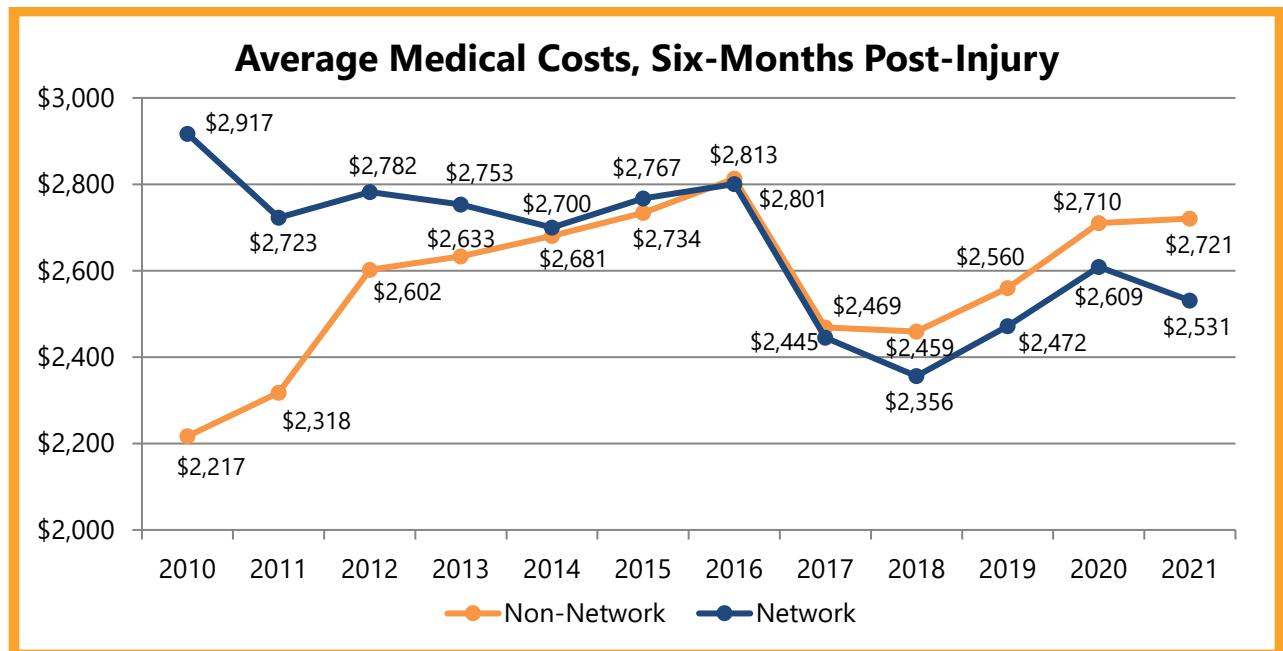
This is the second report card completed during the COVID-19 pandemic, and the first report card where some of the claims (i.e., those with dates of injury on or after March 2021) received all of their medical care for their work-related injuries during a pandemic. Medical costs, utilization of care, and some access to care measures were calculated using administrative data for services provided to injured employees as of December 31, 2020. The annual injured employee survey, which is used to collect information on injured employee perceptions on access to medical care, satisfaction with care, mental and physical functioning outcomes, and return-to-work outcomes was conducted from March – July 2021. In an effort to minimize the impact of the pandemic on report card results, certain return-to-work measures in this report card have been altered to be a comparison between network and non-network claims overall, instead of comparisons among individual networks. Despite the pandemic, the overall results in this report card do not look significantly different from last year's report card. However, readers are cautioned to keep the timing of the survey in mind when interpreting these results.

## Key Trends

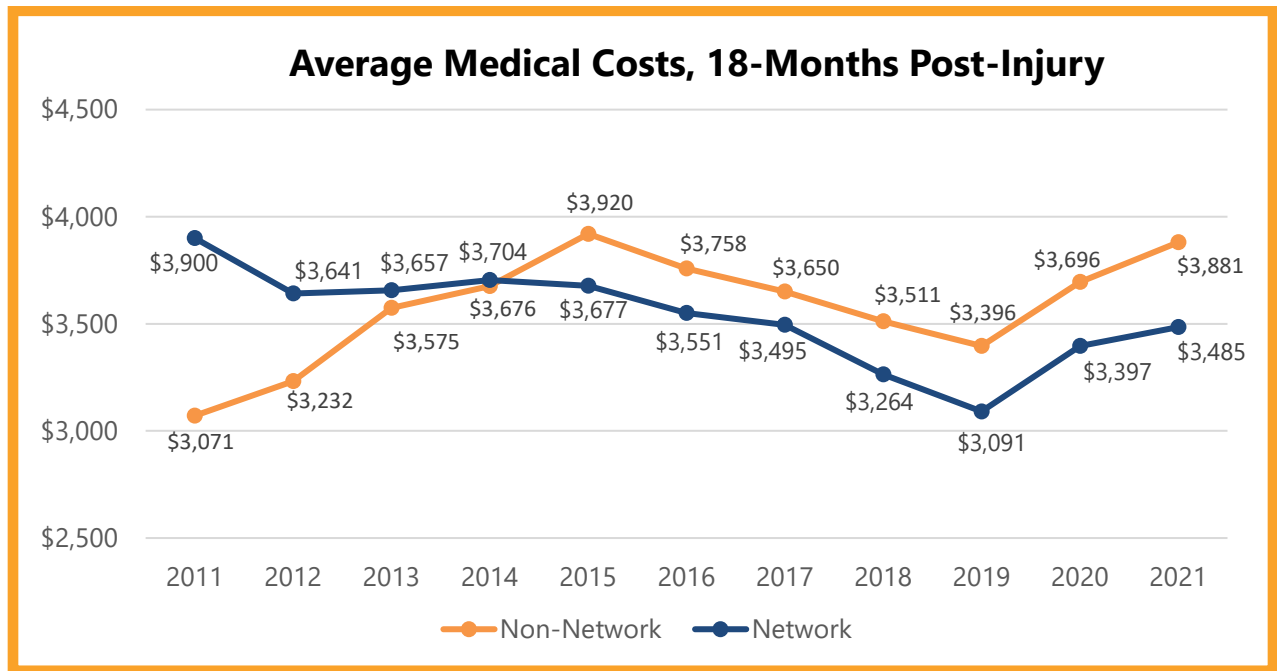
1. **Network penetration has stabilized in Texas:** Almost half of all new claims are treated in networks, and the percentage of new claims treated in networks has not changed significantly since 2015.



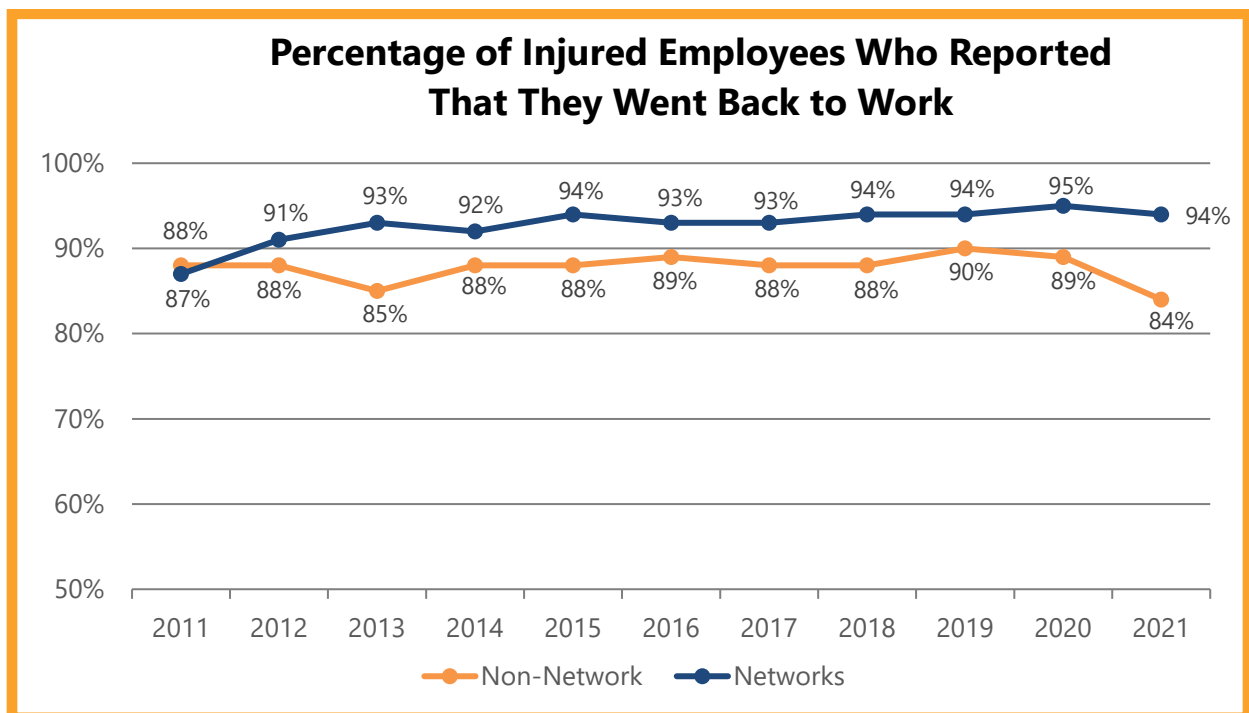
2. **Medical costs are generally lower for network claims:** From 2010 to 2016, networks had higher average medical costs per claim for initial care, compared to non-network claims. Since 2017, non-network average medical costs per claim at six-months post-injury had been approximately 4 percent higher on average than network claims. The difference expanded to 7.5 percent in 2021.



The medical cost gap widened between network and non-network claims at 18-months post-injury (using claims from the previous report card). Network medical costs were about 11 percent lower per claim at 18-months post-injury compared with non-network claims.



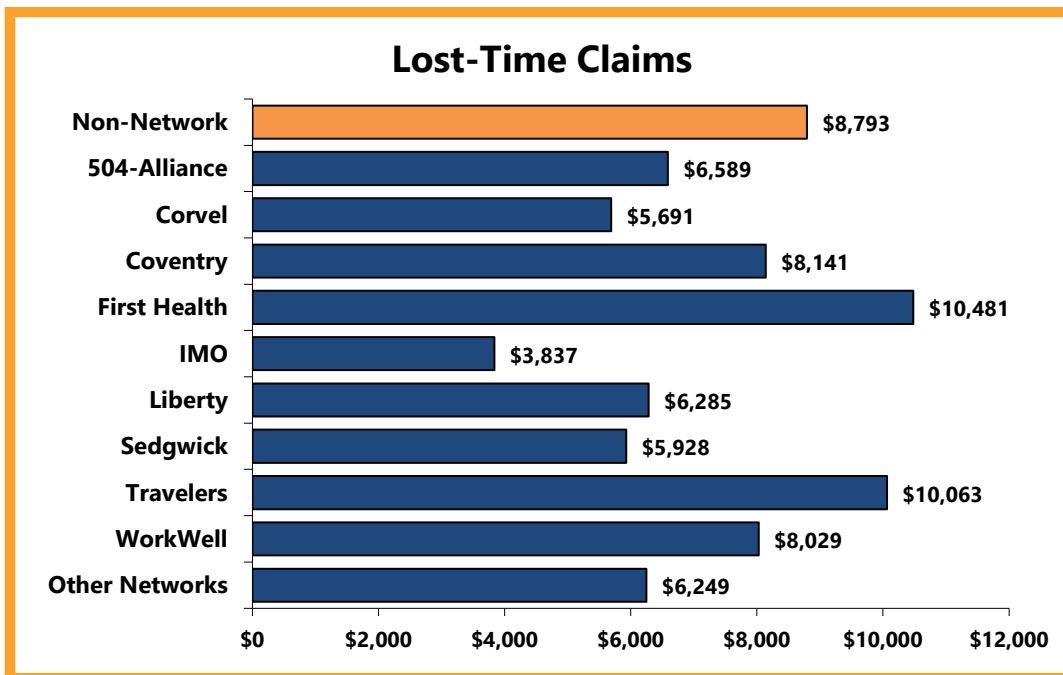
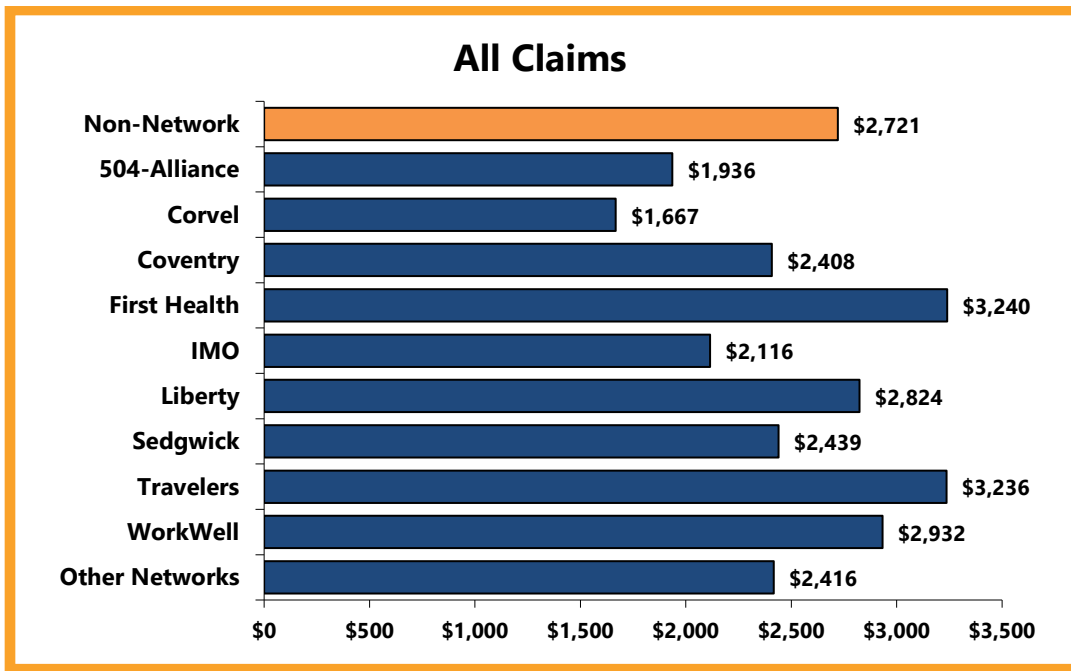
**3. A higher percentage of injured employees with network claims report returning to work after their injuries:** Since 2012, injured employees with network claims have consistently reported higher return-to-work rates than employees with non-network claims.

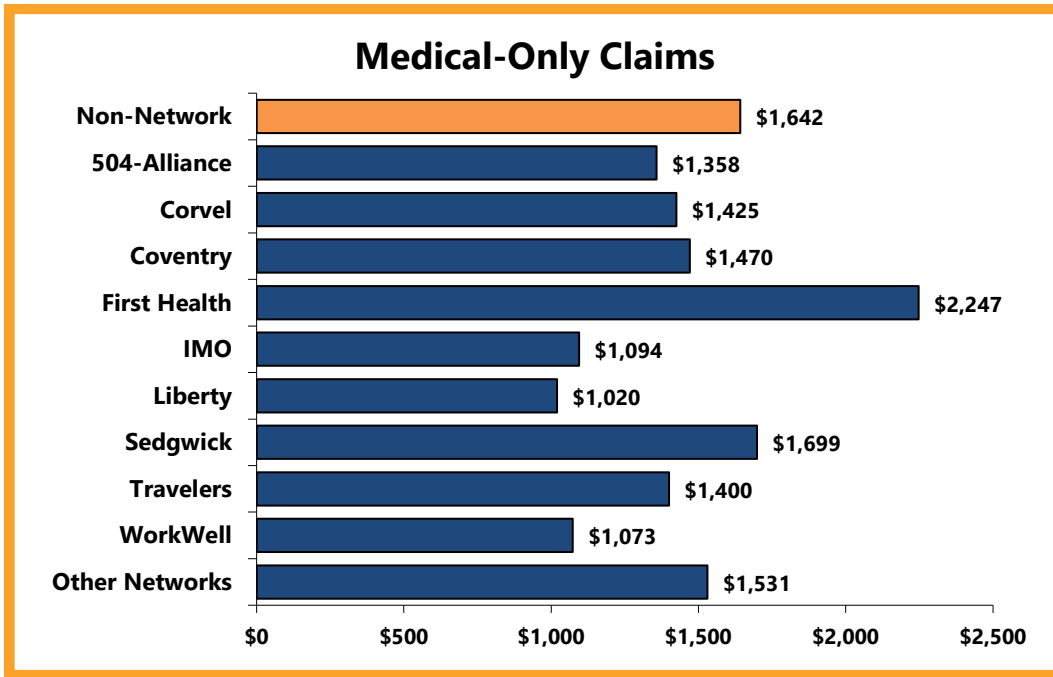




# Health Care Costs (Overall)

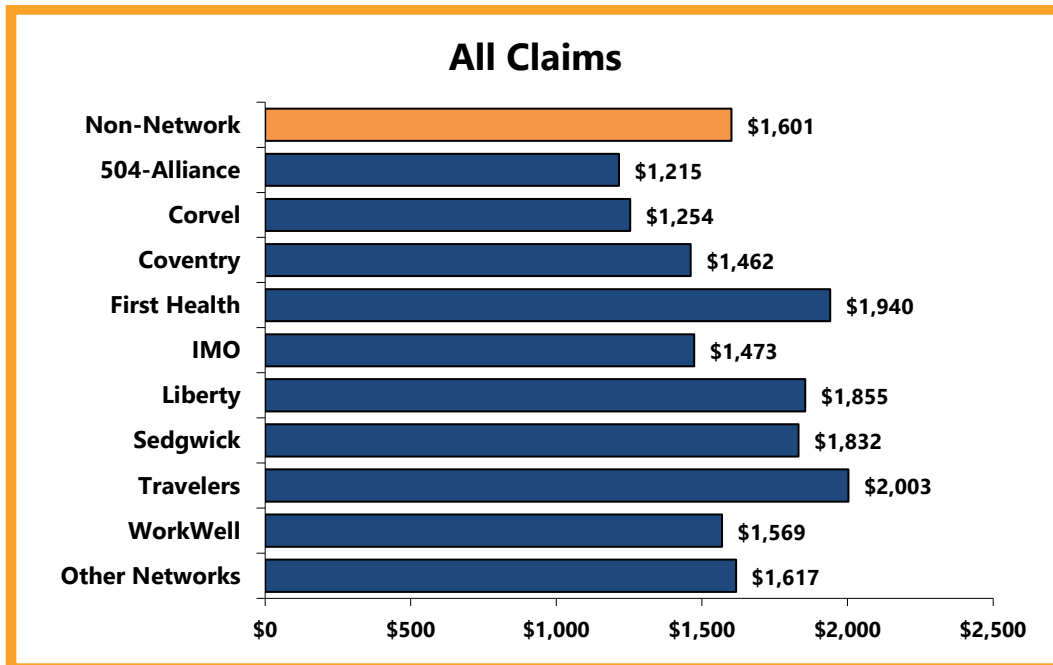
## Average Overall Medical Cost per Claim, Six-Months Post-Injury

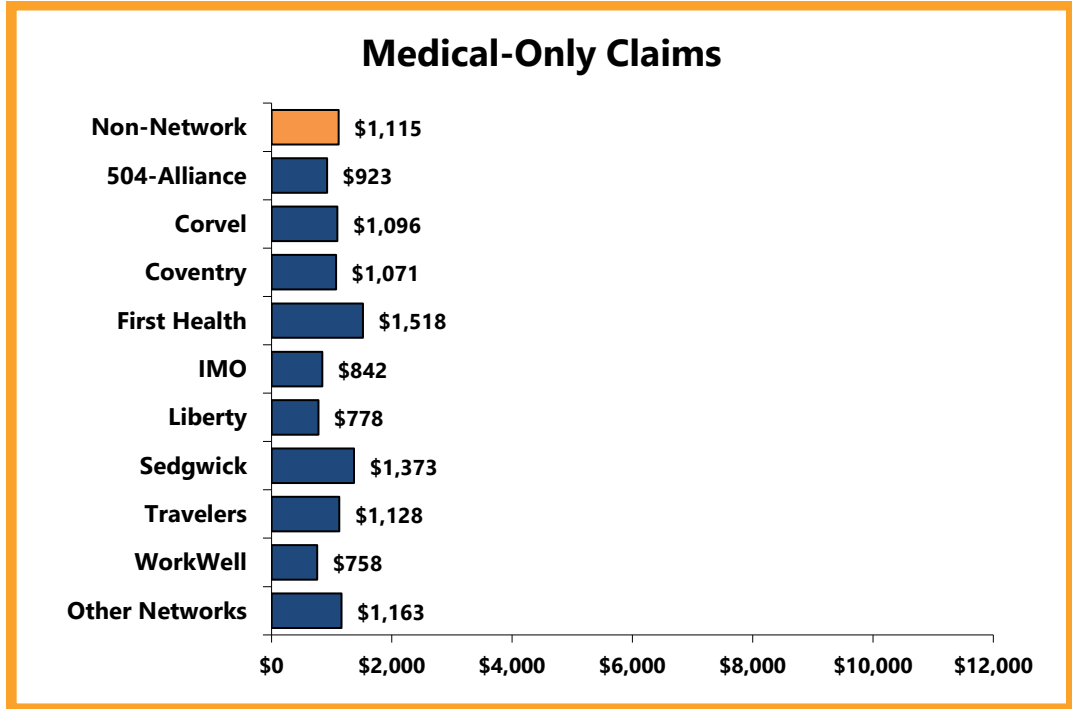
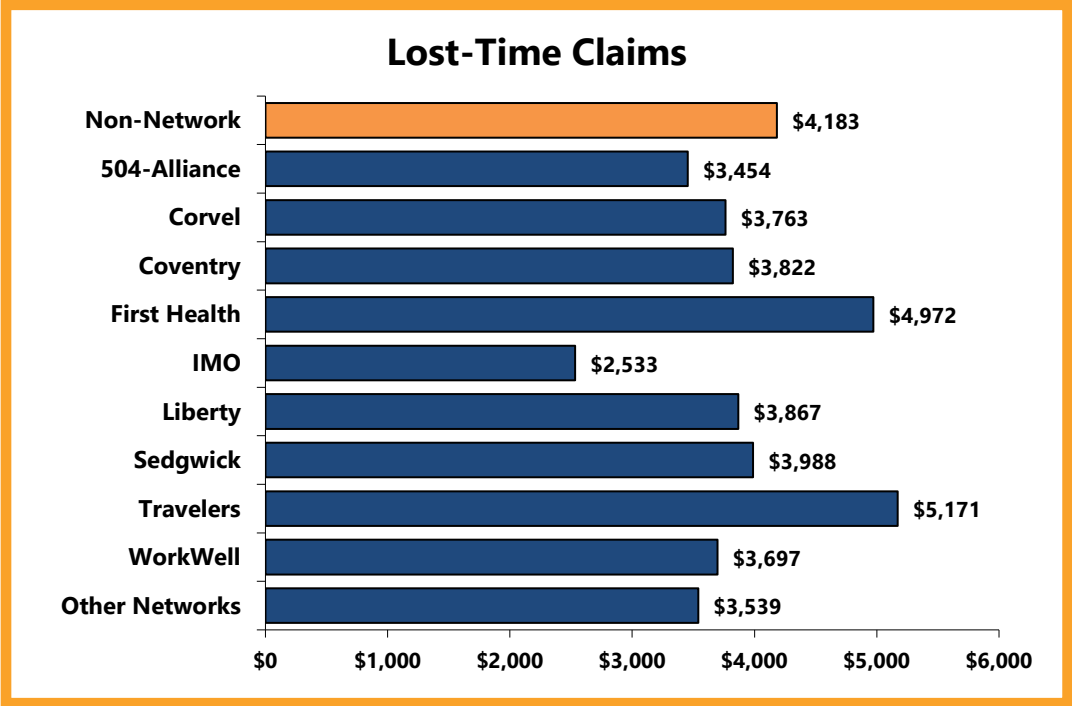




## Health Care Costs (Professional)

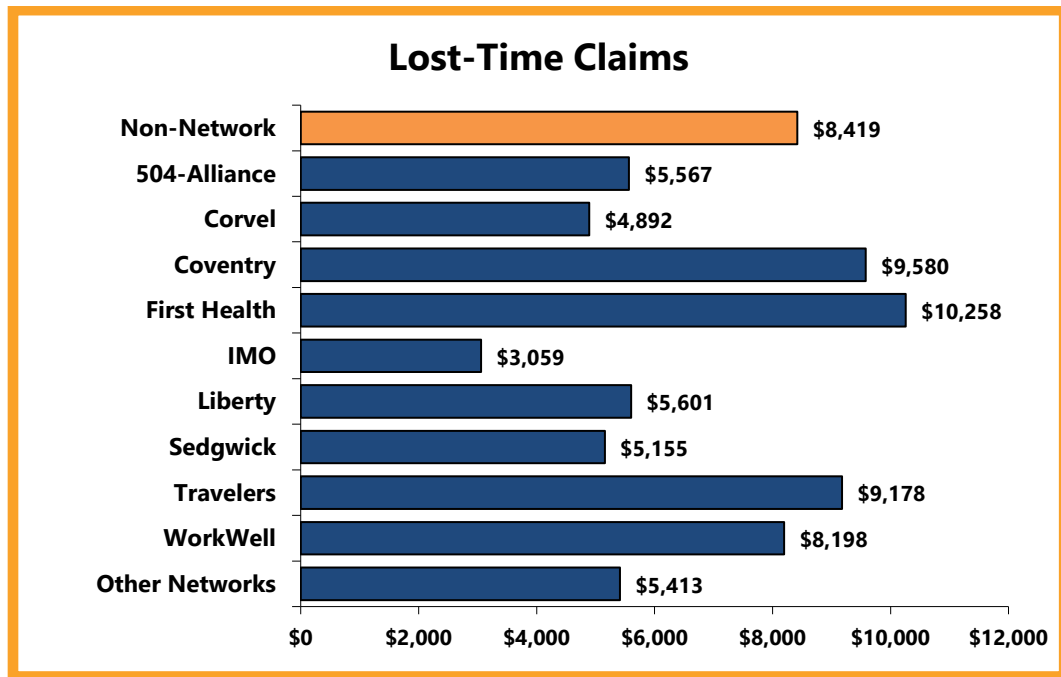
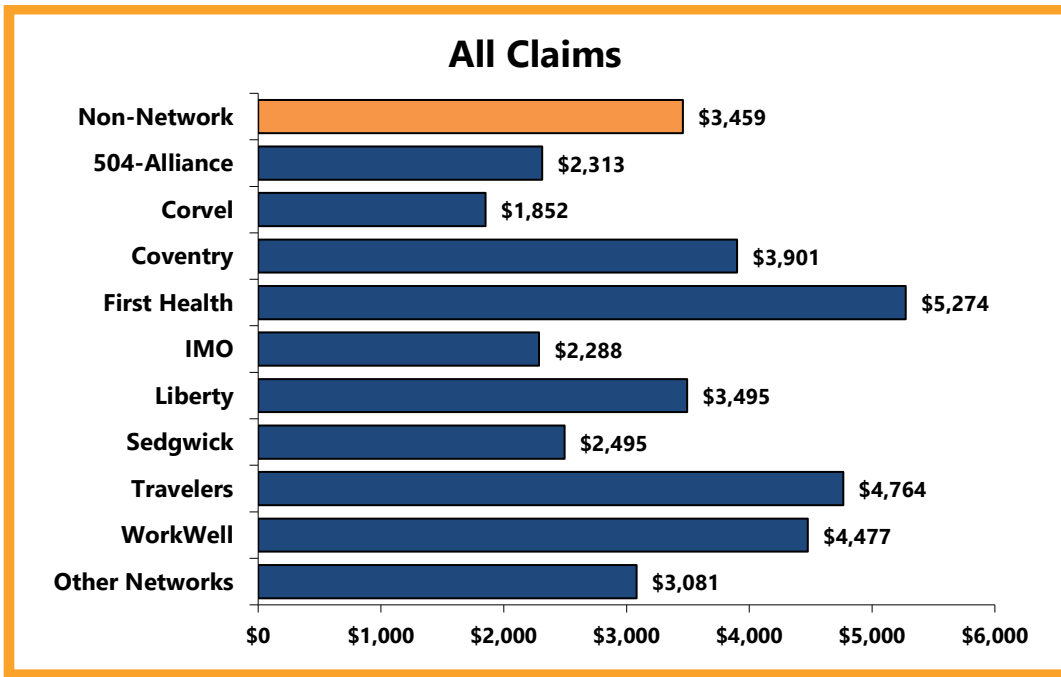
### Average Professional Cost per Claim, Six-Months Post-Injury

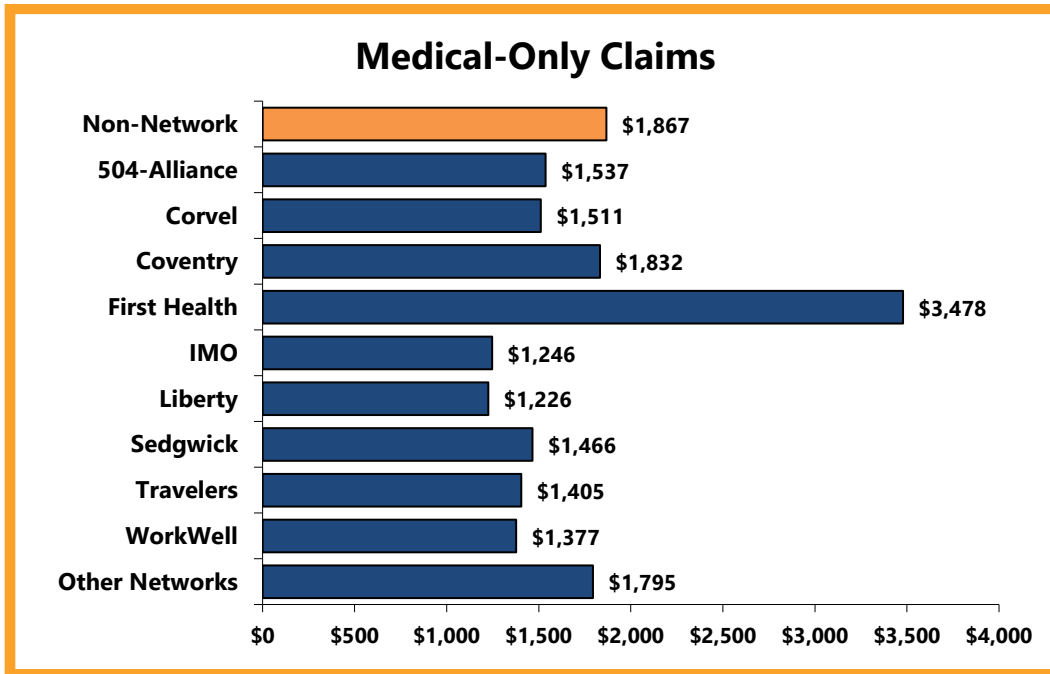




# Health Care Costs (Hospital)

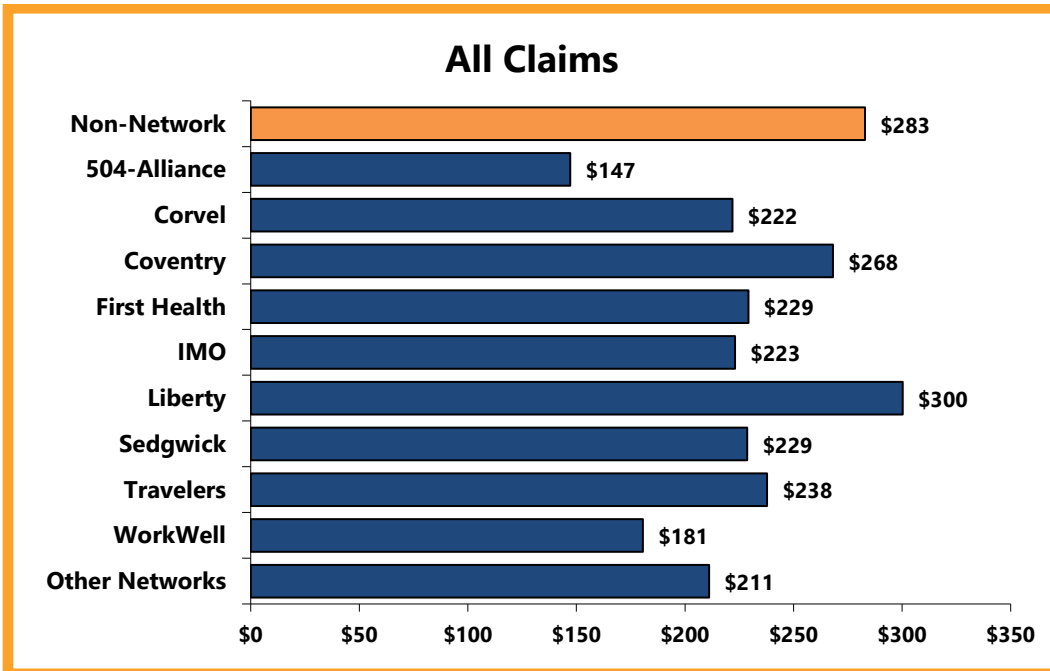
## Average Hospital Cost per Claim, Six-Months Post-Injury

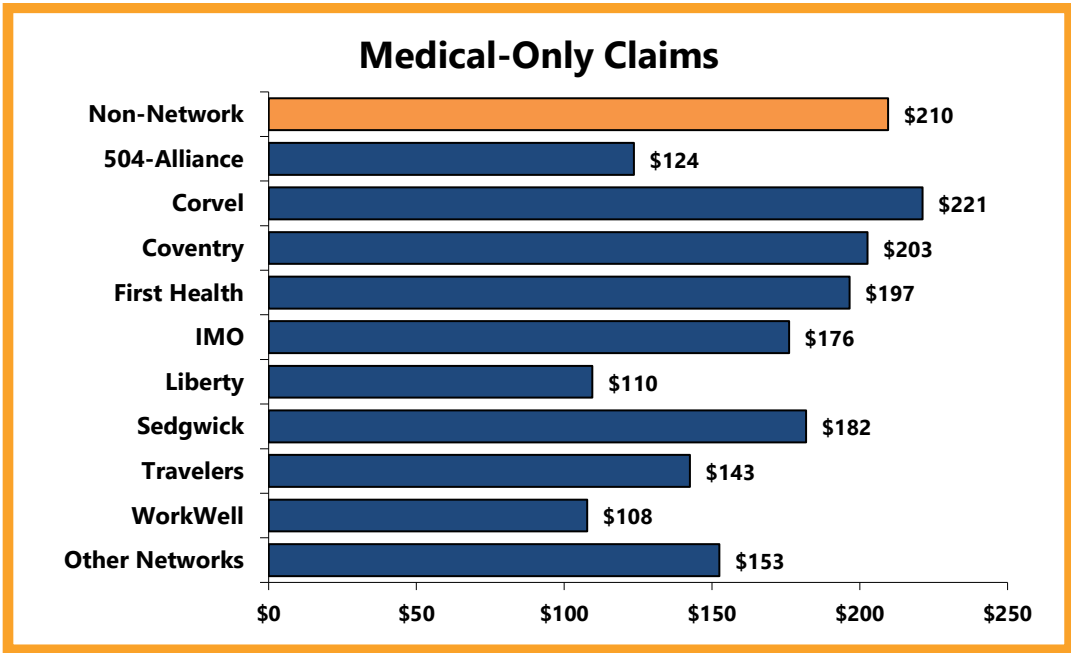
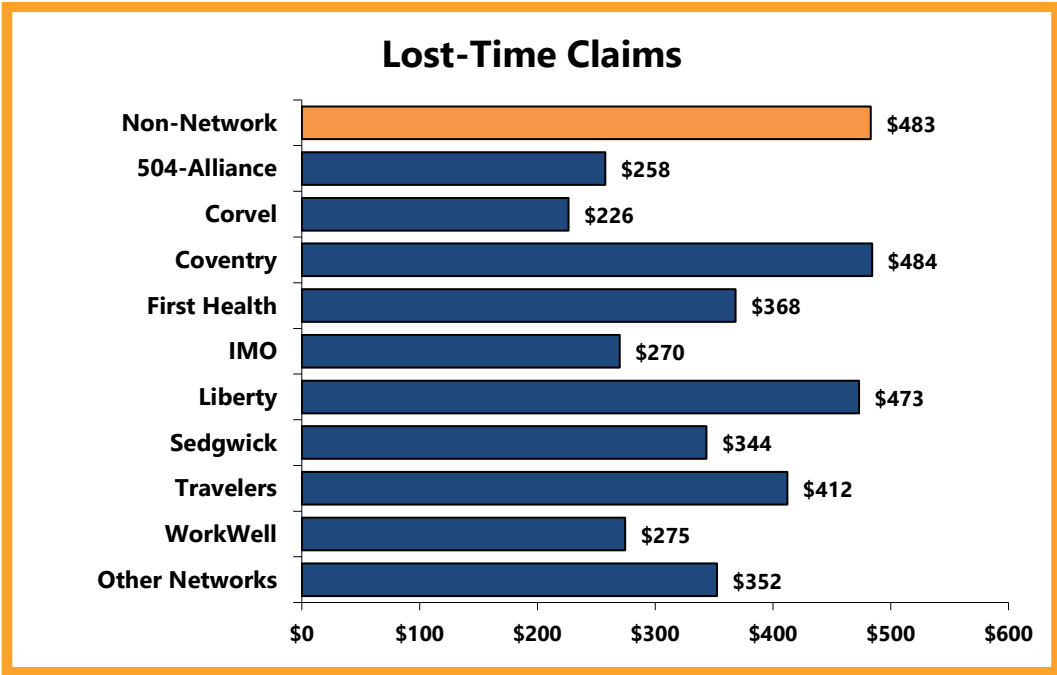




## Health Care Costs (Pharmacy)

Average Pharmacy Cost per Claim, Six-Months Post-Injury





Note: Pharmacy costs results may be affected by variations in the way insurance carriers report payment data.

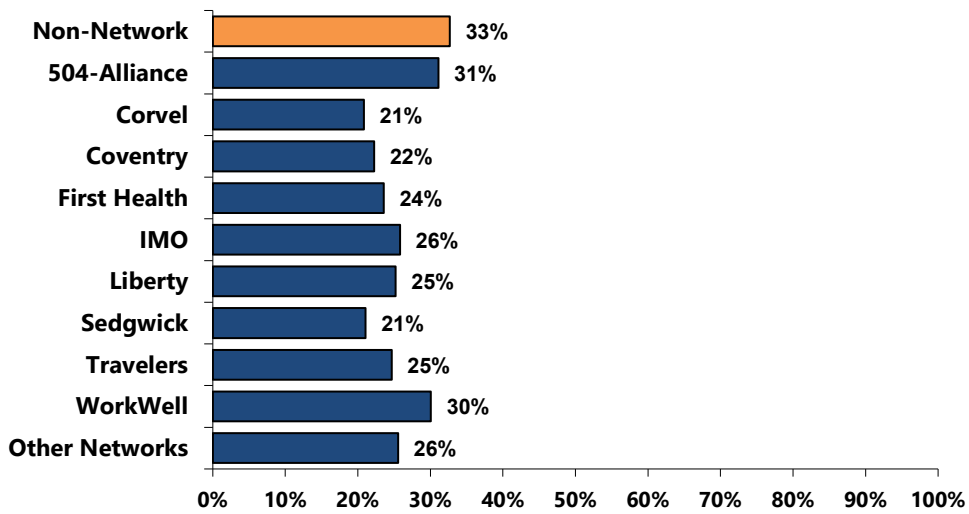
## Utilization of Care

### Percentage of Employees Receiving Professional Services by Service Type, Six-Months Post-Injury

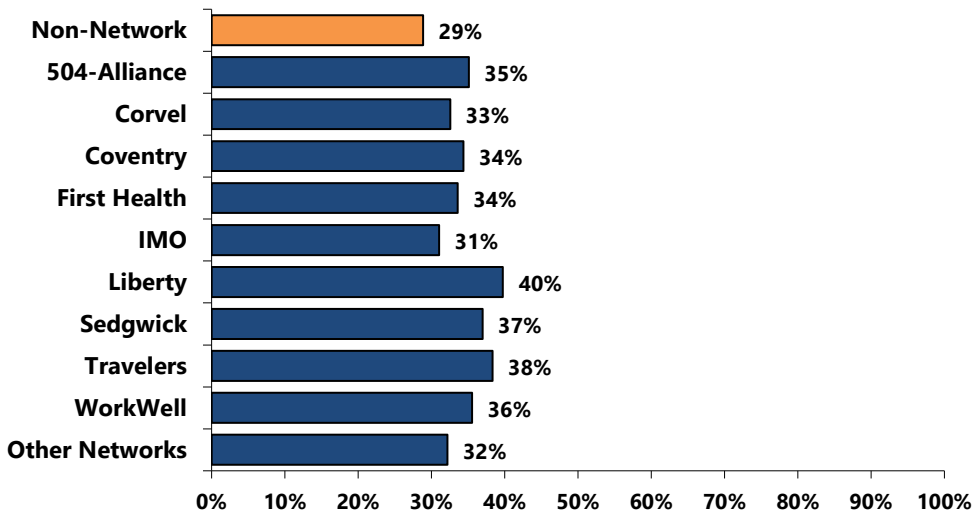
Type of Service	Non-Network	504-Alliance	Corvel	Coventry	First Health	IMO	Liberty	Sedgwick	Travelers	WorkWell	Other Networks
Evaluation & Management	95%	*97%	*97%	*98%	*97%	*98%	*98%	*100%	*98%	*98%	*97%
Physical Medicine - Modalities	3%	3%	3%	*2%	3%	*2%	3%	*6%	*4%	3%	3%
Physical Medicine – Other	26%	*22%	*29%	*28%	*37%	*24%	*39%	*43%	*39%	*27%	*32%
Diagnostic Testing – CT Scan	3%	2%	*1%	*2%	2%	2%	3%	2%	3%	*3%	*2%
Diagnostic Testing – MRI	12%	12%	*9%	*11%	12%	*16%	*14%	*18%	*14%	12%	*14%
Diagnostic Testing – Nerve Conduction	1%	*0%	1%	1%	1%	*0%	1%	*1%	*1%	1%	1%
Diagnostic Testing – Other	54%	*53%	54%	54%	*60%	*57%	*57%	*60%	*61%	*56%	*60%
Spinal Surgery	0.1%	0.1%	NA	0.1%	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%
Other Surgery	21%	*16%	*15%	*18%	23%	*16%	22%	*16%	*25%	*26%	*19*
Pathology & Laboratory	12%	*8%	*19%	*14%	12%	*7%	*8%	*9%	*17%	*11%	*9%
All Others	75%	75%	74%	*83%	*87%	*86%	*89%	*90%	*90%	*81%	*85%

Note: An asterisk indicates that the differences between Network and Non-Network are significant.

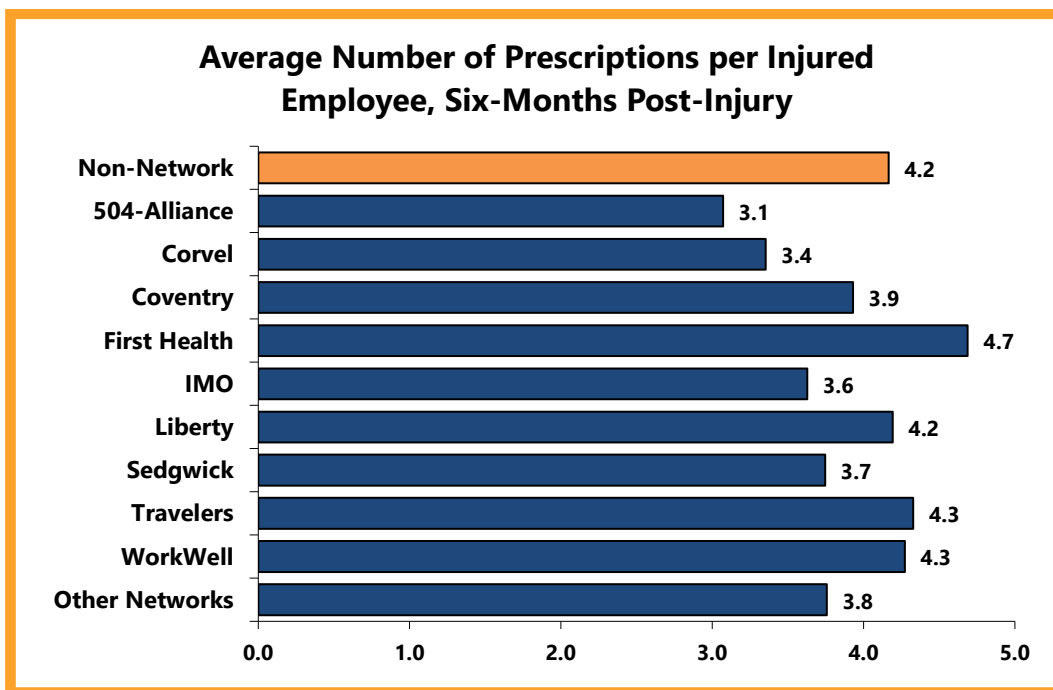
### Percentage of Injured Employees Who Received Hospital Services, Six-Months Post-Injury



### Percentage of Injured Employees Who Received Pharmacy Services, Six-Months Post-Injury



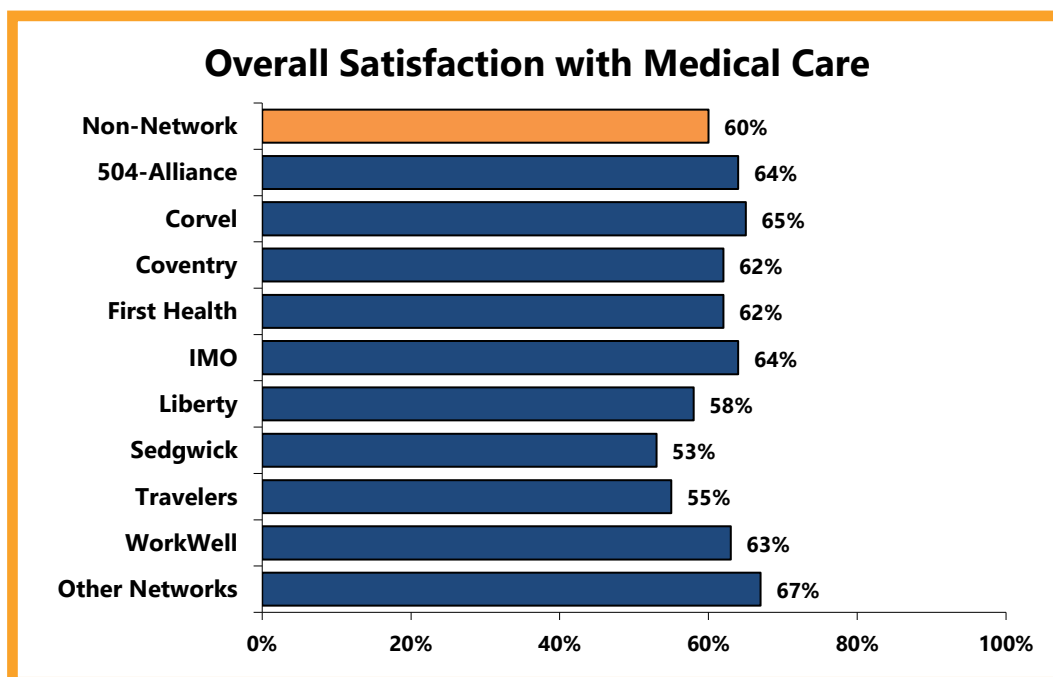




## Satisfaction with Medical Care

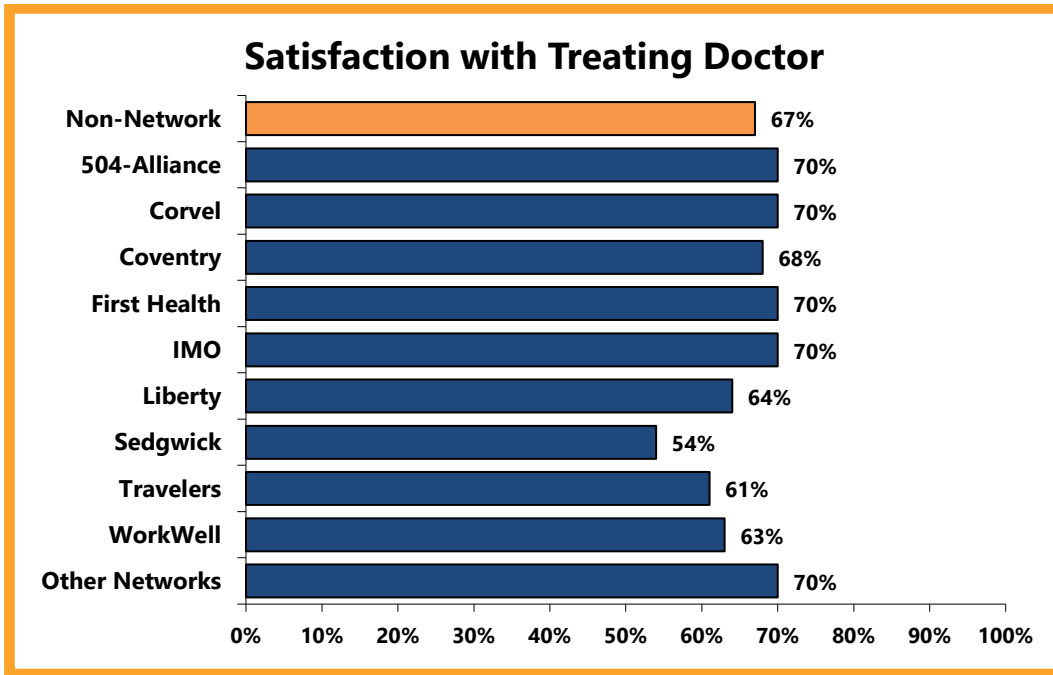
### Overall Satisfaction with Medical Care

Percent of injured employees who indicated that they were “satisfied” with the quality of the medical care received for their work-related injury.



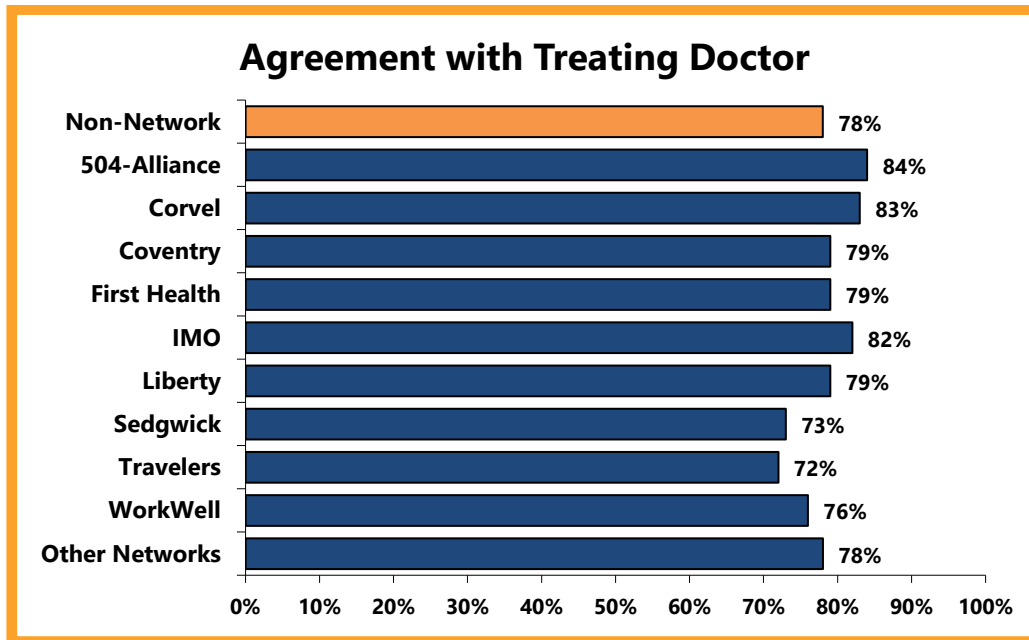
### Satisfaction with Treating Doctor

Percentage of injured employees who indicated that they were "satisfied" with the quality of the medical care received from their treating doctor.



### Agreement with Treating Doctor

Percentage of injured employees who indicated that they "agreed" or "strongly agreed" that their treating doctor: took their medical condition seriously, gave them a thorough exam, explained their medical condition, was willing to answer questions, talked to them about a return-to-work date, provided good medical care that met their needs, and kept them informed about care from specialists.



## Comparison with General Medical Care

Injured employees' perceptions about medical care for their work-related injuries compared to the medical care they normally receive when injured or sick.

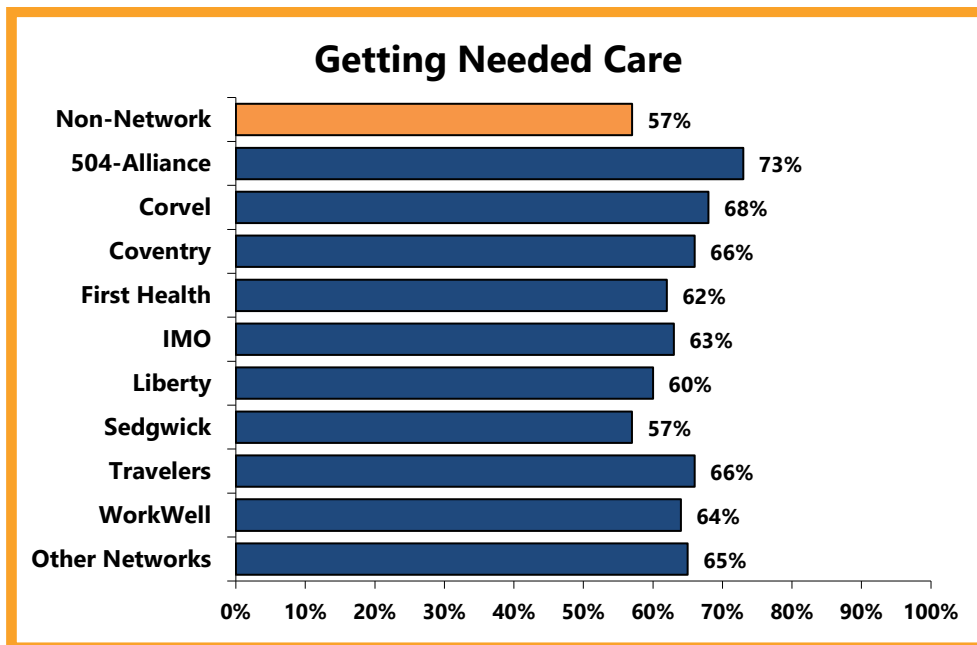
Percentage of injured employees indicating that the medical care for their work-related injuries was:	Better	Same	Worse
<b>Non-Network</b>	20%	55%	25%
<b>504-Alliance</b>	*17%	64%	*19%
<b>Corvel</b>	28%	56%	17%
<b>Coventry</b>	21%	54%	24%
<b>First Health</b>	*31%	49%	20%
<b>IMO</b>	*10%	63%	26%
<b>Liberty</b>	16%	61%	24%
<b>Sedgwick</b>	*10%	58%	*33%
<b>Travelers</b>	19%	55%	26%
<b>WorkWell</b>	*29%	53%	*18%
<b>Other Networks</b>	24%	*52%	24%

Note: An asterisk indicates that the differences between Network and Non-Network are significant.  
 Note: Percentages may not always add up to 100 percent due to rounding.

## Access to Care

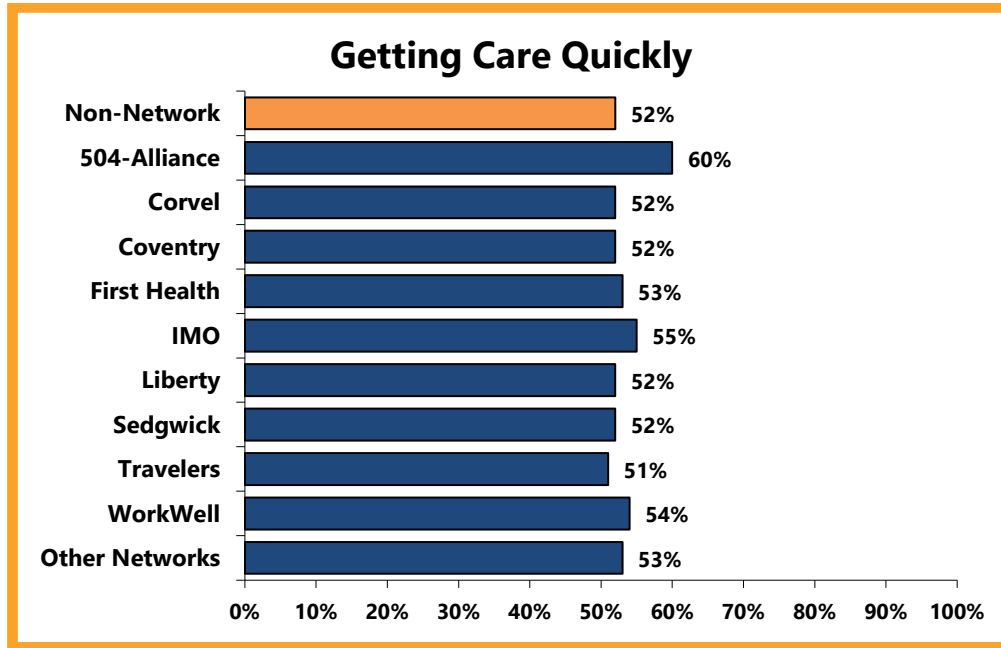
### Getting Needed Care

Percentage of injured employees who reported no problem: getting a personal doctor they like, seeing a specialist, getting necessary tests or treatment, and receiving timely approvals for care.



## Getting Care Quickly

Percentage of injured employees who reported always: receiving care as soon as they wanted, getting an appointment as soon as they wanted, and being taken to the exam room within a reasonable time of their appointment.



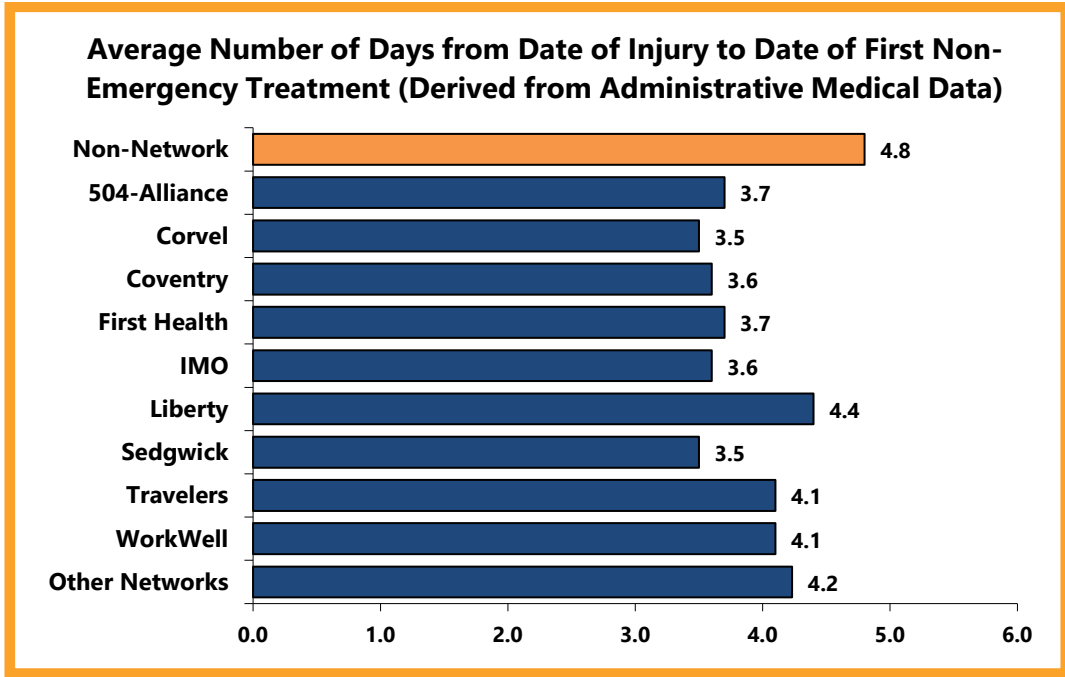
## Ability to Schedule a Doctor's Appointment

Injured employees' perceptions about their ability to schedule a doctor's appointment for their work-related injuries compared to the medical care they normally receive when injured or sick.

Percentage of injured workers indicating that their ability to schedule a doctor's appointment was:	Better	Same	Worse
<b>Non-Network</b>	19%	65%	16%
<b>504-Alliance</b>	*18%	69%	*13%
<b>Corvel</b>	28%	60%	12%
<b>Coventry</b>	19%	66%	15%
<b>First Health</b>	*35%	52%	12%
<b>IMO</b>	18%	64%	17%
<b>Liberty</b>	19%	65%	16%
<b>Sedgwick</b>	*14%	67%	19%
<b>Travelers</b>	*21%	*69%	10%
<b>WorkWell</b>	*24%	63%	*13%
<b>Other Networks</b>	*24%	*55%	*21%

Note: An asterisk indicates that the differences between Network and Non-Network are significant.

Note: Percentages may not always add up to 100 percent due to rounding.



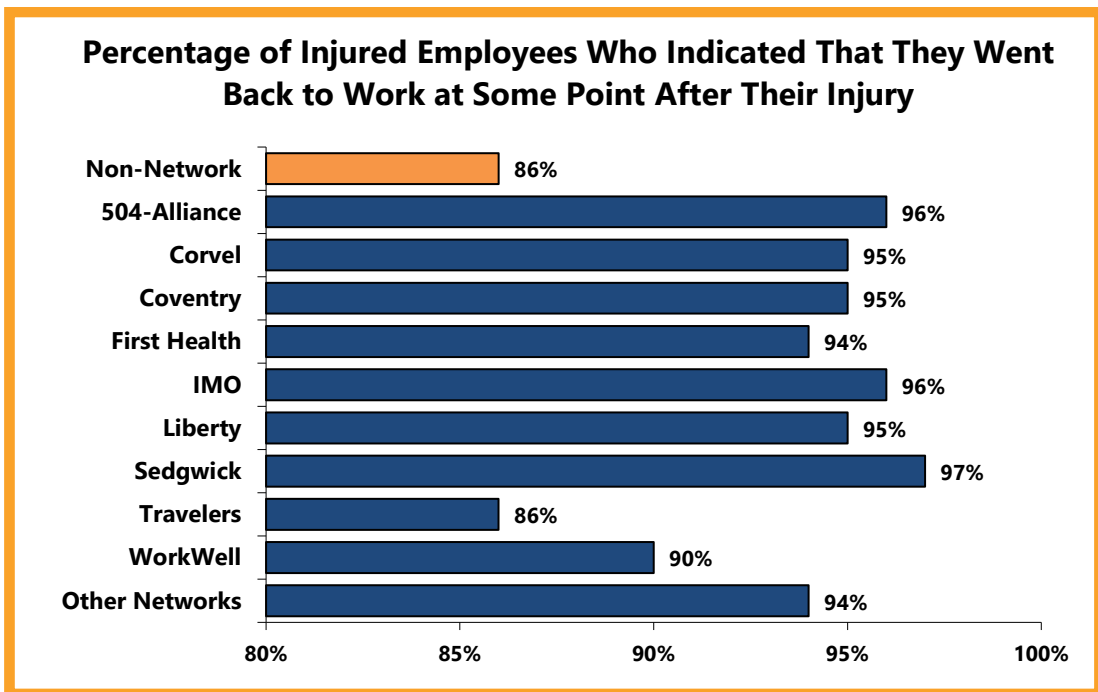
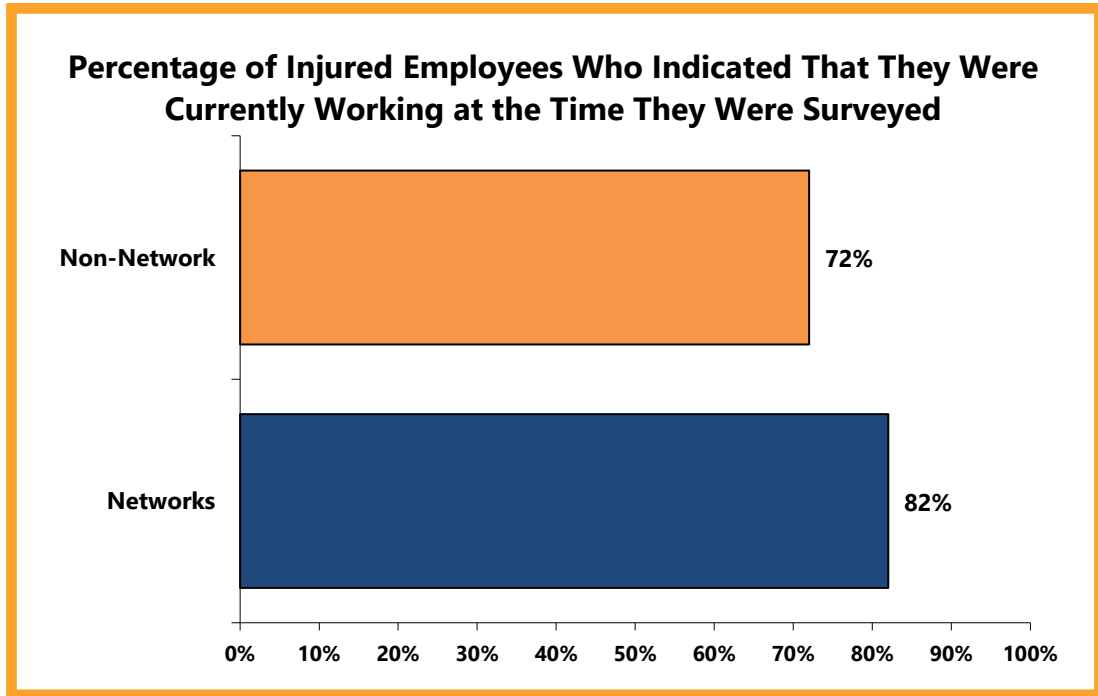
**Duration from Date of Injury to Date of First Non-Emergency Treatment**

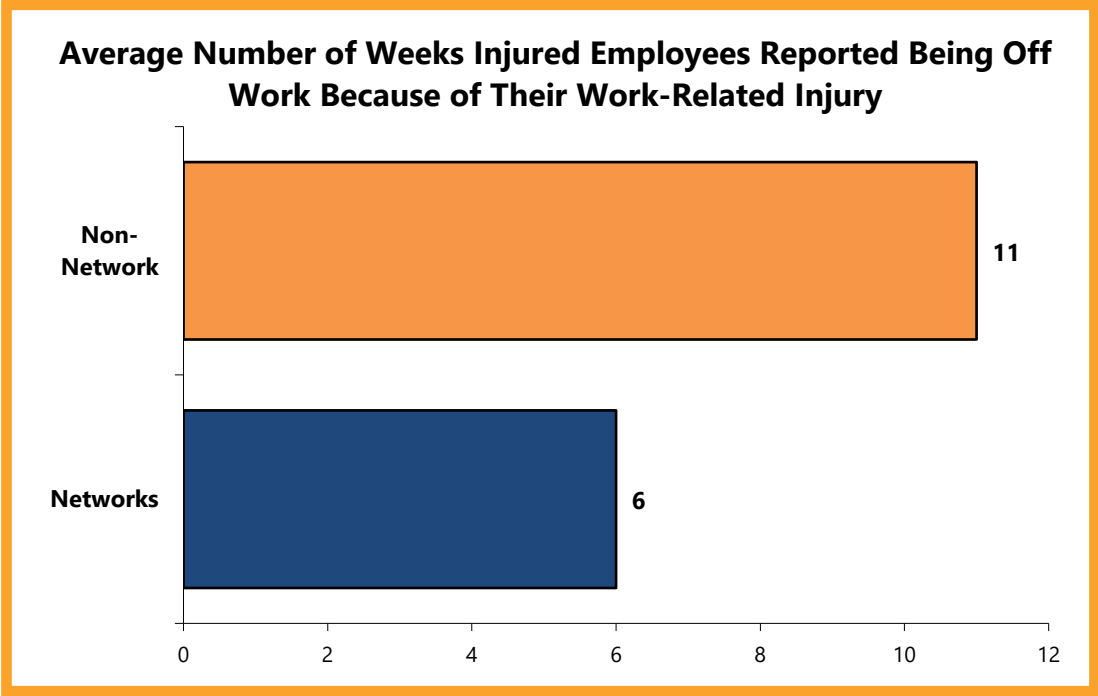
	Percentage of Claims That Received Treatment				
	Same Day	1-7 Days	8-14 Days	15-21 Days	22+ Days
<b>Non-Network</b>	50%	24%	11%	4%	12%
<b>504-Alliance</b>	58%	*21%	*6%	4%	10%
<b>Corvel</b>	52%	20%	13%	7%	9%
<b>Coventry</b>	*62%	*14%	*5%	*9%	10%
<b>First Health</b>	49%	18%	14%	6%	13%
<b>IMO</b>	*56%	23%	7%	*3%	11%
<b>Liberty</b>	*58%	19%	8%	*1%	13%
<b>Sedgwick</b>	54%	24%	9%	3%	10%
<b>Travelers</b>	50%	24%	11%	5%	10%
<b>WorkWell</b>	*53%	*21%	12%	*3%	12%
<b>Other Networks</b>	*54%	*20%	9%	5%	12%

Note: An asterisk indicates that the differences between the Network and Non-Network are significant.

Note: Percentages may not always add up to 100 percent due to rounding.

## Return to Work

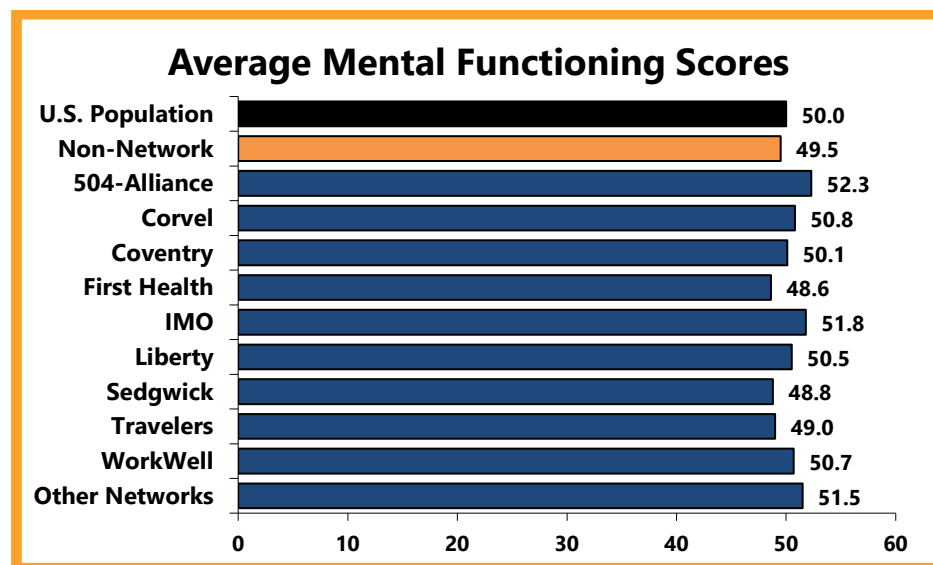
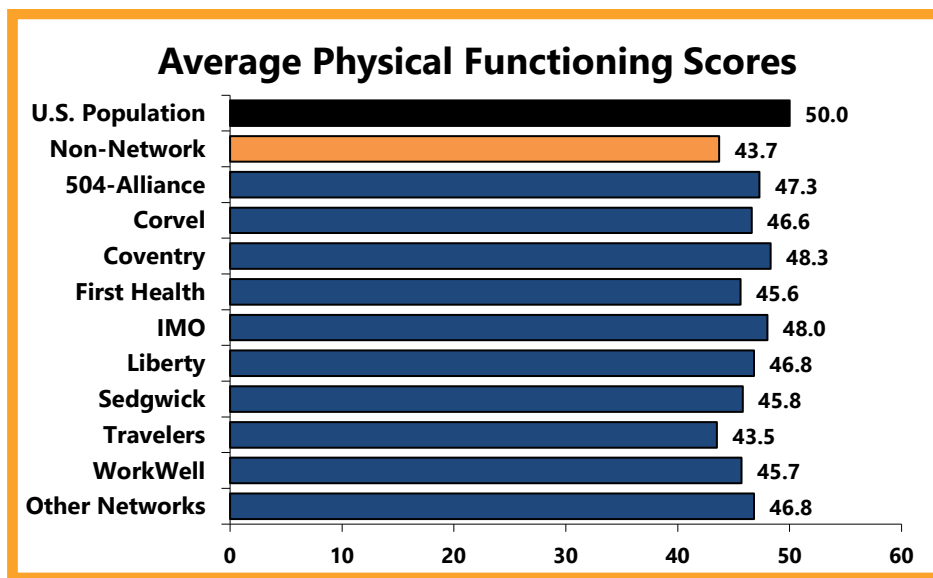




## Health Outcomes

Access to timely and quality health care can impact an injured employee's physical recovery and quality of life after an injury. The findings in this section use results from the Short Form 12 Survey, Version 2® to compare the self-reported physical and mental functioning outcomes for injured employees with the general U.S. population. The results for the general U.S. population have been indexed to enable comparison with network and non-network claims. Scores higher or lower than 50 indicate better or worse physical or mental functioning than the general U.S. population.

In 2021, most network claims reported higher physical and mental functioning scores than non-network claims. This generally means that injured employees who received network medical care reported better physical functioning and quality of life outcomes than non-network injured employees.





## Concluding Remarks

This is the second report card completed during the COVID-19 pandemic, and the first report card where some of the claims (i.e., those with dates of injury on or after March 2021) received all of their medical care for their work-related injuries during a pandemic. While this year's report card does show some slight differences from previous report cards (slightly lower overall satisfaction with care, slightly lower perceptions about access to care compared with general health, and a lower percentage of injured employees receiving pharmacy services for network and non-network claims), overall, the results are not significantly different than in previous report cards.

Overall, the 2021 network report card continues to show that networks tend to be more cost-efficient than non-network claims, and these cost differences appear to be partially driven by lower hospital utilization and lower prices per service. However, the report card shows that medical costs per claim are on the rise, particularly hospital costs. Despite lower costs, network claims generally have better return-to-work and functional outcomes, compared with non-network claims. Network claims also tend to receive initial non-emergency medical care sooner than non-network claims, which studies have shown may help control medical costs and reduce unnecessary disability among injured employees.

Not all networks are the same, however, and this report card shows those differences, particularly in injured employees' perceptions about their access to care and satisfaction with care. Readers should use these report card outcomes as one tool in evaluating the benefit of using health care networks and should not rely on this report card alone to select a network.

Additional findings for each section of the report card, as well as a detailed description of the data sources and methods used to produce the report card results can be found in the 2021 Network Report Card Technical Appendix, which can be found at [www.tdi.texas.gov/reports/wcreg/documents/netrc2021app.pdf](http://www.tdi.texas.gov/reports/wcreg/documents/netrc2021app.pdf).



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