

# Networks 2.0 It's an Evolution

By Kate Farley-Agee, VP Provider Network Product Development, Coventry



Most discussions about the state of U.S. health care quickly lead to a simple but grim diagnosis: The system is broken. The evidence abounds and it's compelling. The U.S. [spends](#) more per capita than any other country yet often produces only [lackluster](#) outcomes. Access to care can be [poor](#). Even average life expectancy, which notched steady gains for decades, has [ticked lower](#) in recent years.

But it's not all bad news. Unpacking the state of health care reveals that not every aspect of the system is dysfunctional. In fact, some parts have never been better. A profusion of medical research is arming clinicians with deeper [insights](#) into how the body works. Previously [unimaginable](#) treatments are poised to become commonplace. Technology is [erasing](#) sometimes enormous distances between caregiver and patient. Data analytics, including artificial intelligence, is making an [impact](#) on priorities and decisions in the system.

There is another element of care delivery that's seeing exciting reinvention: networks. In this era of rapid changes to health care, networks are becoming more important than ever. They're evolving from relatively straightforward mechanisms for directing patients and controlling costs to collaborative partnerships between payers and providers. Call it Networks 2.0. This evolution of networks, particularly those focused on workers' compensation, prioritize both efficacy and efficiency. The best clinicians can more easily rise to the top of the stack thanks to deeper insights into patient trajectories. In the emerging scenarios, powerful analytics and algorithms pull data to evaluate outcomes and push data to aid clinicians in doing what they do best — taking care of patients in supporting their return to work and a return to their daily routines.

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## How networks can help

To start, networks can continue to lean into being the best at what they've always done: managing the relationship with the provider. In addition, workers' comp networks offer providers another stream of revenue that features less administrative effort. Networks can continue to work with providers to streamline administrative burdens.

These steps include letting providers:

- Bill insurers directly, often electronically, thereby reducing the guesswork and the collections burden
- Grow and diversify their patient base
- Benefit from being independently credentialed
- Establish long-term relationships with patients extending beyond the care for work-related injuries or illnesses
- Support employers in their communities
- Reduce instances of coordination of benefits with multiple payers

Workers' compensation networks are unique in other ways. The pool of injured workers goes beyond patients who might solely be served by a particular payer, for example. This allows providers to expand the reach of their practice to new segments of the community in which they operate. And when providers seek to refer injured workers to other clinicians, a network offers an extension of their current referral patterns.

## Workers' comp networks sidestep patients' financial challenges

Treating those hurt on the job makes sense for other reasons as well. The injured worker isn't responsible for paying a deductible or copay. This is becoming an ever-more-important differentiator. That's because out-of-pocket costs can be difficult for patients to manage, especially as many are now expected to shoulder a larger [share](#) of the medical expense with the rise of high-deductible commercial plans. It's worth considering how onerous this burden has become for many people, the provider, the patient, and the insurance company. More than one in four consumers with a credit report has at least one debt in collection. And more than half of personal debt in collection is tied to medical bills, [reports](#) the federal government's Consumer Financial Protection Bureau. In 2018, consumers borrowed some \$88 billion to pay for health care, according to a survey from Gallup and West Health, a nonprofit. The findings also [revealed](#) one in four Americans decided to forgo medical treatments because of concerns about cost.

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A 2016 study by credit rating firm TransUnion found that group health patients' ability to handle rising out-of-pocket costs is declining. Increasingly, patients are having a harder time meeting the payments required by high-deductible commercial group health plans.

By sidestepping the need to collect copays, it's easier for providers to receive the full contractual reimbursement directly from the payer in a timely manner. Not having to pursue patients for past-due bills is a help, particularly concerning medical expenses and the administrative costs associated with collections activities. That's because some individuals put a lower priority on repaying medical debt, according to Benedic Ippolito, a research fellow and health economist with the American Enterprise Institute. He contends Americans often think medical debt is different than other types of debt. "It's just so low priority relative to paying the mortgage, the car, they simply don't pay it," Ippolito [notes](#).

Workers' comp also faces reduced risk from the ever-shifting winds of politics and health care. The concerns about the fate of the Affordable Care Act, for example, don't come into play when an employee is hurt at work. This reality is all the more welcome given the fractious political environment.



There are other long-standing benefits of workers' comp networks that appear to be becoming more pronounced. The reimbursement rates for providers remain well above those seen in group health. One examination by the National Council on Compensation Insurance (NCCI) found prices in workers' comp are 12 percent [higher](#) than those in group health. It's worth recalling that part of the reason reimbursements are higher is not just because of increased utilization but also because workers' comp reimbursements are meant to meet the actual cost of administering the care. Too often providers simply can't cover their expenses. Research highlights the problem. For example, the nonpartisan Congressional Budget Office (CBO) [found](#) private insurers pay physicians and hospitals well above what Medicare pays for a basket of common services. Doctors, of course, didn't need the CBO report to understand the problem. A recent [poll](#) of about 475 physicians found two-thirds believed Medicare payments in 2019 wouldn't prove sufficient to cover the cost of care. Some respondents contend the complexity and comorbidities often associated with caring for older workers make reimbursements all the more inadequate compared with workers' comp care.

## The best companies want workers back on the job

Payers and the companies they represent are eager to get injured workers back on their feet and back on the job. Many of these companies represent the heavyweights of corporate America. Major employers like manufacturers, large retailers, and airlines rely on comprehensive return-to-work programs to help their injured employees recover. The best programs do far more than safeguard the bottom line. They focus on truly addressing the needs of injured workers themselves. That's because the longer workers are away, the less likely it is they will return to the workplace. The New York State Workers' Compensation Board has broken down some [statistics](#), and reports that there is only a 50 percent chance that an injured employee will return to work after a six-month absence. That drops to a 25 percent chance following a one-year absence. After two years away, the likelihood a worker will return plunges to a 1 percent chance.

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These figures underscore the importance of helping injured workers return to the job. Those who are out of work longer face greater risks from an array of challenges that include social isolation and [depression](#) in addition to financial stress to loss of skills and medical complications resulting from potentially being forced into a more sedentary lifestyle.

Top companies understand that having a worker return to the job either under modified duty or, if possible, full duty, is the best outcome for workers and for business. Therefore, these employers offer fair reimbursements to providers and pay on time. That's because top-tier employers recognize the irreplaceable value providers bring. Alongside employers and payers, providers are part of a three-legged stool that helps injured workers return to the job. This rewarding role is what helps set marquee workers' comp networks apart; it's the shared focus on return-to-work that is essential to a patient's ultimate success. The focus on functionality — getting someone back on their feet and back to their daily life — fits well with most providers' sense of purpose in the care they give. The empirical threshold of whether someone makes it back to work and to proper function is also an important one because successful return to modified or full duty affords employees the chance to earn a full paycheck. That's important to workers, of course. The National Safety Council, a nonprofit chartered by Congress, [estimated](#) that in 2017 the average cost per worker following an injury on the job totaled \$1,100. This includes expenses the worker faced to help offset the cost of work injuries.



## How Network 2.0 looks today

The benefits that workers' comp networks bring to employees, employers, and providers are clear. What's most interesting is how networks are evolving to meet the needs of employers and patients. These next-generation networks often are tighter, specialty-focused, smaller — right-sized — networks that benefits providers by grouping together the best of the best. Many such networks pull together smaller groups of providers with specific expertise who can best help injured workers. And, of course, specialty networks focus on narrow areas to let clinicians do more of what drives them and what they're best at doing. These newer networks present providers with opportunities to keep up with their peers who are utilizing new treatment regimens with emerging technologies such as telemedicine and remote patient monitoring.

Workers' compensation networks today are also doing more to support providers than some of their predecessors. In essence, a strong network means providers have someone blocking and tackling on a range of issues so clinicians can focus on injured workers.

These include:

- Aiding providers with education and interaction on policies, procedures, and efficiency
- Assisting providers' office staff with quick-reference guides and inquiry support
- Offering providers streamlined utilization review programs and scheduling services
- Sharing insights into state and federal regulations

Amid all the changes in health care — and all the challenges that remain — there are bright spots. One of them is the new form of networks. In Networks 2.0, we see constructive partnerships between providers and payers in service of injured workers. This allows networks to promote both efficacy and efficiency. They allow the best providers, with the support of payers, to deploy top clinical skills to help injured workers return to work.

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### About Kate Farley-Agee

Kate Farley-Agee is the Vice President of Network Operations for Coventry, overseeing the company's national broad-based provider network and 18 certified managed care organizations across the country. She also leads Coventry's Network Quality Management and Improvement department, Network Paneling and Reporting, and Network Performance groups. Ms. Farley-Agee has over 20 years' experience in the healthcare industry with an emphasis in network development and leadership. She holds a B.A. in Business Economics and a Master's in Management and Organizational Behavior as well as certificates in Managed Care and Health Care Administration.

### About Coventry

Coventry offers workers' compensation care-management and cost-containment solutions for employers, insurance carriers, and third-party administrators. With roots in both clinical and network services, Coventry leverages more than 35 years of industry experience, knowledge, and data analytics. As a part of the specialty division of Aetna our mission is returning people to work, to play, and to life. And our care-management and cost-containment solutions do just that. Our networks, clinical solutions, specialty programs, and business tools will help you focus on total outcomes.

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