

Workers' Compensation Managed Care and California MPN



**TOKIO MARINE
AMERICA**

Tokio Marine America

What is Managed Care ?

➤ Programs insurers use to reduce excess costs from health-care and disability cost include:

- Medical bill audits or Bill Review
- Utilization review
- Nurse Case management
- Pharmacy Program



Tokio Marine provides extensive Managed Care Service that contribute towards reduction in medical treatment cost by an average of **40-50% per claim**

➤ Additional savings may be achieved by combining the programs along with Managed Care Organizations.

- Managed Care
- Preferred Provider Organizations



Participation in a formal or informal Managed Care network may contribute toward an additional reduction in medical cost per claim by an of **5% - 24%**

Managed Care programs

- **Medical Bill Review**
Control cost by identify over-utilization, overcharging, miscoding as well as other abuses and paying only for treatment that is medically necessary.
- **Utilization Review**
Pre-certification of medical treatment to ensure all treatment requests are medically necessary.
- **PPO Networks**
Quickly locate quality medical care with industrial clinics, hospitals, specialists, diagnostic facilities, durable medical equipment, as well as physical and psychological therapists.
- **Pharmacy Program**
Lower prescription costs by utilizing network pharmacies, control over-utilization and simplify filling prescriptions with no out-of-pocket expense.

Managed Care programs - continued

Managed Care Organization Programs (MCO):

Provide maximum cost savings by utilizing a certified network of quality medical providers.

MCO savings are achieved by extending medical control and channeling medical care to quality network providers.

Each state has their own unique requirements for implementation.

Tokio Marine has MCO's certified in the states of California, Texas, Kentucky, Illinois and New Jersey and we are actively pursuing certification in other states to provide more cost containment options for our valued clients.

Managed Care service?

Employee

Injured employees benefit from the MPN through [effective medical treatment as well as the convenience of a statewide network of doctors and specialists](#). Our clients just need to follow a few simple rules to make the MPN effective in their workplace

Employer

When our clients channel their injured employees to MPN physicians, Tokio Marine will be able to [maintain medical cost containment for the life of the claim](#) and achieve cost savings for the employer.

Claims

Claims examiner can more [effectively manage the performance of the provider and ensure they are delivering the best possible medical outcomes](#). An MPN is more than just discounted fee schedule, we are managing the delivery of quality medical care that can greater impact the client's costs.

The enrollment process can take place at any time. It is a **“Win Win”** to work together with our clients and take advantage of this opportunity to control workers' compensation costs and at the same time provide quality medical care to their injured workers.

Managed Care – “Mature Result”

		BASELINE	WITH MPN	→	
		YEAR 1	YEAR 2	YEAR 3	YEAR 4
INDEMNITY	# Claims	7	7	4	1
	Net Average	\$11,276.00	\$4,4043.00	\$5,578.00	\$1,975.00
	Net Incurred	\$157,869.00	\$60,646.00	\$44,626.00	\$3,950.00
MEDICAL	# Claims	16	17	9	2
	Net Average	\$11,494.00	\$5,931.00	\$4,098.00	\$4,000.00
	Net Incurred	\$183,915.00	\$106,761.00	\$40,990.00	\$8,000.00
TOTAL INCURRED	# Claims	23	24	13	3
	Net Average	\$11,393.00	\$5,073.00	\$4,756.00	\$2,988.00
	Net Incurred	\$341,784.00	\$167,408.00	\$85,616.00	\$11,950.00

**74%
Reduction
in the net
average
claim cost**

Managed Care – “Early Trend “

		BASELINE	WITH MPN
		YEAR 1	YEAR 2
INDEMNITY	# Claims	7	2
	Net Average	\$9,867.00	\$5,393.00
	Net Incurred	\$78,937.00	\$10,785.00
MEDICAL	# Claims	16	9
	Net Average	\$8,482.00	\$3,378.00
	Net Incurred	\$144,187.00	\$40,534.00
TOTAL INCURRED	# Claims	23	11
	Net Average	\$8,925.00	\$3,666.00
	Net Incurred	\$223,124.00	\$51,319.00

**59%
Reduction in
the net
average
claim cost**

Implementation is Simple

And

Maintenance is Easy



Just follow three simple steps

Implementation & Maintenance is Simple

MPN Implementation:

STEP 1. Post **DWC-7** in a conspicuous area

STEP 2. Contact your MPN Liaison and provide the effective date of the MPN.

MPN Maintenance:

At time of injury:

Provide the injured employee with the **Complete Employee Notice** and **DWC-1** claim form.

At time of hire:

Include the **New Hire Pamphlet** in you new hire packet

Implementation

STEP 1. Post the **Notice Poster DWC-7 form** in a conspicuous area frequented by employees during the hours of the workday and in close proximity to the workers' compensation posting as required under Regulation 9881 .

STATE OF CALIFORNIA - DEPARTMENT OF INDUSTRIAL RELATIONS
Division of Workers' Compensation

Notice to Employees—Injuries Caused By Work

You may be entitled to workers' compensation benefits if you are injured or become ill because of your job. Workers' compensation covers most work-related physical or mental injuries and illnesses. An injury or illness can be caused by one event (such as hurting your back in a fall) or by repeated exposures (such as hurting your wrist from doing the same motion over and over).

Benefits. Workers' compensation benefits include:

- **Medical Care:** Doctor visits, hospital services, physical therapy, lab tests, x-rays, and medicines that are reasonably necessary to treat your injury. You should never see a bill. There is a limit on some medical services.
- **Temporary Disability (TD) Benefits:** Payments if you lose wages while recovering. For most injuries, TD benefits may not be paid for more than 104 weeks within five years from the date of injury.
- **Permanent Disability (PD) Benefits:** Payments if your injury causes a permanent disability.
- **Supplemental Job Displacement Benefit:** A nontransferable voucher payable to a state approved school if your injury arises on or after 1/1/04 and results in permanent disability that prevents you from returning to work within 60 days after TD ends, and your employer does not offer you modified or alternative work.
- **Death Benefits:** Paid to dependents of a worker who dies from a work-related injury or illness.

Naming Your Own Physician Before Injury or Illness (Predesignation). You may be able to choose the doctor who will treat you for a job injury or illness. If eligible, you must tell your employer, in writing, the name and address of your personal physician or medical group *before* you are injured and your physician must agree to treat you for your work injury. For instructions, see the written information about workers' compensation that your employer is required to give to new employees.

If You Get Hurt:

1. **Get Medical Care.** If you need emergency care, call 911 for help immediately from the hospital, ambulance, fire department or police department. If you need first aid, contact your employer.
2. **Report Your Injury.** Report the injury immediately to your supervisor or to an employer representative. Don't delay. There are time limits. If you wait too long, you may lose your right to benefits. Your employer is required to provide you a claim form within one working day after learning about your injury. Within one working day after you file a claim form, your employer shall authorize the provision of all treatment, consistent with the applicable treating guidelines, for your alleged injury and shall be liable for up to ten thousand dollars (\$10,000) in treatment until the claim is accepted or rejected.
3. **See Your Primary Treating Physician (PTP).** This is the doctor with overall responsibility for treating your injury or illness. If you predesignated by naming your personal physician or medical group before injury (see above), you may see him or her for treatment in certain circumstances. Otherwise, your employer has the right to select the physician who will treat you for the first 30 days. You may be able to switch to a doctor of your choice after 30 days. Different rules apply if your employer offers a Health Care Organization (HCO) or has a Medical Provider Network (MPN). You should receive information from your employer if you are covered by an HCO or a MPN. Contact your employer for more information.
4. **Medical Provider Networks.** Your employer may be using a MPN, which is a selected network of health care providers to provide treatment to workers injured on the job. If your employer is using a MPN, a MPN notice should be posted next to this poster to explain how to use the MPN. You can request a copy of this notice by calling the MPN number below. If you have predesignated a personal physician prior to your work injury, then you may receive treatment from your predesignated doctor. If you have not predesignated and your employer is using a MPN, you are free to choose an appropriate provider from the MPN list after the first medical visit directed by your employer. If you are treating with a non-MPN doctor for an existing injury, you may be required to change to a doctor within the MPN. For more information, see the MPN contact information below.

Current MPN's toll free number: _____ MPN website: _____
MPN Effective Date _____ Current MPN's address: _____

Discrimination. It is illegal for your employer to punish or fire you for having a work injury or illness, for filing a claim, or testifying in another person's workers' compensation case. If proven, you may receive lost wages, job reinstatement, increased benefits, and costs and expenses up to limits set by the state.

Questions? Learn more about workers' compensation by reading the information that your employer is required to give you at time of hire. If you have questions, see your employer or the claims administrator (who handles workers' compensation claims for your employer):

Claims Administrator _____ Phone _____
Workers' compensation insurer _____ (Enter "self-insured" if appropriate)
Policy Expiration Date _____

If the workers' compensation policy has expired, contact a Labor Commissioner at the Division of Labor Standards Enforcement (DLSE). You can also get free information from a State Division of Workers' Compensation Information & Assistance Officer. The nearest Information & Assistance Officer can be found at location: _____ or by calling toll-free (800) 736-7401. Learn more information about DWC and DLSE online: www.dwc.ca.gov or www.dir.ca.gov/dlse.

False claims and false denials. Any person who makes or causes to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining or denying workers' compensation benefits or payments is guilty of a felony and may be fined and imprisoned.

Your employer may not be liable for the payment of workers' compensation benefits for any injury that arises from your voluntary participation in any off-duty, recreational, social, or athletic activity that is not part of your work-related duties.

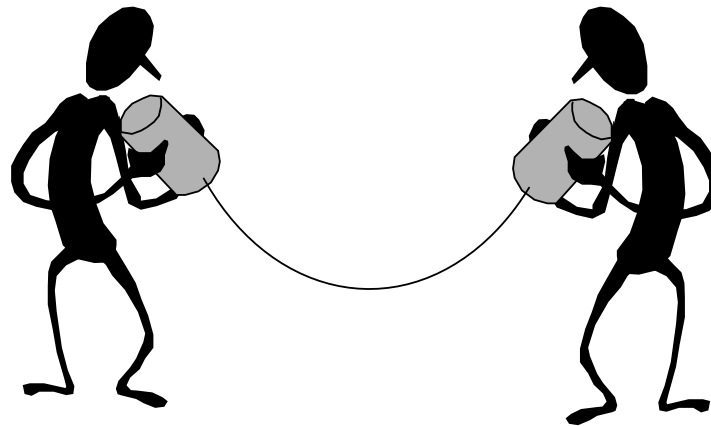
DWC 7 (6/10)



DWC -7 POSTER

Implementation

STEP 2. Notify the MPN Liaison, carol.otavka@tmamerica.com of the effective date of the MPN.



Considerations

An employee can **pre-designate** a personal physician at any time during their employment and before filing a Workers' Compensation claim.

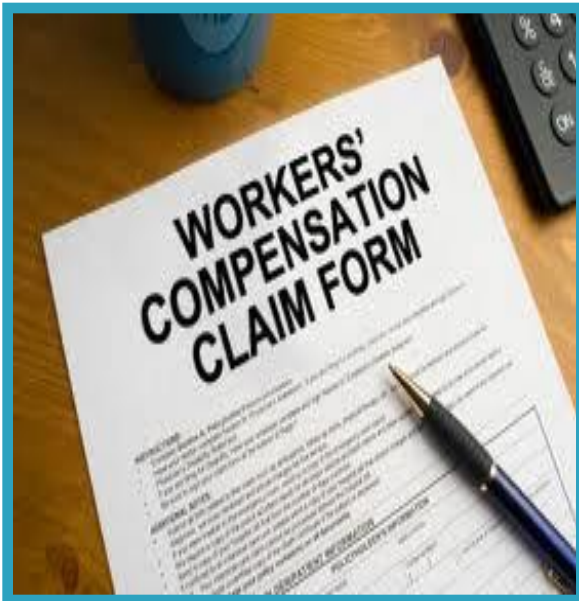
Pre-designation can occur if:

- The employer offers group health coverage;
- The doctor is your regular physician
- The "personal physician" may be a medical group
- Prior to the injury your doctor agrees to treat you for work injuries or illnesses
- Prior to the injury the employee provides the employer the following in writing:
 - (1) notice that you want your personal doctor to treat you for a work-related injury or illness, and
 - (2) your personal doctor's name and business address.

Maintenance

At time of injury

DWC-1 Employee Claim Form & Notice of Potential Eligibility and the Complete MPN Employee notice shall also be provided to a covered employee at the time of injury.



Important Information about Medical Care if you have a Work-Related Injury or Illness

Complete Written Employee Notification Re: Medical Provider Network
(Title 8, California Code of Regulations, section 9767.12)

California law requires your employer to provide and pay for medical treatment if you are injured at work. Your employer, **Employer's Name** has chosen to provide this medical care by using a Workers' Compensation physician network called a Medical Provider Network (MPN). This MPN is administered by First Health Coventry. This notification tells you what you need to know about the MPN program and describes your rights in choosing medical care for work-related injuries and illnesses.

- **What happens if I get injured at work?**

In case of an emergency, you should call 911 or go to the closest emergency room.
If you are injured at work, notify your employer as soon as possible. Your employer will provide you with a claim form. When you notify your employer that you have had a work-related injury, your employer or insurer will make an initial appointment with a doctor in the MPN.

- **What is an MPN?**

A Medical Provider Network (MPN) is a group of health care providers (physicians and other medical providers) used by your employer to treat workers injured on the job. MPNs must allow employees to have a choice of provider(s). Each MPN must include a mix of doctors specializing in work-related injuries and doctors with expertise in general areas of medicine.

- **What MPN is used by my employer?**

Your employer is using the following network and identification number **Enter the network name and identification number**. You must refer to the MPN name and the identification number whenever you have questions or requests about the MPN.

- **Who can I contact if I have questions about my MPN?**

The MPN Contact listed in this notification will be able to answer your questions about the use of the MPN and will address any complaints regarding the MPN.
The contact for your MPN is:

Name: **Carol Otavka**
Title: **National Managed Care Program Manager**
Address: **800 E. Colorado Blvd., Pasadena, CA 91101**
Telephone Number: **800.888.8875 Ext. 7754**
Email address: **Carol.Otavka@tokiom.com**

DWC -1 NOTICE

**MPN EMPLOYEE NOTICE
(ENGLISH and SPANISH)**

Why Proper Notice is Important

The Applicant must be given notice of his/her rights. If notices are not provided the injured worker can treat outside the MPN.

- Proof of the Workplace Notices
- Notice re MPN on DOI
- Prompt Provision of Medical treatment

The MPN is a “Win Win” for all....

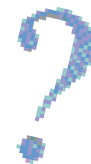
- When our clients channel their injured employees to MPN physicians, Tokio Marine will be able to contain the medical cost for the life of the claim and achieve cost savings.
- Injured employees benefit from the MPN through effective medical treatment as well as the convenience of a statewide network of doctors and specialists. Our clients just need to follow a few simple rules to make the MPN effective in their workplace.
- The enrollment is simplified and process can take place at any time.
- MPN can help improve the ex mod and the client’s overall cost of risk.



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A central yellow rectangular box with rounded corners and a black border. At the top center is a black question mark with radiating lines above it. Below this are three circular icons, each containing a stick figure with large eyes looking at a document. At the bottom of the box, the text "It's QUESTION TIME!!" is written in bold black font.



For additional questions about the California MPN please contact your MPN Liaison,
Carol Otavka at 626-568-7754 or e-mail at carol.otavka@tmamerica.com

Thank you for your time



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