Workers' Compensation Medical Care in California: **Quality of Care** (2006 UPDATE)

FACT SHEET

Evaluating Quality and Outcomes in WC Medical Care

Recent reforms in California's workers' compensation (WC) system have focused on reducing costs and adopting evidence-based treatment guidelines to control inappropriate care and overuse of medical services. It is not yet known what the ultimate effect of these reforms will be on the outcomes of care for injured workers or on their satisfaction with care. Proposals are now being considered to establish a statewide process for regularly monitoring and evaluating the quality of care provided to injured workers.[1]

Assessing the quality of medical care for injured workers is, in many ways, more difficult than evaluating health care for the general population. Quality of care in workers' compensation involves assessing patients' ability to successfully resume work activities, their risk of suffering reinjury at work, and their experiences with employers and the WC system. The California Division of Workers' Compensation (DWC) conducted surveys of injured workers in 1996 and 2000 to assess their satisfaction with care.[2] Regulations pertaining to quality of care were developed following legislation authorizing the use of Certified Health Care Organizations (CHCOs) in 1994 and Medical Provider Networks in 2005.[3] However, California state agencies currently do not have a system in place to routinely monitor the quality of care in the WC system and few private WC insurers or provider networks systematically assess or report the quality of patients' care or their outcomes following treatment. The California Commission on Health and Safety and Workers' Compensation unanimously voted in 2005 to authorize a feasibility study for the development of such as system.[4]

Reasons for Concern

Evidence from other states indicates that the introduction of managed care controls in WC systems can diminish injured workers' satisfaction with care.[5] Research studies have found that the outcomes of care for job-related injuries treated under workers' compensation are worse than the outcomes for similar conditions treated in the general (non-WC) setting.[6] Because of the connection between workplace injuries and diminished earnings capacity from lost worktime, the outcomes of workplace injuries can have substantial social and economic consequences that must be considered when evaluating the quality of care.[7] California studies have found that the wage replacement (indemnity) benefits available through WC do not fully replace workers' lost earnings resulting from a workplace injury.[8]

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The Workers' Compensation Research Institute evaluated WC care in California and three other states (Texas, Massachusetts, and Pennsylvania) through telephone surveys and insurers' claims data.[9] The study found that injured workers in California and Texas generally had worse outcomes than in Massachusetts and Pennsylvania, with respect to post-injury function and ability to return to work. The average time needed for California workers to return to work was eight weeks, two weeks longer than in all the other states. The WCRI further observed that California workers had worse outcomes in all categories compared to injured workers in Pennsylvania and Massachusetts. The outcome was worse despite receiving, on average, substantially more medical services per claim and incurring significantly higher medical costs per claim. (California's costs per claim were 113 percent higher than in Massachusetts and 32 percent higher than in Pennsylvania). The WCRI findings are consistent with other studies that have not found a significant correlation between the outcomes of care, as measured by indemnity costs and the duration of disability, and the volume or duration of medical care services that are provided to injured workers.[10]

California workers, surveyed an average of eight months after being injured, reported a significant degree of ill health. About one-third of the workers (32.9 percent) indicated that their overall health was worse than before the injury; and nearly a quarter (23.6 percent) said the injury still exerts a negative effect on their lives. Only 30 percent reported that they had fully recovered.[11]

Satisfaction with Care

Surveys of injured California workers conducted by the DWC found that 76.5 percent of workers were either "very satisfied" or "somewhat satisfied" with the medical care received for their job-related injury (Table 1).[12] Most of the surveyed workers expressed satisfaction with their choice of provider (72.5 percent); felt that the provider listened well (77.8 percent); showed them courtesy and respect (73.5 percent); explained care in a way that was understandable (70.3 percent); made a thorough and careful examination (63.7 percent); and developed an appropriate diagnosis and treatment (64.9 percent). Approximately 25 percent of respondents expressed dissatisfaction with overall care and with the choice of provider. Respondents who were younger, Spanish-speaking, non-white, and of lower income or education were more likely to be dissatisfied with care.

Table 1. Overall Satisfaction with Care and Choice of Physicians, Survey of 809 Injured California Workers

LEVEL OF SATISFACTION...	WITH CARE	WITH CHOICE
Very Satisfied	41.9%	38.6%
Somewhat Satisfied	34.6%	33.9%
Somewhat Dissatisfied	14.2%	16.6%
Very Dissatisfied	9.3%	10.9%

Source: Rudolph L, Dervin K, Cheadle A, Maizlish N, Wickizer T. " What do injured workers think about their medical care and outcomes after work injury?" *Journal of Occupational and Environmental Medicine* 44: 425–434, 2002.

WCRI compared injured workers' satisfaction with WC medical care in California to satisfaction with WC care in Texas, Pennsylvania, and Massachusetts.[13] Satisfaction was gauged according to overall care, the initial provider, the primary treatment provider, and the desire to change providers because of dissatisfaction (Table 2). On all measures, California workers were generally satisfied with the care received — 80 percent reported that they were "somewhat or very" satisfied with care (consistent with the DWC findings mentioned above); 68 percent were satisfied with the initial non-emergency provider; and 84 percent were satisfied with the primary treating provider. However, on six of the eight measures reported by WCRI, California had the lowest satisfaction ratings of all four states.

Table 2. Comparison of Satisfaction with Care in California and Three Other States (TX, MA, and PA)

WORKERS...	CALIFORNIA	3-STATE AVERAGE
Satisfied (somewhat or very) with their overall care	80%	83%
Very dissatisfied with their overall care	10%	9%
Satisfied (somewhat or very) with their initial provider	68%	80%
Very dissatisfied with their initial provider	19%	12%
Satisfied (somewhat or very) with their primary (noninitial) provider	84%	87%
Very dissatisfied with their primary (noninitial) provider	10%	8%
Ever wanting to change their initial provider due to dissatisfaction	33%	23%
Ever wanting to change their primary (noninitial) provider due to dissatisfaction	18%	18%

Note: Survey conducted in 2003 (Texas) and 2002 (other states) for injuries that occurred in 1998 (Texas) and 1999 (other states).

Source: Victor R, Barth P, Liu T. Workers' Compensation Research Institute (WCRI). *Outcomes for Injured Workers in California, Massachusetts, Pennsylvania, and Texas.* Cambridge, MA: WCRI. December, 2003.

Surveys of injured California workers have consistently found that many workers are not well informed about what medical benefits are available under WC, or how to obtain the most appropriate care.[14] A significant proportion of injured workers experience delays in accessing care, barriers to care related to claims processing by employers and insurers, and disputes concerning their care. About one third of the respondents to a 1998 DWC injured worker survey indicated they had little or no involvement in making decisions about their medical care. Roughly 30 to 40 percent of survey respondents reported that physicians rarely obtained job descriptions, talked about return to work, or discussed ways of preventing reinjury.[15]

Most of the injured workers who participated in a recent series of California focus groups reported receiving inadequate information from their employers about how to obtain medical care for their injuries. A sizable proportion of the workers expressed feelings of distrust and suspicion regarding their care, or believed that their doctors were oriented "against" injured workers. Several focus group participants commented that the treating physician caused further injury to them, did not know how to treat their particular injuries, or failed to understand the nature of their jobs.[16]

WC Quality of Care Initiatives in California and Other States

It has been suggested that California and other states develop specific quality-of-care performance measures that could constitute the basis for a quality-of-care monitoring and evaluation system. The American Accreditation HealthCare Commission (URAC) disseminated a set of standardized quality and performance measures for WC medical care in 2001. The URAC set contains 46 specific measures grouped into ten domains: access to care, coordination of care, communication, work-related outcomes, health-related outcomes, patient satisfaction, prevention, appropriateness of care, cost of care, and utilization of services (Table 3).[17] A similar set of quality indicators had previously been published by the medical director of the California DWC in 1996.[18]

Table 3. American Accreditation HealthCare Commission (AAHCC)/ URAC Workers' Compensation Medical Care Performance Measures

MEASUREMENT DOMAIN	EXAMPLES OF PERFORMANCE INDICATORS
Access to Care	• Getting needed care • Wait time to get care
Appropriateness of Care	• Work history taken • Job capabilities assessed
Communications	• Provider communicates well • Provider treats worker with respect
Coordination of Services	• Timely referral • Advice given on return to work
Medical Costs	• Medical costs compared to benchmarks • Disability costs compared to benchmarks
Patient Satisfaction	• Satisfaction with overall care • Satisfaction with choice of provider
Prevention	• Injury prevention counseling
Utilization of Services	• Utilization of medical services • Appropriate services provided for specific conditions
Work-related Outcomes	• Time needed to return to work • Ability to perform job after return

Source: American Accreditation HealthCare Commission/URAC (AAHCC/URAC). *Measuring Quality in Workers' Compensation Managed Care Organizations, Technical Manual of Performance Measures.* Washington, DC: AAHCC/URAC, 2001.

With financial support from the Robert Wood Johnson Foundation's Workers' Compensation Health Initiative, the California Department of Industrial Relations conducted initial planning and feasibility studies for the creation of the California Work Injury Resource Center. Activities of the proposed center would include dissemination of quality-of-care information; educational programs for providers and insurers concerning quality of care; data collection and analysis to measure the quality of WC medical care in the state; and technical assistance to health systems, employers, providers, and workers regarding techniques for enhancing the quality of care received by injured workers.[19]

Certification standards were developed in 1994 by the California DWC specifying the quality-of-care program required for health care organizations (HCOs) providing WC medical care.[20] Under these regulations, HCOs must have a quality assurance (QA) program, a QA committee, and an oversight process for monitoring care and access, identifying problems with treatment, and taking corrective action. Regulations adopted in 2005 for WC Medical Provider Networks (MPNs) contain a more limited set of quality-of-care requirements.[21] The regulations mandate that MPNs have an appropriate mix of qualified medical providers, comply with specific access-to-care requirements, ensure continuity and coordination of care, and have a process for allowing patients to change physicians within the network and seek second and third opinions regarding their treatment plan.

Most experts agree that a comprehensive effort to ensure high quality of WC medical care should combine private initiatives by MPNs, WC insurers, and

provider organizations; self-regulation in the form of industry accreditation and review of provider qualifications; and regulatory oversight by state agencies. Components of a comprehensive quality-of-care approach potentially include formal quality assurance and improvement programs, specific quality standards and reporting requirements, patient education and communication, and measures to ensure access to timely and appropriate care. DWC and other state agencies can play an important role in gathering and reporting quality-of-care data and facilitating cooperation among the various stakeholders.

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