



care management solutions

Provider benchmarking



the
voice
of the industry

The results are in

Sedgwick's provider benchmarking program ensures quality care for injured employees and reduces costs for clients.

A key component for successful claims management is locating primary care physicians and specialists associated with the best outcomes, and utilizing them, as allowed by law, to treat workplace injuries. Sedgwick's benchmarking program is doing just that. While the industry continues to debate what comprises a smart medical network, our benchmarking program and claims management services are consistently helping employers provide quality care for their injured employees and reducing workers' compensation costs.

Proven performance and results

Our program scores medical providers on a scale of one to five, and those earning four and five stars are the top performing providers. We recently evaluated approximately 107,000 claims with dates of injury between July 1, 2012 and June 30, 2013, and with initial treatment provided by primary care physicians. When injured employees visited top performing providers from the start, the results included shorter claim duration, less incurred cost, faster return-to-work, and lower litigation rates. Analysis of our data on closed claims also demonstrates improved results when initial treatment is given by top performing providers. Open claims indicate similar results, and four-star and five-star providers see higher claim closure rates at early evaluation points.

The results achieved when initial treatment is provided by top performing providers include:

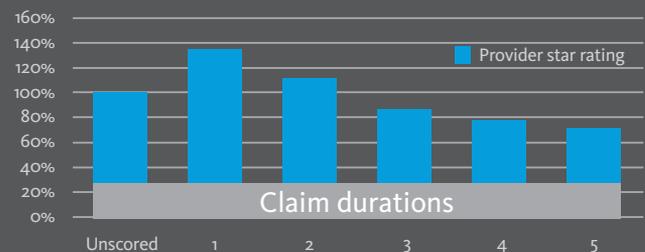
- Claim duration – 40% faster claims resolution (see graph for score comparison)
- Incurred total – 68% lower
- Faster return-to-work/lower indemnity
 - Average lost time days – 73% lower
 - Incurred indemnity – 79% lower
- Incurred medical – 62% lower
- Incurred expense – 61% lower

Additional findings include:

- Claims with litigation were two times higher when care was provided by lower scoring physicians

- 36% of the claims in which initial care was provided by a lower scoring provider resulted in surgery, as opposed to 18% with higher scoring providers

The graph below shows the variations in claim duration for providers in our five-star benchmarking program. When injured employees receive their initial treatment from five-star providers, the claim duration is 40% faster on average compared to one-star providers.



Building superior networks that drive positive outcomes

Sedgwick was one of the first in the industry to create a quantitative methodology to measure the quality of care provided to injured employees and to use that knowledge to build superior networks. Our program was developed to create a level of awareness about the physicians and other clinicians who provide the highly valued services that drive optimal outcomes within the workers' compensation arena.

Sedgwick's five-star provider benchmarking program can be implemented in virtually any state or jurisdiction in the nation. The system is designed to control specific aspects of the search engine based on the applicable claim jurisdiction and embedded smart panels provide users with helpful regulatory information. Provider scores change as overall claims data changes or increases.

Our online provider search tool, a key element in our benchmarking program, enables clients and colleagues to identify providers who achieve the most successful claims outcomes. Key features include:

- Landing page with intuitive buttons for easy navigation
- Flexible search functionality to look up providers by name, region, and address
- Jurisdictional compliance information for direction of care and state-specific rules for document creation
- Logic that removes duplicate physician information tied to multiple network affiliations
- Map view options
- Ability to create panel cards for new locations or look up existing panel cards
- Office and desk level metrics to measure our colleagues' use of the benchmarking tool
- Text messaging options for provider referrals, turn by turn driving directions, and pharmacy first fill
- User access from mobile devices
- Real-time examiner/nurse user interface within Sedgwick's proprietary claims management system
- Electronic medical cards with fields that can be customized for clients
- Network management

The critical role of examiners

We expect our claims examiners to be aware of the provider options in each case and refer injured employees to top performers wherever we can direct care. Each examiner's primary objective – treat each employee as they would want to be treated. The provider search tool in Sedgwick's five-star benchmarking program is a unique operational system, which was created in close collaboration with examiners and end users. The system includes:

- Each provider's specialty, sub-specialty, and five-star benchmarking details
- Client location panel cards
- Real-time user feedback loop to our network administrators
- Improved validation of provider demographics

Provider level data is scored daily, and all relevant data is analyzed and updated routinely. Providers who have been validated within the last six months have a "V" next to their name. This is a vitally important feature as historically provider networks were fraught with errors, such as incorrect addresses and outdated physician information. This commonly leads to delays in care across the workers' compensation industry.

What makes our approach unique?

Employers have found that in many workers' compensation programs today, there are significant gaps in traditional network solutions. Specifically, there is limited management of providers in the network; limited ability to influence and educate providers; and few organizations that can adequately customize networks. Sedgwick pioneered provider benchmarking in 2008 and deployed the first client-centric, outcomes-based Medical Provider Network (MPN) in California in early 2009.

Our nationwide, five-star provider benchmarking program is based on scientific methodology and meaningful measurements. The program scores providers on a quintile format, and the scores ranging from one to five stars help claims professionals identify providers who have proven that they understand the unique needs of workers' compensation. In addition, the scoring system helps identify providers who will guide care management decisions, as well as those who may need further support and education in treating workers' compensation injuries and in using evidence-based medicine.

Sedgwick uses objective measurements of provider performance and claims by analyzing the following factors:

- Duration and costs
- Average lost work time and transitional duty days
- Incidence rate of litigation
- Recidivism rate (claims reopening)
- Dates of medical service, and billed and paid dollars with explanation of reimbursement codes
- Diagnosis and treatment codes

In addition, our expert team uses Sedgwick's technology to explore the following key areas important to clients:

Claims data

Our claim files include data related to outcomes, such as case duration; temporary total disability, medical and indemnity payments; recidivism; and return-to-work/disability relapse. The data set also covers medical billing, current procedural terminology (CPT) codes, payments applied to claims, and a medical provider table connecting provider payments to associated claims data.

Identity management

Outcomes factors are mapped to provider identifiers that are then linked to central identities within the database. Groups and individual providers are tracked using tax identification numbers and individual identifiers. A key element in scoring the providers is the combined ability to link claims data to real world entities and to link providers selected to participate on panels to normalized central identities.

Stratification and case mix adjustments

To be valid, a provider's score should only be compared to like providers or peers. Provider peer groups were created based on the CPT codes within our medical payment data. This allows us to group like practices based on actual treatments rather than relying on specialties for groupings. This process ensures that case mixes are consistent for the stratified providers.

Recognizing jurisdictional and state requirements

Sedgwick's five-star system can be readily adjusted to meet jurisdictional and state requirements. Currently, more than 30 states allow full or partial direction of care. In those states that do not allow it, our benchmarking tool can provide important data. For example, in Pennsylvania, where injured employees can only be seen by a physician on a panel card, we can use the provider search tool to identify only the physicians on the panel; and provide the employee with details on those who are closest, along with any relevant five-star information.

Ensuring the best possible care

Sedgwick's five-star benchmarking program is designed to be collaborative and inclusive. Our customers are located in major metropolitan areas as well as rural communities. When TPAs or insurers use stringent, arbitrary rules to shut providers out of networks because they do not meet rigid guidelines, everyone loses.

We always strive to use the providers offering the best outcomes, but we understand that in some areas, there may only be one or two providers near our

clients' operations. We think it is our responsibility to work with those providers, so we can ensure injured employees receive optimal care.

Through data analysis, Sedgwick identifies the providers whose outcomes do not meet expectations. We work with providers to help them understand effective care and proactive return-to-work strategies; and modify quality control efforts as needed to improve outcomes. We help providers understand that the best overall outcome does not necessarily mean the least expensive office visit. Rather, the best possible care is designed to provide the quickest recovery in a cost-effective manner.

Sedgwick reviews and updates the scores associated with individual providers regularly. As new claims are closed, the associated outcomes and treatments are added to the data analysis, and provider scores are updated in real time. A provider must continue to perform at high service levels in order to maintain high scores in our benchmarking process.

The Sedgwick difference

When we help injured employees obtain their initial treatments from medical providers that consistently demonstrate quality outcomes, the entire claim process and all parties involved benefit. Quality healthcare naturally leads to a better experience for your employees. Sedgwick is the recognized industry leader – with more than 40 years of experience – in building and managing superior claims programs. When it comes to provider networks, we have the resources, tools, and dedicated team of experts to help our clients control costs and reach their goals.

Contact Sedgwick today for more information on our five-star provider benchmarking program.



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