



## Problems With Data Hinder Evaluation of Managed Care in Workers' Compensation Health Initiative Project

Demonstration and evaluation of performance measurements for workers' compensation managed care organizations

### SUMMARY

From 2001 to 2002, staff from the American Accreditation Health Care Commission, now generally known as **URAC**, developed and tested a set of standardized performance measurement tools for managed care organizations that provide workers' compensation care.

The project was part of the Robert Wood Johnson Foundation (RWJF) *Workers' Compensation Health Initiative* national program.

### Key Results

The project team:

- Created a set of performance measures for managed care organizations that assess performance in nine key areas. The project team also developed specific instructions on sampling, data collection and analysis for each measure selected.
- Developed and conducted limited tests of three performance measurement tools—a worker survey, an administrative data tool and a medical chart audit tool—that managed care organizations can use to assess the care they provide to injured workers:
  - Two managed care organizations tested the worker survey.
  - One managed care organization attempted to test the claims data protocol; however, the company reported that they had insufficient information to report data on cost, utilization and treatment patterns by diagnosis.
  - No managed care organization was willing to test the medical records audit tool.
- Produced a technical manual—*Measuring Quality in Workers' Compensation Managed Care Organizations: Technical Manual of Performance Measures*—that would allow managed care organizations to reproduce the performance measures.

## Conclusions

The project team concluded that a number of barriers exist to introducing standard performance measures for workers' compensation care in managed care organizations. These include:

- The inadequacy of patient data maintained by managed care organizations.
- The low demand from purchasers for the standard performance measures.

## Funding

RWJF supported this project through a grant of \$393,638.

## THE PROBLEM

Mistrust and litigation pervade the worker's compensation system, and workers, employers, health care providers and policy-makers are often confused and frustrated about how to identify and obtain the best possible care. Recently, considerable interest has been expressed in devising ways to hold managed care organizations accountable for providing high-quality care to workers receiving treatment for occupational disorders. Instituting a standardized performance measurement program may be an effective technique for accomplishing this. Efforts by managed care organizations to institute formal performance measurement programs have not only led to improvements in data collection infrastructure, they have facilitated quality improvement initiatives.

## THE PROJECT

This grant from RWJF through its *Workers' Compensation Health Initiative* national program supported the development and testing of a set of standardized performance measures for workers' compensation managed care organization. The goals of the project were to:

- Develop a user-ready set of performance measurement materials that can be adopted by managed care organizations for quality assurance purposes or tested further and adopted for performance comparisons.
- Disseminate performance measurement materials and information in a variety of formats to build demand in the workers' compensation managed care environment.
- Conduct basic testing of measures to determine feasibility of data collection and analysis.

Under the grant, the project team:

- Convened a National Advisory Committee that included representatives of managed care organizations, regulatory agencies, doctors and other health care providers, labor groups and employers. (See the [Appendix](#) for a complete list of members.) The advisory committee helped identify a series of nine critical factors that should be included in any set of performance measures. It also worked with the project team on the design of specific performance measures and tools.
- Conducted an inventory of existing performance measurement efforts in workers' compensation medical care. After a public "call for measures," a literature search and interviews with experts, the project team determined that there were no standardized performance measures for workers' compensation health care.
- Commissioned five technical briefs on specific aspects of performance measurement that could be used by managed care organizations and others. Topics included:
  - Defining a managed care organizations for the purpose of measuring performance.
  - Prevention in workers' compensation managed care.
  - Approaches to working with claims data for assessing clinical quality.
  - Validity of "savings" as a performance measure.
  - Examination of the need for consent for review of medical records for quality improvement purposes.

## RESULTS

The project team:

- **Created a set of performance measures for managed care organizations that assess performance in nine key areas:**
  - Worker access to care.
  - Worker satisfaction with care.
  - Cost of care.
  - Utilization of services.
  - Coordination of care.
  - Communication with injured workers.
  - Outcomes—functional status and return to work.
  - Prevention.

- Appropriate clinical care.

The project team also developed specific instructions on sampling, data collection and analysis for each measure selected.

- **Developed and conducted limited tests of three performance measurement tools—a worker survey, an administrative data tool and a medical chart audit tool—that managed care organizations could use to assess the care they provide to injured workers.** Each of the tools can be used alone or together to gather data on performance in the nine key areas.
  - **Two managed care organizations tested the worker survey.** The project team contracted with a survey vendor, Market Facts, to administer the survey to patients of two managed care organizations that did not have managers serving on the advisory committee. (Originally, managed care organizations that had staff on the committee had agreed to test the tools, but none did so.)
  - **One managed care organization attempted to test the claims data protocol.** However, the company reported that they had insufficient information to report data on cost, utilization and treatment patterns by diagnosis.
  - **No managed care organization was willing to test the medical records audit tool.** The managed care organizations argued that their relationship with providers was not sufficiently strong to compel providers to deliver medical records, or that the cost to do so would be prohibitive.
- **Produced a technical manual that would allow managed care organizations to reproduce the performance measures.** The publication—*Measuring Quality in Workers' Compensation Managed Care Organizations: Technical Manual of Performance Measures*—provides a detailed explanation on how to use the measures, the reporting formats and implications for quality improvement. The project team also produced a layperson's introduction to performance management in workers' compensation health care. (See the [Bibliography](#).)

## CONCLUSIONS

Based on its attempts to test the performance measurement tools, as well as interviews with experts, the project team reached these conclusions:

- **There are a number of barriers to introducing standardized performance measures for workers' compensation cases in managed care organizations.** These include:
  - Managed care organizations have poor information on age, sex, injury type or job characteristics.
  - Functional areas of managed care organizations are very poorly integrated, with virtually no capability to share data in a cost-effective way.

- Managed care organizations do not link diagnosis data to claims information since this information typically is not necessary for payment of bills.
- **Employers currently are not positioned to demand performance information from managed care organizations.** Many employers have a very indirect relationship with the managed care entity. Other large employers are not interested in external reporting because they provide the care management services in house.
- **Regulatory interest was more effective at promoting performance measurement.** Regulators in general are more supportive of measuring worker experiences in workers' compensation than are employers or managed care organizations.
- **Purchaser demand is not high, and managed care organizations will not voluntarily undertake public reporting of performance measures in the absence of a mandate.**
- **Purchasers have not embraced other performance measure sets as a way to compare quality between different plans.** For example, employers, consumers and other purchasers do not use data from the HealthPlan Employer Data and Information Set (HEDIS)—a set of standardized performance measures for managed care organizations developed by the National Committee for Quality Assurance. HEDIS was initially touted as a way to allow employers, consumers and other purchasers to compare health plans based on established quality measures. Instead, HEDIS has served to make health plans aware of their performance in areas specifically measured by HEDIS, and to focus health plan resources on quality improvement in these areas.

## Communications

The technical manual, *Measuring Quality in Workers' Compensation Managed Care Organizations: Technical Manual of Performance Measures*, has been distributed to researchers, managed care organizations and state workers' compensation regulators. The layperson's introduction to performance management in workers' compensation was distributed to employers. Project staff published two articles, a book chapter and a brochure on themes addressed in the project. They also made 10 presentations to professional groups. Four press releases resulted in eight articles in trade and professional periodicals. (See the [Bibliography](#) for more details.)

## LESSONS LEARNED

1. **Introducing the concepts of standardized performance measurement and public accountability is a slow process.** The workers' compensation industry and its related consultants have conducted business privately for many decades, focusing their assessment activities on cost containment and other financial issues. The effort to change the framework to focus on clinical quality and measurement of performance met with resistance over the course of this project. (Project Director)

## AFTERWARD

Project staff continues the dissemination process for the performance measures, including revising several of the technical papers for submission to academic journals. URAC also plans to promote the performance measures in its accreditation process for workers' compensation managed care organizations.

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## APPENDIX

### National Advisory Committee

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### Survey Instruments

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"Audit Tool to Assess Quality of Care for Initial Treatment of Occupational Low Back Pain, Shoulder Pain, Knee Pain or Wrist and Forearm Pain," American Accreditation Health Care Commission.

"Protocol for Measuring Cost, Utilization, Case Management and Treatment Patterns Using Workers' Compensation Billing Data," American Accreditation Health Care Commission.

### Grantee Websites

[www.urac.org](http://www.urac.org). Contains project related information. Washington: American Accreditation Health Care Commission.