

# Texas Health Care Network (HCN) Agents – Employer

CORVEL

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# Agenda

HCN overview and requirements

Network coverage

CorVel HCN Benefits

Employer/Agent Responsibilities

## Health Care Networks (HCN)

House Bill 7 Effective September 1, 2005

Introduced workers' compensation healthcare networks

Overseen by the Texas Department of Insurance

Carrier contracts directly with network

Employer elects to participate in workers' compensation network through a network policy endorsement with carrier

Employee "lives" within a covered network area

## CorVel's HCN Overview

Certified July 2006

Over 3,100 participating providers

Over 1,300 employer groups

250 certified counties

Covers 99% of total Texas population



## Legacy Claims/GAP Claims

### Legacy Claims

Occurred prior to the effective date of the law (9/1/05)

### Gap Claims

Occurred between September 1, 2005 and the network policy endorsement date between the carrier/employer

# Network Participation Requirements

Legacy claimants can be required to participate

Carrier makes determination of legacy claim participation for all claims prior to Sept. 1, 2005

All new injuries are required to participate

Except for emergencies

Except for employees who live outside of the covered area

Gap claims are not allowed in the HCN



CorVel's  
Treating  
Providers

Doctors who are licensed by the Texas Medical Board (MDs and DOs)

Family Practice

General Practice

Internal Medicine

Occupational Medicine

Physical Medicine and Rehabilitation (PMR)

## Provider Access Requirements

Must include all types of physicians who normally treat workers' compensation injuries

Chiropractors, physical therapists, and occupational therapists must be included in the network but not as treating doctors

Emergency care must be available 24/7

Pharmacy is excluded from networks



## Contracting and Credentialing

Must acknowledge they are in the network

Agree to refer to in-network providers

Cooperation with case management

Abide by network's treatment guidelines

Cooperate with utilization review processes



## Utilization Review

### Preauthorization

Network determines which services must be preauthorized

Standard Preauths must be completed in 3 working days

Network determines which treatment and return to work guidelines will be used

Retrospective review can be used

# Case Management

Network must include case management services

Does not specify that all claims have case management

Case managers must be certified

Such as Certified Case Manager (CCM) or Certified Rehabilitation Counselor (CRC)

The adjuster cannot be the case manager

# Quality Management

Network must have a quality improvement plan

Quality improvement committee

Must meet at least quarterly as per plan

Must have a complaint process

Must acknowledge receipt within 7 days

Must be resolved within 30 days

## The CorVel Advantage

Coverage, access, ease of use

Patient and provider focused

Total claims cost savings

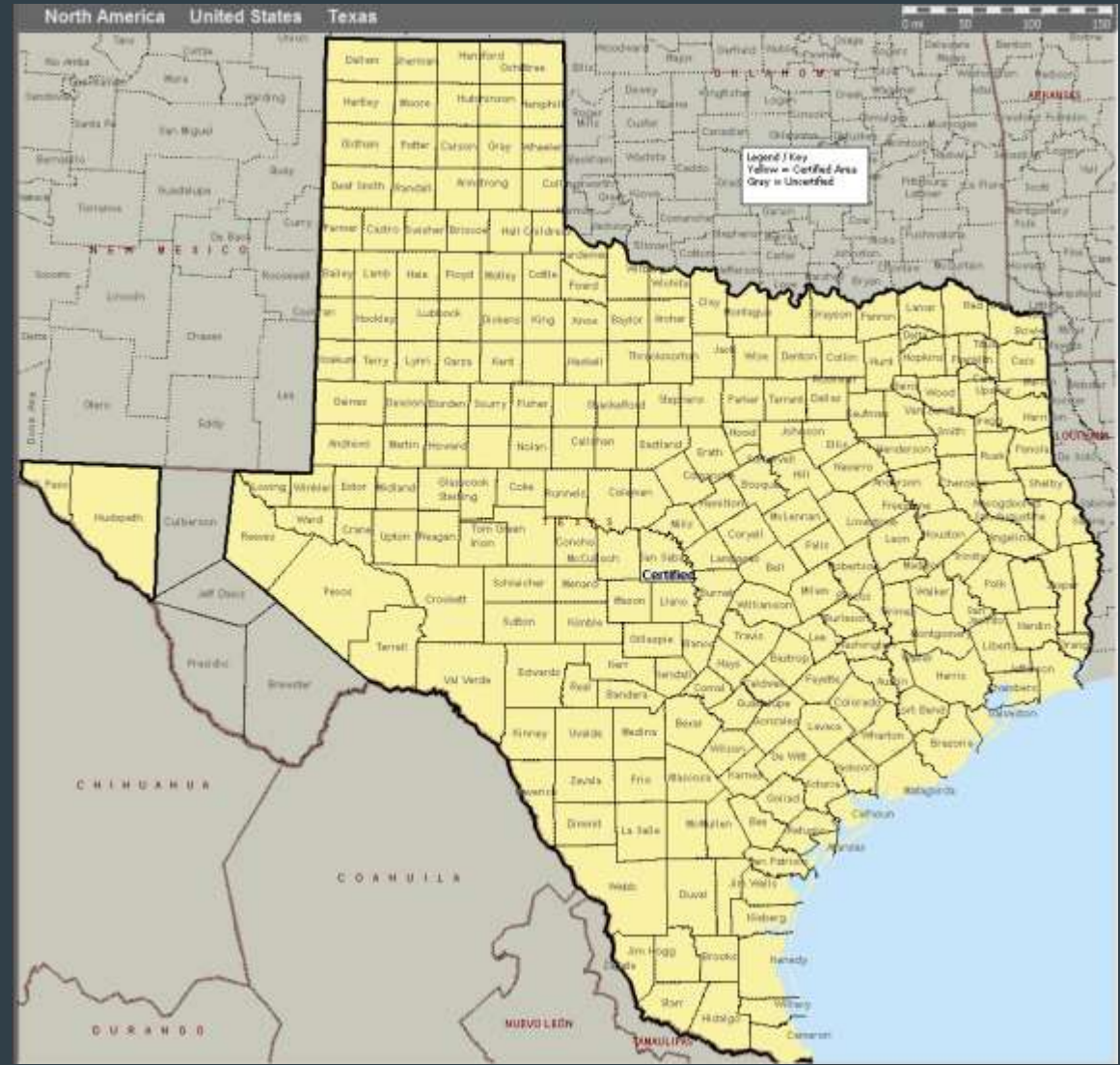
Local presence backed by national resources

Technology investments

Quality management

Certified Counties  
250 certified counties  
99% Texas population

# Texas Service Areas



## Benefits of Network Participation

Control of claims

Treating physicians

Limit changes in treating physicians

Reduction of claim costs – medical and indemnity

Promotes return to work

## HCN Impact Summary

	Total Texas Program				Per Claim	
	Before HCN	After HCN	Annual Savings	% Change	Before HCN	After HCN
Ex. 1	\$1,610,000	\$975,000	<b>\$635,000</b>	<b>-39%</b>	\$4,470	\$2,711
Ex. 2	\$3,550,000	\$2,775,000	<b>\$775,000</b>	<b>-31%</b>	\$5,994	\$4,146

Medical costs decreased by over 30%.



## Employer Responsibilities

Provide network notice – Network Requirements

Obtain signed acknowledgment form

Facilitate claim investigation and return-to-work



Notice  
Distribution  
Options

Email

Staff or safety meeting

Mail

## Network Requirements & Required Recordkeeping

Employer must provide notice at:

Time of network startup or within 3 days of hire **AND**

Time of injury

Notice must be posted at each location

Send acknowledgement form with first notice of loss to adjuster

Must have standard delivery process

Delivery Method, recipient, location and date(s)

Retain copies of signed forms

## What do the Employees do?

Select a treating provider from network directory

If employee elect not to participate, may be required to pay

Exceptions:

Emergencies

Live outside of cover area

Out of Network

How are the  
Agents  
involved?

Educate and facilitate to policyholders regarding responsibilities and benefits of the HCN

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