

# 6 Measures That Matter in Ancillary Medical Networks



Supply chain disruption and the dynamic nature of the ancillary provider market are making it more important than ever for workers' comp payers to effectively manage their ancillary medical networks. To ensure a high-quality and cost-effective network that will meet the needs of your injured worker patients, consider these six metrics.

## 1 WHAT MATTERS: Network Coverage



Provider network coverage is not just a numbers game. It's a matter of having the right providers in the right locations to serve your specific injured worker population. Insufficient coverage leads to out-of-network activity, which can be costly, both in terms of higher fees/prices and the administrative burden of managing utilization and processing bills.

## WHAT TO MEASURE: Network Penetration



Monitoring the spend that comes through your provider networks, versus outside of it, is the best way to manage costs and coverage. It's important to not only track these figures at a national or regional level, but more granularly, such as by state, provider and claim types, in order to pinpoint the key areas of opportunity.

## WHAT MATTERS: Transparency



Ancillary medical product and service coding is ambiguous and over 40% of medical bills are miscoded.

Product and service transparency is essential to assessing treatment appropriateness, preventing fraud, waste, and abuse, and managing costs. But this is difficult to impossible when a multitude of items are dispensed under ambiguous miscellaneous codes.

## WHAT TO MEASURE: Miscellaneous Codes

20-40%



20-40% of ancillary medical bills use miscellaneous codes and the most common HCPC code used for DME is E1399 – miscellaneous.

Similar codes exist for other ancillary services and tracking the portion of costs attributed to miscellaneous codes is a good first step to uncovering what is actually being delivered and charged. In addition to billing accuracy, product-level transparency allows payers to more easily identify cost drivers in their programs.

## 3 WHAT MATTERS: Clinical Management



Many ancillary medical services, such as physical medicine and diagnostic services, have a direct impact on patient health outcomes. Oversight from qualified healthcare professionals combined with evidence-based clinical strategies – from duration limits on passive PT modalities to approval of MRI's – are needed to ensure appropriate and effective treatment.

## WHAT TO MEASURE: Clinical Services & Adherence



Clinical staff and services should be evaluated as part of the vendor selection process and re-assessed on a regular basis to ensure quality standards. Measuring clinical practices, outcomes, and adherence to the clinical strategies in place, by vendor, provider, service, etc. shines light on details of the care being delivered.

## WHAT MATTERS: Efficiency



Time frames for making a referral, appointment scheduling, and product delivery, to name just a few, can vary widely across services and between vendors. Delays in service can lead to delayed recovery, making vendor efficiency a crucial component of good care

## WHAT TO MEASURE: Turnaround Times



Tracking and comparing vendor turnaround times helps to ensure that injured workers are receiving timely treatment. Monitoring trends over time can also help to identify new areas of potential concern, such as a decline in provider quality.

## 5 WHAT MATTERS: Provider Performance



The components of performance vary according to the type of medical service – DME, physical medicine, home health, etc. – and service quality ultimately depends on the individual providers who comprise that network. Service-specific details provide important insights about effectiveness and efficiency.

## WHAT TO MEASURE: Service-Specific Details



DME product prices, physical therapy treatment types, skilled vs. unskilled home health visits, service duration, cost breakdowns by service, location, and provider are all metrics that offer important insight into the efficiency and effectiveness of each ancillary medical service. Comparing performance across vendors using standards metrics provides a fuller picture within context of the larger ancillary service environment.

## WHAT MATTERS: Market Comparisons



The ancillary medical services market is a dynamic one with myriad vendors and varying quality standards. Monitoring the performance of any single vendor is of limited value without understanding how that vendor compares with others in the market.

## WHAT TO MEASURE: Standardized Benchmarks



Consistent metrics of performance can be used to establish benchmarks that compare vendors to one another in categories such as service quality, utilization management, clinical oversight, cost, and more. Reviewing vendor performance in context can provide deeper insights and aid with making vendor selection decisions.

Ancillary services account for approximately

40%

of medical costs in workers' comp and are typically complex to manage.



Healthsystems integrates multiple vendor networks to create seamless connections and a unified workflow.

By standardizing data across vendors, establishing industry benchmarks, and bringing price transparency to all products and services, we help payers better measure and manage ancillary services to contain costs and provide the most appropriate care to injured workers.

### SOURCES

Levinson, D. Improper payments for evaluation and management services cost Medicare billions in 2010. Department of Health and Human Services, Office of Inspector General May 2014. <https://oig.hhs.gov/oei/reports/oei-04-10-00181.pdf>