

Comments to the Senate Select Committee on Workers' Compensation

April 29, 2004

by Marvin Townsend, Executive Director

Texas Municipal League Intergovernmental Risk Pool

The Texas Municipal League Intergovernmental Risk Pool serves approximately 2500 local governments, including 1119 cities.

As of March 31, 2004, 2148 local government members were in the workers' compensation program with over 146,000 covered employees.

The Pool has been providing workers' compensation coverage for its members for 30 years.

**Mandatory Coverage**

Since workers' compensation coverage is mandatory for public employers, the Pool's members have no choice except to comply with all of the provisions of the Texas Workers' Compensation law.

**The System is Unmanaged**

Unfortunately the system is designed so that no one manages either the system or its results. Compliance with data entry rules, adherence to rigid calendars, and burdensome paperwork at every level, deny the ability of the employer to take the actions necessary to assure good medical care and prompt return to work. Most workers' compensation cases should be handled by the employee, the doctor, the supervisor, and, to a minor extent, the Pool's representative who is usually the adjuster or a nurse specialist. Only rare cases should end up being appealed to a medical review group.

**Workable Goals**

1. Prompt, competent care
  - a. In most cases, this should involve a supervisor arranging for an appointment.
  - b. The best doctors should be willing to be available and be appropriately paid.
2. Return to work as soon as medically feasible.
  - a. Over-utilization of chiropractors and physical therapists needs to be controlled.
  - b. Back surgery standards need to be developed. The Pool has approximately 200 cases per year with medical costs over \$10,000. Almost all of these cases involve backs.
3. Administrative burdens need to be decreased.
4. A team or cooperative relationship between employers, payers and providers needs to be sought.

An example of today's problems:

On February 27, 2004, a 43-year old man who had been employed for 8 weeks by a city of 1100 people east of Dallas was burning brush, put gasoline on the fire and the fire flashed back singeing facial hair and causing multiple 1<sup>st</sup> and 2<sup>nd</sup> degree burns. He was taken to a hospital in Greenville. The emergency room doctor took all necessary medical steps, released the employee and instructed him to schedule an appointment with a wound care doctor a week later.

The wound care doctor returned the employee to work and advised the employee to use a special glove over the wound.

The employee continued to have discomfort and apparently purchased an improper glove. A friend recommended he go to a chiropractor in Rockwall. The wound care doctor was not on the workers' compensation doctor list. The Rockwall chiropractor sent the employee to a plastic surgeon who recommended physical therapy by the chiropractor.

The current update is that as of April 22 the employee was scheduled for three chiropractor visits a week for the next four to six weeks and was obtaining a proper glove. Thus, a case that would have been basically resolved, except for a few follow-up visits, had the wound care doctor been on the approved list, ends up with an employee going to a chiropractor for his burn treatment, being referred to a plastic surgeon who ordered extensive chiropractic procedures and being off work at least four months.

### **Criteria for a Workable Network**

1. It must be simple
2. Administrative costs must be minimal
3. Well-qualified doctors need to be available to all employees, which to the Pool, means reasonably close to every community in the State.
4. The Pool needs to be able to not use certain medical providers without the need to show cause.
5. Employees need to be taken to or directed to their first appointment.
6. Open communication must exist between provider and employer.

### **How to Create a Network?**

1. If there were few restrictions, a network could be accomplished without much difficulty through the use of existing networks, such as employer health systems.

2. Allowing public employers to form networks and to send their employees to network providers might be a reasonable pilot program to test the effectiveness of such networks.

### **Summary**

The Pool would like to get back to managing workers' compensation claims, one employee at a time, and have the necessary authority to accomplish that goal. Control of costs will happen if the best care is provided promptly and employees are encouraged to return to work.