

TEXAS HOUSE BILL 7 SOLUTION



COUNT ON
BEST-IN-CLASS OUTCOMES.



Intracorp[®]

The people you count on.
The outcome you expect.SM



31% of the medical charges in Texas are for physical therapy, occupational therapy or chiropractic services

TEXAS WORKERS' COMPENSATION TRENDS AND SOLUTIONS

From 1999 to 2002 the Texas Department of Insurance conducted an analysis of medical spending per claim across the state. They found that overall medical spending had increased by 35%. These dramatic findings confirmed the need for equally dramatic reform in the state's workers' compensation system.

In 2005 Texas House Bill (HB) 7 was signed into law. The bill is designed to specifically curb excessive medical utilization resulting in high medical costs, improve poor return-to-work outcomes, allow for the creation of certified managed care networks (WCHCN), and reduce disability durations.

WORKERS' COMPENSATION HEALTH CARE NETWORK

Features

- Case management and utilization review to ensure program compliance and success
- Network-defined utilization review, treatment and RTW guidelines
- Occupationally-focused providers
- Network-defined treating doctors
- Formal complaint process
- Structured employee communication plan
- Providers paid at contract rate/no application of state fee schedule
- In-network treatment required except for emergencies and pre-approved out-of-network referrals
- Employees with pre-existing injuries must select network doctor within 14 days of implementation
- Out of network providers must adhere to network protocols
- Access to specialists within 21 days of request

Benefits to the Employer

- Establishes limits on out of network treatment
- Establishes limits on number of times an injured employee can change treating providers
- Directs injured employees to quality providers in a timely manner
- Prevents over utilization and establishes enhanced control of overall medical treatment
- Occupationally focused providers and medical case managers partnered to coordinate safe and early RTW
- Objectively profiled providers ensure highest quality of care
- Medical care manager gatekeepers assist injured employees in receiving appropriate and timely care and offer support during the recovery process

COMMITTED TO DELIVERING BEST-IN-CLASS OUTCOMES

Intracorp's Workers' Compensation Health Care Network (WCHCN) solution is a best practice managed care program designed to address Texas-specific risks. The program is delivered by qualified, credentialed, experienced, and independent medical management providers and includes a comprehensive PPO portfolio that enables customers to define the provider network solution that best meets their needs in Texas. Above all, our WCHCN solution is designed to deliver best-in-class outcomes.

A BEST PRACTICE MANAGED CARE PROGRAM

Medical Case Management – Gatekeeper Model

- URAC certified
- Predictive modeling for consistent case selection
- Return-to-work and prevention programs designed specifically for Texas-based small employers
- Proprietary case management system promotes consistent interventions and robust outcome reporting

Utilization Review

- Network-defined services requiring pre-authorization to target high medical cost drivers
- URAC certified
- Certified Utilization Review Agent (URA) by TDI

Proprietary Optimal Treatment Guidelines

- Evidenced-based guidelines promote optimal care utilization
- Online provider directory supports referral process

PROVIDER NETWORK SOLUTION

- Access to defined treating physicians including:
 - Family Practitioners, General Practitioners, Internal Medicine Specialists, Occupational Medicine Specialists, Industrial & Medical Clinics
- Texas WCHCN specific channeling site
 - Develop Employee Preferred Network
 - Create self-serve panels and directories
- Toll-free network hotline for support and service

OBJECTIVE PROVIDER SELECTION

- Independent business model with no financial interest in provider selection
- Provider profiling drives optimal outcomes and objectivity by evaluating:
 - Cost and duration of care
 - Frequency of visits
 - Relatedness to diagnosis
- Use of data to change behavior patterns of providers through education
- Allows for continuous evaluation and improvements

BEST-IN-CLASS OUTCOMES

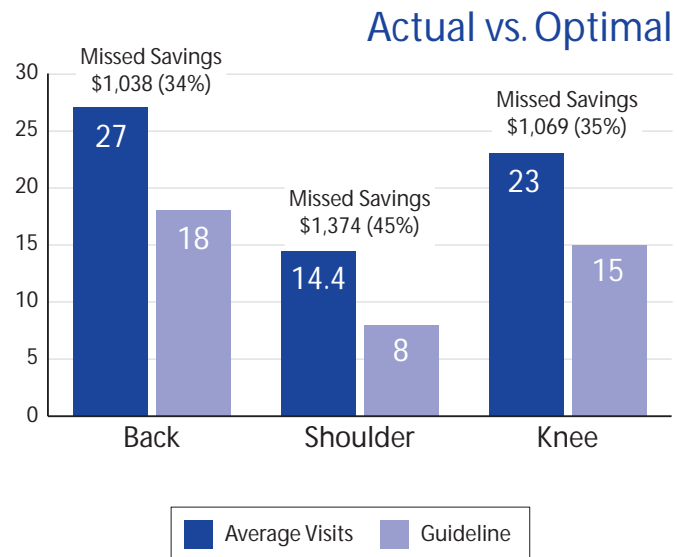
- Advanced Outcomes Analysis
 - Quantitative analysis facilitates targeted interventions
 - Expert, consultative staff helps reduce the incidence of injuries
- Total Program Outcomes
 - Increased ROI by managing population at greatest risk
 - Optimal utilization of medical care
 - Reduction in per claim medical costs
 - Shorter disability durations
 - Higher return to work rate
 - Reduction in total loss cost

Average medical cost per claim in Texas: \$9,854



MANAGING THE RISK TO ACHIEVE OPTIMAL OUTCOMES

Our program is data-driven and designed to manage Texas-specific risks. Leveraging our historical Texas medical data, we compared the actual number of physical medicine visits to our optimal treatment guidelines and found that managing to our guidelines will reduce the number of overall visits by 38% without sacrificing quality of care or outcomes. Excessive visits and services per visit equal higher medical costs to the employer but do not promote optimal outcomes. Intracorp has put a solution in place to help you manage these risks and achieve optimal outcomes.



Intracorp[®]

The people you count on.
The outcome you expect.SM