
FOR IMMEDIATE RELEASE: July 15, 2005

CONTACT: Catherine Benavidez
(972)-387-8297, ext. 113
4100 Midway Road, Suite 1145
Carrollton, Texas 75007



September 1 dissolves the Texas work comp system in favor of lower costs and better options for injured workers

PLANO, TX (July 15, 2005) — On September 1 of this year, the Texas Workers' Compensation Commission is formally abolished, making way for sweeping changes within the way medical care is provided to workers who injure themselves on the job. Some experts are hoping that after September 1, the Texas work comp system will attract back into the system the thousands of physicians who bailed out of the old system due to poor reimbursement and the increased paperwork.

"By abolishing the old system, Texas is making an attempt to fix a system that has historically not done well at controlling medical costs or providing high quality medical care," explains Catherine Benavidez, President of Injury Management Organization (IMO), a national company based in Plano that specializes in helping employers control costs related to on-the-job injuries.

Texas has historically had one of the highest medical costs per injury and worst return-to-work rates in the U.S., as reported by the Workers' Compensation Research Institute (WRCI). In 2003, the number of doctors participating in the work comp system shrank from about 30,000 to 18,090, as half of physicians felt the low pay and extra paperwork wasn't worth the hassle. Having fewer doctors meant that the best doctors were often outside the system, and, for the ones left in the system, injured workers often had long waits to get in for appointments.

"While there was free choice in the old system, the choices were limited," says Ms. Benavidez. "Often, the best physicians were the first to exit the system because they didn't need the patients. We're hoping the changes will improve access to higher quality doctors, as well as enable employers to help speed return-to-work of the injured patient, which is the best long-term goal for all concerned," adds Ms. Benavidez.

Effective September 1, 2005, HB 7 will do away with the Texas Workers' Compensation Commission (TWCC) and establish the Division of Workers' Compensation within the Texas Department of Insurance (TDI). HB 7 also creates a new state agency, the Office of Injured Employee Counsel (OIEC), whose primary mission is to represent the interests of injured employees in the workers' compensation system.

Perhaps the biggest change is that Texas will be steering injured workers into workers' compensation health care networks that are designed to play a more active role in managing access to health care services, controlling medical quality and containing medical and disability costs. "After September 1, if a worker is injured on the job, he will choose a doctor from a pre-approved panel of physicians," explains Ms. Benavidez. "If an injured employee does not make an initial choice within 14 days, the network will assign a treating doctor to the injured employee. A key change is if the injured worker goes outside that panel without the network's approval, he or she may have to pay the medical bills. It used to be a free-for-all with patients having the freedom to choose bad doctors. I think employers realized that the freedom to choose bad doctors comes with too high a price tag. In the past, if the injured worker chose a poor-quality physician or received an unnecessary surgery with a poor outcome, the employer was often stuck with ongoing pain management bills and disability costs."

The new system also restricts medical care to evidence-based medicine in order to prevent over-utilization of services that are viewed to be palliative in nature. "There are a lot of things that may feel good to a person such as massage, but they don't speed recovery and return to work. But they add to the cost," adds Ms. Benavidez. For example, physical and occupational therapy services now need pre-authorization.

In light of the heightened awareness of developments within workers' compensation due to the recent reform, Injury Management Organization (IMO) hosted a lunch conference in June for risk managers and human resource managers at the La Cima Club in Las Colinas. Jane Lipscomb Stone, a founding partner of Austin-based law firm Stone, Loughlin & Swanson, LLP, discussed the rules and challenges that are being presented under the new law, as well as anticipated changes following the current legislative session. "System participants should take care to stay informed of rule proposals that will implement the statutory reform so that they can adjust their business practices accordingly," states Stone.

Over the past 14 years, IMO has been a leader in return to work programs and services to employers that contain medical costs and reduce disability time. This includes medical and utilization review, customized industry networks and on-site therapy services. IMO works hand-in-hand with employers and insurance carriers who want to provide the best medical care to workers as quickly as possible after an injury. This can include case management services, cost analysis, injury prevention services and creation of on-site therapy programs that make care more convenient to the injured employee. More information about IMO is available at www.injurymanagement.com.

###
