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## Medical Provider Networks (MPN)

***MPNs with the proper technology are leading the way  
in putting workers' compensation costs back into the control of employers.***

***By Doreen Corwin, Director of PPO Networks***

Employers and insurers in our state are uniquely positioned to manage workers' compensation medical costs by establishing and utilizing Medical Provider Networks (MPNs) provided they have the systems and technology to manage and support them.

*The purpose of this article is to outline the key requirements for successfully utilizing MPNs and identify currently available technology that exists to meet those requirements.*

### **BACKGROUND**

Employers have long wanted to be able to optimally manage the medical care of their injured workers. By directing them to providers who can provide the most effective and appropriate care, and working cooperatively with all parties, employers can more cost-effectively return the injured employee to pre-injury health and employment. Employers and insurers now have this opportunity. Nearly 1,000 MPNs have been certified in California, with more in the queue. StrataCare, a leader in workers' compensation bill review, is at the forefront of providing the tools necessary to ensure a successful MPN experience. StrataCare is aggressively working with clients across the golden state to help break new ground for controlling costs through leading edge technology and connectivity.

### **MPN CERTIFICATION IS NOT ENOUGH**

Simply becoming a certified MPN is not in itself the sole path to successfully managing claims and injured employees. The selection of the proper claims process is a critical component to finding and using appropriate medical providers, managing and collecting the appropriate data and ensuring savings.

There are a number of "ifs" to this potential bellwether status -

- *If* the optimal network is established
- *If* the tools and infrastructure are in place to direct injured employees to network providers
- *If* the claims structure is in place to identify, support and track the MPN status of claims, and most importantly



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- ***If the systems and technology are in place to interface with all of the key components to manage the processes and collect the data required to measure the success of MPNs***

The key to successfully utilizing MPNs is also the ability of the payor to identify, collect, adjudicate, track and report on the component parts of the MPN process which, while many and far reaching, center on five key functions 1) claims, 2) utilization review, 3) bill review, 4) provider networks, and 5) the medical providers. Technology and electronic interface among these components is critical, to ensure that direction to network providers is managed efficiently, bills for medical services are paid (or not paid) correctly, utilization review decisions are incorporated in the bill review process, and that the data needed to analyze the effectiveness of the program is collected. A multi functional, browser-based bill review engine should be the center or hub of the electronic connectivity among these functional areas.

**Claims** systems need to be able to clearly identify when a claim is in fact an MPN claim and link that claim to the appropriate MPN, both for bill repricing (payment) accuracy and data collection purposes. It is possible that an employer or insurer will have more than one certified MPN, in which case the claims system must be able to identify which claim is in which MPN and communicate this information to the entity reviewing the bills. Claims systems must also be able to identify claims that will be handled outside of the MPN process – where an employee has selected their own physician, prior to an injury – and identify the specific employee selected physician. How a bill is paid, or not paid, depends on the status of the claim and the status of the provider relative to the MPN. StrataCare's technology facilitates this MPN data exchange with real-time automated updates.

**Utilization review** decisions need to be linked electronically to the bill review process. Denied or disallowed services need to be incorporated in the bill review process, and automatically applied at the time the bills are reviewed for payment. Pre-negotiated rates for services and authorization for treatment and services also need to be automatically applied in the bill review process. Workflows that rely on manual intervention in the application of UR decisions in the review process are fraught with error, and missed UR savings and impact. Utilization review is a key component of all claims management, and especially so of MPNs where providers have contractually agreed to abide by identified utilization guidelines.

**Bill review** should function as the control center of the MPN data management and electronic interface among all of the 5 key components because it is the last control point before determining appropriate payment for treatment rendered. The bill review engine must be able to receive, load and continually update MPN demographics timely and accurately. The software must be flexible enough to handle networks and network data that has been developed specifically by an insurer or employer for their own, unique MPN, as well as networks and data supplied by regional or national existing managed care networks. Automated repricing of MPN contracted rates must be an integral part of the software application, as well as the ability to tailor reimbursement methodologies based on payor agreements with providers.

In addition to the ability to manage MPN data, bill review software must be able to manage and support multiple PPO relationships where they are linked to or a component of a payor's MPN,



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and generate payment recommendations consistent with the contracted rates and the claims status.

### **MPN SUCCESS FACTORS**

Overall success of MPNs depends on its member providers being focused on delivering appropriate treatment and getting the injured worker healthy as well as overall high network penetration – the vast majority of claims need to be treated within the MPN network for medical control to have its full affect. Employers and insurers must be able to easily and quickly identify and direct injured workers to MPN members. Required patient channeling tools need to be browser-based so they are readily accessible by employers, claims adjusters, and case managers. Additionally, they need to be easy to use, and flexible enough to identify any required provider type or location. Through StrataCare’s technology and extensive provider network relationships, clients have access to industry leading provider channeling and directory generation tools, specific to their own MPN, as well as extended PPO relationships.

Additionally, open claims prior to the certification date of the MPN are not subject to MPN control at the time of certification. However, for these claims, *if the injured worker is being treated by a provider who is in the MPN, the claim can become subject to the MPN regulations upon appropriate notification to the injured worker.* Through the bill review process, claims handlers should be notified where these situations exist, so that these open claims can be transferred to MPN control.

An integral part of StrataCare’s leading edge technology and key, required functionality of the bill review process includes:

- Integration of customized MPNs
- Identifying MPN claims and claims that can be transitioned into the MPN
- Applying MPN contracted rates
- Documenting the MPN status of the claim and provider in the review process through the Explanation of Review
- Collecting all processed bill data
- Reporting on utilization of the MPN

**Provider networks** need to be able to identify appropriate members, tailor those networks to meet the needs of specific payors and electronically provide the demographics, and where applicable contracted rate information to the bill review company. On the flip side, these networks expect and should receive reports on network activity and utilization from the bill review company, to facilitate their network management. StrataCare interfaces with numerous national and regional networks and is able to technically support provider loads and required repricing methodologies, as well as provide comprehensive network activity reporting back to the networks.

**Medical providers** are the key component of an MPN. Providers need to be able to communicate quickly and accurately with the entity handling the claims; this communication includes submitting bills and reports for services provided. California Labor Code 4603.4 requires that providers submit billings in a standardized reporting format and that payors be able



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to accept bills in that format. Additionally, payors are required to be able to accept these billings electronically. While no specific dates for these requirements have been established, they will occur sometime in the not too far distant future. Hospitals, large physician groups and those using sophisticated billing services will be eager to submit their billings electronically since billings to other, non workers' comp payors are submitted electronically. StrataCare is already able to provide the technological infrastructure to support the electronic bill receipt, processing and routing inherent in this legislation.

**Tracking the results:** Payors must be able to collect, track and report on the claims activity within the MPN in order to ultimately answer the big question – are MPNs working or not? MPN penetration, treatment costs, total claims costs, employee satisfaction (litigation rates) and return to work statistics are all required components of the effectiveness of MPNs. Comprehensive systems integration, data collection and reporting capabilities are the tools used to validate the MPN.

**Selecting the right technology partner** to provide these tools is one of the most important decisions a payor can make in assuring the best possible outcomes for their MPN. StrataCare is uniquely positioned with leading edge software, technology, and connectivity to be the right partner.

Because the complexity of the MPN network can range from a small customized network of a few hundred providers with few or no preferred fee schedules, to an extensive network of thousands of providers with numerous contracted payment methodologies, the selected technology partner has to have the ability to load and maintain any and all iterations of MPN networks.

Loading, maintaining and correctly implementing contracted rates can be difficult for many bill review vendors. StrataCare's technology allows for easy loading of the customized MPN while using the existing database structure for the repricing process. This allows for maximum pricing flexibility with minimal loading challenges.

In addition, StrataCare's connectivity through its browser-based technology, deep system integration and robust reporting capabilities allow users to obtain real-time information and extract comprehensive data on the results of their MPN.

The fact is many bill review software and service providers can help clients set up, certify and provide an MPN. What separates the bill review vendor from a technology partner is just that... their technology. StrataCare has developed the tools for easy loading and maintenance of simple and complex MPNs with repricing flexibility and user functionality that no other technology partner can provide.

### **CONCLUSION**

It's too soon to tell how profound an impact MPNs will have. However, based on the number of MPNs certified so far, the number in the queue to be certified, and the number in development, our industry has welcomed MPNs and their promise for the future with open arms. Early results



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coming in are very positive. It will take at least a year of active utilization to start seeing the results of Medical Provider Networks.

MPNs today continue to be a work in progress. Having, developing and fine-tuning the systems to support them are key to their success. The tools exist. Success? We hope so! With the combination of SB 899 reform and StrataCare's relentless innovation, we're on our way to helping employers experience significant savings and set the pace for others to follow.

### **ABOUT THE AUTHOR**

*Doreen Corwin  
Director of PPO Networks*

As the Director of PPO Networks for StrataCare, Inc., Doreen Corwin has more than 24 years experience in the workers' compensation bill review and PPO network development arena.

Ms. Corwin joined StrataCare in early 2001 with the responsibility of managing existing networks and dramatically expanding StrataCare's PPO coverage to facilitate the growth of the CareSolutions National Bill Review Service Center and the delivery of StrataWare, StrataCare's national bill review software product. Prior to joining StrataCare, Doreen spent many years building her career in similar roles at Beech Street Corporation and Medata.

Ms. Corwin's extensive background and experience in the workers' compensation and PPO fields have allowed her to be a featured speaker on bill review and cost containment strategies at numerous industry and professional meetings. She has authored several articles in industry publications.

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### **ABOUT STRATACARE**

Only one Technology Company has all of the proper tools in place, and is in the position to speak to effectiveness and efficiency of creating a successful MPN – StrataCare.

Founded in 1998, StrataCare provides Windows and Browser-based national bill review software solutions to the workers' compensation payor community. StrataCare's service division CareSolutions provides national electronic and mail-in bill review services nationwide. For more information, visit the company's Web site at [www.stratacare.com](http://www.stratacare.com) or call 800-277-6512.

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