

Coverage and Enrollment in Workers' Compensation Managed Care Organizations in Oregon During 2002

Research & Analysis Section

Department of Consumer & Business Services

November 2003

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The percent and number of Oregon employers covered by workers' compensation managed care organizations (MCO) in 2002 increased slightly from 69 percent (58,884) in 2001 to 71 percent (62,457) in 2002. This represents a gain of over 3,500 employers covered by MCO contracts in October 2002. The percent of Oregon workers rose to 73 percent in 2002 from 69 percent in 2001, an increase of about 47,000 employees covered by MCOs in October 2002.

In 2002, 37 percent (8,576) of accepted disabling claims were enrolled in MCOs, a slight increase from 36 percent in 2001. After injury, covered workers may be enrolled in managed care by their insurers. The insurers send the injured workers notification that they must seek future treatment, if any, from providers who are on the MCO's panel. Under SB 369 (OR LAWS 1995), insurers may require injured workers to receive medical treatment in the MCO prior to claim acceptance. If the insurer denies the claim, however, the insurer must pay the costs of medical services until the worker receives notice of the denial. Insurers that do not enroll workers in an MCO are not required to pay medical services if the claim is eventually denied. As shown in Figure 1, the percentage of accepted disabling claims enrolled in

Table 1. Oregon employers and employees covered by MCO contracts, 1993 - 2002

Date	Employers		Employees	
	Number	Percent	Number	Percent
January 1993	26,211	38.3%	393,900	30.7%
November 1993	28,320	40.0%	462,500	35.1%
December 1994	33,083	44.8%	484,000	35.1%
October 1996	40,128	51.8%	648,500	43.6%
October 1997	47,200	59.3%	901,900	58.3%
October 1998	52,608	64.7%	969,200	61.5%
October 1999	52,048	63.7%	993,600	62.0%
October 2000	57,532	68.3%	1,121,000	68.9%
October 2001	58,884	69.3%	1,117,000	69.1%
October 2002	62,457	71.3%	1,164,000	72.9%

Notes: The number of covered employees in October 2001 was revised using updated workers' compensation subject employment data. October 2002 includes estimated data from Liberty Northwest. Liberty was unable to provide data for October 2002, but confirmed that October 2001 data would serve as an adequate estimate of October 2002. Liberty has canceled contracts in 2003 and has disenrolled many workers so estimates are likely to decline significantly in the future.

managed care by SAIF dropped slightly from 70 percent in 2001 to 68 percent in 2002, with private insurers and self-insureds remaining at approximately the same level as 2001. As in 2000 and 2001, Oregon Health Systems (OHS) was the MCO with the largest number of SAIF enrolled claims (Table 2). And, consistent with previous years, a number of private insurers and self-insured employers enrolled a higher percentage of

Figure 1. Percentage of Accepted Disabling Claims Enrolled in Managed Care by Type of Insurer

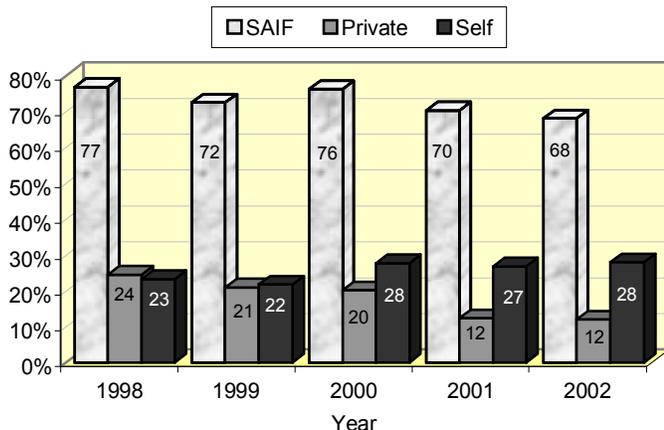
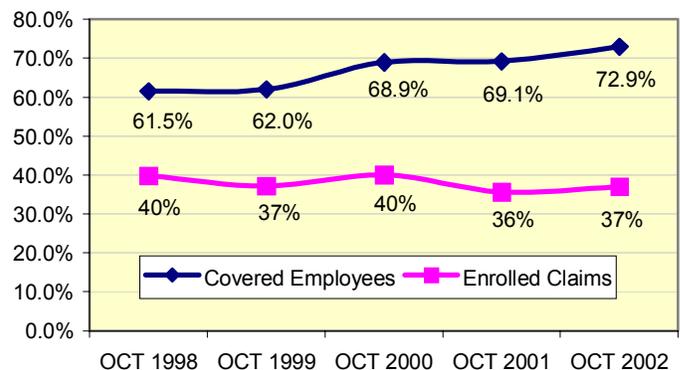


Figure 2. Percentage of Employees Covered and Accepted Disabling Claims Enrolled in MCOs, 1998-2002





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claims than SAIF. This situation most likely reflects the different manner by which insurers enroll workers - either immediately upon receiving the claim and paying all related medical bills on denied claims, or waiting until the claim is accepted. Also, geographic dispersion of employers and employees within the state may preclude some insurers from enrolling a higher percentage of their claimants.

The percentage of claims enrolled by private insurers remained at 12 percent in 2002. For the fifth consecutive year, Liberty Northwest Insurance Corporation (a Liberty Mutual company) continued to enroll the largest number of claims of any private insurer. The MCO with the largest number of Liberty-enrolled claims in 2002 was again First Health. However, the number of claims enrolled by the Liberty Mutual Group has dropped by nearly 70 percent over the last five years to ten percent in 2002. Moreover, Liberty has canceled contracts in 2003 and has disenrolled many workers so estimates are likely to decline significantly in the future. Similar to last year, Fred Meyer enrolled the largest number of

claims of any self-insurer in 2002 (338), representing 81 percent of their accepted disabling claims, a slight increase from 80 percent in 2001.

There were eight active MCOs in 2002 (Complete Quality Care became inactive 5/16/02). Oregon Health Systems received the highest number of enrolled claims (3,026), about 35 percent of all enrollments in 2002. Managed Healthcare NW (2,307) and Providence MCO (1,907) had the second and third largest numbers, respectively. Both Managed Healthcare NW and Oregon Health Systems received over 90 percent of their business from SAIF, and together represent 80 percent of SAIF's enrolled claims in 2002. Providence MCO and First Health together represent about 60 percent of claims enrolled by all private insurance companies in 2002. In addition, Providence MCO represented 65 percent of the claims enrolled by all self-insured employers in 2002. The fourth and fifth MCOs most active in total enrollments were Kaiser Foundation Health Plan (699) and First Health Group Corporation (368), respectively.

**Table 2. Number of Accepted Disabling Claims Enrolled in Managed Care Organizations
 Calendar Year 2002**

Type of Insurer	Number of ADCs	Enrolled Claims	MHN	PVM	OHS	KFH	OHSU	CQC	FH	HNP
SAIF Corporation	9,125	6,167	2,157	768	2,799	423	-	20	-	-
Private Insurers	9,836	1,152	5	320	193	29	45	2	367	191
Self-Insured Employers	4,521	1,257	145	819	34	247	11	-	1	-
Total	23,482	8,576	2,307	1,907	3,026	699	56	22	368	191

MHN	=	Managed Healthcare NW, Inc.	CQC	=	Complete Quality Care, Inc. (inactive 5/16/02)
PVM	=	Providence MCO	FH	=	First Health Group Corporation
OHS	=	Oregon Health Systems, Inc.	HNP	=	Health Net Plus (formerly EOS Managed Care Services)
KFH	=	Kaiser Foundation Health Plan			
OHSU	=	OHSU Workcomp			

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