

# How MPNs Can Affect Your Claim Costs

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## MPN

- What is it?
- What does it provide?
- Requirements
  - Remote areas
  - Availability, specialities
- How to establish/join an MPN



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# MPN

- Changes with SB 863



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# MPN Results

- CSAC EIA established an MPN for its members
- It was rolled out in 2006 to all PWC members



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## EIA MPN Results



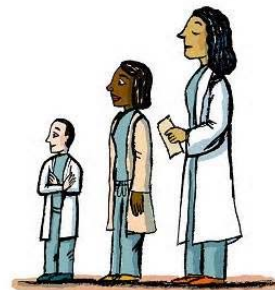
- 1996-2005: Avg cost per Ind claim = \$9,029.04
- 2007-2010: Avg cost per Ind claim = \$5,893.48
- Reduction of 34.7% cost per claim
- 1996-2005: Avg cost per Med claim = \$551.45
- 2007-2010: Avg cost per Med claim = \$444.84
- Reduction of 19.3% cost per claim



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## Study of Non-Occ Doctors

- Across numerous injury types and treatment codes, the average disability for Non-Occ Drs. Averaged 7-9 times as long as care from Occ Health Drs.
- TD and Medical costs were significantly increased over this extended period.



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## Study of Non-Oc Drs - RTW

- RTW: Non-Oc Drs. are less supportive of RTW efforts
  - Drs. Are less aware of the RTW process
  - Focus is on whether employee can do “usual and customary” employment, not on possible modified assignments
  - Limitations focus on what can’t be done, not what can



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## City 1 Results (no MPN)

- 1996-2005: Avg cost per Ind = \$25,811.89
- 2007-2010: Avg cost per Ind claim=\$31,438.61  
Increase of 21.8% cost per claim
- 1996-2005: Avg cost per Med claim = \$495.44
- 2007-2010: Avg cost per Med claim = \$532.86
- Increase of 7.6% cost per claim



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## City 2 Results (no MPN)

- 1996-2005: Avg cost per Ind = \$22,653.00
- 2007-2010: Avg cost per Ind claim=\$6,662.77
- Reduction of 70.6% cost per claim\*
- 1996-2005: Avg cost per Med claim = \$491.49
- 2007-2010: Avg cost per Med claim = \$558.36
- Increase of 13.6% cost per claim



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## JPA Results (no MPN)

- 1996-2005: Avg cost per Ind = \$18,118.40
- 2007-2010: Avg cost per Ind claim=\$19,334.50  
Increase of 6.7% cost per claim
- 1996-2005: Avg cost per Med claim = \$405.54
- 2007-2010: Avg cost per Med claim = \$495.43
- Increase of 22.2% cost per claim



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## JPA Results (MPN)

- 1996-2005: Avg cost per Ind = \$13,350.00
- 2006-2010: Avg cost per Ind claim=\$11,587.30
- Decrease of 13.2% cost per claim
  
- 1996-2005: Avg cost per Med claim = \$428.04
- 2006-2010: Avg cost per Med claim = \$732.42
- Increase of 71.1% cost per claim



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## Conclusions

1. Period of disability and related costs are decreased through the use of Occ Med Drs.
2. Assuring Occ Med Drs. Is only possible via medical control
3. An MPN provides medical control for life of the claim
4. The average cost per claim is lowered via the implementation of an MPN



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## CWCI Study

- You were provided a handout with the findings of this study.
- Overall, the study supports the hypothesis of this session, that the implementation of an MPN can reduce the average cost per claim by providing better claim control.
- Alex Swedlow president of CWCI is here to answer any questions you have regarding the study.



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## Questions



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