RISING WORKERS’ COMPENSATION (WC) COSTS HAVE PROMPTED AUTHORITIES IN California and other states to consider reducing WC medical expenditures through the use of fee schedules, utilization limits, managed care, and other cost-containment approaches. As efforts to trim system costs proceed, it is critically important to consider the impact of those approaches on the quality and effectiveness of medical care provided to injured workers. Will the reforms lead to improved recovery and better vocational outcomes? Or will they result in substandard care, delayed healing, residual dysfunction, and patient dissatisfaction? Optimal results will be achieved by containing system costs while ensuring that the care provided is of high quality, efficacious, and perceived as beneficial by California’s workers.

Quality of Care Issues Have Surfaced in California’s WC System

The need to ensure that system changes do not jeopardize the quality of WC medical care is especially critical. Evidence suggests that significant quality-of-care problems already exist in California. For example, a survey of injured workers conducted by the California Division of Workers’ Compensation found that nearly 25 percent of respondents were dissatisfied with the medical care provided for their work injury. A sizable proportion of these workers rated their medical provider’s skills as either “poor” or “fair” in the areas of showing courtesy and respect (26 percent), conducting the examinations carefully and thoroughly (36 percent), and explaining medical findings in an understandable way (30 percent). Nearly 40 percent of these injured workers said their medical provider did not understand the impact of the injury on their ability to perform job duties. About a third of the respondents reported that their physician did not provide advice about returning to work or preventing reinjury.

Other studies of California workers have produced similar findings. About half of the participants in a focus group study of injured workers were dissatisfied with their medical care, indicating that the treating provider did not understand their medical problem or the nature of their job. Participants were particularly unhappy about the care provided by company doctors and the medical evaluations performed in connection with the WC claims.


adjudication process. Authorities have also pointed to the potential overutilization of medical services for workplace injuries in California as creating another type of quality-of-care problem. Interstate comparisons have shown that the use of specific medical services in California (e.g., physical therapy, chiropractic, and psychological therapy) is considerably higher than in other states.3,4

The increasing use of managed care techniques in workers’ compensation has also raised concerns about quality and efficacy of care. Managed care plans typically restrict patients to a network of designated providers, and control utilization of services and access to specialists through “gatekeeper” systems, treatment protocols, and other means. When California first authorized the use of managed care organizations in 1993, a set of comprehensive certification standards were put into place for participating health care organizations (HCOs). These standards addressed quality issues by requiring participating HCOs to develop written quality assurance programs, grievance and dispute resolution procedures, and return-to-work programs to help injured workers regain vocational capabilities.

Ensuring High Quality Medical Care for Injured Workers

California has taken several other steps to ensure that injured workers have access to quality medical care. The California Division of Workers’ Compensation has conducted statewide surveys to evaluate injured workers’ perceptions about the quality of WC medical care. Planning has been conducted for a California-based technical resource center to improve WC medical care. Several major conferences have been organized by the California Commission for Health and Safety and Workers’ Compensation, at which leading experts have discussed ways of ensuring high quality medical care for California workers. Statewide treatment guidelines for some common industrial injuries have been developed by California’s Industrial Medical Council.

Despite these advances, more work is needed to ensure quality WC care. Most authorities agree that accurate data to evaluate WC medical services and care outcomes are not yet available in California. Consensus quality-of-care standards for WC medical care have been proposed by the American Accreditation Healthcare Commission (see Table 1) and other organizations, but no quality standards have yet been adopted or widely used in the state. Research is still needed to understand the impact of medical service utilization patterns on outcomes and vocational recovery. While some surveys of workers have been conducted, there is no ongoing process for assessing patient perspectives.

Figure 1. Estimated Growth in CA HCO Enrollment

![Figure 1. Estimated Growth in CA HCO Enrollment](image)

Source: California Division of Workers’ Compensation

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Most experts agree that a comprehensive effort to ensure high quality of WC medical care would combine private initiatives by health plans, carriers, and provider organizations; self-regulations in the form of industry accreditation; and review of provider qualifications, along with regulatory oversight by state agencies. Potential components of a comprehensive quality-of-care initiative include:

- **Quality Assurance/Improvement Programs.** WC health care plans, carriers, and provider networks should have a formal quality-of-care assurance program that includes a written quality assurance plan; an internal staffing structure to implement the plan; a process for periodic evaluation of provider performance; focused clinical studies to determine effectiveness of care; guidelines for treatment of work-related conditions; procedures for resolving disputes and complaints; and a corrective action plan to improve care when problems are identified. Participating providers should have experience and knowledge in the recognition and treatment of work-related disorders and know how to handle cases under state WC law. Measures to accommodate non-English speaking patients and those from diverse cultures would include foreign language versions of information and translators at clinical care sites.

- **Quality Standards and Measurement.** Specific criteria need to be adopted for assessing the quality of WC care, and a measurement process should be established for evaluating care on an ongoing basis. Evidence-based guidelines for medical care of work-related injuries and illnesses can be developed or adopted, along with a system for periodically evaluating provider conformity with the guidelines. Data collection systems are needed to monitor the type and number of reported occupational injuries and illnesses, medical service utilization, treatment and return-to-work plans, and medical and vocational outcomes. Periodic assessment of injured workers’ satisfaction with care and their perceptions about the effectiveness of care should also be conducted.

- **Patient Education and Communications.** Workers need to receive essential information about medical services for workplace injuries available under workers’ compensation, including instructions on how to report their injury, access a provider, and (when applicable) get medical identification cards. Methods should be adopted for promoting effective communication among the patient, medical providers, and their families.
provider, employer, and insurer regarding the patient’s condition and recovery. WC case managers can potentially help facilitate communications, coordinate care, and act as a patient advocate.

• **Access to Comprehensive Medical Services.** Measures should be adopted to ensure that injured workers can obtain care promptly from physicians, and can easily get referrals for specialists and therapists. WC care needs to be properly coordinated with the workers’ general health care. Clinical care can support injury prevention efforts by providing counseling to patients about prevention strategies, working with employers to identify and mitigate hazards, and informing responsible officials when outbreaks of serious or unusual occupational disorders are detected. Medical service providers can help facilitate a smooth and safe return to productive work through assessing job demands and workers’ functional abilities, and establishing an individualized return-to-work plan for patients.

Additional fact sheets on cost, access, and an overview of the WC system are available at [www.chcf.org](http://www.chcf.org) and [www.dir.ca.gov/chswc](http://www.dir.ca.gov/chswc).

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**AUTHORS**

Allard E. Dembe, Sc.D., Center for Health Policy & Research, University of Massachusetts Medical School

Juliann Sum, J.D., Sc.M., Labor Occupational Health Program, University of California at Berkeley

Christine Baker, M.A., Kirsten Stromberg, and Irina Nemirovsky, California Commission on Health and Safety and Workers’ Compensation

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**CONTACT INFO**

**California HealthCare Foundation**

476 Ninth Street
Oakland, CA 94607
tel: 510.238.1040
fax: 510.238.1388
www.chcf.org

**Commission on Health and Safety and Workers’ Compensation**

455 Golden Gate Avenue 10th Floor
San Francisco, CA 94102
tel: 415.703.4220
fax: 415.703.4234
www.dir.ca.gov/chswc