



Analysis: The Impact of MCOs in Ohio

It was 1997 when the Health Partnership Program (HPP) was founded through legislation agreed upon by employers, employees, the Bureau of Workers Compensation (BWC) and a wide range of medical providers. A change was needed from the way Workers' Compensation was being handled. Key stakeholders agreed that costs were out of control, services were slow to implement and injured workers were off work far too long.

Managed Care Organizations (MCOs) were born and entrusted with the task of reducing disability days, providing better, faster service to injured workers and effectively controlling costs.

In an independent study conducted by The Kilbourne Company, the last 10 years were studied to see what impact the HPP and the creation of the MCO system has had, on Workers' Compensation. They found that the MCO model has had significant impact.

- \$443 million in net savings
- Injured workers are returning to work sooner and safer
- 77% improvement in injury reporting lag time
- Approval decisions on injured worker claims processed 61% faster
- 53% faster turn around of medical provider bills
- 35% reduction in the frequency of claims
- Substantial positive satisfaction rating by both employers and employees.

The overall impact: employers have embraced the new MCO model and have been reaping the rewards ever since in the form of greatly reduced costs and improved service to them and their employees.

For more information about MCOs and their impact in Ohio contact: Karen Agnich, President of AdvoCare Incorporated.