

Hawaii's Escalating Workers' Compensation Costs

HAWAII STUDY REVEALS PROBLEMS IN REFERRAL PATTERNS

Editorial Staff

A study on workers' compensation in Hawaii (Oahu) demonstrates the cost of care and work days lost is directly related to referral patterns and type of provider care.

The project was a result of a 1986 Hawaii State Department of Labor and Industrial Relations (DLIR) report that showed back injuries as the most frequent industrial accident in Hawaii.

In 1987 and 1988 a substantial increase in reported back injuries was reported. With workers' compensation per claimant in Hawaii ranking among the highest in the United States, the DLIR and the Pacific Basin Rehabilitation and Research Center were motivated to study the problem closer. The study chose not to focus on estimated costs and lost wages of work-related back injuries, but to examine costs in relation to providers and cost categories.

A total of 300 back injury cases on Oahu were randomly selected from 1987 records (36 of the 300 cases could not be used due to inaccessible records).

Claimants' first choice of providers:

Internists - 21.7
Chiropractors - 18.9
GPs - 9.3
Orthopedists - 8.8
Family MDs - 8.4
Neurologists - 3.0
Psychiatrists - 1.2
Neurosurgeons - 0.8
PTs, OTs, RNs - 0.4

There are approximately 2,140 MDs, but only 132 DCs on Oahu: that 18.9 percent of the claimants chose to see a chiropractor first for their injury is encouraging, especially considering the MD to DC ratio.

Referral Patterns

About half the claimants sought the service of more than one provider. On average, claimants saw 3.2 providers. Referral linkage examines the movement of a patient from the initial provider through the subsequent care givers. Unbroken or complete linkage refers to a patient moving from one provider to the next via professional referral. Broken linkage occurs when a claimant moves

from one provider to another without professional referral.

One Provider - 52.5%

Unbroken - 18%

Broken - 30%

Average medical costs of claimants in three categories:

Single Provider - \$421

Unbroken/Broken - \$1,122

Referral Patients - \$3,550

Providers	Avg. Days Lost of Claimants
Physiatrist	41
Orthopedist	40
DCs	9
MDs	8.4

Referral Linkage	Days of Work Lost
Single Provider	11
Unbroken Linkage	39
Broken Linkage	102

The claimants' choice of initial provider care is not explained by the study, but most likely reflects patient preferences, availability of providers, and severity of symptoms. Clearly, a diverse provider base inherently complicates the claimants' decision of care.

Hawaii's workers' compensation system exacerbates the selection process by allowing three changes in provider care without explanation or prior approval, and does not dictate the claimant's provider. This obviously contributes greatly to the high rate of broken referral linkages. Oklahoma, for example, no longer allows that kind of "doctor shopping."

Although the data used in the study was not as complete as one would like to see (note that the initial providers of 27 percent of the claimants could not be determined due to illegible documents), the study concludes: "The results of the pilot study suggests that service providers and referral patterns are related to costs and days lost from work. Hawaii's Department of Labor and Industrial Relations needs to more thoroughly investigate existing workers' compensation policies and procedures. Future research should focus on (a) the claimant's reason for selecting a provider

(b) referral patterns when more than one provider is used and (c) a more precise diagnosis of sprains and strains.

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