

Nonsubscribing Employers Reduce Medical Costs

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Recently, a great deal of media attention has been focused on managed care of employee injuries as a means to reduce cost. Unfortunately, there is little a subscriber to workers' compensation in Texas can do to manage care in the restrictive parameters of the workers' compensation system. Even with changes in the Texas workers' compensation law, the employee still can select his/her own medical provider. Therefore, it is virtually impossible for a subscribing employer to establish relationships with health providers who would provide quality care at a reasonable cost. On the other hand, a nonsubscriber may meet with, survey and establish a network of quality providers whose only goal is to provide the best care possible, not just to make money by abusing the employee and employer as some providers do who focus on treating only "workers' comp." injuries.

Nonsubscribers are able to negotiate costs for employee care. A subscriber to workers' compensation often pays increased premiums due to over-utilization and exaggeration pertaining to the extent of employee injuries. A nonsubscriber is free to negotiate any rate the employer and provider deem reasonable. A subscribing employer, on the other hand, is limited to the scope of the medical fee guidelines and the antiquated impairment rating system that was never designed to compensate an employee for a work-related injury.