

Efficacy of Medical Networks

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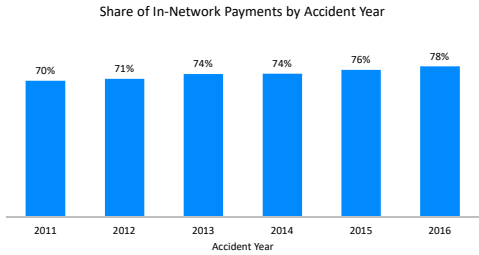
Agenda

- Are in-network price departures greater in states with more generous fee schedules?
- How does utilization compare in-network to out-of-network?
- What are the latest trends in mega claims?

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Medical Provider Networks Have Seen Steady Growth in Recent Years

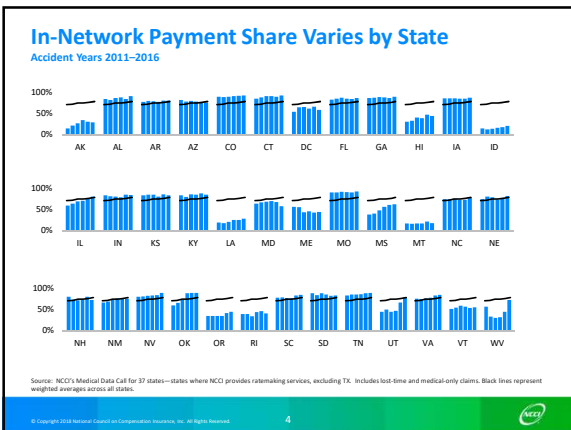
Share of In-Network Payments by Accident Year

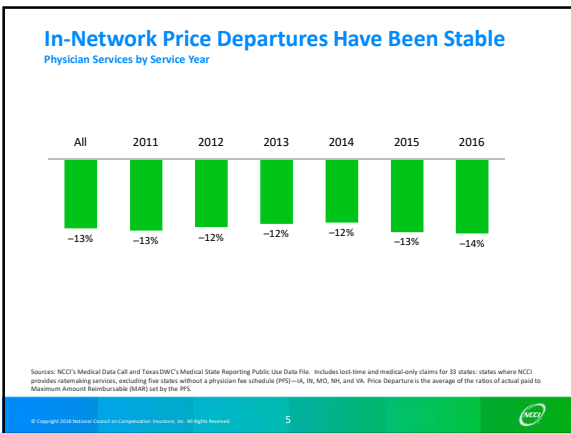


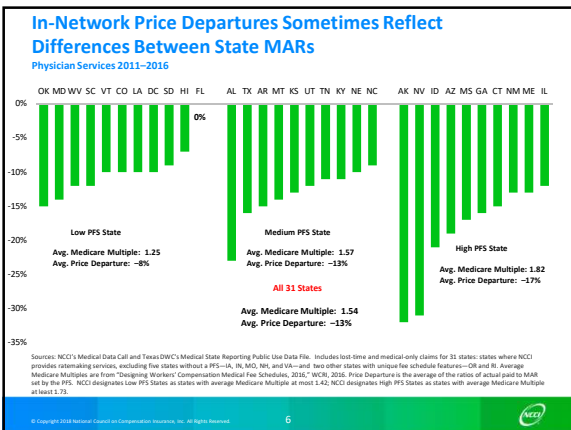
Accident Year	Share of In-Network Payments
2011	70%
2012	71%
2013	74%
2014	74%
2015	76%
2016	78%

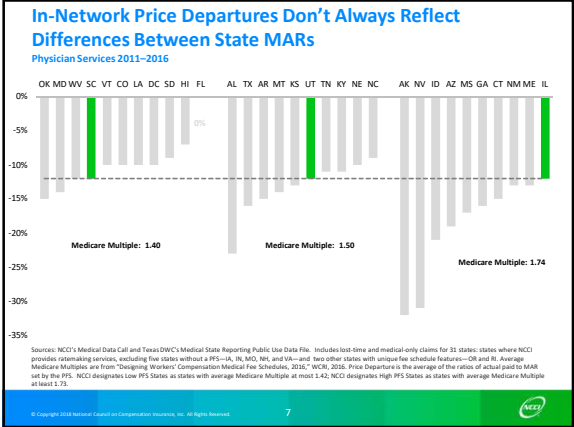
Source: NCCI's Medical Data Call for 37 states—states where NCCI provides ratemaking services, excluding TX. Includes lost-time and medical-only claims.

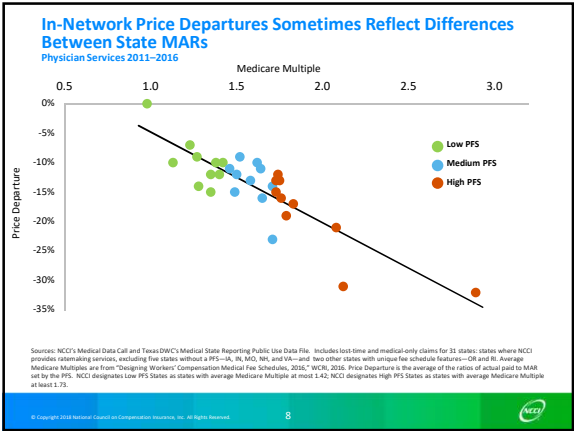
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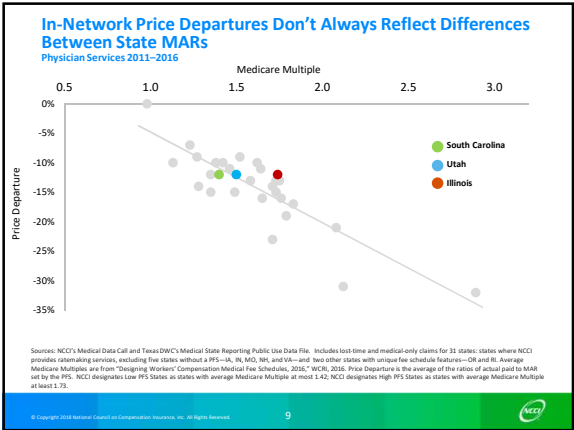


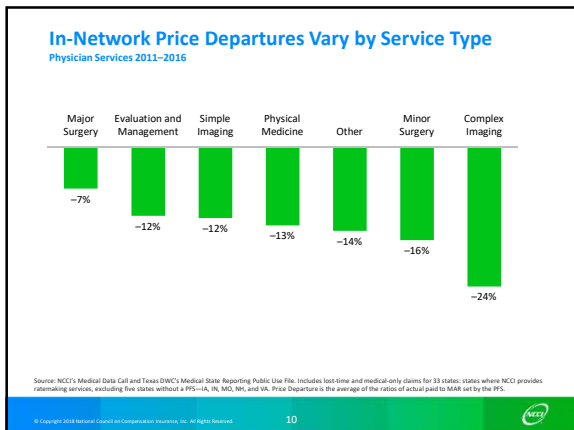


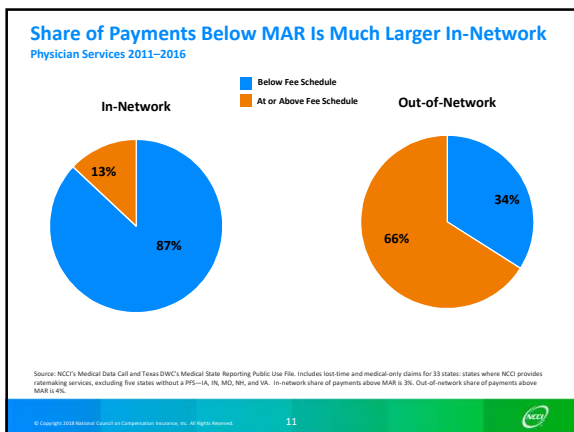


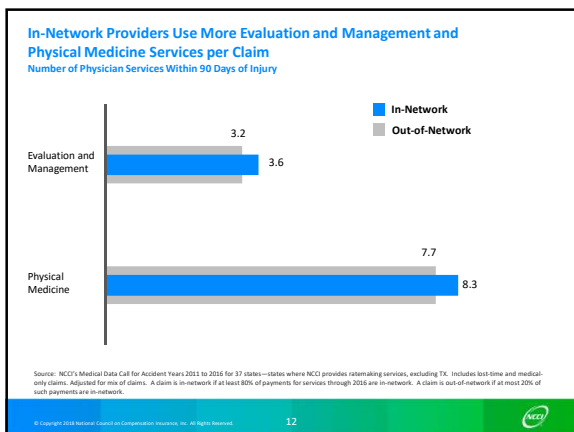






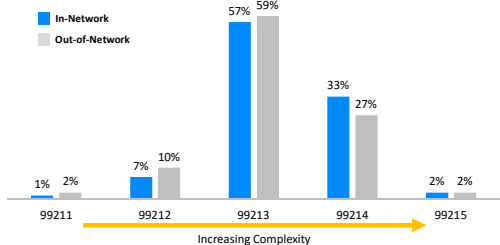






In-Network Providers Have a Higher Proportion of More Complex Evaluation and Management Visits

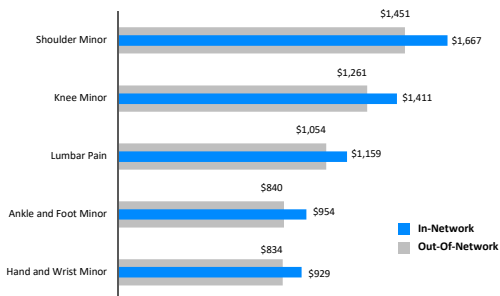
Share of Established Patient E&M Visits By CPT® Code



Source: NCCI's Medical Data Call for Accident Years 2011 to 2016 for 37 states—states where NCCI provides ratemaking services, excluding TX. Includes lost-time and medical-only claims. Adjusted for mix of claims. CPT® is a registered trademark of the American Medical Association and denotes Current Procedural Terminology. A claim is in-network if at least 80% of payments for services through 2016 are in-network. A claim is out-of-network if at most 20% of such payments are in-network.



For Common Injuries, In-Network Utilization Is Higher

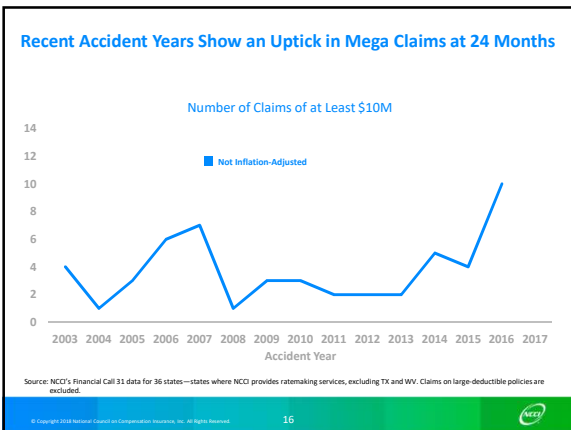


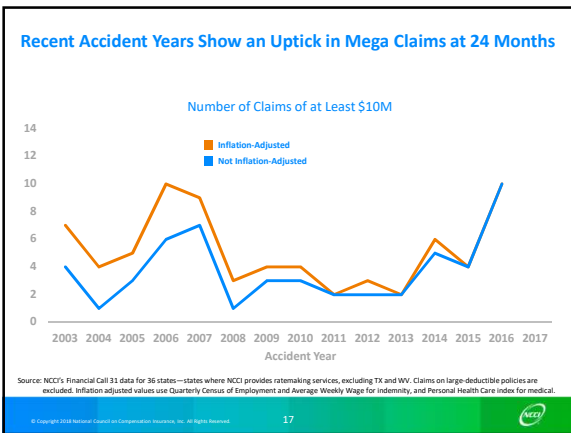
Source: NCCI's Medical Data Call for Accident Years 2011 to 2016 for 37 states—states where NCCI provides ratemaking services, excluding TX. Includes lost-time and medical-only claims. Adjusted for mix of claims. A claim is in-network if at least 80% of payments for services through 2016 are in-network. A claim is out-of-network if at most 20% of such payments are in-network. Utilization is measured as the cost of services using a common set of prices across states.

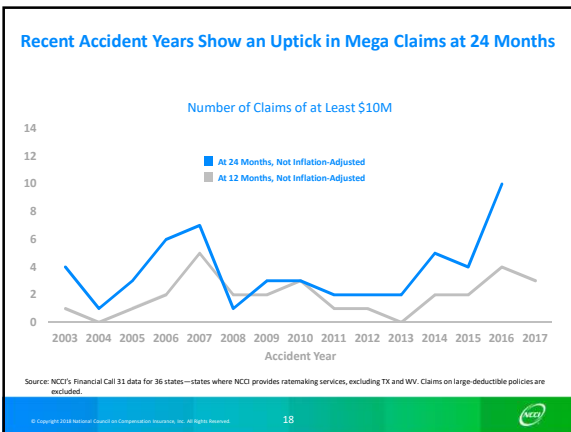


Mega Claims

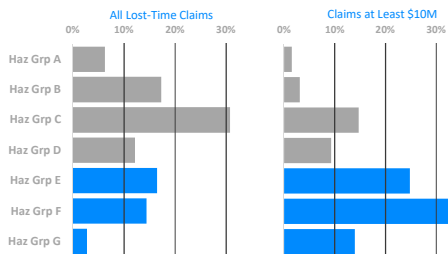








70% of Mega Claims Are in Hazard Groups E, F, or G



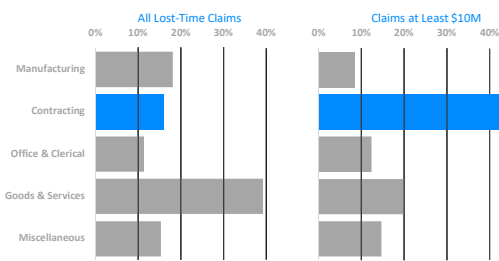
Source: NCCI's Unit Statistical data for 36 states—states where NCCI provides ratemaking services, excluding TX and WV—for Accident Years 2001–2015 at 1st–5th reports.

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19



44% of Mega Claims Are From the Contracting Industry Group



Source: NCCI's Unit Statistical data for 36 states—states where NCCI provides ratemaking services, excluding TX and WV—for Accident Years 2001–2015 at 1st–5th reports.

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20



The Five Classes With the Most Mega Claims

Accident Years 2001–2015, Claims of at Least \$10M, Inflation-Adjusted

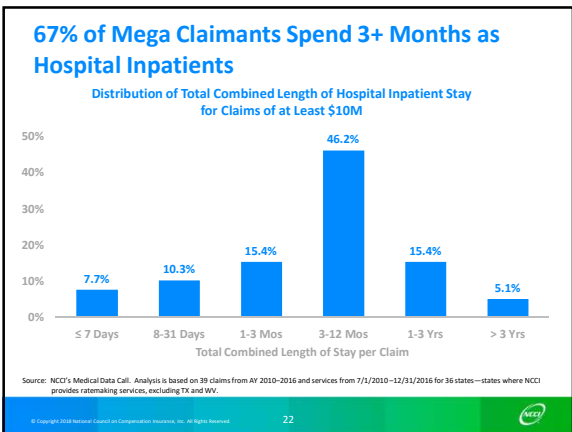
Description	Number of Mega Claims	Industry Group	Hazard Group	Lost-Time Claim Rank
Carpentry—Construction Of Residential Dwellings Not Exceeding Three Stories In Height	12	Contracting	F	11
Trucking: NOC-All Employees and Drivers	8	Misc.	F	2
Roofing-All Kinds and Drivers	6	Contracting	G	43
Salespersons Or Collectors-Outside	6	Office	E	13
Clerical Office Employees NOC	5	Office	C	1
ALL CLASS TOTAL	129	ALL	ALL	

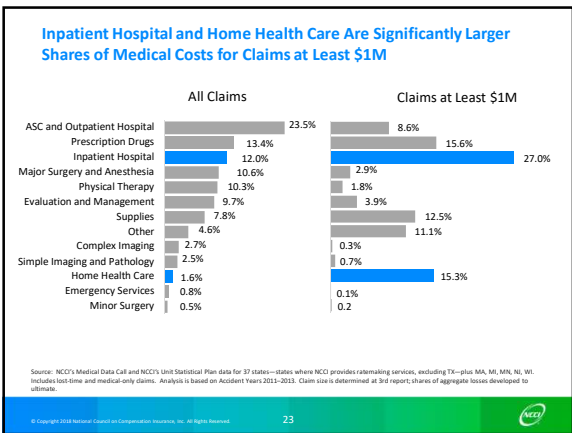
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21







Concluding Remarks

- Network price departures only partially address differences between state fee schedules
- Utilization appears higher in networks
- Time to first treatment has been holding steady for primary physicians
- Nearly 70% of mega claims are a result of motor vehicle accidents or falls from elevation

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