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OPINION

Need health reform model? See workers' comp system

By Daniel D. Crowley

Universal coverage. A public insurance option. Mandated coverage.

Sound like the language of health care reform? "Obama-Care?"

Think again.

These have long been features of California's dynamic workers' compensation health insurance system, yet few think of that system as "socialist" or a government takeover.

As the debate about health care reform rages, there are lessons to learn from the workers' compensation insurance system — a system that serves workers and employers well.

Across the nation, workplace injury rates continue to fall as employers focus on safety to reduce insurance premiums. Doctors compete to attract workers' compensation patients. Insurers have healthy profits even as they compete against public option insurers

in California and 20 other states.

In California, these insurance premiums are at an eight-year low, and a 2009 study released by the California Workers' Compensation Institute found, based on the latest available data, that the average workers' comp claim for actual medical treatment was lower in 2007 than in 2002.

Insurance premium rates are set competitively by the market. Employees injured due to work-related incidents are fully covered for the care they need to recover to optimum health. Medical providers are paid from a fee schedule set by a state agency and by negotiated contracts.

All employers must provide the same level of coverage. They try to lower coverage costs by improving safety records, shopping for better premium rates, and sending employees to more effective doctors and networks.

As we try to reform health care, we need reform that en-

courages this healthy competition.

When employers and insurers are responsible for "total case costs" — medical care, lost wages and lost ability — they don't scrimp on care.

They want employees to have medical treatment quickly so they can get back to work. Otherwise, the employer will have to pay someone else to do the job, pay lost wages for the injured employee and suffer higher premiums in future years.

The lesson is that readily accessible, appropriate and comprehensive care can be less expensive than care dribbled out over a longer period of time.

Quality need not suffer either.

California has adopted guidelines for doctors to use when treating injured workers, resulting in more consistent, high-quality care, while containing costs.

A public insurance option can work, too.

The California State Com-



Stephen Crowley / New York Times

Staff members work away, left, as the Senate Finance Committee, right, reviews the health care reform bill.

pensation Insurance Fund has competed in the marketplace since 1914 and serves as the insurer of last resort. It historically has a market share of 23 percent, alongside a vigorous private insurance market.

Another lesson: The political process works — eventually.

When a system encounters trouble, it can be fixed. California experienced a crisis in the late 1990s as benefits and legal costs soared. Insurers began leaving the market; businesses pleaded for relief. Some closed their doors, prompting comprehensive reforms in 2003 and 2004.

The reforms impacted workers, lawyers, health care pro-

viders, insurers and employers — everyone touched by the system. No one got everything they wanted, but the system was saved. Today, with all of California's woes, its workers' compensation system isn't one of them.

As the country debates health care reform, let's not overlook the lessons of a sound system of universal coverage that's already here and working well.

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