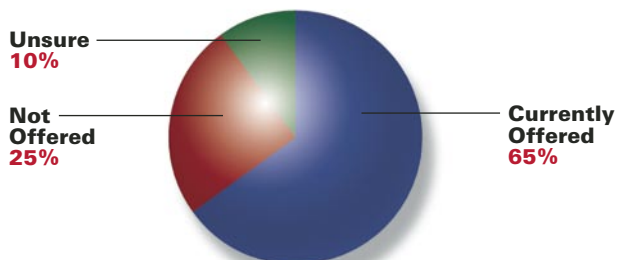


As part of an ongoing effort to better understand the issues affecting healthcare, CorVel Corporation recently surveyed a sample of claims professionals across the United States about Utilization Review (UR) programs. UR is the process used by claims professionals and risk managers to review treatment to determine if it is medically necessary. Employers and their workers' comp claims administrators are increasingly seeking out UR programs to cut costs and deliver higher quality care. We looked to claims professionals for insight into their current programs & claims in order to better understand trends in the marketplace.

## Usage

The survey first asked if Utilization Review was currently offered in the respondents managed care program. 65% replied that it was currently offered, 25% replied that it was not offered, and the remaining 10% were unsure if utilization review was offered in their current managed care program.

Percentage Offered UR



## Financial

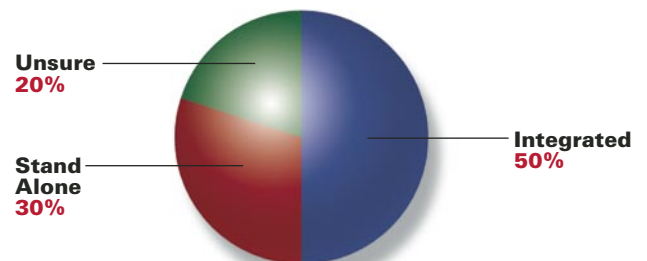
Of the respondents that answered they have utilization review in their program, we asked if they were experiencing a return on investment. 80% replied that they did experience a return on investment, 10% said they did not, and 10% were unsure.

We then asked the 80% who confirmed they were receiving a return on investment from Utilization Review how it was quantified. 90% of those individuals listed monthly reporting as their main method of understanding their savings figures. Other answers included: "Year over year medical costs," and "I compare it to the initial billing".

## Integration

We asked the group that had Utilization Review in their managed care programs if it is integrated, or if it is a stand-alone product. Fifty percent said it was integrated, thirty percent said it was stand alone, and the rest were unsure.

Integration of UR into Managed Care Programs



## Reporting Topics

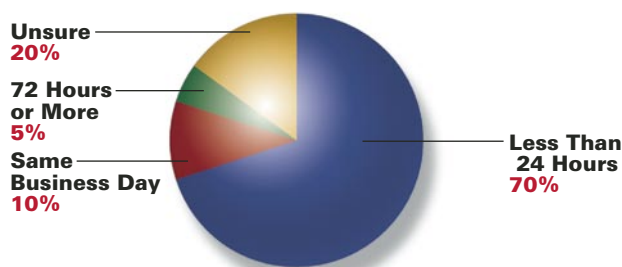
We inquired what kind, if any, of reporting the group receives. The results were mixed, but most people (40%) responded that they did receive a monthly summary of savings that includes costs incurred, UR savings and return on investment. Other types of reporting included: loss runs, quarterly reports of costs incurred, and a list of claims received and repriced.

We inquired how often the reports are received. Most people (60%) responded that they are received monthly, 30% responded that they are received quarterly, and the remaining 10% did not receive reports.

Many ideas surfaced when we asked what new elements of Utilization Review users would like to see in their reports. Responses included: A better breakdown of the types of savings received, trending issues with problem providers, requests to have the reports in Excel format in order to manipulate the data, and a few requests for hard copies of each report. A few respondents mentioned they were “happy with current reports”.

We also asked respondents what the typical turnaround time is for a reporting question to be answered. The majority of people (70%) responded that they receive a response from their current vendor in less than 24 hours. Ten percent could say they receive a response within the same business day, and only 5% of people said they had to wait 72 hours or more to receive an answer. Turnaround time as a whole was important to achieving claim closure.

**Reporting Turnaround Time**



**Precertification**

We asked everyone who took the survey if their organization requires precertification of inpatient hospital admissions. 55% of respondents said they did not require it, while 40% replied that they did require precertification of inpatient hospital admissions. The remaining 5% was unsure.

**Utilization of Services**

The next group of questions required that the respondents look at their entire book of utilization services.

We first asked if they had ever utilized the following services. They were asked to mark all that applied.

Service	Percentage of Utilization
Utilization Review	65%
Pre-Certification	55%
Peer Review/Physician Panel	40%
Retrospective Review	35%
Prospective Review	30%
Concurrent Review	25%
Continuing Stay	10%

We then asked them to rate their level of satisfaction with the service, from 1 to 5.

**1 = very unsatisfied, 3 = satisfied 5 = very satisfied**

Service	Level of Satisfaction
Utilization Review	4
Pre-Certification	4
Peer Review/Physician Panel	4
Retrospective Review	3
Prospective Review	3
Concurrent Review	4
Continuing Stay	4

**Other Services**

In an effort to fully understand service offerings in the marketplace, we asked all respondents if their current programs offered any lesser-known services.

Service	Offered	Not Offered	Unsure
Medical Nurse Review	70%	20%	10%
Discharge Planning	25%	50%	25%
Durable Medical Equipment	30%	50%	20%

It is important to be sure you are receiving all the benefits and discounts associated with all the services available in the marketplace.

Utilization Review and other services are becoming more and more important in the marketplace, as the cost of claims increases. With each service clients gain an extra opportunity to cut costs and realize savings, positively impacting your company’s bottom line.

Thank you for your participation in this survey and report. CorVel Corporation is a nationwide provider of leading-edge healthcare management solutions and services for the workers’ compensation, group health, auto and liability and disability insurance markets. To learn more about CorVel’s innovative solutions for your business , please visit [www.corvel.com](http://www.corvel.com) or contact your local representative.

