Susan Schmitt MD
Integrative Spine & Body Medicine
7204 SE Durham Rd
Portland OR 97224

Date: 6-18-2026

To: Worker's Compensation Division

RE: MCO's

I am a physiatrist practicing within Oregon's workers' compensation system. I am writing in support of increased oversight, transparency, and accountability of Managed Care Organizations (MCOs) operating within the state.

I first became acquainted with Oregon's MCO system in 2011 when I relocated from Seattle and began practicing in Oregon. Prior to that time, I had no experience working within an MCO-based workers' compensation framework. I quickly learned that MCOs wield significant influence over the course of a claim, affecting both injured workers and their treating physicians.

The concept of an MCO is reasonable in principle. These organizations are intended to perform important functions such as provider network management, case management, quality assurance, implementation of treatment guidelines, and coordination of care. When functioning effectively, MCOs have the potential to improve efficiency and support positive outcomes for injured workers.

My experience over the past fifteen years, however, has been mixed. I would like to outline several concerns based on my direct experience caring for injured workers within this system.

One concern involves the accuracy and adequacy of provider networks. My staff and I have frequently encountered provider lists that contain outdated information. In some specialties, particularly behavioral and mental health services, there appears to be an insufficient number of participating providers. On numerous occasions, I have referred workers to providers listed on an MCO panel, only to learn later that the provider was no longer accepting MCO patients despite remaining on the published list.

When these concerns have been raised, MCO representatives have occasionally indicated that provider recruitment is not part of their responsibility. Regardless of who bears responsibility, the result is a diminished network that can delay access to care and create unnecessary barriers for injured workers.

Throughout my career, I have invested significant effort in building relationships with physicians, surgeons, therapists, and other healthcare professionals throughout the Portland community. This professional network allows me to identify the most appropriate specialists for consultations, second opinions, and treatment referrals. While there are many outstanding

providers available locally, not all participate in MCO panels. In some cases, providers who previously participated have chosen to withdraw due to the administrative burden and frustration associated with working within the MCO system.

One frequently cited source of frustration is the peer-to-peer review process. While these discussions are intended to support claim management, they can sometimes become counterproductive. In my experience, these conversations may create pressure on treating physicians to alter a course of care despite the reviewing clinician having never personally examined the worker.

These discussions often rely heavily on Official Disability Guidelines (ODG). While clinical guidelines can serve as useful references, my experience treating injured workers has demonstrated that guidelines alone cannot account for the many factors that influence recovery. These factors include language barriers, transportation challenges, financial hardship, employer pressures, family obligations, delays in authorization or treatment, and quality and training of the treating therapists where the workers are receiving care.

Perhaps most importantly, the workers' compensation process itself can become a significant source of stress. Delayed time-loss payments, prolonged authorization requests, uncertainty regarding claim status, and concerns about job security all contribute to elevated stress levels. The medical literature consistently recognizes stress as a meaningful factor affecting recovery, pain perception, and functional improvement.

As a result, peer-to-peer discussions can at times feel less collaborative and more directive. There may be pressure to reduce treatment, declare a worker medically stationary, or move a claim toward closure despite the treating physician's clinical judgment that additional treatment may provide meaningful benefit. This places providers in a difficult position, balancing their independent medical judgment with the desire to maintain a constructive working relationship within the workers' compensation system.

Another significant concern involves the authorization process. My experience has been inconsistent. At times, authorization requests are processed efficiently; at other times, delays can be substantial. While these delays create administrative challenges for providers, they can be particularly stressful for injured workers whose recovery often depends on timely access to treatment.

Even when authorizations are approved, practical challenges remain. For example, an injured worker may receive authorization for eight physical therapy visits but be required to complete those visits within a rigid timeframe. Frequently, the authorization letter arrives well into that period, leaving substantially less time than originally intended.

This approach often fails to reflect real-world circumstances. Many therapy clinics have scheduling delays, particularly for highly experienced therapists. Workers may only be able to attend appointments before or after work due to concerns about employer retaliation or workplace expectations. These appointment slots are often limited and fill quickly.

Like all individuals, injured workers must balance medical care with employment responsibilities, childcare, family obligations, and other life demands. Requiring completion of treatment within inflexible timelines is often unrealistic and unnecessarily stressful. The resulting frustration affects both workers and providers and may discourage physician participation in the workers' compensation system. This, in turn, may contribute to shrinking provider networks and reduced access to care.

A further area of concern involves the process of establishing and updating accepted conditions. It is common for a worker initially evaluated in an urgent care or emergency department setting to receive a broad diagnosis such as a shoulder sprain. This approach is reasonable when additional diagnostic information is not yet available.

In many cases, workers recover appropriately under this initial diagnosis. However, some workers fail to improve as expected. Subsequent imaging or specialist evaluation may reveal additional pathology, such as a rotator cuff tear, bursitis, or impingement syndrome.

When these newly identified conditions have not yet been accepted as part of the claim, significant problems can arise. In some instances, treating physicians face pressure to proceed toward claim closure based on the original accepted condition while the process of evaluating and accepting additional diagnoses remains unresolved.

As a result, workers may be returned to regular duties before their condition has been fully evaluated or appropriately treated. This situation can be detrimental to patient recovery and creates considerable stress and uncertainty for injured workers.

Many workers ultimately feel compelled to obtain legal representation simply to ensure that their concerns are heard and their injuries appropriately considered. Managing an injury, navigating the claims process, maintaining employment, and securing legal assistance can become an overwhelming burden. These cumulative stressors may delay recovery, prolong disability, and increase costs for all parties involved.

In my view, many of these outcomes are avoidable. Greater transparency, accountability, and oversight of MCO operations could improve access to care, strengthen provider participation, reduce unnecessary delays, and ultimately support better outcomes for Oregon's injured workers.

Going forward, a necessary call to action to improve the process for injured workers is in order.

Respectfully,

Susan Schmitt MD