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Risk Management and the Role it plays in Case Management and Return-to-Work Programs

Workers' Compensation claims and an Experience Modification Rate (EMR) reduction are high priority opportunities for employers. In order to overcome claim inflation trends, employers must reduce the absolute impact of Workers' Compensation claim expenses, and deal with the challenges of decentralization and suboptimal accountability. To address these areas of concern no single solution is sufficient, and a multi-initiative, multi-year strategic plan grounded on building a culture of safety is necessary. A key to overcoming these obstacles begins with recognizing the impact that can be initiated from within the risk management function. This session will explore how Sodexo's Risk Management team created a collaborative effort with claims administration and care management experts to re-evaluate their case management and return-to-work (RTW) programs, and will examine the relationship between employees, employers, and other stakeholders in workers' compensation claims.

An Employer's perspective

Over a decade ago, as part of the finance strategies to improve competitiveness and effectiveness, Workers' Compensation claim reduction and EMR reduction were identified as high priority opportunities. In order to overcome corporate growth and claim inflation trends, Sodexo had to reduce the absolute impact of Workers' Compensation claim expenses. Decentralization and suboptimal accountability were additional challenges. Sodexo knew from experience that no single solution was going to be sufficient, and a multi-initiative, multi-year strategic plan grounded on building a culture of safety would be necessary. Many employers can learn from Sodexo's experience, and this presentation outlines many of the programs and partnerships that other employers can engage in to produce similar positive results.

The keys to overcoming the stated obstacles begins with building credibility, and the finance impact on the initiatives implemented from within the risk management function. Once these initiatives produced results, concepts and ideas requiring cross functional support and coordination were implemented. The entire process has been supported by senior management based on improved, focused and timelier actuarial analysis to ensure reserve adequacy.

Internal support, coupled with a strong broker team, third party vendors, workers' compensation clinical service provider, position the employer to design, develop, implement, and benchmark a comprehensive casualty risk consulting program that positively influences individual outcomes and portfolio-wide results, both retrospectively for existing exposures, and prospectively for claims which have not yet occurred.

This submission will focus on how partnership impacts a return to work program, and how the following initiatives directly or indirectly impact outcomes.

- **Early Claim Identification (ECI):** The goal of ECI is to proactively reduce variability of, and ultimate cost of, retained loss by triaging and "flagging" claims that meet certain criteria and strategically directing toward a resolution path that limits their ability to escalate. ECI is the platform upon which the vast majority of cost reduction strategies were built.
- **Enhanced Claim Review Practice:** Designed to optimize the resources involved, as well as to achieve optimal ultimate outcomes. The goal of the review is to impact "younger" claims by arriving on resolution plans early in the life of the claim file.
- **Post Injury Drug and Alcohol Testing (PIDAT):** PIDAT delivers a safer environment for our employees and customers while demonstrating a reduction in claim frequency, as well as a significant reduction in claim cost. As a result of its impact on the bottom line, this project has garnered senior management attention and continues to gain momentum.
- **Uniform Medicare Secondary Payer Practice:** The development of a protocol procedure which eliminates the cost of unnecessary MSA evaluations, based on the value and characteristics of the claim. This initiative involves partnership with the TPA, as well as all the employer's defense counsel.
- **Litigation Roundtables:** Two pronged objective: (1) Reducing litigation fees by resolving claims earlier in the life of the file; (2) reducing the overall incurred value of the claim by resolving the claims earlier in the life of the file.
- **Designated Rx Nurse:** Dedicated nurse resource engaged in assessment of all claims involving any narcotic therapy, including pre-MSP work and determining appropriateness of the treatment and to ultimately reduce number of prescriptions per claim.
- **PC365 24/7 Nurse Triage:** WC Cost Mitigation practice aimed at reducing the frequency of reportable claims by providing employee access to a nurse at the time of

injury notification. Nurse works with the employee to determine if “self-treatment” is a viable medical option.

- **Uniform IME Protocols:** Through project developed with the broker and the employer, the practice introduced opportunities in the claims handling process to maximize the IME outcome, while at the same time “humanizing” the process for the injured employee.
- **Social Media & Medical Canvas initiative:** Designed to reduce mitigate the exposure of the claim by ensuring the extent of injury is clearly defined at the earliest point in the life of the claim.

Return-to-work Program

A formal Return-to-work program relies on a written policy, clear workflow and meaningful process to ensure every opportunity is taken to return an injured employee to work. Employers can develop web-based training and interactive tools for its managers and outsourced Return-to-Work Coordinators (“RTWC’s), dedicated to assisting our managers, to follow in obtaining temporary transitional releases for placement. This centralized RTW team acts as the clearing house to ensure all workers’ compensation leaves are managed in an aggressive manner.

The role of the RTW coordinator should evolve from a point of contact into someone whose primary goal is to actively facilitate return-to-work, transitional duty aligned with essential job functions, and full duty if and when medically appropriate. The Risk Management office should be in constant communication with the RTW Coordinator to ensure all employees eligible for transitional duty are assigned and that supervisor/office non-compliance is actively identified.

With the overall goal of returning employees to full duty in mind, the employer should continue their involvement in making transitional/modified duty available to its employees, and be able to make transitional duty assignments available for all of its injured workers.

Tracking the reasons for delayed return-to-work is one way that employers and its partners were able to better understand areas needing further improvement. By tracking and managing RTW delays employers will be able to reduce employer delays. Communication with the employer on the value of RTW in the form of revenue loss will be a key focus in the reduction in RTW delays and the overall improvement in the program outcomes.

Case Management

For employers it can be a real challenge to evaluate performance and develop relationships with providers. In Sodexo’s case it was decided to embrace the TPS & Clinical service provider’s Outcome-Based Network to roll out the network to locations in the majority of states in which they offer it.

In doing so, employers can put in place a measured yet flexible case management protocol that allows adjusters and Return-to Work Coordinators to assign telephonic nurses to limited task assignments for claims that may present challenges to obtaining transitional duty releases. Given the majority of RTW savings Sodexo has seen on the medical side, we believe our approach enhances results.

The addition of the dedicated nurse can also aid employers in recognizing cases with increased narcotic use and cases where prescriptions outside of recommended formularies were in use. The employer should work with the broker, clinical service provider and TPA to put in place a nurse program whereby the nurse and adjuster can take action to ensure the prescribed drug is appropriate for the injury and measures are in place to establish a time-limited doctor-patient contract to limit the chances of overuse and potential off-market sale.

Employers can see tremendous financial improvement to their overall risk management program, while at the same time getting injured workers back to full and productive duty. The Sodexo program has proven to be successful in all aspects of proactive claims management. Employers need to recognize that improving the outcomes of injured workers and reducing Workers' Compensation costs will take a concerted effort, involving collaboration with internal stakeholders, brokers, Third-party administrators, and clinical service providers who come together to achieve the best possible outcomes.

Third-party Administrator, Broker, and Service Provider perspectives

While the oversight of the employer is pivotal, the role the third-party administrator, broker, and clinical service provider are also critical to the success of any case management and return-to work program. Their expertise in managing relationships is critical to an employer's ability to impact an overall case management and return-to-work program. Their ability to interact with all stakeholders facilitates a higher level of engagement with all involved.

Levels of interaction:

- Risk management
- Provider relationship management
- Employee engagement from a clinical perspective
- Industry benchmark information
- Claim management tools and expertise
- Training, tracking, and team engagement