

The State of Tennessee



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The Company

The State of Tennessee Division of Claims and Risk Management administers the State's workers' compensation, tort liability, loss prevention, property, and other insurance programs for 38 agencies, 49 higher learning institutions, 6 hospitals, and 2 medical schools. The State provides service to 80,000 employees and 6.3 million Tennessee residents.

The Partnership

After working with the same TPA for 20 years, the State partnered with CorVel in 2014 to implement their integrated workers' compensation claims management services. CorVel's integrated model and technology expertise were key factors that drew the State to CorVel's program.

The Power of One

Prior to partnering with CorVel, the State's workers' compensation program incurred over \$17.8 million per year, and was managed by a TPA and various managed care providers. There was no statewide return-to-work program or formal procedures for how to report a work related injury, which lead to a disconnect between employees, employers, the TPA, and the Treasury department in the workers' compensation program.

In 2014, for the first time, the State's Treasury Department combined the Claims Administration and Risk Management Divisions under a new Director and chose an integrated model for claims and managed care. Previously, the divisions had been managed in silos with little communication. Now, the Director could focus efforts on improving the State's program and creating a return-to-work program.

CorVel implemented a Return-to-Work Coordinator to assist the agencies to return injured workers to the workforce by performing job tasks that were compliant with their medical restrictions. The implementation of a statewide return-to-work Program led to indemnity costs decreasing 64% by 2017, and total paid decreased 17%, resulting in significant savings.

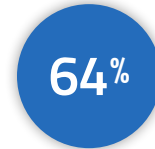
Additionally, the State also experienced average bill review savings of 64% since 2015, generating an additional \$9.4 million in savings for the State of Tennessee.

Bill Review



Savings Over Last 2 Years

RTW Program



Reduction in TTD Paid vs. Prior Years

Claims Management



Reduction in Total Incurred Costs

The State of Tennessee has exceeded their own expectations for cost savings. CorVel's innovative solutions have decreased total incurred costs from \$17.8 million in 2012 to \$11 million in 2017, a 38% reduction. The State looks forward to continuing to take their program to the next level of efficiency and cost-effectiveness.



Risk awareness has greatly improved as part of the organization's culture. All departments and higher learning institutions manage their own claims through CorVel's Care^{MC} software system.