



CLAIM COLLABORATION FOR COST CONTAINMENT



The Company

Founded in 1889, Carhartt is one of America's largest producers of premium workwear and outdoor apparel. The company employs more than 2,700 associates nationwide between its headquarters in Dearborn, Michigan, six supply chain facilities in Kentucky and Tennessee, and its 34 company retail stores. Over the past 15 years, Carhartt has produced more than 80 million garments and accessories in the United States.

The Partnership

Focused on improving their program's outcomes and reporting capabilities, Carhartt partnered with CorVel in 2015 for their workers' compensation and liability solutions.

As a first step in implementation, CorVel listened to Carhartt's unique needs, and together, designed a program to meet the company's specific challenges. Understanding the importance of providing advanced reporting capabilities and complete program visibility to the Carhartt team, CorVel provided actionable insights into the trends seen in the program. This allowed the Carhartt team to respond and adjust accordingly, positively impacting the bottom-line results.

Manufacturing Great Outcomes

From the start of the partnership, CorVel's dedicated Account Management team provided consistent communication. Our team toured several of Carhartt's facilities to understand the processes and technology for claim handling and collaboration in return to work.

With our integrated platform, we reduced the gaps inherent in workers' compensation and provided immediate care to injured workers. Since taking over Carhartt's program, we have improved the efficiency of their workflows, increased claim closure, and decreased incurred costs, resulting in higher total savings achieved compared to years prior. In 2019, total paid decreased by nearly 10%.

10%

—
decrease in total paid

Reporting on Success

Immediate intervention, integrated services, and innovative solutions are the cornerstones of the Carhartt program. Beyond industry-leading savings, CorVel delivered improved and immediate access to care for their employees and provided advanced analytic reporting capabilities to the Carhartt team. Real-time information in Care^{MC} provided identification of trends and safety concerns, ensuring better care for their injured employees as seen by the significant reduction in total cost of risk.

By providing quick and accurate care intervention when an injury first occurs, CorVel places care at the forefront of claims management. Through CorVel and Carhartt's shared focus on patient advocacy, care delivery to injured workers improved, lag times decreased, and litigation exposure was notably reduced. In 2019, Carhartt's litigation rate was 0% and they experienced a

33% improvement in return to work (RTW) within guidelines.

Moreover, through our high-touch pharmacy benefit management (PBM) program, CorVel provided complete visibility into pharmacy data and proactively identified and addressed cost drivers. As a result, we achieved a 26% reduction in pharmacy spend.

0%

litigation rate

26%

reduction in pharmacy spend

Looking to the Future

As an evolving company and brand, Carhartt plans to expand its business with the addition of new vendor partnerships and growth in e-commerce. As Carhartt grows, CorVel is prepared to continue to mitigate costs and improve results, bringing proactive solutions and advanced technology to the Carhartt program.

26%

improvement in timely claim reporting

18%

increase in closure rate

33%

improvement in RTW

