

# Focus on Claims Management



A Patient Centered Approach  
The Value of Early Intervention



## Table of Contents

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- I. Introduction
  - II. A Patient Centered Approach
  - III. Improving the Experience
  - IV. Minimize Escalations
  - V. An Integrated Model
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## Executive Summary

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Redesigning the workers' compensation claims process to be more patient-focused and supportive of injured employees can have a positive effect on employee health outcomes and employer spending. A well-trained, multidisciplinary team offering immediate assistance and patient advocacy allows injured employees to get quality care and compassion when they need it. In addition to reducing costs for employers by improving outcomes and minimizing indemnity claims, it improves morale by letting employees know they are more than a number on a ledger. Modern technologies, such as the web and mobile devices are key to facilitating the communication and coordination this patient-centered model requires.

### I. Introduction

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For all too long, the workers' compensation claims process has been looked at as a necessary evil. Companies dread the hassle of filing an incident, while employees assume making a claim will be an adversarial process in which they have to fight to have their needs met. In reality, improving the reporting process and facilitating effective early intervention is a valuable opportunity for enhancing health outcomes, enabling faster return to work, and reducing workers' compensation costs.

### II. A Patient Centered Approach

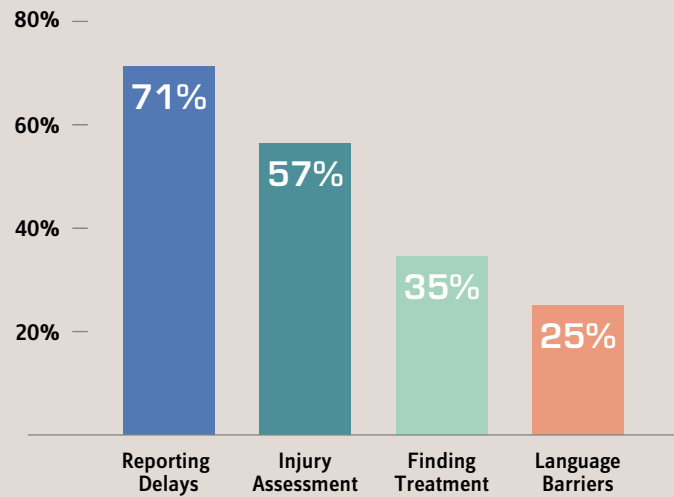
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Getting injured at work can be an overwhelming experience marked by fear, embarrassment, pain, and insecurity. A seemingly uncaring employer, distracted healthcare providers, confusing workers' compensation reporting procedures, and busy claims adjusters can all add to this stress. The perceived emphasis is on who will take responsibility for the care versus ensuring the patient receives the most appropriate care for their situation. This can lead to delays in reporting, failure to receive timely care, and the emotional burden of resentment and anger. In a recent CorVel survey, 71 percent of respondents indicated delays in reporting an injury or incident as a key challenge employers face in their workers' compensation programs.

## CorVel Survey Results Top Workplace Challenges

### Reporting Delays Reported as Top Workplace Challenge



While ultimately both the adjuster and the employee have the same objective in any workers' compensation incident, full recovery with no unnecessary pain and suffering, the traditional filing process makes this shared goal less obvious. Instead, the frustration of the process and approach can make the injured employee disgruntled. Couple this with slow reporting and you have a recipe for inflated claims or enhanced memories of the pain and suffering experienced. It's the classic big fish story where someone's recollection is exaggerated.

A shift in the workers' compensation process to a more patient focused approach can minimize these challenges. Studies have shown that what patients want most during interactions with the healthcare system are good communication and empathy ([www.bmj.com](http://www.bmj.com) and [ehp.sagepub.com](http://ehp.sagepub.com)). Through a more collaborative approach involving patients, employers, providers and payers, the workers' compensation claims process can offer better communication and advocacy to injured employees.

A patient focused approach relies on training, multidisciplinary experience and coordination to enable positive collaboration. In this model, a case manager armed with clinical experience and communication training responds first to the claim. The first priority is directing injured employees to resources that can deliver the care they need. A call center staffed by nurses offers immediate support for minor injuries, and employers have access to resources to improve workplace safety. When the workers' compensation filing process focuses on patient advocacy, connecting injured employees with immediate, appropriate care, and consistent information sharing, the experience is dramatically different.

### III. Improving the Experience with Technology



Fully implementing this patient centered model requires different process flows enabled by technology. This starts with the simple act of reporting. Today's mobile and web technologies can make reporting a claim an almost instantaneous process. By allowing real-time filing via phone, mobile device, online, or email, employers can speed the process and facilitate faster access to critical care.

One way to accomplish this is by having the initial interaction done by a medical professional who can quickly assess the injury, begin creation of a personalized treatment program, and direct the patient to the right care providers for optimal care. Another key component of advocacy is open information sharing among parties. By utilizing a single database that includes claims and care information that can be directly accessed by key stakeholders, companies set a distinctively different tone in their approach to workers' compensation claims and can dramatically enhance care efficiencies. This shared information improves the accuracy of the initial claims reports.

#### The Future is Mobile

Smartphones and mobile devices, such as tablets, are proliferating rapidly. Wireless phone subscriptions from 1999 to 2012 have increased from approximately 80 million to nearly 340 million, while landline connections during the same time decreased from approximately 181 million to fewer than 90 million ([www.deloitte.com](http://www.deloitte.com)). This expanded presence and dependence is beginning to have an impact across healthcare and in workers' compensation.

Employers surveyed by CorVel expressed a desire for mobile capabilities. Mobile applications allow immediate reporting of claims, faster access to necessary care, and easy review of claim status by an employer. With passwords and encryption, digital technology is in many instances more secure than reporting via phone, where calls can be overheard, or fax, where transmissions can be left on machines until gathered.



## V. A Better Experience Minimizes Escalations

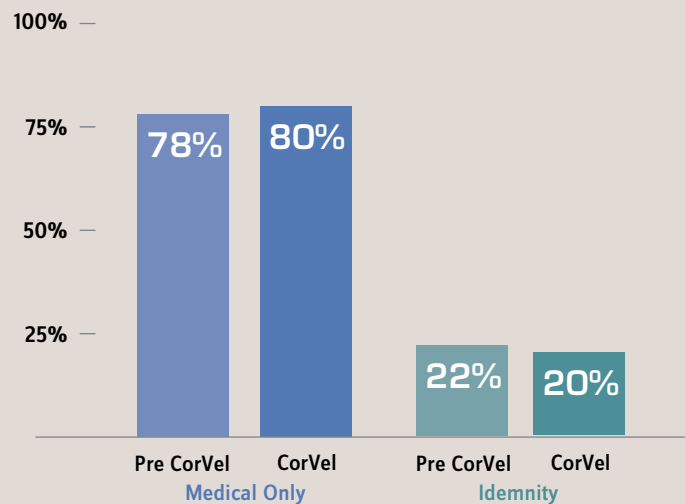
Employers overwhelmingly want to create workplace cultures where employees feel safe and comfortable reporting injuries before they become a lost time claim and more severe conditions. A patient focused workers' compensation claims process enabled by modern communication technologies furthers this goal. It also improves injured workers' chances for swift recovery to full health and continued productivity. "Early reporting is key to successful management of workplace injuries, both for better patient outcomes and for reduced costs," said one survey respondent.

Clearly, the importance of early intervention when a workplace injury has occurred cannot be understated. Delayed reporting can cause claims costs to skyrocket. One industry study revealed that injuries reported within two weeks of occurrence are 18% more expensive than those reported within one week of occurrence, and injuries reported between four and five weeks were 45% more expensive. (M. Stack/www.reduceyourworkerscomp.com) Similar results were produced by a Hartford Financial Services Group study, which determined extremely late reporting could increase claims costs by up to 45 percent (Hartford Insurance Report 2000).

Early intervention reduces claims costs by improving health outcomes. The Robert Wood Johnson Foundation's workers' compensation health initiative determined that timely and appropriate care reduces the likelihood of injuries and illnesses leading to work disabilities. Such quality care also helps disabled employees regain functional abilities and return to work quickly and safely, according to an article published in the January 2012 issue of Health Affairs.

### Change of Mix | Claims by Type

CorVel Customers Average a 10% Shift in Claims Mix in the First Year



FOCUS ON EARLY INTERVENTION

The benefits of early intervention can be difficult to quantify; one way they show up is through a reduction in indemnity claims. Across the industry, companies saw an increase in indemnity claims of two percent in 2011, according to a July 2012 report from the National Council on Compensation Insurance. Additionally, indemnity costs are on pace to soon surpass a 20-year high at a current average of \$22,300 per claim ([www.ncci.com](http://www.ncci.com)). In this same environment, CorVel has taken an early intervention approach, which has helped our clients reduce indemnity claims, shifting 10 percent of indemnity claims to medical only.

Another example of savings resulting from an early intervention strategy comes from one of CorVel's clients, Pasadena Unified School District, who reduced disability payments by 50 percent, number of lost-time claims by 41 percent and overall incurred costs by 26 percent.

**“The program allowed us to reduce lost time claims and increase savings,” said PUSD Chief Financial Officer Dr. John W. Pappalardo. Similar savings were achieved by San Diego Schools Joint Powers Authority. After switching to CorVel in 2007, the employer saved a combined \$25 million through 2010.**

## Early Intervention in Practice

Consider the case of an employee who suffers severe head trauma in his workplace parking lot. Mobile and web based tools allow almost real-time submission of a report anytime, anywhere. As a result, the database file can be immediately opened and the nurse case manager can make early contact with the patient.



Because of the severity of this case, the nurse case manager would be dispatched directly to the hospital where the injured employee was admitted to provide support and assistance to the employee's family and the medical care team. By being onsite, the case manager can provide real-time updates to the employee's family, the employer, a claims adjuster, and the medical director, while facilitating communication between all parties involved. An investigator would also be dispatched to the scene of the injury, with a preliminary report filed within 24 hours.

As a diagnosis and prognosis became clearer, the nurse case manager maintains contact with all interested parties, while also working with the medical care team. Based on the case details already in the system, the nurse could also reference a rules-based decision support system that suggests evidence-based care options to help develop and implement a coordinated care plan.

## V. An Integrated Model to Early Intervention

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CorVel breaks from the industry status quo with a forward thinking attitude toward patient care and a willingness to invest in user-friendly, technology enabled solutions that promote effective, streamlined claims management. CorVel's collaborative, patient centered approach is enabled by a staff of experienced clinicians that provides immediate initial response to claims. Coupling this with a robust suite of reporting and monitoring tools, the company's response to incidents focuses on patient advocacy and improved health outcomes.

Claims information entered in real time into a comprehensive database is always available for collaboration by all parties involved in a workers' compensation claim, including employers, providers and CorVel nurse case managers. A customizable dashboard makes it easy to review pertinent data, including number of visits, duration of care, improvement in function and other metrics. These tools allow CorVel to respond to claim within moments rather than days, coordinate care for injured employees quickly, proactively support families, and keep activity transparent for employers at all times.

The CorVel service model applies technology, intelligence and true compassion for patients to reduce inherent delays, improve return to work rates and maximize client savings. This early intervention approach is not only cost effective, but also improves care for injured employees.

**Learn more about improving claims management and visit [www.corvel.com](http://www.corvel.com).**