

A woman with long dark hair, wearing a white collared shirt and a bright yellow cardigan, is standing and gesturing with her hands as if presenting. She is smiling and looking towards the left. In the background, a large screen displays various data visualizations, including a line graph, a pie chart, and a bar chart. To the left, another woman is seated at a table with a laptop, looking towards the presenter. The scene is set in a modern office or meeting room with warm lighting.

White Paper

ACTIONABLE ANALYTICS

Turning Strategy Into Story

How Real Outcomes are Achieved

corvel.com

Translating Data Into Strategy

In today's complex risk environment, data alone is simply not enough. The true value lies in how we translate data into strategy that is actionable, aligned, and results-driven. Industry leaders continue to ask: Which strategies truly improve outcomes? How can analytics inform day-to-day operational decisions? And how can insights be applied to deliver consistent, measurable results?

In this white paper, CorVel addresses these questions by analyzing our book-of-business data across managed care and claims programs. Compared with prior-year results and broader industry benchmarks, the findings reveal what is working, why it matters, and where opportunities for improvement exist. This analysis not only highlights CorVel's results but also identifies broader market trends shaping the industry, including rising mental health claims, ongoing wage and medical inflation, and nuclear verdicts. By grounding strategy in analytics, CorVel helps organizations drive meaningful improvements across their programs and achieve industry-leading performance.

Managed Care Services: Insight Into Action

Across the industry, delays in initial clinical evaluation, inconsistent provider pathways, and unmanaged pharmacy utilization contribute significantly to claim duration and cost escalation. Organizations with structured early intervention and integrated clinical oversight consistently outperform national averages in payment integrity and recovery time.

CorVel's integrated managed care services guide each claim from the first report of injury to the final billed service, ensuring injured workers receive timely, appropriate care.



Advocacy 24/7: The Power of a Triage-First Model

Early intervention shapes the trajectory of a claim and is critical to achieving positive outcomes. CorVel's Advocacy 24/7 nurse triage quickly connects injured workers with appropriate care, preventing delays and complications.

Industry experience and multiple practitioners note that claims without early nurse triage or immediate intervention carry a higher risk of unnecessary escalation, increased medical utilization, and slower return to work. In contrast, early triage is widely recognized as a best practice for reducing claim severity, accelerating recovery, and improving cost and outcome control.

CorVel's national book-of-business data demonstrates the impact of this approach. Directing all non-emergency injuries to triage has proven highly effective, driving a 63% reduction in litigated claims and a 37% decrease in cost per claim. Embedding triage as the first point of contact and training supervisors to reinforce engagement maximizes outcomes and ensures every claim starts on the right path.

NATIONAL RESULTS OF ADVOCACY 24/7:

63%

✓ decrease in litigated claims

37%

✓ decrease in cost per claim

46%

of calls resolved with first aid/self-care

28%

✓ reduction in average days open

STRATEGIC ACTIONS:

- ✓ Make triage the mandatory first contact for all non-emergency injuries
- ✓ Train supervisors and staff to ensure consistent engagement
- ✓ Monitor adoption rates and adjust processes as needed

Pharmacy Benefit Management: Driving Clinical and Cost Efficiency

Pharmacy management is a key touchpoint that affects both clinical safety and overall claim costs. CorVel focuses on improving generic efficiency, increasing in-network utilization, and monitoring emerging cost drivers, including topical medications.

National PBM metrics show that generic efficiency above 95% correlates with materially lower total medical spend. In 2025, we achieved 99% generic efficiency. High-cost topical medications can account for more than 22% of total workers' compensation prescription payments.

Through our prospective clinical engagement, we have successfully managed topical medical spend to less than 9%. Initiatives such as first-fill programs, worker education, and ongoing utilization monitoring support safer care while enhancing operational efficiency.

CorVel exceeds generic efficiency benchmarks and provides strong topical medication management.

99%

generic efficiency

In-network topical medication spend is approximately **68%** lower than industry benchmarks.

STRATEGIC ACTIONS:

- ✓ Promote first-fill programs and encourage use of in-network pharmacies
- ✓ Monitor emerging cost drivers and proactively adjust strategies
- ✓ Educate injured workers on the benefits of in-network care

Utilization Management: Ensuring Appropriate and Timely Care

Utilization management plays a critical role in making sure care is clinically appropriate, timely, and aligned with each injured worker's recovery goals. Reviews are conducted to confirm that treatments comply with state regulations and evidence-based guidelines, helping to identify and prevent potential over utilization.

Recent data show specific patterns in this process, including overuse of MRIs for sprains and strains, increased physical therapy utilization (often due to delays in initial prescribing), and increased use of topical medications. While cost savings can result from effective utilization management, the primary goal remains clinical oversight. To strengthen program consistency and ensure appropriate care, organizations can formalize clinical oversight processes by establishing clear review standards, implementing proactive monitoring, and integrating early clinical intervention as part of their overall strategy.

A high volume of utilization reviews completed annually



STRATEGIC ACTIONS:

- ✓ Formalize clinical oversight to standardize care and improve outcomes
- ✓ Monitor high-use procedures and ensure evidence-based care is followed
- ✓ Proactively adjust workflows and prevent unnecessary delays

Bill Review: Efficiency that Scales

Bill review ensures both accuracy and efficiency in claims processing. In 2024, CorVel implemented enhanced auto-adjudication initiatives to address adjuster efficiency for faster care and better outcomes. These efforts saved tens of thousands of adjuster hours and delivered substantial average savings per bill, typically in the 70–80% range. When we drill into our data, we find there is a disparity between states with formalized fee schedules and those without. In states without fee schedules, national variation in billing can exceed 300% for the same service. Specialty review is critical for payment accuracy. Aligning billing oversight with operational strategy drives both payment integrity and workflow efficiency.

Variability in charges underscores the importance of national coding initiatives and in-network education. To better manage billing in states without formal fee schedules, we recommend a multi-pronged approach that includes expanding specialty bill review to ensure documentation supports billed services, increasing integration and visibility across managed care services such as utilization review, and leveraging pricing transparency laws.

Adjuster hours saved annually

62,000+



higher savings
than industry
averages

STRATEGIC ACTIONS:

- ✓ Expand specialty bill review and coding initiatives nationally
- ✓ Leverage pricing transparency laws
- ✓ Promote in-network utilization through provider and adjuster education

Ancillary Care: Optimizing Network Impact

Ancillary care services, including imaging, therapy, durable medical equipment (DME), transportation and translation, significantly impact claim costs and outcomes. Ancillary care is one of the fastest-growing segments of medical spend. Controlled networks reduce scheduling delays, unnecessary services, and billing variation.

CorVel's network provides an advantage by delivering strong physical therapy outcomes and costs that are meaningfully lower than PPO or other ancillary networks. Ongoing provider engagement and analytics-driven monitoring ensure that ancillary care supports timely, high-quality treatment. CorVel's Care^{IQ} network ensures cost-effective and high-quality care.

CorVel's Care^{IQ} PT program achieves strong outcomes with an average therapy duration that is **45%** below ODG benchmarks.

CorVel's Care^{IQ} ancillary network typically delivers costs that are **30-50%** lower, or even more, compared to non-network options.

STRATEGIC ACTIONS:

- ✓ Promote in-network ancillary care through ongoing education
- ✓ Encourage engagement with the Care^{IQ} network to reduce claim costs and improve outcomes
- ✓ Monitor utilization trends to ensure quality and efficiency

Managed Care: Case Study Snapshots

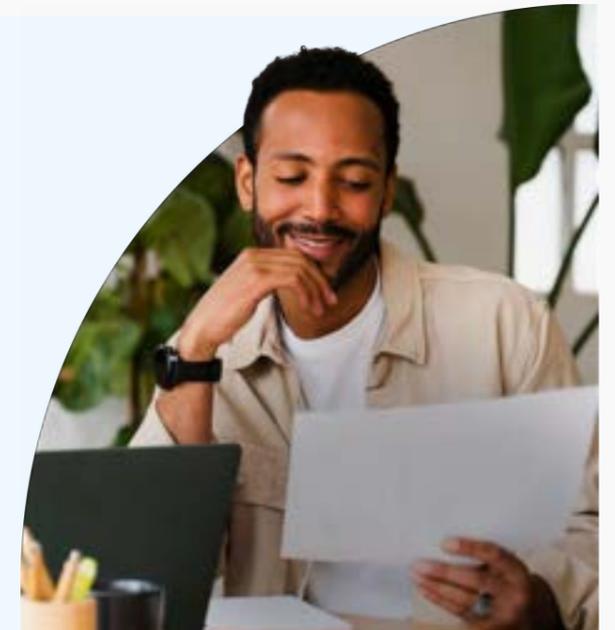
CLIENT: NATIONAL MANUFACTURING EMPLOYER

A national manufacturing employer partnered with CorVel to modernize its injury management program by implementing a triage-first model and strengthening clinical oversight. By routing all non-emergency injuries through Advocacy 24/7, the employer achieved a 33% improvement in return-to-work outcomes and reduced avoidable medical escalation. The increased visibility into real-time claim activity also enhanced communication and decision-making across operational teams, demonstrating the effectiveness of early intervention in high-risk industrial environments.



CLIENT: NATIONAL INSURANCE CARRIER

A national insurance carrier partnered with CorVel to strengthen performance across its network, pharmacy, and ancillary care programs. The integrated approach delivered an average annual savings of 59% through network solutions, maintained a 99.6% generic fill rate, and reduced long-term opioid utilization by 67%. Coordinated ancillary services generated 55% overall savings, including 48% savings on physical therapy and 72% savings on diagnostic imaging. This example demonstrates how comprehensive oversight and managed-care alignment can deliver substantial improvements in cost integrity and care efficiency.



Claims Program Performance: Key Insights for Liability & Workers' Compensation

LIABILITY PROGRAMS

Nuclear & Thermonuclear Verdicts

As evident from our industry analysis, nuclear and thermonuclear verdicts are increasingly affecting liability program results. We've observed that tort reform has significantly reduced nuclear risk. Florida, for example, was previously ranked second for nuclear verdicts until 2023, when it implemented tort reform. In two short years, they are now ranked tenth. The key takeaway from this data is to participate in state-level tort reform efforts. Additionally, we recommend looking at advanced medical payments and the strategic use of early settlement offers.

Category	Count	Growth	Financial Impact
Nuclear (> \$10M)	135	+52% ^	\$31.3B total (+116%)
Thermonuclear (> \$100M)	49	+81% ^	5 over \$1B; Median \$51M

Source: 2024 Nuclear Verdicts Report, Marathon Strategies

STRATEGIC ACTIONS:

- ✓ Participate in tort reform efforts
- ✓ Advanced medical payments
- ✓ Use of early settlement offers

Auto & General Liability Outcomes

Liability programs continue to experience shifting patterns in claim frequency and severity. Understanding these trends is critical to managing exposure and long-term costs.

TREND SNAPSHOT: 2025 NATIONAL RESULTS

Auto Liability:

3.9% decrease in claims

4.8% increase in the average incurred (capped at \$5 million)

General Liability:

3.1% increase in claims

3.7% increase in the average incurred (capped at \$1 million)

WHAT THIS MEANS

While auto frequency declined, severity continues to drive cost pressure. In general liability, increases in both frequency and severity reinforce the need for proactive mitigation. Reducing claim counts alone is not sufficient; organizations must also address the drivers of severity and litigation exposure.

PRIMARY DRIVERS OF CLAIMS

Auto Liability

- Inadequate clearance
- Operator inattention
- Failure to yield/obey traffic signs
- Following too closely
- Excessive speed

General Liability

- Failure to maintain
- Failure to secure or warn
- Falling or flying objects
- Slippery, rough, or uneven surfaces
- Design defect

STRATEGIC ACTIONS:

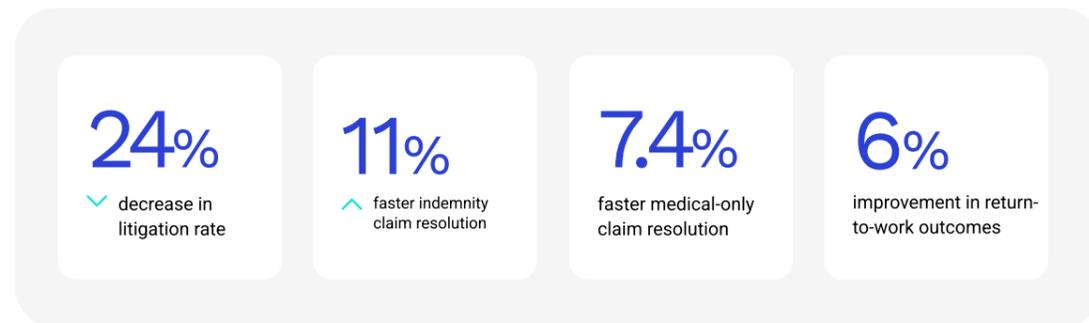
- ✓ Implement root cause analysis for high-frequency incidents
- ✓ Expand safety training beyond onboarding
- ✓ Review policies and procedures to prevent recurring incidents
- ✓ Incorporate early evaluation and settlement strategies to manage severity risk

WORKERS' COMPENSATION PROGRAMS

Workers' Compensation Outcomes

Workers' compensation programs continue to face pressure from rising litigation, wage growth, and medical costs. CorVel's book-of-business data shows a 9.6% increase in litigation, a 5.9% rise in average weekly wage, and a 5.6% increase in average compensation. Despite these trends, CorVel outperformed national benchmarks with reductions in claim duration and improved return-to-work outcomes.

TREND SNAPSHOT: 2025 NATIONAL RESULTS



PRIMARY DRIVERS OF WORKERS' COMPENSATION CLAIMS

- ✓ Falls, slips, trips
- ✓ Falling or flying objects
- ✓ Lifting
- ✓ Patient handling
- ✓ Strain

Addressing these drivers through targeted safety programs, policy reviews, and transitional duty programs can significantly reduce claim frequency, improve return-to-work outcomes, and shorten claim duration.

STRATEGIC ACTIONS:

- ✓ Early intervention through triage and root cause analysis
- ✓ Provide transitional or light-duty assignments to support recovery
- ✓ Review policies and job descriptions to support safe return-to-work

Mental Health Claims

Mental health claims, both primary/direct and consequential (following a physical injury), are on the rise in workers' compensation. We've identified that 4.5% of indemnity and medical-only claims have a mental health component, and that 17.5% of total incurred costs are attributable to these claims. Physical claims often have a 6–12-month lag for a mental health report and are more challenging to manage, making proactive intervention critical. Strategies to support early identification of high-consequence mental health claims include point-of-sale medication reviews, behavioral case management, and the use of AI-based risk scores and severity models. CorVel continues to analyze the unique aspects of mental health claims and enhance our AI-based risk score and severity model.

National Results

4.5% of indemnity and medical-only claims have a mental health component

17.5% of total incurred costs come from these claims

STRATEGIC ACTIONS:

- ✓ Point-of-sale medication review with the formulary
- ✓ Behavioral case management
- ✓ Leverage AI risk score and severity model



Bench-marking: CorVel Performance vs. Prior TPA

Liability

An analysis we completed of a liability takeover program showed that 35% of claims were already more than one year old at the time of transfer and accounted for 92% of the total incurred. Tail claim closure is one of the strongest predictors of long-term cost reduction. Within the first year under CorVel's management, 58% of tail claims were closed, including 25% of claims that had been open for over a year. This demonstrates the effectiveness of our solutions in reducing tail claims and mitigating risk.

Moreover, when compared to large national TPAs, CorVel's performance across new liability claims in the first 12 months consistently exceeded historical benchmarks. Average paid claims were 13% lower, claim durations were 18% shorter, and 87% of claims were closed within 180 days. CorVel outperforms by 10–20 points on 180-day closure.

CORVEL'S LIABILITY PERFORMANCE COMPARED TO LARGE NATIONAL TPAS

13%

✓ lower average paid

18%

✓ lower average duration

87%

of claims closed at 180 days

CLIENT: NATIONAL DISTRIBUTION COMPANY



A national distribution company partnered with CorVel to improve tail-claim performance and reduce liability exposure. CorVel closed 54% of inherited tail claims within six months, driving stronger overall program performance. Within the first year, claim-closure rates increased 3.5% in workers' compensation, 15% in auto liability, and 18% in general liability. These improvements contributed to a 48% reduction in litigation for one-year-old claims, demonstrating the impact of a focused claim-closure strategy and integrated oversight.

Workers' Compensation

An analysis of a workers' compensation takeover program found that 53% of claims were more than one year old at the time of transfer, accounting for 90% of the total incurred. Within the first year under CorVel's management, 50% of all claims were closed – including 31% of the claims that had been open for over a year.

In a separate analysis comparing the first 12 months of new claims management to the previous TPA's historical performance, CorVel delivered improved outcomes across key metrics. CorVel achieved an 8% lower average paid, 20% shorter average duration, and 89% of claims closed within 180 days. These results were realized without adjusting for inflation, underscoring the effectiveness of CorVel's data-driven strategies and operational oversight.

Compared with NCCI industry benchmarks, CorVel's 2024 results further underscore the critical role of early intervention and sustained focus on improving return-to-work outcomes. NCCI data also highlights changing utilization patterns that affect program results. For example, a shift of procedures from inpatient settings to outpatient and ambulatory surgery center (ASC) settings has reduced inpatient utilization but increased costs in outpatient and ASC environments, along with more complex billing practices. This trend reinforces the value of specialty bill review for payment integrity, as it has helped identify unbundling and other improper billing practices.

CORVEL'S WORKERS' COMPENSATION PERFORMANCE COMPARED TO LARGE NATIONAL TPAS

8%

✓ lower average paid

20%

✓ lower average duration

89%

of claims closed at 180 days

STRATEGIC ACTIONS:

- ✓ Continuously compare performance to industry benchmarks
- ✓ Identify areas for improvement and implement best practices
- ✓ Use historical data to refine strategy for both new and ongoing claims

Emerging Trends & Opportunities

Industry and market trends are continuing to reshape how claims programs are designed and executed. Rising mental health claims, combined with wage and medical inflation, the effects of nuclear verdicts, and the growth of outpatient procedures, are influencing how organizations approach strategy and resource allocation. At the same time, value-based care models and the opportunity to optimize in-network utilization are creating new pathways to improve outcomes.

Addressing these trends requires a proactive, integrated approach. Embedding triage-first processes, formalizing clinical interventions, and enhancing safety remediation programs can help reduce claim frequency, manage costs, and improve outcomes for both injured workers and payers. While these strategies are not new, their importance is growing as market conditions evolve and claim complexity increases.

EMERGING INDUSTRY TRENDS

- Rising mental health claims (primary and consequential)
- Wage and medical inflation
- Nuclear verdicts and tort reform
- Increased outpatient procedures and value-based care models
- Opportunities to optimize in-network utilization

STRATEGIC ACTIONS:

- ✓ Embed triage-first approaches across managed care services
- ✓ Optimize in-network pharmacy utilization and ancillary engagement
- ✓ Formalize clinical intervention programs to standardize care
- ✓ Enhance root cause analysis and safety remediation for liability and workers' comp
- ✓ Review policies, procedures, and training to reduce claim frequency

Shaping Future Outcomes

Data tells a story, but strategy determines its impact. CorVel's experience shows that when analytics are leveraged to develop aligned, actionable strategies, the results consistently outperform industry standards. Faster recovery, reduced costs, and stronger program performance are achievable. The organizations that succeed are those that use data not only to understand risk, but to shape outcomes. CorVel remains committed to helping partners transform insight into strategy—and strategy into measurable results.



Visit corvel.com to learn more.