

Sooner Rather Than Later: In the year 2020 Claim Control Will Begin Earlier in the Process

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Early control will mean better cost containment.

Sarasota, FL (CompNewsNetwork) - As more companies take on more risk through higher risk retentions (higher deductibles and self-insurance) they will likely become more interested in controlling their costs. The best way to do that is to TAKE CHARGE of events EARLY in the life of a claim. The 2010 RIMS Benchmark Survey has established a direct correlation between early return to work and lower experience modification factors (mods.) In order to reduce those mods and improve the return to work ratio, employers will need to focus on "early" services including early medical, early legal and early investigation. Services will be put on the case proactively rather than reactively. This trend has already started.

Over the last few years there has been a growing trend toward enhancing services in the early part of the life span of a claim. Services such as claim reporting center enhancements, triage by nurses or doctors to get better care earlier, getting a higher percentage of employees to the network providers, selecting doctors with better outcomes including more rapid return to work and faster recovery are a few of the services that have sprung up in the last few years which focus on the EARLY stage of the claim.

When workers' compensation claims are filed and processed quickly by the insurer or third party administrator (TPA), they are much less likely to become long-term claims. There is a much higher probability of claims getting "out of control" when employer control is not exercised during the initial phase of a claim. There are many things employers, employees, insurers and TPAs can do to make sure small claims stay small, and these things will become the focus of new cost containment efforts over the next few years.

What can employers do?

Employers can post all state required notices and the "post injury response procedure" where employees will see them and know what to do when an injury occurs. Employers should pay more attention to posting the approved medical provider(s) in the states where the employer selects the medical provider, or post the suggested medical provider(s) in the states where the employee selects the medical provider with the notation the employee can select their own doctor if they wish to do so. These must be provided in a convenient location for the employees. While employers can do this currently, most do not routinely do so. Others post initially but do not change postings when panel providers are changed. In 2020 more employers will take control by more aggressively posting provider information and they will request this information from their carriers rather than waiting for their carriers to provide it to them.

Reporting the claim immediately after the accident, the same day (not the next day or the next week) to the insurer or TPA who handles the claim will become the norm. In New York, for example, "timely" will mean "same day," not within the 30-day window given by the state, according to New York attorney, Theodore Ronca. Employers will make sure the employee's supervisor and any witnesses are available to talk to the adjuster. Photographs will be taken of all injury scenes if it an employee is offsite.

Communication will start the first day and continue throughout the life of the claim. Now, some companies do this, but many don't. By staying in contact with the employee from the moment the injury occurs and keeping the lines of communication open, the claim will move faster and the risk of an adversarial situation is diminished.

Almost all employers will have effective return to work programs. Those that do not have "on site" programs will use the services of companies that provide "off site" job placement in alternate jobs, home-based or charity/volunteer positions. TPAs will make these services more easily available. Employers will provide the doctor with a written outline of the employee's job duties and physical requirements and make sure the adjuster has these as well.

Nurse Triage (or M.D. triage) will be done on intake by a much higher percentage of employers. The first call to an RN who helps determine what type of treatment is needed will become standard. Does the employee need to be seen at the emergency clinic, can they wait to get an appointment with a doctor in a few days or can they rest and treat themselves with an ice pack at home.

In non-emergency situations, after the initial triage, a nurse case manager may take over to discuss with the medical provider the injury and the treatment to be provided prior to the initial medical visit. More companies will use MD's as (part-time) medical directors. The adjuster or the employer will provide the medical provider with all necessary forms, including blank return to work slips prior to the first medical visit. Physician Assistant Programs and telemedicine will be available at local clinics; some employers will make these services available directly from the job site for non-emergency situations.

And how will early investigation play a role?

Companies will utilize private investigation agencies to verify all claims. Immediately after reporting the claim, an investigation will be done to verify each incident rather than doing this months or years later at great expense with less impact. Currently a few companies do this, but the trend will grow to investigate sooner rather than later, says Patrick Barger of Arcane Investigations of Lincoln, NE.

Attorney Theodore Ronca, a practicing attorney from Aquebogue, NY also mentions several ways employers can be proactive on document collection that is not too time consuming or expensive. Documents can be gathered and sent to the TPA immediately with the First Report of Injury. The job application contains a list of prior employers and periods of employment, which should include preexisting medical conditions both non-work related and work related. These will become vital if a fraudulent claim is suspected, since fraud is a recurrent behavioral pattern. The personnel file (where state law permits) may contain information about non-injury reasons for absences or disability. These can be medical conditions, personal problems, or family matters, all possibly useful for understanding the inconsistencies in many claims. This should include an explanation and details of any disputes the employee has with the employer as well as a list of any absences from work, other than vacations and sick days.

An employer should always prepare the required payroll information and submit it to the adjuster within 48 hours of the accident report, but this information will be going sooner rather than later, via electronic feed. The adoption of electronic data interchange (EDI) can reduce the time for transmission of information between employers, physicians and state work comp boards

A list of the employer's prior carriers may be necessary for apportionment and a list with basic details of all prior workers' compensation claims with previous TPAs or insurers will be helpful. A recent claim which is partly a continuation of an earlier claim reduces the employers present liability, but the present carrier must identify which earlier carrier is responsible.

A list of prior medical absences is useful for documenting unrelated conditions which may still be in progress and under treatment if permitted by law in your state, says Attorney Ronca who also points out that a list of claims and disputes with the employer is often crucial for proving a claim may be an "afterthought" or retaliatory for other grievances.

The employer should not take the approach, "I thought the carrier was supposed to do all that." A claims administrator cannot be expected to act on information they do not know exists. The savings to the employer will be orders of magnitude greater if the employer makes the first effort at providing a "document package," as opposed to rumors or wishful thinking, according to Attorney Ronca.

How Can Insurers and TPA's Help?

Insurers and TPAs can also speed up the processing of work comp claims in several ways. The TPA will tighten up their "Best Practices" to require three-point adjuster contact the same day the accident is reported, and adjusters will use customized intake questionnaires to gather more information immediately. Employees appreciate a quick contact to answer their questions; they are much less likely to magnify their symptoms if they have the information they need about the claim process.

Supervisory reviews by the TPA will be done within 14 days of the lost time claim being reported, rather than at 30, 60 or 90 days, or when the claim file reaches a dollar threshold amount. If the nurse case manager or the adjuster has any questions about the medical progress or the medical treatment, a peer-to-peer (doctor-to-doctor) review will be provided within that 14-day window. More claim offices will have medical or paramedical personnel on site.

Insurers and TPAs will be offering more support services such as online assessments, research and training programs to help employers implement cost containment programs. TPAs are already beginning to provide custom assessments such as Amaxx's National Workers Compensation Management Score® to help employers implement best practices.

Employers will routinely do chairside visits with their claims administrator. They will not only know the adjuster's name and phone number, they will visit the adjuster at the claims desk to learn how their claims are processed. They will ask questions and learn the process from the inside out because only in this way will "they know what they don't know."

In summary, companies will save money by expediting the workers' compensation claim process. Every step taken to report and handle the claim earlier will result in lower claim cost. The costs associated with speeding up the claim are minor compared with the cost of allowing the claim to get out of control by moving along at its own pace. Companies will be looking for proactive claims administration, and may eventually learn that the "low cost" provider is not necessarily the most cost effective in the long run.



About The Author:

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