

The INNOVATOR

An MC Innovations Publication

Special points of interest:

- > Payments for WC claims total over \$61.8M in FY15.
- > Employee Work Profiles are needed on lost time claims.
- > Signed panel of physicians form required for all reported claims.

Ways to Make Workers' Compensation Easier for You

There are certain documents that we need to get the ball rolling on investigation and payment once a claim is submitted. Please supply the following as quickly as possible : signed panel physician form; any internal accident investigation forms; witness information to include names, addresses and phone numbers; a copy of the Employee Work Profile whenever there is lost time; any medical or disability information received; police report, if applicable; accident scene photos or video and drug test results as applicable.

When submitting the claim via VLW, provide a comprehensive description of the accident and identify the parts of the body injured. Accurate completion of the RTW fields will assist in the disability management and assignment of claims. Please validate the injured worker's phone numbers and provide the physical home ad-

dress. Use the "comments" field within VLW to convey additional messages or concerns to the team. Provide wage information whenever lost time exceeds seven days or for any case that is litigated. Be sure to report changes in work status via Supplementary Reports. Don't forget to report intermittent periods of lost time. Take effective accident scene photographs and/or secure video of the accident site.

Voice mail and e-mail can be useful communication channels between the claim staff and agency. If you can give us enough detailed information about what you need or a detailed answer to a question, you might eliminate other phone calls. We are happy to communicate with you via your preferred communication method.



FY15 Results

MC Innovations (MCI) concluded its second year of contract WCS13-1 on June 30, 2015 . This year can best be characterized as one of **realignment**. MCI started its 17th year with the Commonwealth of Virginia, and while this continuity is a critical component for the program, many shifts occurred during the year. One major change was the purchase of MHayes by GENEX. This required the conversion of case management systems and the building of an interface between GENEX and York. Another major change was the way in which claims are classified. We no longer depend on just the claim types of indemnity and medical only when analyzing open inventory and workload. Classifications now allow for specificities that are

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**Lost
workdays
decreased
5.17 days.**

**Program cost
avoidance =
\$1,938,760**

**Approved
46,658
medical bills
with
payments
totaling
\$34,744,674**

indicators of workload. Claims are classified as indemnity, long term indemnity, unresolved medical, complex, medical only compensable, medical only investigate, and medical only denied. The weighting of these claim types allows us to measure workload across teams and benefit coordinators. During FY15 we also received approval to add two benefit coordinators and one claim supervisor. For the first time in a long time we became fully staffed in mid-June, 2015. With the addition of these positions a new claim team was developed to manage unresolved medical claims. Teams were restructured to take advantage of strengths and expertise.

Key Accomplishments:

- ◆ Lost workdays disability duration: 38.55 days, compared with 43.72 days last year
- ◆ Return to Work Rate: 99%, compared with 98% last year
- ◆ Program cost avoidance of \$1,938,760 (3.1%) over actuarial projections
- ◆ Staff stabilization—reduction in voluntary turnover rate
- ◆ Implementation of the dental network
- ◆ Added partners for transportation and DME
- ◆ Direct Deposit implemented – 166 enrolled out of a potential of 537

Claim Results:

Total Claim Costs: Total claim costs increased by roughly 11% or \$6,118,611 from FY14 to FY15. Claim costs returned closer to levels experienced in FY13.

New Claims Received: The number of new claims received (claims + incidents) decreased by 237 or 2.7% from FY14 to FY15. Excluding incidents new claims received increased by 139 or 3.8%.

Medical Costs: Medical costs increased by \$5,898,539 compared to FY14.

Medical Bill Adjudication: Approved 46,658 medical bills with total recommended allowance of \$34,744,674 and savings of 20% or \$8,730,949.

Field Case Management: The total savings during FY15 was \$2,503,463 .

Causes of Injury-Frequency & Severity: Slips, trips and falls account for 29.85% of FY15 total incurred while accounting for 21.92% of its frequency.

Recoveries: \$700,047 compared to \$1,109,809 in FY14.

While there is much to be achieved in FY16, MCI believes team realignments, workload balancing, additional staffing, and staff stabilization position the program to build on these results.



NCCI reports that medical services currently constitute roughly 60% of overall claim costs. The severity of the injury influences the nature of services provided and the diversification of service providers. For example, minor injuries (i.e. lacerations and contusions) typically result in limited treatment under the direction of an urgent care or occupational medicine center while more complicated soft tissue injuries or fractures frequently result in a referral to a medical specialist (i.e. Orthopedist, Physiatrist, etc.) and engagement of secondary care providers for diagnostic testing and rehabilitative services including pharmaceuticals. Injuries resulting in a need for surgery can require the involvement of multiple specialists and generate additional secondary costs related to surgical facility fees, inpatient hospitalization and/or rehabilitation center stays. In summary, the more complicated the injury and treatment plan, the more costly the claim can be expected to become.

An employer's first defense in the management of claim costs is to develop a workplace culture that is centered upon safety. Employee engagement in risk assessment and accident avoidance is a key to mitigating loss exposures. Attention to evaluating and remediating the hazards that lead to near misses is just as important as the investigation and response to accidents that result in injuries. Every employer should have an Emergency Response plan adequate to meet the needs of their workforce and the workforce should be educated as to their roles and responsibilities under that plan. Employees should be educated at the time of hire and reminded at least once a year, as well as at the time of injury, regarding the employer's expectations regarding workplace safety and what to do when an accident or injury takes place.

Once an accident occurs, the employer should complete a detailed accident investigation to assess the root cause of the injury to formulate a risk management response as well as to determine whether or not there is reason to question that the alleged injury arose out of and in the course of employment. However, the employer's internal investigation should not be cause to delay the reporting of the potential claim to MCI. It is strongly suggested that all alleged work related injuries be reported to MCI within twenty four hours of the employer's knowledge of the claim. Prompt reporting will ensure a timely compensability investigation and denial of a questionable claim or, in the event of a compensable claim, ensure that the injured worker receives benefits without undue delay, thereby mitigating the potential for attorney involvement by the injured worker and avoidance of unnecessary litigation.

The Virginia Workers Compensation Act affords Employers the opportunity to mitigate medical expenses by utilizing a Panel of Physicians. Declination by the injured worker to select a provider, and/or their treatment by an unauthorized provider, may result in the declination of both medical and lost wage benefits. In the event of a life threatening injury, loss of consciousness, major bone fracture or other emergency situation, the injured worker should be directed to the nearest emergency or trauma center. In all other cases, and/or once the "emergency situation" has resolved, the employer should provide a Panel of Physicians. In offering a qualified panel, the employer has greater control over the outcomes of the loss. Creating a panel utilizing a Preferred Provider Organization (PPO) utilized by the insurer/claim administrator may result in added savings. Many PPO providers are willing to accept fees below the Prevaling Community Rate in exchange for increased referrals secured through the PPO network.



**According to NCCI
medical costs
account for
approximately 60%
of a workers'
compensation claim.**





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In addition to being able to provide medical care following an injury, PPO providers who specialize in Occupational Medicine may also be willing and able to provide additional services such as pre-employment physicals, annual fitness for duty examinations, and/or drug screening. In utilizing a panel, employers will benefit from investing time in developing a relationship with the providers, ensuring that they understand the nature of the employer's operations, their return to work program and what accommodations, if any, can be made for modified duty when indicated.

NCCI studies suggest that within medical exposures, pharmaceutical expenses can be the most significant driver of cost, especially when employed long term for the management of pain. Increased utilization vs. an increase in drug price per dosage is the primary cause. To combat this, employers need to be vigilant in working with MCI to enforce their pharmacy management program and ensure that injured workers understand their responsibilities under the program.

Finally, once an injury occurs, the employer needs to remain in regular contact with the injured worker. This is true regardless of whether the injured worker remains at work or becomes disabled. However, it becomes significantly more important once disability occurs. Remaining engaged with the injured worker can help prevent attorney involvement by reducing stress and anxiety arising from the claim process. It can result in increased awareness by the employer and MCI of issues and concerns, and improve the quality and timeliness of responses to them. It can help facilitate a prompt, effective and safe return to work and, it can help mitigate questionable exposures through recognition of red flag indicators earlier in the claim process.

Staying in regular contact with injured workers can help facilitate a prompt, effective and safe RTW!

Tips for Teamwork

- ◆ Need help developing a panel contact Client Services at: 800.734.4460 or email them at ClientServices@RHGNet.com
- ◆ Agencies must provide a copy of the signed panel of physicians form on each submitted claim. For a copy of the form visit our website - www.covwc.com.
- ◆ To request loss control services, fill out a "Request for Loss Control Assistance" form <http://www.dhrm.virginia.gov/docs/default-source/workerscomp/losscontrolform.pdf?sfvrsn=2>
Send the form to Kristie McClaren - Kristie.McClaren@dhrm.virginia.gov or fax: 804-786-8840.
- ◆ Lag time between notice of injury to the agency and the agency notifying MCI was 87% in FY15. Every day reporting lag is decreased, the ultimate cost of the claim decreases. Prompt reporting is crucial.

SAVE THE DATES! Regional Roadshows

**5/10/16—Roanoke
6/1/16—Hampton
6/6/16—Richmond
6/9/16—Staunton**