

# The Innovator

Quarterly Newsletter

www.mcinnovations.com



## End of FY24 – Results Edition

### Fiscal Year Results

MC Innovations (MCI) concluded the sixth year of the current contract with the Commonwealth of Virginia (COV) on June 30, 2024. The cornerstone key measurements for our program include cost avoidance, customer satisfaction, return-to-work and reduction in lost workdays, but we also have many other metrics and goals.

For this fiscal year as measured by the Commonwealth’s actuary, cost avoidance equaled \$8,481,694. 80% of respondents rated our overall performance as a six or better on a ten-point scale. The emphasis on return-to-work continues to reflect an impressive return-to-work rate of 99%. The

average duration of disability days increased from 32.14 days in FY23 to 33.52 days in FY24. This is an increase of 1.38 days; however, we stayed relatively flat to our three-year average of 33.28 days.

### What We Have Achieved Together – Fiscal Year Period

Following is a list of key events and program advancements experienced during this fiscal year:

- Updated FROI application for multiple descriptions for cause/nature/body part codes.
- Unqualified System and Organization Controls (SOC) 1, Type 2 Report.
- COV EDI average acceptance rate of 98.22%.

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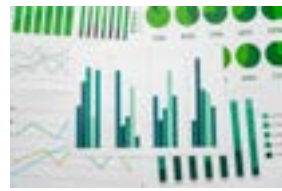
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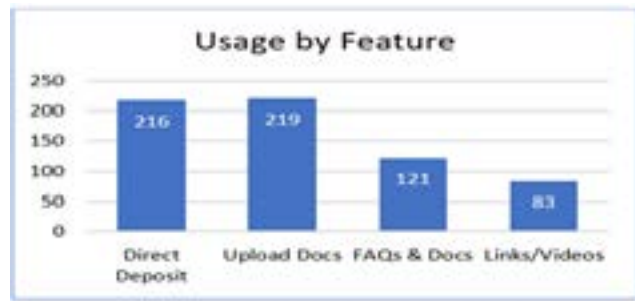
**Managed Care...Managed Better**

# End of FY24

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- Utilization of mySedgwick, a secure online self-service tool that allows injured workers access to real-time claim information, continues to grow. As of June 30, 2023, 276 injured workers had enrolled and accessed the tool a total of 1,370 times or an average of 4.96 per injured worker. In FY24 967 injured workers utilized the tool and accessed it 9,558 times or an average of 9.88 per injured worker.



\* Direct Deposit: Total # of unique users signing up for DD  
 \* Upload Documents: Total # of unique users that uploaded documents  
 \* FAQs & Docs: Total # of unique users that accessed FAQs & Documents  
 \* Links/Videos: Total # of unique users that accessed the Links & Videos

- Claim Service Provider (CSP) average Compliance Audit score of 94.8%.
- Decision links added to the prior authorization (PA) emails benefit coordinators receive from the pharmacy benefit manager (PBM) which allows for direct, almost real-time, decisionmaking with the pharmacy.
- PBM developed an injured worker portal along with text alerts to injured workers. The injured worker can download, email or order a replacement pharmacy card, self-enroll in mail order, locate participating pharmacies, and confirm if medications are in formulary. Additionally, the injured worker is alerted to any needed PA and gets notified of the PA outcome.
- MMSEA reporting compliance of 99.58%.
- Added Age of Injury and Advanced Records Review services.
- Conducted 3 Basic Safety Officer Training Certification Courses.
- Reduction in aged claims of 2.06% compared to FY23.
- Further development of Claim Associates and Associate Benefit Coordinators to include developing the ability to take recorded statements.
- Four internal promotions by the claim service provider (CSP).

# End of FY24

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- Through the utilization of MCI's Marketing & Social Media Specialist developed the following:
  - 5 training videos for the claim team.
  - Refreshed 8 videos that reside on the Program's website (www.covwc.com) for agency personnel utilization.
  - Created 3 training videos for agency personnel utilization.
  - Developed 7 videos/Powerpoints/ flyers for loss control.
- Mail order savings (\$1,269,593) associated with MCI's mail order incentive program increased by 5% over FY23 results.
- Facilitated 5 OSHA 10- & 30-hour courses, along with one OSHA 10—hour course.
- Updated agency panel posting template.
- 50% increase in Safety Officer Network Meetings.
- Subrogation recoveries increased by \$298,145 over last FY to a total of \$759,655.
- Compensability decisions were made on average within 12 days.
- Paid 41,771 checks for medical services with an average turnaround time of 14.5 days. Only 3% of payments were paid more than 30 days after receipt.
- Added networks and changed our network stacking which resulted in improvements in medical bill review savings.
- Added Ascellus as a service provider to provide mental health services for employees with workers' compensation claims.

**Direct Deposit** – Enrollment for direct deposit continues to grow. At the end of FY15 we had enrolled 30.9% of eligible injured workers. Enrollment is currently at 62.7%.

**Subrogation Recoveries** – Subrogation recoveries totaled \$759,655 which is an improvement of \$298,145 over FY23 results.

**Claim Settlements** – Eight WCA settlements in FY24 with payments totaling \$950,000. These settlements resulted in substantial cost avoidance for the program estimated at approximately \$1,551,361.

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**Customer Satisfaction Survey** – We recently sent out our annual survey to 375 agency contacts to gauge your satisfaction with the MCI workers' compensation program. We appreciate the 82 of you who took time out of your busy schedules to complete the survey. Your feedback is invaluable and plays a critical role in enhancing our services for you and your injured workers.

80% of respondents rated our overall performance as a 6 or higher on a 10-point scale. Excluding the three "don't know/not applicable" scores, 95% of you gave us a rating between 5 and 10, with 37% of you rating us as completely satisfied (10).

**Return-to-work Rate** - The annual return-to-work rate for occupational injuries is another key program measure. This marks fifteen consecutive years with RTW rates of either 98 or 99 percent and is the seventh year in a row of 99%.

**Disability Duration** - The WC program established a new key measure in FY 2014 of reducing disability duration. Through this measurement we compare the average disability duration per claim (lost work days divided by number of claims with lost work days) which helps us measure our success in driving down the number of lost work days. The disability duration rate for FY24 was 33.52 days which was an increase of 1.38 days over last year, while the team managed disability on 268 more claims than last fiscal year. Our results are well below the baseline of 43.72 days established in FY14.

**Cost Avoidance** - Since FY 2009, the program tracks cost avoidance experienced under the outsourced program by comparing spend against actuarial projections for expected spend based on experience under MC Innovations' contracts since 1998. Cost avoidance for FY24 totaled \$8,481,694 compared to \$11,186,347 in FY23. The program has achieved cost avoidance over actuarial projections in this model from FY15 through FY24 totaling \$108,898,550.



**Compensability Decisions** - Significant emphasis is always placed on making compensability decisions timely. Compensability decisions were reached on 3,314 claims, or 450 more claims than last FY with an average decision lagtime of 12 days.

**Medical Bill Payment Turn Around Time (TAT)** – On average we paid medical bills within 14.5 days of receipt of an appropriate and complete bill.

**Medical Bill Adjudication** – New claim volume and open inventory have increased and one of the consequences of this is increased medical bill submissions. We were presented with 44,634 medical bills or an increase of 12.3%. Through our medical bill adjudication partner, recommended medical payments totaled \$27,591,000 which is an increase of \$2,191,000 compared to FY23. The FY24 savings were \$20,841,000 or 43.03%, an increase of 2.68% over FY23 results. Our savings percentage continues to improve because of availability of additional networks and changes to our network stacking.



**Claim Resolution** - Claim resolution/claim closure rate is a common benchmark used to evaluate overall operational performance and helps stabilize claim inventories. Against a goal of 100%, the program achieved a 99.27% closing ratio.

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**New Claims Received** - The number of new claims received (claims + incidents) increased by 1,019 or 20.8% from FY23 to FY24.



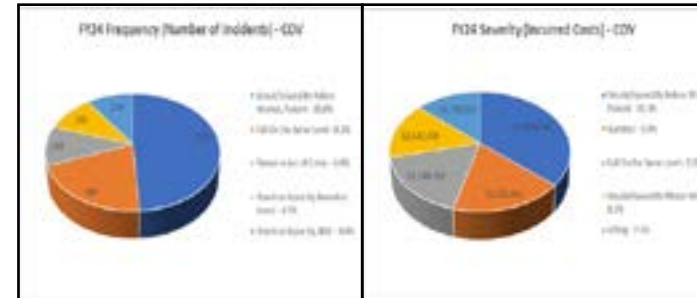
**Pharmacy Benefit Management** – Annual pharmacy spend through the PBM remained relatively flat at \$3,745,971. The average cost per claim increased by 4.25%. With all the drug price increases that went into effect, the goal was to hold the average cost per claim increase, excluding specialty drugs, to under 5% which we were able to do.

In addition to the savings below usual and customary charges noted above, an additional \$164,350 estimated fiscal year savings were realized as a result of clinical interventions and \$304,788 as a result of the prior authorization process.

**Field Case Management** - The total savings during FY24 were \$6,079,716 compared to \$6,866,323 in FY23 which is a decrease of \$786,608. Genex improved open/closed ratio from 92% in FY23 to 98% in FY24. This year we obtained 956 RTW, including 902 full-duty releases with the same employer and 16 placements with new employers.



**Causes of Injury-Frequency & Severity** – Struck/injured by fellow worker or patient accounted for 19.3% of FY24 total incurred while accounting for 19.8% of the frequency. Gunshot accounted for 9.4% of the incurred value, but only .07% of claim frequency.



### Summary

MC Innovations and all our team partners are proud of the successes, accomplishments and advances of the program during FY2024. We realize that there are opportunities for improvement and are excited to be adding two additional benefit coordinator resources to our team which will result in lower caseloads for our claim teams.

MCI looks forward to continued collaboration with the Office of Workers' Compensation and our agency partners to find new and innovative ways to produce better outcomes for the Commonwealth and its many employees.



# Report Package

In our last edition of the Innovator ([Innovator - May 2024](#)) we documented the annual reports that authorized agency contacts receive, additionally five of the annual reports are sent to you on a monthly basis via email:

- COV - Agency Compensation Decision Made
- COV - Agency WC Checks Issued
- COV - Agency WC Return To Work Event Report
- COV - Agency WC Lost Time Days
- COV - Agency Workers Compensation Lag Time Report

Starting in August HR agency contacts as well as those contacts listed as Safety contacts will receive the following safety report package:

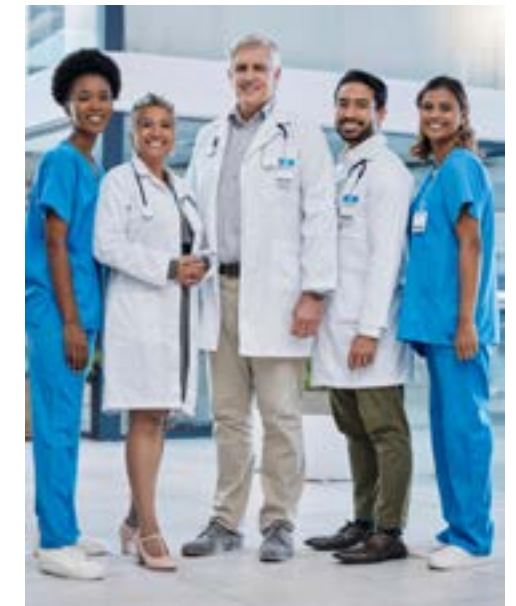
- COV - Calendar Year Claim Listing
- COV - Cause of Injury Analysis
- COV - Claim Counts by Occupation
- COV - Claim Days off Financials
- COV - Claim Injury Detail Report for Period
- COV - Claim List by Injury Fiscal or Calendar Year
- COV - Claim Trend Analysis by Year
- COV - Safety Analysis

Lastly, no later than the first week in September, HR agency contacts as well as any contact identified as a Payroll contact will receive a listing of weekly indemnity payments. This report will include the following information:

- Payment Date – Payment/Check Number – Check Amount – Claim File Number – Invoice – Date Pay From – Date Pay Thru – Description – Weekly (7 Day) Rate – Injured Employee Name – Payment Method – Payee Name

# Panel of Physicians

We have recently heard from a few agencies who have had difficulty forming panels of physicians from the program's PPO network. In an effort to streamline communications and to get you the most accurate information possible, reach out to your agency's assigned Agency Relations Representative (ARR) for assistance in developing or modifying Panels of Physicians. Your ARR will work with other program resources to develop and verify panels. Generally, your panel requests will be fulfilled within 24 hours, unless you are requesting more than five panels. Large requests (more than 5) will be managed as a project with a deliverable date provided to the requestor.



# Safety Corner



## Back to School Safety: Essential Tips for a Secure and Smooth Transition

Terry Botts  
Director of Risk Management MCI



As summer break winds down, we're all gearing up for the back-to-school season. It's a time filled with excitement and anticipation, but it's crucial to ensure that safety is a top priority as everyone transitions back

into the school routine. Whether you're a parent sending your little one to school for the first time or a high school senior getting ready for a jam-packed year, here are some friendly and essential back-to-school safety tips to remember.

### Road Safety

#### 1. Follow School Zone Rules

When driving near schools, be sure to stick to speed limits and keep an eye out for crossing guards. These measures are in place to ensure that kids can safely cross the streets.

#### 2. Use Designated Drop-off Areas

Use the designated drop-off and pick-up spots at school to keep everyone safe. These areas are designed to minimize the risks of accidents and ensure smooth traffic flow.

#### 3. Stay Focused

While driving, it's essential to stay focused on the road. Avoid distractions like texting or checking your phone. Your full attention helps keep everyone safe.

### For students walking or biking to school:

#### 4. Take Safe Routes

Always use crosswalks and follow pedestrian signals. These rules help make sure you cross streets safely.

#### 5. Wear Helmets

Wearing a properly fitted helmet can protect you from severe injuries in an accident if you're biking.

#### 6. Stay Alert

Keep your attention on your surroundings and avoid using your phone or headphones while navigating busy streets

### Health Precautions

#### 7. Stay Up-to-Date on Immunizations

Make sure your vaccinations are current and meet school requirements. This helps protect you and your peers from preventable illnesses.

#### 8. Keep It Clean

Regular handwashing and the use of hand sanitizers can help prevent the spread of germs and keep everyone healthier.



#### 9. Stay Home When Sick

If you're not feeling well, staying home from school is best. This helps prevent spreading illness to others and allows you to recover fully.

#### 10. Communicate Health Needs

Parents should share any specific health concerns or medication needs with school staff to ensure appropriate care is provided.

### Mental and Emotional Well-being

#### 11. Talk About It

Create an open environment where students feel comfortable sharing their feelings and experiences. Good communication helps manage stress and anxiety.

#### 12. Establish Routines

A consistent daily routine helps students adjust more smoothly to the school year. It provides structure and predictability.

#### 13. Find Balance

Encourage a balanced schedule that includes schoolwork, extracurricular activities, and relaxation. Balance helps maintain overall well-being.

#### 14. Utilize School Resources

Schools often offer counseling services and mental health resources. Take advantage of these supports if needed.

### Cyber Safety

#### 15. Be Kind Online

Promote respectful and safe online interactions. Good digital etiquette helps create a positive online environment.



# Safety Corner

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#### 16. Use Strong Passwords

Choose unique and strong passwords for different accounts to keep personal information secure.

#### 17. Monitor Online Activity

Regularly review and discuss your child's online activity. Setting clear guidelines and using parental control tools can help manage digital engagement.



### Emergency Preparedness

#### 18. Know the School's Emergency Plan

Familiarize yourself with the school's emergency procedures and ensure your child knows what to do in various situations.

#### 19. Keep Contact Information Updated

Make sure the school has your most current contact information and emergency contacts. This ensures that you can be reached when needed.

#### 20. Develop a Family Emergency Plan

Create and practice an emergency plan for your family. Include meeting points and communication strategies to ensure everyone knows what to do in an emergency.

### In a Nutshell

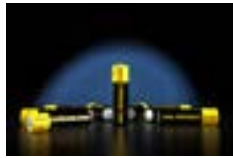
The back-to-school season is an exciting time filled with new opportunities. By focusing on road safety, health, mental well-being, digital safety, and emergency preparedness, we can all work together to ensure the transition back to school is as smooth and safe as possible. Let's make this school year great with safety at the forefront!



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# Safety Corner



GET CHARGED UP!!!



## Lithium Battery Safety at Home: A Guide for Responsible Usage

As electronic devices powered by lithium batteries become ever-present in households, it's crucial to prioritize their safe handling. While these batteries offer efficiency and convenience, improper usage can lead to safety hazards.

### Household Items That Use Lithium Batteries

Lithium batteries are compact, powerful energy sources found in numerous everyday household items. Known for their durability and ability to recharge, they're commonly used in:

- **Smartphones and Tablets:** Lightweight and energy-efficient, perfect for daily use.
- **Laptops:** Compact and high-energy density, offering portability without constant charging.
- **Digital Cameras:** Reliable power for capturing photos and videos.
- **Wireless Headphones:** Delivering consistent power in a compact size for extended music or call sessions.
- **Smart Watches and Fitness Trackers:** Lightweight and quick to recharge, tracking activities throughout the day.
- **Remote Controls:** Ensuring longevity with minimal charge loss when not in use.
- **Electric Toothbrushes:** Durable batteries capable of enduring frequent charges.
- **Flashlights:** Providing bright, long-lasting illumination in emergencies.
- **Power Banks:** Portable chargers for on-the-go device recharging.
- **Hoverboards and Electric Scooters:** Efficient power for eco-friendly personal transportation.

### Here are essential tips for ensuring lithium battery safety at home:

- **Choose Quality Products:** When buying devices or spare lithium batteries, opt for reputable brands. Avoid cheap knock-offs, as they may not meet safety standards.
- **Avoid Overcharging:** Overcharging can cause lithium batteries to overheat and, in extreme cases, catch fire. Always follow manufacturer guidelines on charging times and avoid leaving devices plugged in overnight.
- **Store Batteries Properly:** When not in use, store lithium batteries in a cool, dry place away from direct sunlight and heat sources. If storing for an extended period, maintain them around 50% charge.
- **Handle with Care:** Avoid physical damage like puncturing or crushing lithium batteries and keep them away from water. Damaged batteries can leak or pose fire risks.
- **Prevent Overheating:** Lithium batteries are sensitive to heat. Avoid leaving them in hot cars or direct sunlight for prolonged periods.
- **Charge in Safe Areas:** When charging devices, place them on flat, non-flammable surfaces away from combustible materials. Avoid charging on beds or sofas.
- **Monitor During Charging:** Keep an eye on devices while charging. If you notice unusual smells, excessive heat, or abnormal behavior, unplug immediately and assess the situation.
- **Recycle Responsibly:** It's important to find proper recycling channels for old lithium batteries to ensure they are disposed of safely and responsibly. Many electronics stores and recycling centers accept old lithium batteries for recycling. Additionally, some local government facilities may have specific programs or guidelines for recycling lithium batteries. It's important to research and inquire about the available options in your area to ensure proper disposal.
- **Educate Household Members:** Ensure everyone understands battery safety, especially children. Teach them proper usage and care for devices powered by lithium batteries.
- **Emergency Preparedness:** Have a fire extinguisher nearby in case of battery-related incidents such as overheating or fire. Know how to respond to protect yourself and your home.



### Conclusion

Lithium batteries have transformed portable electronics, offering reliable, long-lasting power in a compact format. To enjoy their benefits safely, handle and dispose of them properly. Understanding their role in household devices enhances appreciation for their contribution to modern lifestyles.

# Employee Spotlights-Promotions

We are thrilled to announce the promotion of two MCI program employees. Read on to learn a little more about each of these individual contributors.

## Rose Vergundia



Rose embarked on her career in workers' compensation insurance in 2017, joining a company that provided comprehensive coverage for Virginia public entities and schools, including property, liability, cyber and workers' compensation. Her background is unique, with an engineering degree and 15 years of experience as a Supply Chain Professional before making the transition to insurance.

Initially, Rose focused on bill review for pharmacy and managed medical notes to route bills for payment.

Her dedication and skill led to a promotion after two years to the role of Claims Associate. In this role, she handled Medical Only Claims (MOI) across Virginia and West Virginia counties, as well as school and subrogation claims. During this period, she gained significant experience managing complex cases, including those related to COVID-19 from 2021 to 2022.

In July 2022, Rose joined MCI under Claire's team in a temporary position tailored to her MOI claims expertise. Her performance led to her being hired as an Associate BC on February 27, 2023. To date, she has accumulated five years of experience as an MOI claims adjuster.

Rose is enthusiastic about her transition to the Claims Adjuster-Indemnity position and is eager to apply her skills and experience in handling lost time claims. She looks forward to contributing to her new team and supporting the program's goals.

Outside of work, Rose enjoys traveling with her husband and choreographing native and cultural dances for community events, reflecting her passion for cultural engagement and exploration.

## Sam DeJesus



Sam DeJesus has been an integral part of the COV program for nearly two decades. Starting her journey as a temp, Sam quickly made her mark and was hired as a receptionist. Over the years, she has advanced through several roles, including scanner, claims assistant, and associate benefit coordinator. Her dedication and hard work recently earned her a promotion to Unresolved Medical Benefit Coordinator.

Originally from Virginia Beach, Sam has fond memories of boogie boarding at the oceanfront in her younger days. Outside of work, she cherishes time with her family, which includes her two sons, daughter, and granddaughter. When she's not with her loved ones, Sam enjoys watching movies. A fun fact about Sam: she has a musical background and played the clarinet and bass clarinet!