**Highly Effective Strategies To**

**Manage Catastrophic Workers’ Comp Claims**

**Introduction: (5 minutes)**

* Welcome to WC Mastery training
  + Excited for you to learn, more excited for you to implement and impact lives
  + Megaphone, your impact is that much bigger
  + Focus on care & outcome, cost savings will follow in spades
* Introduce 3 Main Points:
* Define Catastrophic Claims
* Catastrophic Care Plan
* Where and How to Start Implementation

**Main Point #1: Define Catastrophic Claims (5-10 minutes)**

* Claims Stats
  + PTD Claims (John Burton Study, Rutgers 2009)
    - 0.3% of claims 7.1% of benefits
  + ACOEM Statistics
    - 5% of claims, 80% of costs
* Impact:
  + Life of individual and their family
  + Daily workplace operations, other co-workers
  + Community, Boy Scouts
  + Public Relations
  + Financial impact
  + Accountability to OSHA
* Definition
  + “outside of normal reporting”
  + Multiple trauma
  + Severe burns
  + Traumatic brain injuries
  + Spinal cord injuries
  + Amputations
  + L&I
    - Requires overnight hospitalization w/in 24 hours & 4 consecutive days of hospitalization
  + “creeping catastrophic” claims
* Trigger point:
  + Type of injury
  + Hospitalization
  + Routine claims that turn complex
  + Early Intervention is key
    - Written policy
* Causes of catastrophic claims (Safety National)
  + 24% motor vehicle accident
  + 24% from fall, even simple trip & fall where land and incur brain injury
  + 20% struck by
    - Struck by car, struck by falling object
  + 10% act of crime
  + 8% burns
* Catastrophic Claims are different, and need to be treated and cared for differently.
* Impact on Litigation Rates

**Main Point #2: Catastrophic Care Plan (30 minutes)**

* Enemies of Proper Care
  + Poor Communication
  + Delays in Medical Treatment
  + Improper Medical Treatment

# Priority #1: Demonstrate Care & Establish Trust At Time of Injury

* + *“Can’t let go of the injured worker, have to be there right away”*
  + Contact employee (if able to speak) / family member; arrange to meet at hospital
  + 16 body systems
    - 16th body system is the family;
    - Have to solve for family and community
  + True Injured Worker Advocacy:
    - Visit hospital:
      * Include: Direct Supervisor, NCM
      * Bring flowers or similar
    - Outlier Cases: $2m turned into $4m
      * Psychosocial issues were family and community
      * Specialized social workers to address and manage issues
  + Employee concerned with survival, fear of how support family, etc.
    - “Will I be able to work in the future and how will this accident impact my life with my family and my family’s life?
  + Where litigation is often decided:
    - Establish rapport
    - Active listening, Empathy, Be acknowledged & heard
      * If you don’t listen, they’ll find an attorney who will
    - Reassure that all medical and indemnity taken care of
    - Michael J Fox
      * Those in despair speak of positivity, encouragement, not giving up on patient is deciding factor. “you’ll be able to go fishing again”
      * Difference between disability mindset & return to function
      * Vulnerable; reframe & focus on function rather than pain
      * *People Don’t Care How Much You Know Until They Know How Much You Care. – Teddy Roosevelt*

# Priority #2: Detailed Investigation w/ long view

* + *“Element of fraud doesn’t exist; no malingering.”*
  + Safety department involvement
    - OSHA
  + Who, What, Why, How
    - Reports of Injury
  + Subrogation
    - Develop subrogation expert relationship
  + ER treatment
    - Obtain ER records
    - Preserve urine / blood tests
    - No opioids
      * 1.76x more likely > $100k short term opioids
      * 3.94x longer term opioids
    - Diagnostic testing
  + Establish reserves
    - *“Don’t kid yourself on the cost of the claim”*

# Priority # 3: Establish Medical & Support Team

* + Establish the stakeholders
    - Catastrophic team
      * Highly credentialed doctors
      * Clinical experts
      * Specialized case managers
      * Network manager
      * Community care specialist
      * Medical advisor
      * Adjuster
    - Notify excess carrier right away
  + Consider all factors:
    - Co-morbid conditions
    - Prior injuries
    - Attitude / resiliency
    - Work history
    - Family support
      * Strength of marriage
      * Family dynamic
  + Work together as team: Adjuster, NCM, Medical Advisor
    - What doctors?
    - What facility?
      * Trama Center?
      * Burn Center?
      * In network
      * Transfer?
      * Transportation costs are small compared to hospital bills
      * Right rehab facility
      * Centers of excellence
    - What is timeline?
    - What is plan of action?
  + **Change the way care is delivered**
    - *‘Build a bridge between the family and TPA”*
    - *“If there is an IME you have lost the war”*
    - *“Want the right utilization at the right time”*
    - Spend money on the meaningful extras
    - Medical Depth & Expertise
      * Can speak with treating physician re: treatment plan
    - Proper care first, Savings Follow
      * Not a time to be cheap; optimal care, geographically feasible

# Priority #4: Follow Up Communication with IW & Family

* + Communication is critical, critical, critical
  + Show tact
    - keep in loop
    - don’t share every possible complication before knowing complete plan
  + Guide IW & family through significant life changes
    - Leverage experience of highly trained catastrophic team
  + **Set expectations for RTW; Empower injured worker**
    - Avoid ‘sick role’
    - They are responsible for their recovery
      * Attend medical appointments
      * Communicate w/ employer
    - Their job is to get better & you will support
* **Priority #5: Ongoing Treatment & Transition Plan**
  + Initial stage has passed
    - *“need to be able to see around the corner and plan for what’s coming next”*
    - *“know all the discrete elements of the injury”*
    - *“how will this look 3 years from now”*
  + NCM managing day-day of medical, coordinating:
    - treating physicians
    - medical specialists
    - consultants
    - therapists
    - rehabilitation provider
    - life-care planners
  + **Efficiency in hand-offs**
    - **90 medical hand-offs in Spinal Cord Injury**
  + Proper medical management essential
    - Continuity of care
      * Critical
    - Medical oversight
      * Closely monitor unrelated treatment
      * Significant leakage
      * Retrospective & prospective evaluations
    - Medical bill review
      * Closely monitor bills
  + **#1 Cost Driver is Attendant Care**
    - Get wrong and will 3x cost of case
      * Train family
      * Unskilled attendant care
  + Address Biopsychosocial Factors
    - Psychological factors play bigger role than physical
    - Early screening
    - Big factor in “creeping catastrophic” claims
  + **Resources on the claim until conclusion**
    - When injured worker reaches MMI
  + Discharge planning
    - **House visit to address needs**
      * Is it clean?
      * Assess stairs
      * Will a hospital bed fit?
      * Is it a safe environment conducive to recovery?
    - Never discharge until DME needs are met
      * Better to say at hospital if home not right
        + Do you need cleaning person?
        + Who is going to provide care?
        + How will person go to bathroom?
  + **Cost Management**
    - Medical bill review
    - Paradigm – lump sum payment

# **Priority #1\*: Ongoing communication with Injured Worker**

* + *\*communication is always top priority*
    - Ideally weekly meetings
      * How are you doing?
      * How is medical care so far?
        + Diagnosis, Treatment, Recovery (when do you think RTW?)
      * Let’s review (or did doctor tell you) activities can and can’t do
      * Do you feel like you are able to work?
        + What part of your job do you feel you can do?
      * Based on what you’ve told me, and what doctor reported, I think you can do X…does that sound reasonable?
      * When is next doctors appointment?
      * Anything else I can do? Any other questions?
* **Priority #6: Weekly Claims Roundtable**
  + ER, Adjuster, NCM, Account Rep, Broker, Medical advisor, Defense attorney
    - Settlement consultant, MSA Vendor
  + Agenda:
* Identifiers:
  + EE name & job title
  + Date and type of injury
* Status:
  + Back at work? How many days?
  + Recent communication – attitude, etc.
  + Medical? Anything coming up?
* Action Plan:
  + What is the action plan?

**Main Point #3: Where and How to Start Implementation (10 minutes)**

* Results
  + Paradigm Study by Milliman
    - Return to Work Results:
      * Release to RTW: 65% vs 13% industry benchmark
      * Returned to Work: 40% vs 7.0% industry benchmark
    - 32% lower costs compared to similar industry benchmark claim
      * Averages $1.2 million per claim
* Develop Written Plan
  + Account instructions
  + Involve TPA/Carrier, Insurance Broker, Adjusters, NCMs
  + Need to go beyond normal protocol
* Forecasting Future Reserves
  + Being clear on future cost estimates
* Start with Care
* Follow with medical & vendor expertise