Introduction

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Agenda

• Introduction of Speakers
• Organization vs. Workers’ Compensation Program
• Communication & Partnership
• Claim Cost Drivers
• Revenue Generation
• Audits & Measurements
• Questions
Organization vs. Workers’ Compensation Program

**Organization**
- Stand Alone Employer
- Part of Joint Powers Authority (Pool)

**Work Comp Program**
- Insurance
- Self-Insured/Self-Administered
- Self-Insured/TPA
Communication

• **Best Practices – Injured Worker Contact**
  • New Injury – 24 Hours From Receipt
  • Totally Temporarily Disabled – Every 14 Days
  • Modified Duty – Every 14 Days
  • Medical Treatment – Every 30 Days
  • Before Notices Are Sent!

• **Best Practices – Employer/Client Contact**
  • New Injury – 24 Hours From Receipt
  • Conference Call to Discuss TTD & Modified Duty Claims
  • Immediate contact on High Profile & Flagged Claims
  • Delay & Denial Decisions
Partnership

**Partnership – Injured Worker**
- Cell Number
- Email (Home vs. Work)
- Time of Day to Contact
- Explain When They Can Expect Communication
- How to Contact Examiner / Backup Examiner

**Partnership – Employer/Client**
- Form of Communication Desired (Phone vs. Email)
- How to Communicate it is Urgent
- Who are Your High Profile & Flagged Claims
- Who is Your Back Up
Cost Drivers In Your Program

• Defense Attorney (Litigation)
• Best Practice
  • Employer Involved in Attorney Selection
  • Creating Panel (Specialties)
  • Local Knowledge of Jurisdiction
  • Fees vs. Flat Rate
  • Revenue Generation for Attorney
  • Settle vs. Fight
  • Use of Hearing Representatives vs. Attorney
  • Litigation Management
Litigated Claims Report

Spreadsheet

Claimant  DOI  Organization  Injury Type  Attorneys  Status

Why Track Litigated Claims?

1. Most Costly
2. Open Longest
3. Attorney Selection
4. Monitor Claim Progress
5. Attend Some Depositions/WCAB Hearings – Evaluate Attorney’s
6. Plan of Action – Settlement Solutions
7. Compromise and Release
8. Settlement
Cost Drivers In Your Program

• **Penalties**
  • How is Employer Notified of Penalties
  • What is the Reimbursement Process (Automatic)
  • Late Reporting to Excess
  • Resolving Litigation

• **Nurse Case Managers**
  • Appropriate Use / Monitoring
    • Employer defined referral criteria
    • Reports to track activity
    • Spot checking bills
  • Building a team with the Nurse (Same Nurse)
    • Communication with Clinics
    • Schedule Appointments Quicker
    • Independent Third Party – Caring & Explaining
    • Assisting with medical questions (Examiners & Injured Workers)
Penalty Report

<table>
<thead>
<tr>
<th>Spreadsheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
</tr>
</tbody>
</table>

What to Look For

1. Reasons for Penalty
2. Corrective Measure to Prevent Future Penalties
3. Responsible Party
4. Additional Information Needed by Employer
5. One-Time Issue?
# Nurse Case Management Report

## Spreadsheet

<table>
<thead>
<tr>
<th>Employee</th>
<th>Date of Service</th>
<th>Activity</th>
<th>Hours</th>
<th>Cost</th>
</tr>
</thead>
</table>

## What to Look For

1. Monthly Summary
2. Closure Report
3. Excessive Time/Charges
4. Charges for Duplicate Activities
5. Unnecessary Activities
6. Nurse Performing Examiner’s Job
7. Telephonic vs. Field
Cost Drivers In Your Program

• **Reserves**
  • What is TPA process for Examiner Reserving
  • Reserve Levels
  • Employer Notice
  • Impact on Employer Programs (Excess & Funding)

• **Closings**
  • Reserves
  • Impact on claims count vs. cost to Employer (charged per open file)
Reserve Change Report

- Provided Monthly or More Frequently
- More than $25,000 Increase
- Identifies Activity on Claims
- Frequent Increases/Decreases - Problems?
- Targets Claims to Review
Closed Claim Log Report

- Monthly Report
- Medical Only/Indemnity/Future Medical
- MMI/Discharged from Care/No Future Medical
- C&R / Stipulated Award
- Administrative Closure – 2 Years without Treatment (technically still open)
- Ratio to Open Claims
- Lag time to Closure
Cost Drivers In Your Program

• **Utilization Review**
  • Description of Current UR Process
  • Referrals have all Medicals Attached Preventing Delays
  • Utilize Statutory & Legal Reasons for Deferral
  • How to communicate Non-Certifications to prevent IMR Process
  • Define what Examiners can authorize
  • Impact of Independent Medical Review Process (Cost)
Utilization Review Savings Report

- Monthly Report
- Number and Cost of UR Events by Level
  - Examiner Approvals – No Charge
  - Nurse Approvals/Pass to URMD - $125-$225
  - URMD Approvals/Denials/Appeals/Peer to Peer –
    - $260-$750
  - IMR - $560+
- Cost to Approve Treatment
- Savings (how to calculate?)
- Ratio of Non-Certifications Supported vs. Overturned by IMR
Utilization Review Referral Report

- Utilization Review
  - Number of Referrals (Peer Reviews)
    - What was Certified vs. Non-certified (Actual Services)
    - Reasons for Non-Certifications (Lack of Information?)
  - Number of Non-Certifications
    - How many IMR Applications Received
    - IMR Decisions (UR Upheld or Overturned)
    - Reason for Overturned
  - Number of Examiner Authorizations
    - Types of Services
    - Before/After UR Determination
  - Review Examiner Authorizations List Monthly
    - Update with Most Frequent Nurse Level Certifications
Utilization Review Costs
Revenue Generation

- Managed Care (Bundled Services)
  - Utilization Review
  - Bill Review
  - Nurse Case Management
  - 800 Reporting
  - Medical Provider Networks
  - Peer to Peer Medical Reviews
  - Return To Work Services
Revenue Generation cont.

- Vendor Panels
  - Defense Attorney
  - Copy Services
  - Diagnostic Services
  - Durable Medical Equipment
  - Transportation Services
  - Translation Services
  - Pharmacy Benefit Program (PMB)
  - Investigation Firms
Audits

• Best Practices - Audits
  • Bi-Annually
  • Same or Different Auditor?
    • Track Improvements
  • What to Measure
    • SIP/Audit Unit Standards vs. Customized
  • Correlated to Performance Incentive Program?
    • Predetermined Set of Measurements
  • Think Outside the Box!
    • Measure What is Important to Your Program
Program Measurements

- **Claim Activity**
  - Openings vs. Closing
  - Lag Time For Reporting & Setting Up Claim File
  - Lag Time for 3 PT Contact
  - Lag Time For Closing
  - Average Cost Per Closed File
  - Open Inventory By Examiner / Site / Department
  - Lag Time to Settlement
  - Lag Time for Referrals
Program Measurements – Claims Watch List

Spreadsheet

<table>
<thead>
<tr>
<th>Claimant</th>
<th>DOI</th>
<th>Organization</th>
<th>Injury Type</th>
<th>Issues</th>
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What Types of Claims to Track

1. Stress/Psych
2. Late Reporting of Injury
3. Claimant upset with employer/process/examiner
4. Potential Fraud
5. Frequent Flyers
6. Type of Injury Inconsistent with Accident
7. Investigations
Program Measurements – Check Register

Spreadsheet

<table>
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<th>Amount</th>
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What to Look For

- High $$ Charges
- Utilization Review
- Nurse Case Management
- Legal
- QME/AME
- Investigation – AOE/COE, Sub Rosa, SIU
- Personal Areas of Interest
  (Pharmacy, Settlements, Surgery, DME, Etc.)

Triggers Evaluation of Claim File Notes
## Program Measurements – Cost By Category

### Spreadsheet

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### What to Look For

- Chiropractic/Physical Therapy
- C&R
- DME
- Investigation
- Legal
- AME/QME
- Pharmacy
- Treatment
- TD/PD
- TPA Penalties
  - Monthly/Annual
  - Trends – Pinpoint Potential Problems

- Monthly/Annual
- Trends – Pinpoint Potential Problems
Program Measurements – Litigated Outcomes

• Litigation
  • Litigated Files
    • Newly Litigated (reason?)
  • Settlements (C&R vs. Stipulated Awards)
    • Average Litigation Cost by Firm
    • Average Settlement Value by Award Type
    • Average Settlement Value by Examiner
    • Length of Time To Settlement
Program Measurements – TTD / Mod Duty Claims

• TTD & Modified Duty Claims
  • Number of Employees on TTD
  • Length of Time on TTD
  • Reason (No Restrictions vs. Accommodation Issue)
  • By Site / Department / District
  • Number of Employees on Modified Duty
  • Length of Time on Modified Duty
  • Date Last Updated Restrictions
The combined effect of utilizing cost containment programs and services have resulted in capturing $8.4 million in savings for the members.
Questions

Thank You For Being Such A Wonderful Audience!