



By Robert Faulhaber and Paul Binsfeld

PRIMA Members Employ Hybrid Solution to Claims and Injury Management in Workers' Comp Programs

There have been significant improvements in workers' compensation programs across the country. According to the National Council on Compensation Insurance, combined loss ratios for workers' compensation have now yielded the best results since 1997.

Despite these improvements, two key challenges continue to plague public risk managers: 1) ensuring claims are reported early and managed proactively to ensure best results, and 2) making sure injured employees obtain prompt and appropriate medical attention to ensure optimal care and recovery.

To address these issues, two PRIMA member organizations have implemented a new hybrid solution that combines the use

of sophisticated claims technology and the application of a nurse's medical expertise at the point of injury. This integrated methodology has helped them improve claims costs and medical outcomes as well as overcome many of the traditional barriers to prompt injury reporting, appropriate medical care, and proactive claims management.

Nurses Initiate Appropriate Care and Injury Management

In group health, many health plans now provide members with access to a toll-free nurse hotline. Callers can obtain health care information and advice when they're unsure of what type of treatment they may need for a particular condition or health concern. The nurses play a vital role in triaging cases to the most appropriate level of care,

saving health plans significant costs. Today, this same concept is being applied in the workers' compensation arena.

Janet Selby, workers' compensation claims manager of the Municipal Pooling Authority (MPA) in Walnut Creek, CA, first heard of the concept at a public risk management conference.

"There was a session hosted by a nurse, who provided his school district with medical expertise for workplace injuries," said Selby. "He helped to decide on the appropriate care and treatment required. This sounded like something we could implement at MPA."

The primary goal of MPA, which represents the interests of several cities, is to provide employees with quality care, while also



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protecting the cities’ financial resources. Like many public entities, one of MPA’s main challenges was ensuring appropriate treatment for different types of injuries.

“We routinely train supervisors and managers on proper handling of new claims, but many supervisors were nervous about making medical treatment decisions for injuries, even minor ones,” said Selby. “As a result, they often err on the side of caution, sending everyone for treatment, which then results in more claims.”

To solve this problem, MPA decided to outsource the role of directing care to a company specializing in telephonic nurse triaging capabilities.

“With this service, we have access to a medical expert trained to make appropriate treatment decisions,” said Selby.

Selby also points out that the service is available 24 hours-a-day, seven days-a-week, which provides an added benefit to public employees who work around the clock.

For example, if a police officer working the night shift experienced a surface wound at 2:00 a.m., previously the officer would have gone to a crowded ER, where he or she might have waited hours to be seen by a

physician. Or even worse, the injury might have gone untreated for days, which can lead to medical complications.

Using nurse telephone triaging, an officer can call from anywhere in the city, speak to a nurse and obtain medical advice on how to clean and dress the wound. The nurse can also advise the officer to seek follow-up care at an occupational clinic open the next morning.

Nurse call centers utilize highly experienced RNs, who do not serve as gatekeepers to care, but instead, provide an objective assessment of the worker’s injury or illness, directing patients to the most appropriate and cost-effective care available. In some cases that may be an ER, but in other cases it may be an occupational clinic or simple first aid. Nurses often offer translation services in order to ensure communication with employees who speak a variety of languages.

Scott Schimke, executive director of the Golden State Risk Management Authority (GSRMA) in Willows, CA, realized his organization’s initial-report-of-injury process was the key to initiating effective claims management. GSRMA covers 140 public entity members.

“Getting these entities to report injuries in a timely manner was a challenge,” said Schimke.

Schimke knew the faster a work-related injury was reported, the earlier claims management could begin, and the better results would be.

Previously, an injured worker went to a supervisor, who filled out a written report. Now, Golden State’s members are required to call a toll-free nurse hotline. Nurses are trained to ask all the right questions to determine the appropriate level of care required. The nurse then uses a computerized system to locate an appropriate local physician within Golden State’s managed provider network.

The nurse creates the required forms and sends them via email or fax to all the appropriate parties, including the employer, physician and adjuster at Golden State’s claims department. This allows all parties to get involved in the claims process as soon as possible.

“We’ve essentially linked the nurse to the workers’ compensation process at the point of injury,” said Schimke. “In some cases, the injured workers speak to a nurse and realize they don’t need to see a doctor, so there’s



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Schimke also believes the consistent and thorough reporting process reduces the likelihood of fraud and abuse within the workers’ compensation system.

“There is less opportunity for injured employees to later change their story,” said Schimke.

The nurse also informs workers if their employers have a drug-free workplace policy, meaning they will be tested to ensure they were not under the influence at the time of injury.

Integrated Technology to Proactively Manage Claims and Losses

Once an injury is reported and the employee receives initial care, the claim must be proactively managed to ensure prompt recovery and return-to-work results. The progress of the claim is charted through to settlement.

Today, managing workers’ compensation claims involves various parties and claim specialists, who have their own information systems. To connect all the appropriate people, systems and processes, MPA and GSRMA are utilizing integrated claims systems that provide a more collaborative platform.

At MPA, Selby ensured her risk pool had access to a flexible system that could continually be fine-tuned to meet their unique claims-handling practices.

“We customized business rules to automatically trigger reminders about certain events—such as a letter to be generated and sent—rather than having the examiner burdened with remembering to perform such tasks when they already have dozens of things to do,” said Selby. “In addition, the workers’ compensation process is time-sensitive. Our claims system helps adjusters take action within required timeframes, and to help employees return to work as soon as medically possible.”

MPA’s return-to-work (RTW) coordinator immediately receives an email notice from the triaging nurse when an injury is reported. The notice contains the complete injury and care information, so the coordinator can then initiate the RTW process, contact the treating physician to determine the employee’s work status and discuss an appropriate RTW plan and target date.

At GSRMA, rather than tie up valuable adjuster resources with mundane tasks, their claims system provides numerous automation tools—such as automated forms, diary systems, and document-imaging—to make routine administrative functions more efficient.

“The system enables us to benefit from significant workflow advantages, and since we only have three examiners, any function that can be streamlined and converted into an automated, electronic process helps to shave off additional time and resources,” said Schimke. “In the long run, our efficiencies gains have paid off, allowing us to stay focused on what truly matters—personalized service to public entities and applying our expertise where it’s needed most.”

GSRMA also improved communication and collaboration by providing its external partners, such as claims investigators, with direct log on access to its browser-based claims system. When GSRMA assigns a claim for investigation, they simply email the file number to the investigator, who then logs on remotely to review the file, conduct the investigation and enter notes into the system.

Data Analysis & Reporting for Loss Prevention

With information being collected at the point of injury and throughout the claims process, there is now an even greater potential to learn from this data.

For public entities, the data analysis capabilities of varying claims systems help improve their workers’ compensation program results. For example, reports allow a RTW coordinator to monitor the

percentage of employees that have returned to work, and whether it was to full or modified duty. A public entity's safety director can analyze information to identify common injuries or high-incident locations, targeting these areas with safety equipment or training initiatives to prevent future claims. Data analysis can also help to analyze the performance of medical providers, profile physicians, and pinpoint those with the lowest overall costs and best outcomes.

“Within MPA's Safety Program, the loss control supervisor uses risk management reports to inform cities of where their losses are coming from,” said Selby. “Each of our cities has its own injury and illness program that targets injury-prone areas. Reports analyze claim costs and the total number of injuries by city and department.”

For example, the risk management reports helped MPA realize they were experiencing significant back injuries across many of its public entities.

“As such, we offered a back safety program that trained employees on how to avoid these types of injuries, particularly in the public works and police departments,” said Selby.

GSRMA's system captures the full range of claims and medical bill review information that generates key risk management reports.

“On a monthly basis, we automatically distribute loss runs to the safety officers at each member site,” said Schimke. “With this ability to track losses, our members have been able to create safer work environments, and by analyzing the overall loss experience of our pool, we've developed loss prevention and training programs that have provided significant improvements over time.”

Both MPA and GSRMA are prime examples of public entities that have leveraged both medical expertise and integrated claims technology to the benefit of their respective programs. These organizations were successful because they implemented solutions that re-enforced and facilitated their unique policies and objectives. ■

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