

Workers' Compensation Savings: 5 Key Factors that Employers Cannot Afford to Overlook

A great deal of attention in workers' compensation is appropriately focused on premium rates and programs that deliver savings. An employer's ability to qualify for premium savings through group programs can be fragile, as a single costly claim can limit future group options. The combination of claim delays and lost workdays can damage premium rates for several years. Below are 5 areas in which a Managed Care Organization (MCO) can help employers improve the likelihood of lower workers' compensation premium.

1. Post injury management

An employer's initial reaction to their employee after an injury is a key moment. Following an organized game plan fosters trust and cooperation. A chaotic atmosphere can lead an injured employee elsewhere for direction. Employers should be prepared to address these three things immediately after an injury:

- a) *Initial medical treatment* - Know the available medical treatment options in the area. Keep their contact information and coordinate with them after an injury.
- b) *Quick and thorough documentation of the injury* - Be prepared to assist in completing an injury report. Facilitate filing a clearly legitimate claim through your MCO. This will help prevent delays, keeping everyone focused on recovery and return-to-work.
- c) *Discuss early return-to-work, Transitional Work options* - Establish an expectation for a quick recovery and a quick return-to-work. Be prepared to make adjustments to help facilitate return-to-work.

2. Negotiating for early return-to-work

When an injured employee is off work for 8 or more days, lost-time costs accelerate quickly and can threaten future savings opportunities. A physician's instinct may involve time off work, but this can be negotiated if employers can demonstrate a safe work environment that facilitates recovery. Working with your MCO to address Transitional Work options can promote cooperation with treating physicians and lessen exposure to costly lost-time claims. A formal transitional work policy is an asset because it will outline this process for all parties, and MCOs can help build that infrastructure.

3. Oversight of medical treatment

Medical treatment for a workers' compensation injury must be approved as appropriate and cost-effective by your MCO. A claim's duration of lost-time is related to the course of medical treatment. Engaging physicians on treatment decisions and advocating for quality treatment that facilitates early and safe return-to-work is a role of your MCO. Sometimes it is appropriate to explore alternative approaches to treatment that may result in improved results and shorter recovery time. Employers should be involved in this process with their MCO, and should have an understanding of the necessity and value of treatment for their injured employees.

4. Review of prescription medications

Problems with prescription abuse are well documented. The cost of excessive medications impacts the cost of a claim, but prescribed medications can also extend lost time simply due to their side-effects. Prescriptions can disable an otherwise able body. MCOs review medications prescribed through a claim and contest drugs that are not appropriate. Non-narcotic alternatives can be recommended that may eliminate side-effects that can extend lost-time and related costs.

5. Scrutiny of medical bills

The actual cost of medical treatment for workers' compensation claims is usually far lower than the costs associated with lost work days (compensation and reserves). But it should not be overlooked as a "given". Review of medical bills must be scrutinized to ensure accurate payment only for related treatment. There are often opportunities for significant reductions through the use of universal codes and "bundling" services for efficiency.

Sometimes the key to resolving a claim before it becomes extremely costly is found in the details. Leveraging resources like your MCO can help prepare employers to minimize costs and preserve premium savings options. It is important to remain tuned in to the work of the MCO through the claim management process.

CareWorks of Ohio MCO and CompManagement Health Systems merged effective Monday, December 21, 2020. The merger accompanied a name change to Sedgwick Managed Care Ohio (Sedgwick MCO).