



Managing Workers' Compensation Claims

Presented by Patty Davidson, Qual-Lynx

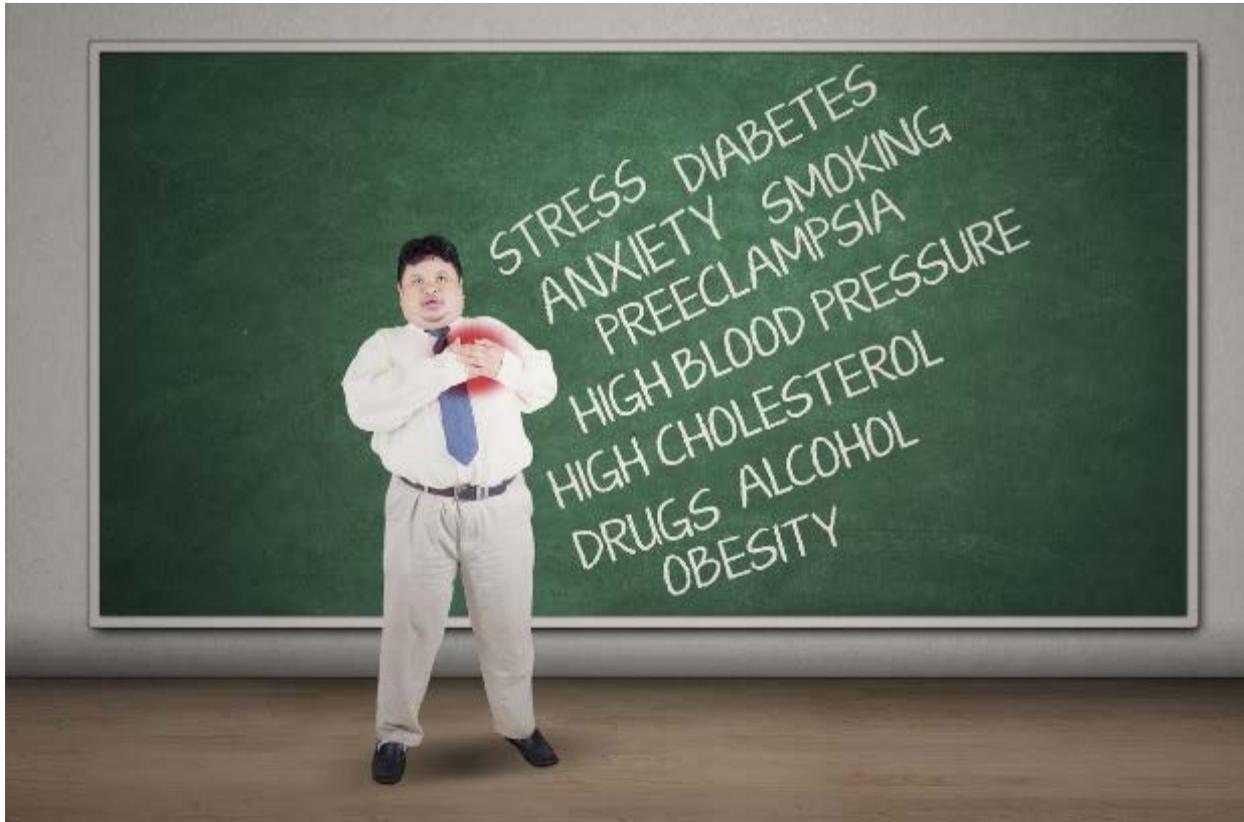
Adapted from

Pandora's Box Managing Compensation Claims with Comorbid Conditions

Presented by Eric Patten, RN, BSN

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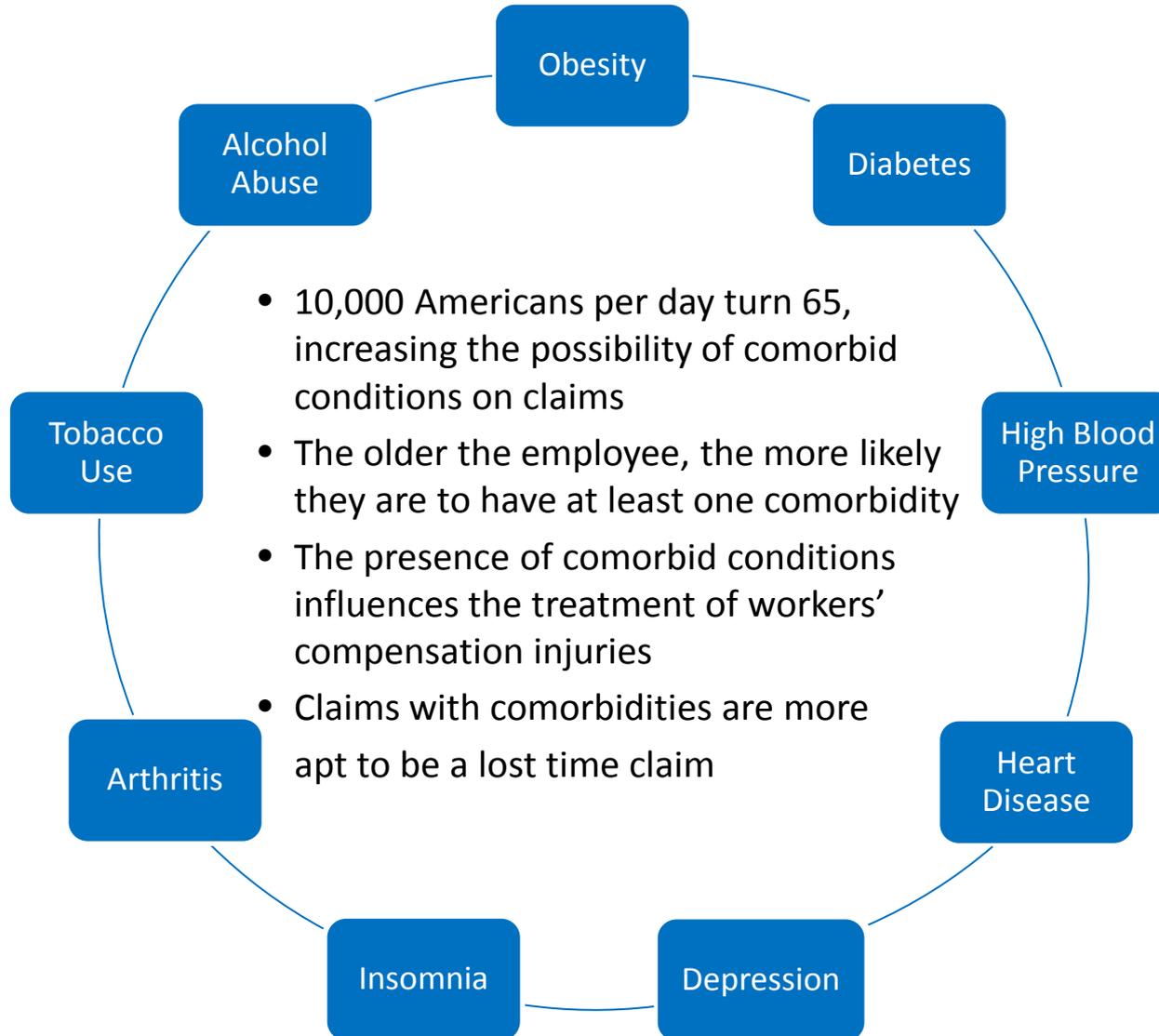


The workers' compensation industry needs to do a better job of managing underlying chronic conditions, along with an employee's injury, to better manage claim costs. (Photo: iStock; Harbor Health Systems; Property Casualty 360 by Linda Lane)

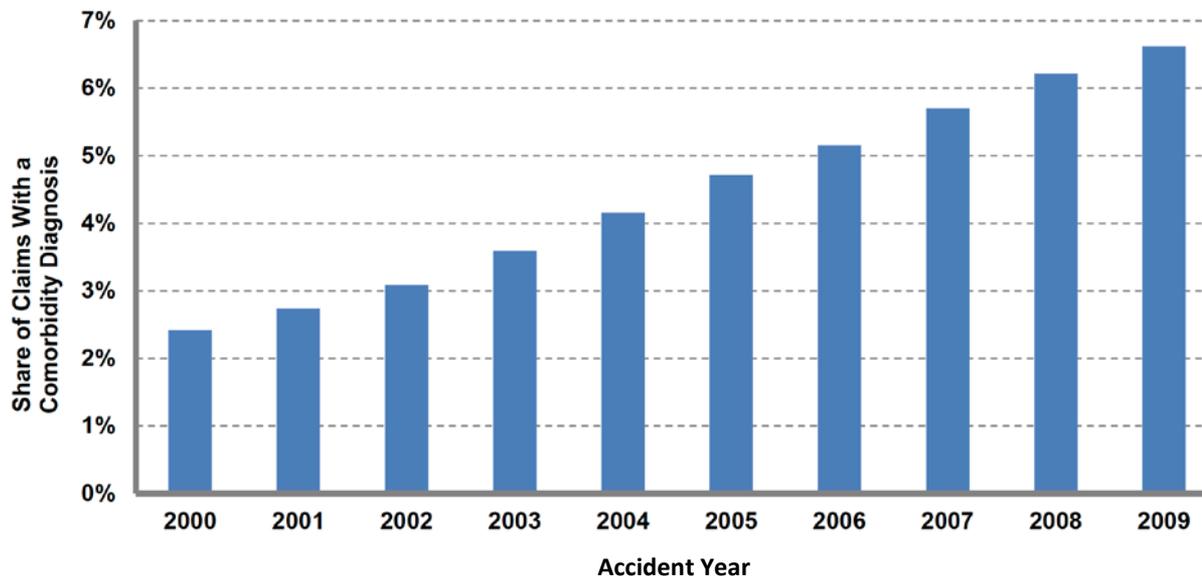
An injured worker's health status can drastically change the expected outcome of an injury.

According to a recent Official Disability Guideline (ODG) study, “the morbidity of workplace injuries increases where there are other health conditions, such as obesity and mental health problems.”

Common Comorbid Conditions



Workers Compensation Claims with a Comorbidity Diagnosis are Increasing



From Study:

- WC claims with comorbidity increased nearly 3x from 2000 to 2009
- Claims with a comorbid diagnosis have about 2x the medical costs of otherwise comparable claims

“Comorbidities in Workers’ Compensation,” NCCI Research Brief, October 2012

Let's Compare...

Loss Facts: While getting into a trash truck, the claimant lost his footing and grabbed onto the door to stop himself from falling, hyper-extending his left arm.

John Doe

Age: 53

Height: 5' 7"

Weight: 213 lbs



Comorbid Condition(s):
Tobacco use; Obesity

Occupation: Truck Driver/Operator
Diagnosis: Left rotator cuff tear
Treatment: Arthroscopic RTC repair;
36 PT visits post-op; 2nd Surgery; 18
additional PT visits post-op; FCE
MMI: with permanent restrictions
Out of Work: 20 weeks

Mike Smith

Age: 53

Height: 5' 7"

Weight: 168 lbs



Comorbid Condition(s):
None

Occupation: Truck Driver/Operator
Diagnosis: Left rotator cuff tear
Treatment: Arthroscopic RTC repair;
24 PT visits post-op; FCE
MMI: with full duty release
Out of Work: 8 weeks

Let's Compare...

John Doe

TTD Paid: \$17,920.00

Medical Paid: \$34,613.00

CP Filed – Award:
30% PPD \$52,710.00

TOTAL COST
\$105,243.00

Mike Smith

TTD Paid: \$7,168.00

Medical Paid: \$19,831.00

CP Filed – Award:
22.5% PPD \$34,635.00

TOTAL COST
\$61,634.00

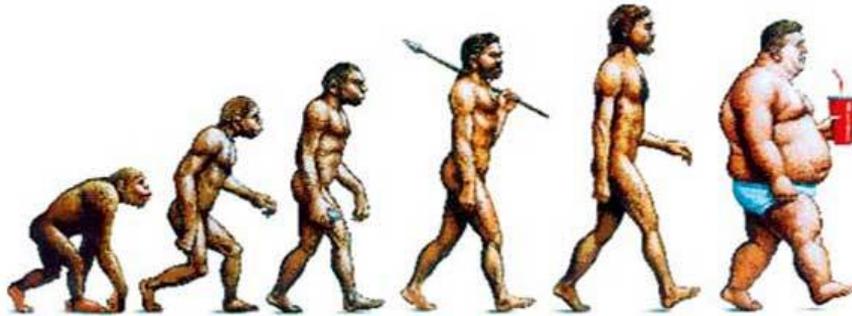
What's next for John?

When evaluating the overall impact of various comorbidities on workers' compensation claims, the two that have the greatest impact are multiple comorbidities and obesity, followed by addiction, mental health and hypertension, with diabetes and tobacco having the lowest impact.



Relationships between comorbidities — such as the link between obesity and diabetes — can exacerbate complications and health risks. The age of the injured worker is another factor that is associated with comorbidities and can complicate the management of a claim.

Obesity



- In June of 2013, the American Medical Association declared obesity a disease
- Excess body fat accumulates, adverse effect on health leads to reduced life expectancy and/or increased health problems
- BMI is 30 or more
- Related to health risks: coronary heart disease, hypertension, stroke, type 2 diabetes, cancer, liver and gall bladder disease
- By 2030, it is estimated 51% of the total U.S. population will be obese

Duke University Medical Center Study

Obese Workers

- Filed 2X as many work injury claims
- 7X higher medical costs for claims
- Missed 13X more days of work from work injury or work illness

USA Obesity
rates to soar.
Most americans
will be obese by
2030!



Obesity

Condition affects an estimated 97 million Americans

29% OF THE POPULATION IS OBESE

Look around you...

Is 29% of your workforce obese?

Does John Doe work for you?

Do the math...

How many employees is 29% of your workforce?

Obesity and Workers' Compensation

If an employee is obese, they are more likely to suffer the following work-related injuries:

- Inguinal hernia
- Torn meniscus (knee)
- Low back strain



Image by Kurhan

Diabetes

Type 1 Diabetes: An employee's body does not make enough insulin

Type 2 Diabetes: An employee's body is unable to effectively use the insulin that it produces

Symptoms

- Excessive Thirst
- Frequent Urination
- Weight Loss
- Lethargic

Impact on WC

- Delayed healing for burns, wounds and fractures
- Infections
- Diabetic nerve pain and increased recovery time
- Other complications
- Increased reserves and longer length of disability

Further complicating the impact of diabetes on a claim, one out of every four people does not know they have diabetes! Also, up to 75% of people with diabetes also has hypertension.



Hypertension

Hypertension (high blood pressure or HBP) is the condition where the arteries are under constant high stress to pump blood through the body. Left untreated, HBP can affect multiple organs throughout the body and can result in serious health problems including stroke, heart attack and kidney failure. Unfortunately, there are minimal to no symptoms.

Scope of Challenges

- In the U.S., nearly 1 in 3 adults suffer from hypertension
- Only about ½ have their blood pressure under control

According to the Centers for Diseases Control (CDC)

- 7 out of every 10 people who have a heart attack have high blood pressure
- 8 out of every 10 who have a stroke have high blood pressure



Substance Abuse

Alcohol abuse and/or addiction to **opioid painkillers** are also considered comorbid conditions.

Alcohol

- Numerous studies suggest a relationship between work-related stress and the development of drinking problems
- Alcohol consumption can cause complications with meds, bring on depression and impair one's ability to perform physical activities

Opioid Addiction

- 2007 National Survey on Drug Use and Health (NSDUH) reported 12.5 million Americans had used prescription pain relievers for non-medical purposes
- Of the 12.5 million, approximately 1.7 million either abused or were dependent on these drugs
- A new study by the WCRI* found “noticeable decreases” in the amount of opioids prescribed per workers' compensation claim in a majority of 25 states studied

* *Interstate Variations in Use of Opioids, 3rd Edition*. Vennela Thumula, Dongchun Wang, and Te-Chun Liu. June 2016. WC-16-22. <https://www.wcrinet.org/reports/interstate-variations-on-use-of-opioids-3rd-edition>



Mental Health Issues

How injured workers can experience depression:

- Cumulative effects of stress
- Decrease in daily activities
- Concerns over money
- Feelings of worthlessness or hopelessness
- Side effects from certain medications

This can lead to prolonged and increased effects of pain, which can cause increased narcotic use and extended claim duration.

Examples of mental health issues include:

- Major depressive disorder
- Chronic mild depression
- Anxiety disorders

Scope of Challenges

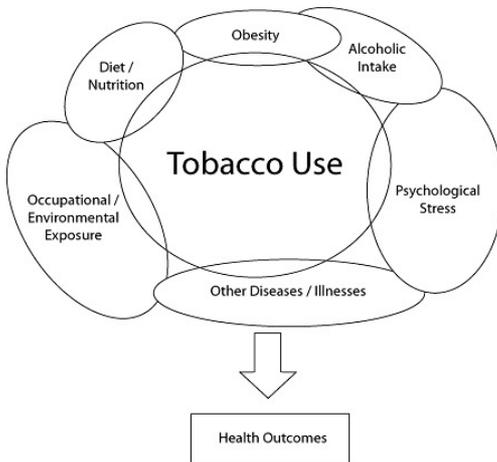
- Nearly 1 in 5 adults age 18 and over suffer from a diagnosable mental disorder in a given year
- Approximately 50% of patients with chronic pain have some degree of depression
- Those with chronic pain are 4X more likely to experience anxiety or depression than those not affected by chronic pain
- Harbor Health Systems study: 248% increase in litigation rates for claims

Tobacco Use

Tobacco use is considered a comorbid condition, even though it's a choice. It can result in conditions that impair respiratory function and physical activity, including Chronic Obstructive Pulmonary Disease (COPD), and is found to prolong recovery from low back injuries, carpal tunnel, many other injuries and surgeries. Smoking cessation may be an essential component to recovering from an injury.

Scope of Challenges

- Use declined substantially in U.S.
- Stabilized to around 21% of the adult population
- Remains second leading cause of death and disability
- Businesses pay an average of \$2,189 in WC costs for smokers, compared to \$176 for non-smokers





Harbor Health Systems – Key Findings

Based on Harbor Health Systems* research analyzing more than 7,000 WC claims, injury dates between Jan. 1, 2011 and Dec. 31, 2013.

Seven comorbidities observed: obesity, diabetes, hypertension, addiction, mental health, tobacco use and multiple comorbidities

Claims associated with comorbid conditions experienced:

- Longer claims duration
- Higher medical costs
- More temporary disability (TTD) days
- Increased litigation rates
- Increased surgery rates

* “New research shows impact of underlying conditions on workers’ compensation claims.” Linda Lane. *PropertyCasualty.com*. December 20, 2016. <http://web2.propertycasualty360.com/2016/12/20/new-research-shows-impact-of-underlying-conditions>



Multiple Comorbidities – HHS Findings

Example: **Diabetesity** (combination of obesity and diabetes)

The age of the injured worker is another factor that is associated with comorbidities. Multiple comorbidities complicates the management of a claim.

Per Harbor Health Systems study, claims involving multiple comorbidities experienced:

- 76% increase in claims duration (when compared to the control group)
- 341% increase in total incurred costs
- 285% increase in TTD days
- 147% increase in litigation rates
- 123% increase in surgery rates

* “New research shows impact of underlying conditions on workers’ compensation claims.” Linda Lane. *PropertyCasualty.com*. December 20, 2016. <http://web2.propertycasualty360.com/2016/12/20/new-research-shows-impact-of-underlying-conditions>

Identify potential comorbidities early

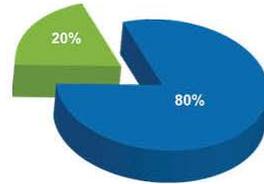
Comorbidities are becoming more common.

- Complete patient intake – physicians and nurse case managers help collect and record comorbid conditions
- Comprehensive, system-wide approach to address the risks associated with comorbidities
- Advance knowledge of comorbidities helps set realistic expectations for treatment, recovery and return to work
- Providers can take comorbidities into account when developing treatment and rehabilitation plan

By utilizing in-network providers, particularly those chosen for the Exclusive Provider Organization (EPO), we can work with our providers to make sure a detailed patient intake is completed.



How Much are Unhealthy Employees Costing You?



80% of Americans work in jobs that require little or no physical activity

Each year, poor health costs the US economy **\$576 Billion**

51% of participants say they **work harder and perform better** when offered a wellness program

80% of workers say their **job is stressful**



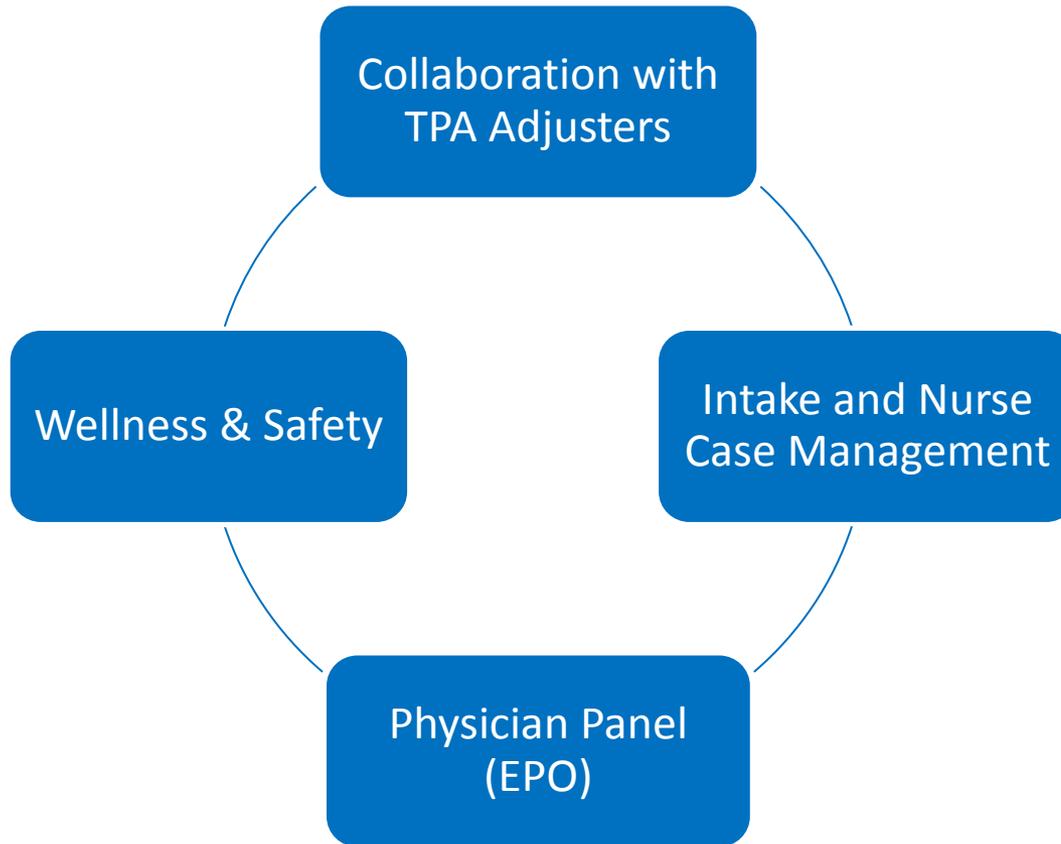
Workplaces with wellness programs see

25% reduction in absenteeism and sick leave

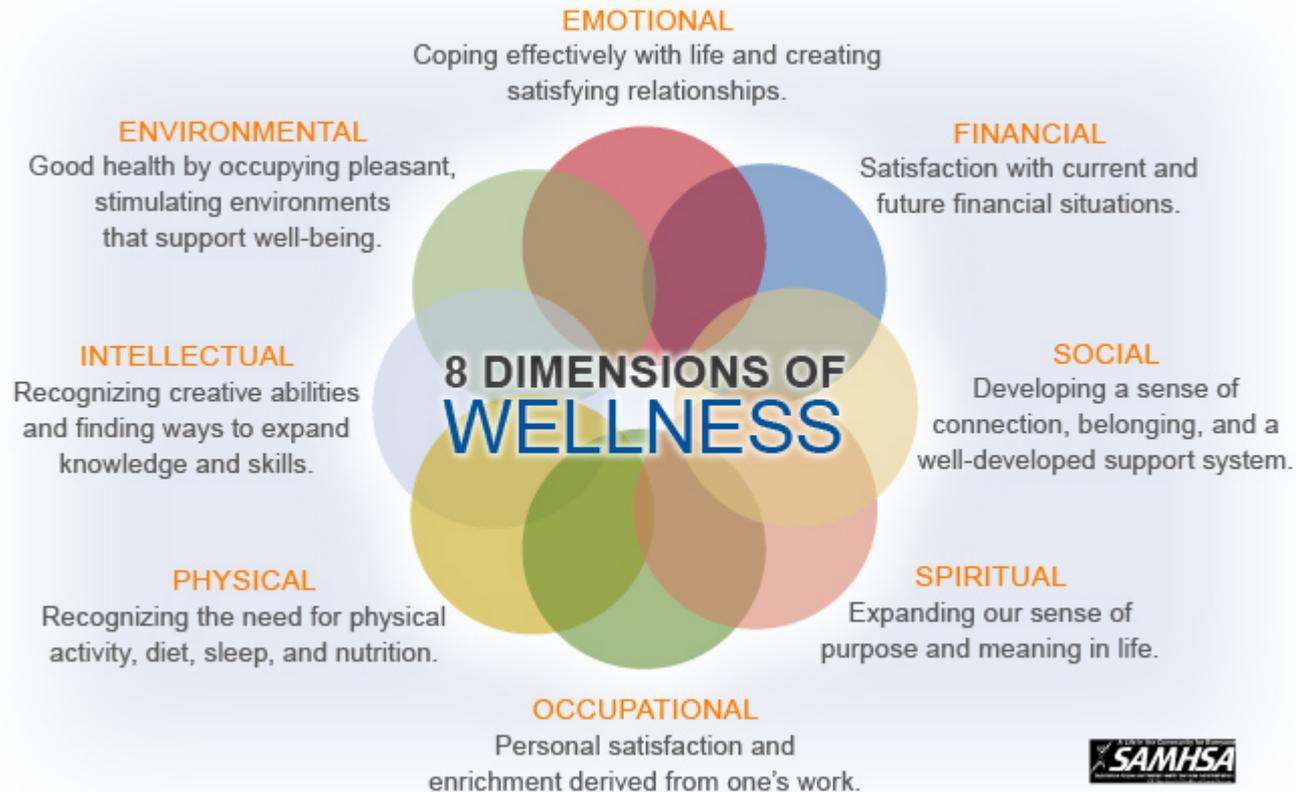
25% reduction in health costs

32% reduction in compensation and disability costs

WC Post-Injury Strategies



Potential Components



Transitional Duty

- Getting injured employees back to work as soon as possible helps improve their physical and mental well-being.
- By accommodating transitional duty, lost workdays are reduced by about 30% and medical costs drop between 32 and 35%.
- Recovery time is slashed 27%.

“Transitional duty programs reinforce the habit of going to work each day, which is a very strong trait. The quicker employees get back to doing work, the quicker they heal.” As an employee’s recovery progresses, transitional duty allows them to move toward resuming full duties.



Clinical Management Takeaways

WC case severity can be tackled by recognizing comorbidities early, and taking them into consideration in the treatment and recovery process.

- Identify early in claim if co-morbidities exist
- Consider nutritional counseling – it might benefit claimant's recovery
- Determine if experiencing other complications, which could impact recovery and take this into consideration when developing or adjusting the treatment plan
- Establish working relationship with employer, claimant, adjuster and healthcare team (NCM & providers) to maximize recovery while decreasing medical costs and length of disability



Interactive Poll

How are you minimizing the impact of comorbid conditions on workers' compensation claims?

Raise your hand and keep them raised if you're currently using the following strategies or thinking about implementing them?

- A. Wellness Initiatives
- B. Weight Management
- C. Nutritional Counseling
- D. Discounts / Incentives for Gym Memberships
- E. Targeted Safety Programs

Interactive Discussion

Trends?

Are we doing everything we can?

What's working?

What's not?

What still needs to be addressed?

WORKERS' COMPENSATION CLAIMS ROADMAP

When an employee or qualified volunteer reports an injury arising out of and in the course of their employment.



Step 1 Gather basic information:

See First Accident Report (FAR)* for guidance.

Date, Place and Time of Occurrence

How Injury Occurred

Type of Injury

Witness Info: Name and Phone

EE Info: Name, DOB, SS#, Address, Phone



Step 2

Report the Claim to the Intake Department:
Phone: 1-888-342-3839
Facsimile: 1-609-365-4000

Step 3 If medical treatment is requested, ensure first aid has been administered and/or direct injured EE to an authorized physician.

Step 4 Complete and transmit Supervisor Incident Report per instructions. Send 26 Week Wage Statement to: dbott@qual-lynx.com or fax 609-601-3196.

Step 5 State of New Jersey First Report of Injury or Illness (FROI) is generated and a copy is sent to the Claims Coordinator.

The entire Qual-Lynx Workers' Comp Team is available to assist you as needed with your Workers' Compensation claims.
*Refer to www.acmjif.org for forms and instructions.

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LIFTING

LACERATION

SLIP & FALL

DOG BITE

M.V. ACCIDENT

ASSAULT

BBPE

QUESTIONS & ANSWERS