

## **Workers Compensation Best Practices**

**Supervision** - The supervisor plays a pivotal role in assuring quality claim management. Supervisors focus on managing, coaching and evaluating the performance of others. They provide technical expertise, recognize improvement opportunities and ensure the files are properly documented.

**Coverage** - It is important that policy coverage be verified before benefits are extended. Proper verification and interpretation of coverage can avoid estoppel from asserting coverage defenses, inability to recover payments made in error and unnecessary time and expense expended in attempted recovery of improper payments.

**Notice/Assignment** - The early receipt of an injury notice with early assignment to appropriate claim handlers is essential to realize savings through early intervention with establishing contact with all parties to the claim, conduct thorough and accurate investigations and manage the medical and disability aspects of the claim to an early resolution.

**Contact** - Initial and subsequent contact sets the foundation of claim management. Contact initiates claim communication with all concerned parties. The information gathered from contact provides direction for further investigation and case management.

**Investigation** - A thorough investigation is cost effective and has tremendous leverage in all phases of claim management. Investigation is the cornerstone of claim management. It requires timely and thorough fact gathering, which makes claim management possible. Claims involving compensability and recovery potential should have an investigation performed and file documentation addressing the exposure and outlining the future course of action.

**Reserving** - Reserves or estimates must reflect the claim handler's best judgment of the probable ultimate pay-out of the claim at any point in time. Estimates are the result of evaluation of all key areas of development of a claim. Each aspect of a claim; indemnity, medical and expense, should be evaluated on its merits and be continually updated and refined.

**Disability Management** - Efforts to shorten the length of time between the date of disability and the date the injured worker returns to gainful employment or the date of claim resolution. When the need for disability management is not recognized promptly, it can result in prolonged disability payments.

**Medical Management** - There is substantial economic opportunity in medical management. The claim handler should be actively involved in the medical management process. The claim handler coordinates with the employer, medical provider and any nurse case manager that may be assisting with the management of the medical aspects of a claim.

**Medical Cost Containment** - The concept of managed care, provider networks and utilization management are critical to reduce claim costs. The claim handler should take advantage of existing cost containment programs and explore and utilize new and innovative programs.

**Recovery** - There are substantial savings to be realized through recognition and pursuit of recovery opportunities including subrogation and second injury funds. Recovery is an essential part of proper claim handling. The recognition and timely handling and pursuit of claims involving recovery potential is important to maximize recovery.

**Litigation Management** - The claim handler's litigation management strategies should be to 1.) prevent litigation 2.) resolve litigation timely 3.) manage litigation activities 4.) manage legal/defense costs.

**Data Management** - The accuracy of the data fields is extremely important when a claim manager uses artificial intelligence to establish reserves or perform other predictors for file management or loss prevention.

**Claim Resolution** - The majority of claims are concluded by payment of statutory benefits. Frequently medical or disability management is utilized to return the injured worker to employment. There are some claims that cannot be resolved through such efforts and require lump sum settlements. A claim handler's responsibility is to manage claims. Timely file closure results in cost reduction to clients.