

Auto Casualty

2021 Workers' Comp Predictions: COVID-19 Effects, Automation and More

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7 MIN READ

In 2020, the workers' compensation industry has faced no shortage of challenges—treatment gaps, delays in elective surgeries, the shift to work-from-home, an onslaught of emergency regulations and more. Now, as we look ahead to the new year, Mitchell, Genex and Coventry experts share workers' compensation trends we think will continue, change and shift. Here are our 2021 workers' compensation predictions:

COVID-19-Related Care Trends & Challenges Will Continue

As the COVID-19 pandemic goes on, the workers' compensation industry will continue to face pandemic-related care challenges and will need to continue to adapt. Here are a few key areas our experts suggest focusing on next year:

Access to Care & Treatment Gaps

One of the major issues the workers' compensation industry has faced during the pandemic is access to care. Across the country, hospitals, medical offices and other sites of service limited or delayed elective surgeries and treatments, leaving gaps in care for many workers' compensation claims. We expect these trends to continue through the pandemic in line with state COVID-19 rules and restrictions.

> "Access to care is essential for avoiding poor outcomes. With a looming shortage of both primary care physicians and specialists, it will be necessary to identify added means for delivering care. Some treatments will be self-directed with things like smart speakers triaging injuries. And consumers will have more choices—closer to where they live—for meeting many everyday needs such as urgent care centers and pharmacy clinics."—Anne Levins, VP, Product Development, Coventry.

Effects of Delayed Treatments

In 2021, we expect to see the effects of treatments and elective surgeries that were delayed due to the pandemic. Our experts believe this will have an effect on getting injured employees back to work and may lead to an increase in claim costs.

> “One care trend that we’ll be watching closely this year is what happens with palliative care. Are claimants still getting palliative treatments that were delayed due to the pandemic after they are healed?”—Michele Hibbert-Iacobacci, Senior VP, Regulatory Compliance Management, Mitchell.

Lingering COVID-19 Symptoms

In 2021, we expect to continue to see claims from employees who contracted COVID-19 and are still experiencing long-term symptoms. Our experts predict that the healthcare costs related to ongoing medical care could be substantial next year.

Opioid Use

Though we have made significant progress on the opioid crisis, it is far from over. Over the past few years, we’ve seen increases in dangerous synthetic opioids and overdose deaths. In 2020, the pandemic has accelerated drug use and abuse issues, with an 18% increase in suspected drug overdoses since the start of stay-at-home orders for COVID-19. In 2021 and beyond, we expect to see the pandemic’s effects on opioid abuse. For more information about opioids and other pharmacy-related trends, read our article 2020 In Hindsight: Clinical Trends and Predictions.

Mental Health Challenges

The COVID-19 pandemic and associated challenges have placed mental health at the forefront in 2020. In every walk of life, people are dealing with uncertainty, anxiety and change. A CDC study conducted in June found that adults in the U.S. reported “considerably elevated adverse mental health conditions associated with COVID-19.” For those recovering from a workplace injury, the strain may add an additional hurdle to their recovery. In 2021, we believe we will see a continued increase in focus on the role mental health, stressors and PTSD play in recovery.

Claims Organizations Will Go All In On Automation and Digitization

Though automation has been a hot topic in workers’ compensation for years, 2021 is the year we anticipate claims organizations will fully lean in to automating the end-to-end claims process. To help combat the challenges and pressures they face as a result of the pandemic, we expect claims organizations will focus on building a streamlined workflow by increasing straight-through processing, digitizing payments, integrating all of the systems they work in and automating claim intake. Our experts predict that traditional technologies, like rules engines, will continue to play an important role in straight-through processing and automation, but that we will also see increased adoption of artificial intelligence, machine learning, text and data mining, optical character recognition and more innovative technologies. In 2020, many claims organizations began thinking about outsourcing administrative and non-core tasks, like mailroom, data intake, provider call centers and bill review. We expect this trend to continue as claims organizations narrow their focus, simplify and continue to evaluate budgets.

> “Returns from the recent flurries of investments in artificial intelligence should be in over the next six to 18 months. We’ll be watching closely to see how we did and what's next.”—Ron Skrocki, Senior Vice President, Product Management and Development, Genex Services.

Telemedicine Will Undergo Innovation; Security Scrutiny

Telemedicine boomed this year like never before. In 2021, we expect that additional technologies like wearables, robotics and augmented reality will make telemedicine more useful and will help expand its application to other use cases. As telemedicine adoption continues to grow, we believe we will also see an additional focus on the security of personal health information. In 2020, many states passed emergency and temporary rules regarding coverage for telemedicine. In 2021, we expect many states to pass more permanent workers' compensation telemedicine regulations. For more on our expectations for telemedicine in 2021, click here to listen to our regulatory podcast.

> "I expect some new telemedicine technologies will come into play that go beyond simple video conferencing and that will make telemedicine more useful beyond current use cases."—Shahin Hatamian, Senior VP, Product Management, Mitchell.

Effect of CMS's Proposal on Workers' Compensation

In 2021, we anticipate that we will begin to see a shift from inpatient treatment to outpatient treatment. This trend would be influenced by the Centers for Medicare and Medicade Services proposal to eliminate the inpatient only (IPO) procedure list in the outpatient prospective payment system (OPPS) for fiscal year 2021. This proposal, if passed, would shift claims to outpatient settings such as ambulatory surgical centers. While cost effective and still controlled by medical necessity and medical provider decision making, we are likely to see significant movement from the hospital settings. In 2021, there are 266 musculoskeletal procedures earmarked to make this shift which could have an effect on the cost of workers' compensation claims in the future. Click here to view the proposal.

Claim Type Makeup Will Change Due To Illness Claims, Essential Workers and Work–From-Home Injuries

As the pandemic continues, we believe we will continue to see a shift in the mix of workers' compensation claim types in 2021. Here are some types that may increase next year:

- **Ergonomic Injuries:** As many office workers continue to work remotely, we will be watching closely to see if work-from-home ergonomic injuries begin to be claimed for workers' compensation.
- **Illnesses:** As the pandemic continues, we expect to continue to receive claims from employees who have contracted COVID-19. This year, now that many states have expanded presumption laws to include COVID-19, we will be interested to see if those regulations expand to cover other viruses such as the flu. If so, we could see a significant increase in illness claims.
- **More Severe Injuries:** We may continue to see increased severity in injuries, since essential industries like healthcare, manufacturing and warehouses that tend to support more severe injuries continue to report the majority of claims during the pandemic.

To help combat some of these challenges, we also expect that COVID-19-related workplace modifications and prevention services will continue to be at the forefront for employers and evolve throughout the year as we learn more about the virus.

Prescriber Intervention and Direction of Care Will Expand

On the pharmacy front, we expect to continue battling various abuses of the system, including inappropriate opioid prescribing, physician dispensing and escalating drug costs. In 2021, our pharmacy experts predict that prescriber intervention will become more widely accepted and utilized earlier in the claim, which will likely

result in lower costs by producing more favorable outcomes.

> “We also believe the ability to direct care to preferred physician and pharmacy networks will expand, helping to ensure injured employees access the providers that produce the best outcomes. This will benefit all stakeholders in the claims process—the employees, employers, insurers and providers.”—Dr. Mitch Freeman, Pharm D., Chief Clinical Officer, Mitchell.

Claims Orgs Will Focus On Fraud

Property and casualty insurance fraud amounts to $30 billion each year, according to the Insurance Information Institute. As the COVID-19 pandemic continues, we are seeing new types and cases of fraud across the industry. For example, federal agencies recently charged 345 people, including more than 100 medical providers, in a $6 billion fraud case—of which $4.5 million was connected to telemedicine. In 2021, we expect to see carriers across the industry put an increased focus on detecting fraud as the pandemic continues.

> “Fraud is top of mind right now for carriers. COVID-19 is still fairly new in our world, so detecting fraud related to the pandemic will be a focus area,”—Mike Cwynar, Senior VP Product Delivery and Development.

Regulatory Changes

Looking ahead to 2021, we expect continued legislative activity as many states evaluate the emergency bulletins and regulations they passed at the start of the pandemic. For more information about the regulatory changes we anticipate in 2021, listen to our regulatory podcast.



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