Workers' Comp

Three Workers' Comp Trends & How to Manage Them

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In 2019, we have seen a variety of workers' compensation trends come into even sharper focus, from electronic billing to medical marijuana to the aging workforce. Identifying and effectively managing trends and changes in the workers' compensation industry can help claims organizations to make continuous operational improvements that can ultimately have a positive effect on their bottom lines and more importantly on positive outcomes for injured employees. Below, we have explored three significant trends affecting the industry today and outlined key tips for effectively managing them.

The Aging Workforce, Artificial Intelligence and Analytics

In the next five years, the number of workers aged 55 and up is projected to grow by 3 million workers, according to the Bureau of Labor & Statistics. In the workers' compensation industry, the aging workforce is a double-edged sword. On one hand, the aging population impacts the severity and type of injuries that occur in workers' compensation claims. On the other hand, changing workplace demographics also affect the adjusters that are managing these claims, since many insurance adjusters today are retiring and a new generation is entering the field. Implementing new technologies and analytics into a claims organization's workflow can help prepare for the day when adjusters and other claims professionals retire, making it easier for new employees to get up to speed quickly. For example, carriers should look to bring together as many adjuster tools as possible into a single workspace. This allows all the different employees that help process claims within the organization to perform their tasks in a single location. By providing employees with an easy-to-navigate, single-screen workspace that surfaces key information that they need to know, organizations can make it simple for everyone, regardless of experience level, to perform their jobs more efficiently and effectively. Not only that, but surfacing all the data regarding a claim in a single location will enable the adjuster to make a better decision and lead to better outcomes for the injured employees. Adding analytics into the claims process helps to integrate automated expertise in the workflow. For example, if a claims organization includes provider analytics that show trends in

provider billing behavior, this would provide adjusters with transparency into the average amount charged for a specific treatment for a certain group of providers. With this information, adjusters are better equipped to make data-driven decisions about the claim and know when to send a bill to the special investigations unit for further investigation.

Comprehensive Medication Safety

In a National Safety Council poll, 99 percent of doctors said that they prescribe opioids for a longer period than the Centers for Disease Control and Prevention's recommended three-day time frame. Injured employees that receive more than a one-week supply of opioids are at double the risk of disability one-year post injury compared with injured employees that did not receive opioids, according to a study from the Washington State Department of Labor and Industries. Fortunately, opioid prescribing rates have been declining across the country since 2012, according to the Centers for Disease Control and Prevention, though rates have remained high in some areas. As opioids and other prescribing issues continue to be at the forefront of the workers' compensation industry, it is important that claims organizations put a well-integrated medication safety program in place. Key aspects of a medication safety program include the following:

- **Identification:** Pharmacy benefits management and bill review triggers, case management, adjuster notification
- **Intervention:** Case management, peer-to-peer comprehensive pharmacy review, drug utilization review
- **Outcomes:** Patient health, lower drug spend, better settlements

Additionally, a medication safety program should include comprehensive analytics to help understand its effects. To mitigate the risk of addiction and disability, proactive claims organizations are implementing integrated medical safety programs following the above guidelines. After implementing this type of program, clients have reported a reduction in the number of claimants receiving narcotics, a reduction in average scripts and pharmacy cost per claim and an overall reduction in the percentage of pharmaceutical spend on narcotics.

Cybersecurity and the Consumer

In the first half of 2019 alone, more than 3.1 million healthcare records were breached—double the number of records that were breached in the entire 2018 calendar year, according to a recent report. Though the workers' compensation industry is not subject to HIPAA, data security is still of vital importance to the industry. As cyber attacks, hacking and other technology-related security issues continue to become more widespread and sophisticated, workers' compensation insurers should make sure to follow security best practices. Some to consider include creating a multi-layer approach to securing and protecting data and intellectual property, committing to continually improving security features and training and educating employees, and verifying vendors' security practices with on-site visits. While following best practices won't always guarantee prevention of a hack or other cyber breach, workers' compensation insurers should be taking as many steps as possible to secure their information and be prepared for any potential issues that may arise.

Looking Ahead in Workers' Comp

As 2019 comes to a close, we will be watching closely to see how these trends shift, change or continue into 2020. As claims organizations prepare to head into the New Year, they should continue addressing the current trends that we are seeing today, with an eye to the future for what trends and regulations will affect the workers' compensation industry next.



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