Workers' Comp

Improving Outcomes in the Face of Natural Disasters

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Extreme natural disasters call for special workers' compensation laws and preparations. What should you consider?

"Bad things do happen in the world, like war, natural disasters, disease. But out of those situations always arise stories of ordinary people doing extraordinary things." -Daryn Kagan, noted broadcast journalist and founder of darynkagan.com. Throughout the year, various natural disasters grip the United States, from devastating hurricanes to massive wildfires. In response, many regions often declare states of emergency to provide relief to those affected by the disasters. Beyond the damage to the environment, personal property and most importantly, people, the impact of natural disasters often reverberates throughout the workers' compensation industry. As we enter hurricane, fire and tornado seasons, what can we learn from previous years' experiences to mitigate the impact to injured workers and the companies that support them? In recent years, people on the front line of rescue and in the workers' compensation world have taken extraordinary measures to aid injured workers affected by various disasters. Regulators were quick to create waivers to rules and declare states of emergency; employers and insurance carriers were able to adapt processes to facilitate benefits delivery and care for injured workers in areas impacted by disasters. Meanwhile, some claims adjusters developed creative solutions to ensure that injured workers were able to receive necessary care and benefits in a timely manner, even when relocated out of state.

Considerations for Workers' Compensation During Natural Disasters

There are several opportunities to mitigate the effects of natural disasters on workers' compensation. As we addressed in past years, both people the industry and those developing regulations to respond to the

repercussions of natural disasters should keep in mind several types of injured workers: those with injuries sustained prior to a disaster, those who sustain injuries during rescue operations, and those who face workplace hazards even after a disaster ends. Challenges to consider in planning:

- It may be difficult to locate displaced claimants.
- Technology tools that are standard in normal circumstances may not be deliverable in disaster areas. For instance, injured workers who rely on public transportation may find it difficult to get to appointments or access necessary services.
- Job retraining, rehabilitation or other non-emergency services may be delayed as resources are diverted to deal with the restoration of essential services.
- Records may be lost and will need to be re-created. That process may take time and could create non-compliant situations based on state-imposed rules.
- Many workers' compensation insurers also provide property and casualty insurance. Responding to the needs of policyholders in disaster areas is a significant effort that may test the limits of their resources, both human and financial. That diversion of attention and resources could affect processes and service delivery in the workers' compensation areas.

Use Creative Avenues to Continue to Provide Care for Injured Workers

During recent natural disasters, the workers' compensation industry was able to continue to provide care to injured workers by implementing creative tactics. When developing a disaster response program, consider including the following

- **Going electronic:** In some cases, carriers and employers needed to quickly establish electronic deposits for checks since local mailing addresses were inaccessible due to flooding or other effects of disasters.
- **Immediate rule adjustment protocols:** Have a plan in place with your PBM to quickly implement temporary formulary adjustments. For example, Texas implemented rule waivers to allow for up to 90-day fills of prescriptions to help ensure injured workers had access to necessary medications in the aftermath of Hurricane Harvey.
- **Adjuster prior authorization protocols:** In the case of an emergency, adjusters may have to make new prior authorization plans so care can continue without interruption. Additionally, consider how adjusters can support injured parties with where to receive care and prescriptions when traditional locations are no longer available.
- **Immediate and medium-term solutions:** Natural disasters can require short-term residency like a shelter, but can also result in longer-term relocations, possibly in another state. Consider coverage models and mail order strategies that ensure continuation of care and clinical controls as quickly as possible.
- **First responders:** Disasters also include the support and well-being of first responders and emergency personnel. If you cover those types of roles, it's important to consider both the physical and mental support they may need.

Extraordinary Efforts in Difficult Times

The workers' compensation system has been extraordinary in recent years in adapting to the rapidly changing landscape imposed by disasters. There has been a great collaborative effort among regulators, employers, claims administrators, insurers and providers to develop creative solutions and put injured workers first both during and after emergencies. The workers' compensation system has learned a number of lessons from these various

disasters. Clearly, advance preparation is critical to succeeding during an emergency. That advance preparation should include discussions and contingency planning with critical vendors. Flexibility and creativity are vital when plans fail or unforeseen wrinkles emerge. As we face the next round of natural disasters, or any challenge in the workers' compensation industry, we should keep in mind these lessons, try to develop ways to improve our processes and work to mitigate the impact that natural disasters have on the lives of injured workers. Perhaps the greatest lesson learned from the past few years is that the world of workers' compensation is filled with ordinary people who daily do extraordinary things to help injured workers and their families deal with the devastating impact of a workplace injury.

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