Auto Casualty, Workers' Comp

Less Leakage, More Leverage: Reconnecting the P&C Cost Chain

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Author profile image

Dave Torrence

Executive Vice President, Corporate Strategy & General Manager

Linking Data, Decisions and Care Across the Claim Lifecycle

In today's P&C environment, rising costs are not a mystery. They are the result of multiple interconnected factors requiring a strategic and unified response. Over the past several years, I have worked closely with employers, payers and claims professionals to better understand where costs originate and how we can control them while improving outcomes for injured employees.

I believe integration across clinical, administrative and technology functions is the foundation for sustainable cost management in workers' comp.

Understanding Real Cost Drivers

While provider pricing trends are influenced by broader market forces, payers are not powerless. Effective payment integrity, clinical review, and facility bill management can significantly reduce actual paid amounts and ensure charges align with contract terms and evidence-based care.

Medical expenses remain one of the largest components of workers' comp spend. Leaders often focus on negotiated rates or reacting to high bill totals after treatment occurs. While price matters, utilization patterns and early clinical decisions have a greater long-term impact on total claim cost.

When service providers operate in isolation, adjusters lack full visibility into what care is being delivered, who is delivering it, and whether it aligns with evidence-based guidelines. This limited view can lead to unnecessary services, redundant treatments, and extended recovery timelines. All of these factors can increase claim severity and overall program costs.

Broader economic factors, including workforce demographics and shifts in health care reimbursement, also influence claim trends. While frequency and premium dynamics fluctuate with employment patterns, the controllable lever for employers remains how effectively each individual claim is managed.

Focusing on Pharmacy Fragmentation

Pharmacy spend remains one of the most overlooked cost drivers in workers' comp. Traditional pharmacy benefit management programs effectively manage prescriptions within established networks. However, a significant portion of pharmacy expenses originate outside those networks through physician-dispensed medications or out-of-network pharmacies.

These prescriptions often bypass standard pharmacy controls and enter the bill review process without clinical oversight. As a result, high-cost medications with limited therapeutic value may be paid without sufficient review simply because systems are not connected.

When pharmacy management and bill review operate within a unified framework, adjusters gain visibility into the complete medication profile of a claim. That comprehensive perspective supports stronger clinical decisions, better oversight and more consistent cost management.

Improving Consistency, Reducing Redundancy

Integration is not simply about consolidating vendors or implementing new software. It involves, among other things, unifying data, workflows, clinical expertise, and payment processes so each step in the claim lifecycle informs the next.

In traditional models, organizations may rely on separate partners for bill review, utilization review, pharmacy, case management and provider networks. Each partner brings specialized capabilities, but none provides the full picture. This siloed structure can result in delays, inconsistent decisions and higher administrative burden.

Network strategy is a critical component of integration. An effective network doesn't simply offer discounted rates. It requires focused investment, strong provider relationships and active performance management. By combining national scale with local contracting expertise, organizations can strengthen negotiations, reduce disputes and improve contract application at the provider level. Modernized network management, supported by advanced analytics, ensures the most effective contract is applied in each situation, optimizing savings while maintaining compliance and provider stability.

Integration also strengthens care direction and coordination. When network tools connect with referral platforms, clinical analytics and claims data, adjusters can guide injured employees to the right provider at the right time. Predictive insights and streamlined referral workflows limit duplicate treatment and support faster recovery. In this model, the network becomes a strategic asset within a connected claims ecosystem rather than a standalone discount solution.

Using Tech to Support People

Technology plays a critical role in enabling integration, but implementation alone does not guarantee results. The success of any system depends on how well it is adopted by those who use it every day.

Effective change management includes clear communication about the purpose of new workflows, practical training that builds confidence, and feedback mechanisms that allow teams to continuously improve processes.

When technology is introduced thoughtfully, it strengthens decision-making rather than complicating it.

Building a Strategic Advantage

Organizations managing P&C claims costs most effectively often prioritize alignment. They connect clinical insight with payment accuracy and align pharmacy oversight with bill review. They ensure data flows seamlessly across the claim lifecycle.

Integration is not simply a technical upgrade. It is a strategic approach to building a P&C program that is efficient, accountable and focused on results.



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