2013
Workers' Compensation Benchmarking Study

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Operational Challenge

Preface

About the Study

The study's impetus evolved from various conversations that study Organizer and Publisher, Rising Medical Solutions, had with industry executives about a gap in available research that focuses on how claims organizations are dealing with daily operational challenges. Their receptiveness to starting a community dialogue spawned the idea to create a benchmark tool that workers' compensation claims leaders can use to assess their operational priorities, hurdles, and strategies amongst their peers.

Recognizing the need for unbiased research, the study has been guided by an independent Principal Researcher and more than a dozen industry executives on the study's Advisory Council. The involvement of these workers' compensation professionals has been critical to creating a framework that produces compelling and impartial data.

About the Study Organizer & Publisher, Rising Medical Solutions

Rising Medical Solutions (Rising) is a national medical cost containment and care management company that serves payers of medical claims in the workers' compensation, auto, liability and group health markets. Rising spearheaded the study idea and has led the logistical, project management, and publication aspects of the effort.

About the Principal Researcher & Study Report Author, Denise Zoe Gillen-Algire, MBA, RN, COHN-S/CM, FAAOHN

Algire is a Principal with Risk Navigation Group, LLC, and the Practice Leader of the Integrated Health & Productivity Management practice. She is board certified in occupational and environmental health and is a fellow of the American Association of Occupational & Environmental Health Nurses. Bringing more than 18 years of industry experience, her expertise includes insurance operations, medical management, enterprise risk management, and healthcare practice management.

Study Advisory Council

Essential to the creation of the benchmarking study and survey has been the Advisory Council comprised of more than a dozen workers' compensation executives who represent national and regional carriers, self-insured employers, third party administrators, brokerages, and industry consultancies.

Their varied voices have guided and shaped the study's focus areas, with the Advisory Council bringing to light some of the most significant operational challenges facing claims organizations today. At every critical juncture – from the formation of survey questions to the interpretation of results – the Advisory Council has provided thought leadership.

Among those executives we thank for their time and commitment are:

- Gale Vogler | Director, Managed Care
  Acuity Insurance

- Raymond Jacobsen | Managing Director
  AON Benfield

- Fred Boothe | Vice President of Insurance Services
  BrickStreet Insurance

- James Masingill | Vice President, Claim Operations
  Markel FirstComp Insurance

- Tom McCauley | Owner & Consultant
  Networks by Design

- Laura Crowe | Risk Management Director
  Presbyterian Healthcare Services

- Cathy Vines | Director, Healthcare Cost Containment Strategy
  SCF Arizona

- Tim Gallagher | Director, Managed Care Services
  Tower Group Companies

- Joe McLaughlin | Senior Vice President, Sales & Marketing
  TRISTAR Insurance Group

- Tim Mondon | Senior Vice President, Bill Review
  Zenith Insurance

Acknowledgments

Introduction

Like most industries, the workers' compensation industry has hurdles that challenge growth and operational effectiveness. Many of these hurdles are commonly a focus of research, with numerous studies published about the state of the workers' compensation industry, cost drivers, claim trends, workforce demographics, jurisdictional comparisons, and the like. However, less is reported about how claims peers compare in terms of daily operational challenges, priorities, concerns, skill gaps, and budgets.

In response to this need, the 2013 Workers' Compensation Benchmarking Study was developed using critical subject matter expertise from the study Advisory Council and an independent Principal Researcher in order to address these prevalent issues claims organizations face today:

- Prioritizing Core Competencies
- Measuring Best Practices
- Incentivizing Operational Excellence
- Training and Retaining Staff
- Assessing the Impact of Technology and Data
- Evaluating Medical Management Performance

The study stems from a 60 question survey distributed to claims leaders nationwide from varying disciplines, including: insurance carriers, reinsurance / excess carriers, third party administrators, self-insured employers, insured employers, state funds / mutual funds, government entities, and risk pools. The survey questions set out to generate data that would help claims executives pinpoint operational outliers, advocate for resources in support-challenged areas, and validate existing strategies.

The study report has compiled confidential survey results from 258 claims leaders with the aim of supporting the workers' compensation community with meaningful information for their instrumental role.

Executive Summary

Key Challenges

The study results indicate that workers' compensation claims leaders are facing critical challenges that are limiting their talent pool, technology potential, and performance abilities. These central issues emerge consistently throughout this study as industry peers give dimension to their daily operations, culminating in these widespread challenges:

1 **Limited investment in current and future talent development.**
Less than half of the survey participants provide training to senior-level claims staff and a smaller percentage invest in training new hires.

Figure 1 / Survey Question:
Does your organization provide technical training and development for senior-level claims adjusters?
(258 Responses)
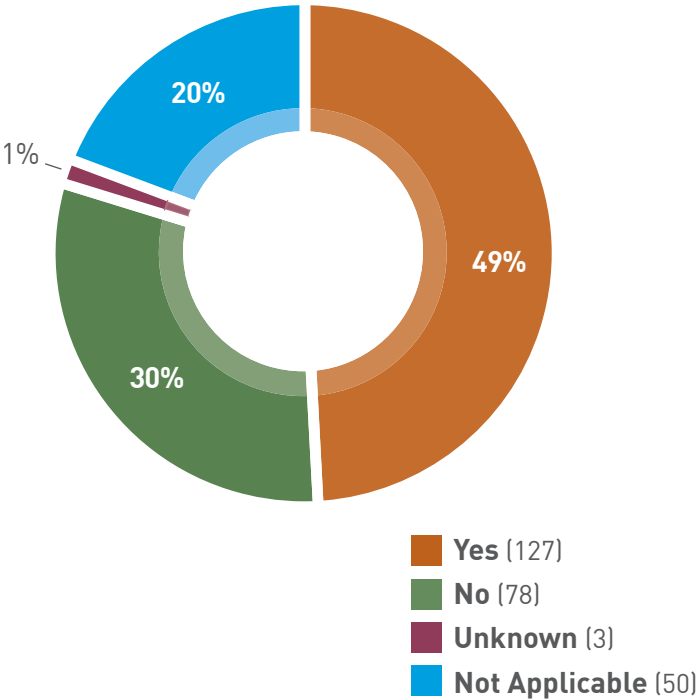
Figure 2 / Survey Question:
Does your organization have a formal training program for new hire claims staff with little to no experience?
(258 Responses)

Figure 1:
- 49%
- 30%
- 1%
- 20%

Yes (127)
No (78)
Unknown (3)
Not Applicable (50)

Figure 2:
- 42%
- 37%
- 2%
- 19%

Yes (108)
No (96)
Unknown (4)
Not Applicable (50)
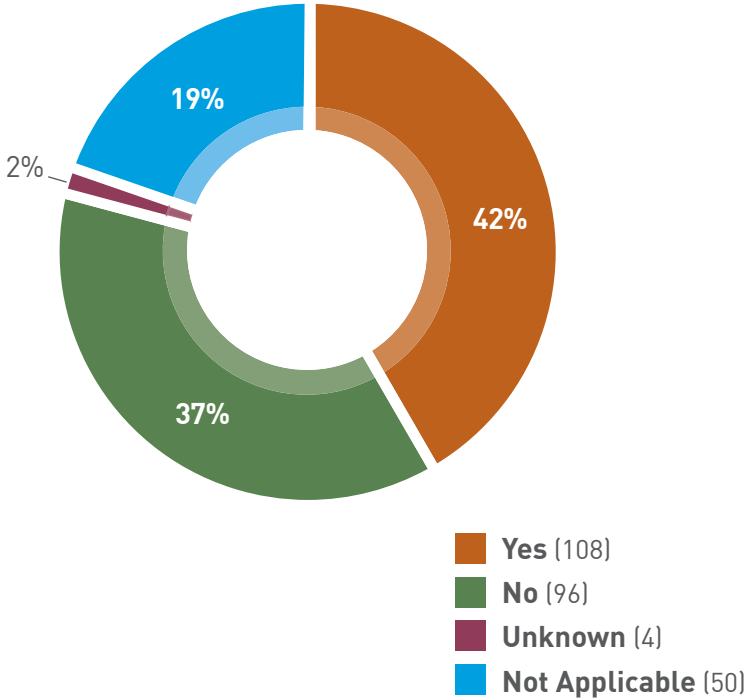
2 **Limited systems integration and use of technology to drive best practices.**
A third of participants report that no integration exists between their core claims system and their ancillary systems (e.g. Pharmacy Benefit Manager (PBM), Utilization Review (UR), Bill Review), and many report a web-link or manual copy-paste of information as "integrated." Study results also indicate room to advance the use of existing and emerging technologies to drive claims best practices.

Figure 3 / Survey Question:
Does your organization utilize any of the following systems to direct or manage tasks within best practices?
Select all that apply: (If no, select "Not Applicable")   (258 Responses)
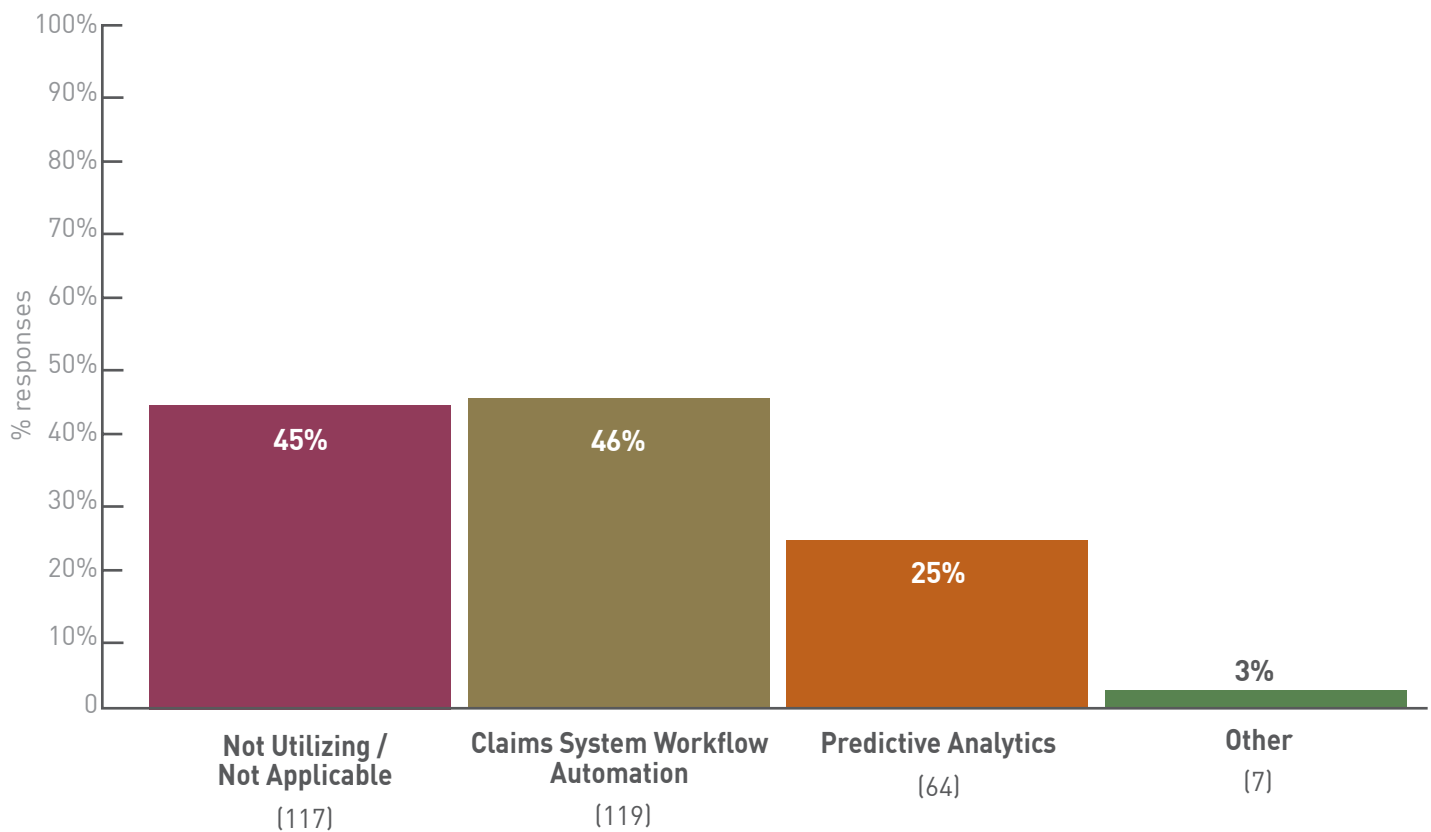
Note: Respondents were able to select more than one answer for this question

3 **Limited use of risk / reward strategies to propel top performance from internal staff, vendor partners, and medical providers.**

Just over 50 percent of participants report using performance strategies with internal staff and considerably fewer use these strategies with medical providers and vendor partners. A significant competitive opportunity exists for claims organizations that implement risk / reward models, particularly with medical management vendors given the prevalence of outsourcing these functions.

Figure 4 / Survey Question:
Does your organization use risk / reward-based contracting with medical providers? (258 Responses)

Figure 5 / Survey Question:
Does your organization use performance strategies to incentivize or hold medical management vendor partners accountable? (258 Responses)

4%
10%
86%

Yes (9)
No (223)
Unknown (26)

12%
17%
71%

Yes (44)
No (184)
Unknown (30)
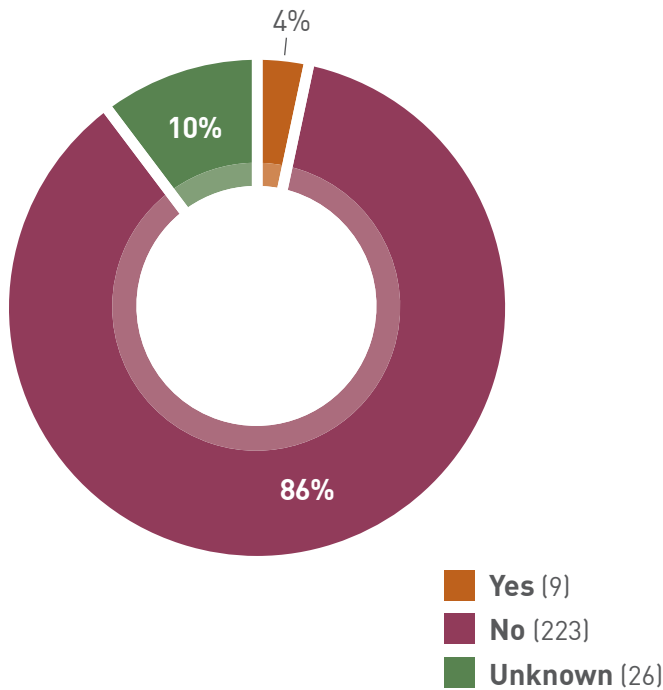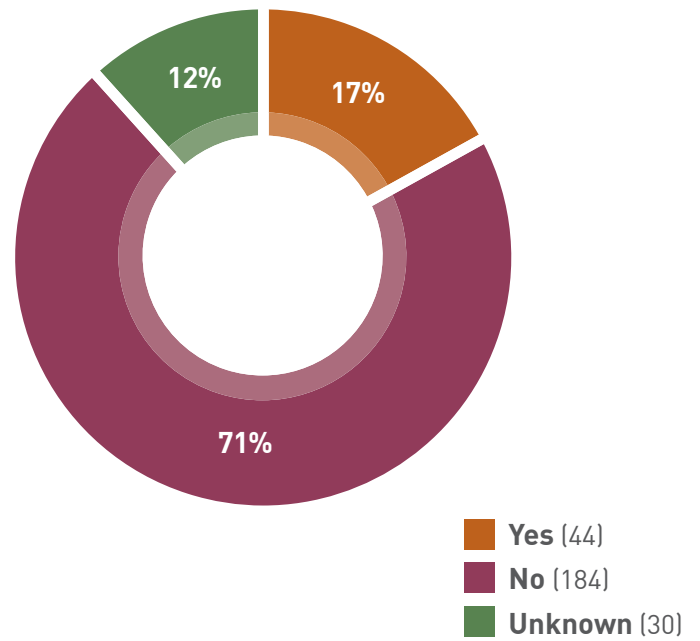
Five Industry Considerations

1 **Invest in talent development and alternative recruitment strategies to drive claims effectiveness.**
Many organizations face the competing dilemma of a limited pool of experienced claims professionals versus the costs associated with training programs. The industry must be willing to embrace alternative recruiting strategies to bridge the talent gap. Organizations also should consider the value proposition of investing in ongoing training and development as a two-fold strategy: better equipped talent and employee satisfaction ultimately leading to improved claims outcomes.

2 **Understand and leverage the capabilities of data warehousing.**
Well-integrated systems allow organizations to manage core claims management processes more efficiently. Unfortunately, many organizations today use claims systems with limited interface capabilities. A possible solution for organizations with system constraints is using a data warehouse to aggregate and produce meaningful data intelligence.

3 **Implement predictive analytics and workflow automation to favorably impact loss trends.**
There is an industry opportunity to heighten the use of tools, such as predictive modeling and workflow automation, to better identify and manage problematic claims. Loss costs trends can be favorably impacted with smart investments in current and emerging technologies.

4 **Use performance strategies with vendor partners.**
With the increased outsourcing of key operational functions, there is a growing need to leverage risk / reward models that encourage top performance from vendor partners. The data reflects that there is a significant opportunity to escalate the use of these strategies with vendors, as well as with internal staff and medical providers. Incentivizing performance is becoming more important, particularly as claims organizations are being held more and more accountable for tangible metrics and results.

5 **Operationalize qualitative and outcome-based performance measures.**
Many organizations use metrics to evaluate performance; however, the emphasis tends to be on quantitative measures as opposed to qualitative or outcome-based measures. The results show a clear need to better define and structure performance measures that expand upon standard metrics in order to achieve operational excellence.

Study Context & Focus Areas

Compared to other lines of business, workers' compensation presents a number of unique operational challenges for claims organizations, including: complex compliance requirements, the long-tail nature of workers' compensation claims, and conditions leading to higher rates of fraud. These challenges have contributed to increasing loss adjustment expenses (LAE) and poor underwriting results with loss costs in excess of premiums collected.

To better understand the daily experience of claims leaders operating in this environment, this study explores how the industry is advancing best practices, investing in talent, using technology, and impacting medical outcomes. The study report provides an in-depth view of these four focus areas:

Prioritizing Core Competencies

What do organizations consider their core competencies?

How do organizations define best practices within core competencies?

How do organizations measure effective claims management?

Do organizations utilize risk / reward strategies to drive best practices and achieve outcomes?

Medical Performance Management

Are organizations utilizing medical management outcome measures?

How is provider quality measured?

With the prevalence of outsourcing medical management to vendor partners, how do organizations measure outcomes and ROI?

Is the industry utilizing risk / reward contracting strategies with providers or vendor partners?

Talent Development & Retention

What is the industry doing to attract and retain the best in the industry?

What is the financial investment in training and development at peer organizations?

Do organizations include staff development in their strategic goals?

Is training customized based on skill level to ensure ongoing development for tenured staff?

How do organizations tackle the challenge of knowledge transfer from senior-level staff to less experienced staff members?

Impact of Technology & Data

How do organizations utilize data to impact / manage operations?

What strategies are used to ensure data integrity?

What key systems are integrated with claim systems?

How do organizations balance process with strategy metrics?

How are advanced analytics such as predictive modeling used to enhance operations?

Are metrics helping or hindering operational effectiveness?

Methodology

The study focus was guided by nine facilitated think-tank sessions with the independent Principal Researcher and the Advisory Council Members, as well as one-on-one conversations and email correspondence. The study report is based on the industry-wide survey results of 258 respondents, including claims managers, directors, and executives.

The research was conducted using a confidential online survey tool. The Principal Researcher developed the survey tool structure and questionnaire. The survey incorporated a total of 60 partially categorized and closed-ended questions including demographic, dichotomous, rank order scaling, multiple choice, constant sum, and random order question sets to reduce response bias.

Survey invitations were directed to leaders who oversee claims operations and were sent through direct email invitations as well as various industry channels. All email invitations included an opt-out link allowing recipients to remove themselves from study communications.

The study and survey design began in February 2013. The survey was open for a total of 32 days from May 22, 2013 through June 23, 2013. Participants were allowed to exit the survey at any point during the questionnaire and were given the option to receive a copy of the study report in exchange for completing the survey.

Responses Received

◄ **258** completed responses

◄ **84** incomplete responses (incomplete responses were excluded from the study results)

◄ Average response time to complete the survey was **19 minutes**

The Principal Researcher completed the data validation and analysis, as well as authored this study report.

Survey Participant Demographics

About the Survey Participants

Participants include workers' compensation professionals who oversee claims operations, with Managers and Directors representing the largest respondent population followed by Vice President and C-Suite executives. The survey responses include participation across industry sectors, with insurance companies, self-insured employers, and third party administrators (TPAs) representing the greatest participation by organizational type.

Figure 6 / Survey Question:
Role / Level of Responsibility
(258 Responses)

39%
(100)

29%
(74)

21%
(53)

12%
(30)

<1%
(1)

- **Manager**
- **Director**
- **Vice President**
- **C-Level / Executive**
- **Other**
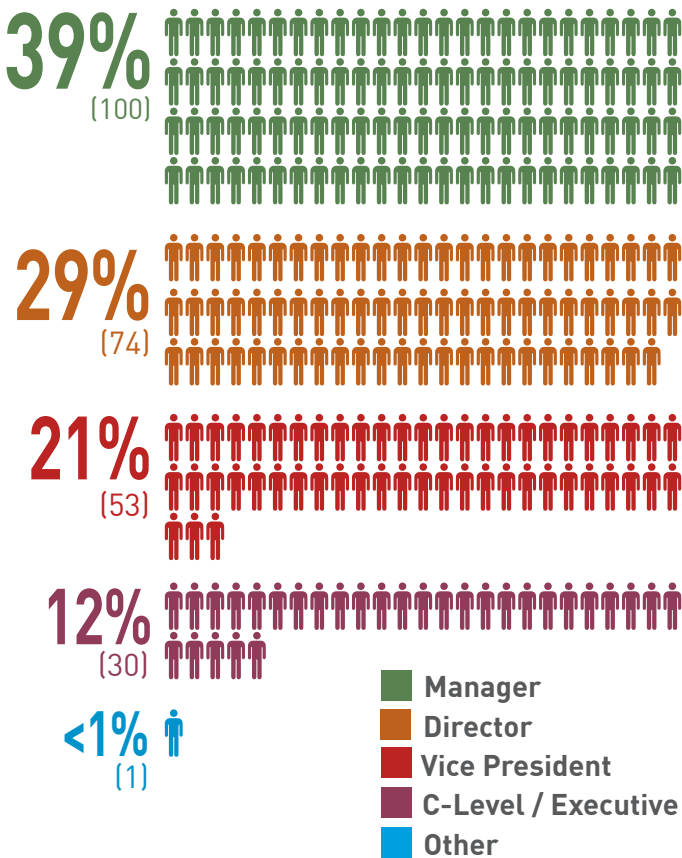
Table 1 / Survey Question:
Organization Type
(258 Responses)

Answer	count	%
Insurance Company	77	30%
Self-Insured Employer	61	24%
Third Party Administrator	36	14%
Insured Employer	30	12%
Governmental Entity	25	10%
Risk Pool	11	4%
Other	11	4%
State Fund / Mutual Fund	4	2%
Reinsurance Company / Excess Insurance Company	3	1%

Participants include a broad representation of small, midsize, and large organizations. Organization size was measured by total annual premium and total annual claims dollars paid (see Table 2), as well as employee headcount.

Table 2 / Survey Question:
Organizational Size – Total Annual Premium & Total Annual Claims Dollars Paid (258 Responses)

Answer	Total Annual Premium		Total Annual Claims Dollars Paid	
	count	%	count	%
< $100 Million	111	43%	143	55%
>$100 Million to $350 Million	42	16%	48	19%
>$350 Million to $750 Million	9	3%	14	5%
> $750 Million	24	9%	20	8%
Unknown	31	12%	33	13%
Not Applicable	41	16%	-	-

See **Appendix A** for all results related to "Survey Participant Demographics"

Participant Geographic Focus

Most survey participants are located in their organization's corporate headquarters (see Figure 7). Organizations with regionally-based workers' compensation business have modestly greater representation, with 57 percent of participants reporting claims operations in one or more regions and 43 percent reporting workers' compensation business nationwide.

Figure 7 / Survey Question:
Corporate Headquarters or Regional Office Location
(258 Responses)
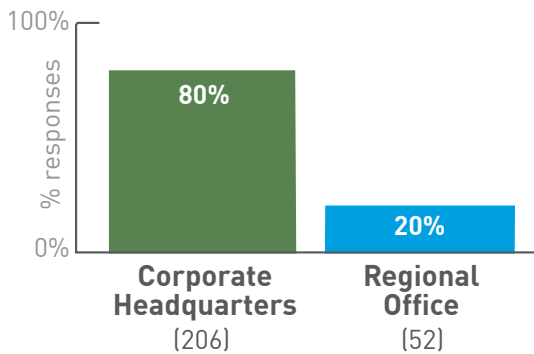
Figure 8 / Survey Questions:
 - *Geographic Focus - National or Regional in Scope*
   (258 Responses)

 - *Indicate the regions your company currently manages workers' compensation claims. Select all that apply. (Conditional question for respondents who answered "yes" to Regional in Scope)*
   (147 Responses)

Geographic Focus:
National in Scope **43%** (111)
Regional in Scope **57%** (147)

Midwest **39%**
South **35%**
Northeast **26%**
Southwest **20%**
West **20%**
California **18%**
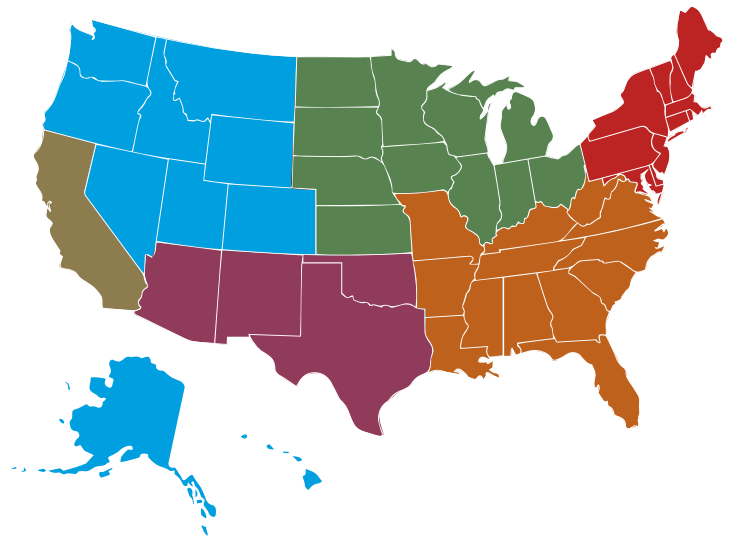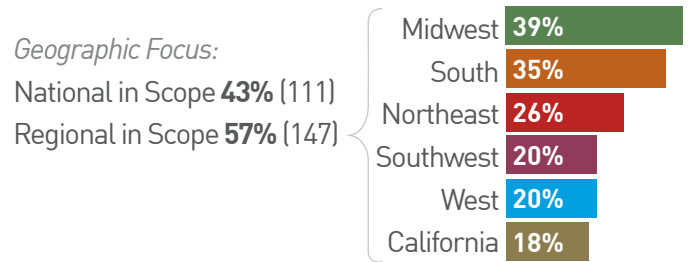
Note: Respondents could select more than one region

Appendix A Index – Survey Participant Demographics

For more information on the survey participants' demographic data, please refer to the below tables and figures in **Appendix A**. >> Go There

Operational Challenge:
Prioritizing Core Competencies

Many organizations are challenged with competing areas of core competencies

The workers' compensation industry has experienced significant change, with the traditional role of Claims Examiner now frequently being shared with other departments or outsourced to vendor partners. Prioritizing where to focus resources is an important strategic skill for industry leaders. This area of the study explores what organizations consider core competencies, how resources are aligned with core competencies, and how best practices and outcomes are defined and measured.

Top 3 Core Competencies Ranked Most Critical to Claim Outcomes

1 Disability / RTW Management
2 Medical Management
3 Compensability Investigations

Key Considerations

What do organizations consider their core competencies?

How do organizations define best practices within core competencies?

How do organizations measure effective claims management?

Do organizations utilize risk / reward strategies to drive best practices and achieve outcomes?

Prioritizing core competencies most critical to claim outcomes

Survey participants rank disability management and medical management as the top two issues critical to claim outcomes (see Table 3). This finding reflects the reality most workers' compensation organizations experience with medical spend representing nearly 60 percent of total claims costs[i] – a figure that's expected to rise. According to the Insurance Information Institute, workers' compensation medical is projected to reach 70 percent of total claims costs by 2018.[ii] A serious concern for employers and insurers alike, medical inflation has outpaced the Consumer Price Index (CPI) for the past 25 years, with the cost of medical care more than tripling.[iii]

Figure 9 / Workers' Compensation Claims Cost Trends

■ **Indemnity** ■ **Medical**

Year	Indemnity	Medical
1988	54%	46%
1998	47%	53%
2008	42%	58%
2018 [projected]	30%	70%
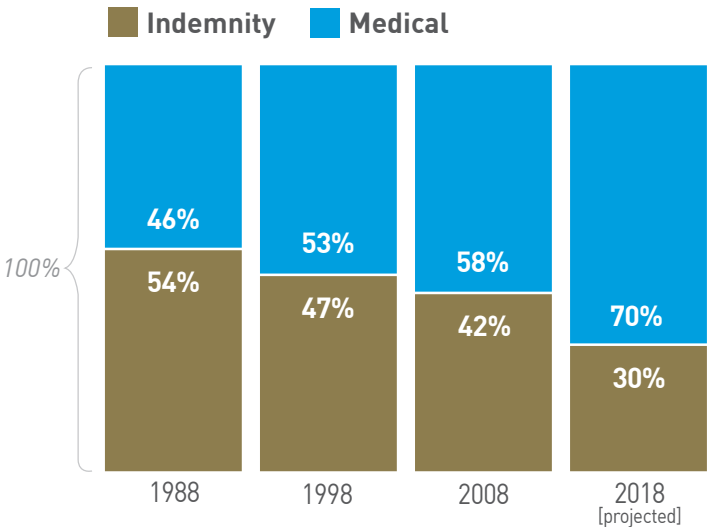
Source: Denise Zoe Gillen-Algire, Workers' Compensation Market Trends Presentation

See **Appendix B** for all results related to "Prioritizing Core Competencies"

Disability management, ranked the number one priority critical to claim outcomes, is often parallel to proactive medical management. Numerous studies show that the probability of employees returning to any form of employment decreases sharply the longer they are off work.[iv]

Participants also rank compensability investigations high in priority. Although conducted with low frequency over the claim life cycle, the potential impact compensability investigations have on outcomes is significant, particularly if key information is not detected or overlooked.

Table 3 / Survey Question:
Rank in order of highest priority the core competencies most critical to claim outcomes, with 1 being the "highest priority" and 10 being the "lower priority." (258 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Disability / RTW Management	1	2124	100%
Medical Management	2	2107	99%
Compensability Investigations	3	1897	83%
Case Reserving	4	1460	51%
Litigation Management	5	1393	46%
Oversight Governance & Internal Controls	6	1222	33%
Bill Review	7	1184	31%
Fraud & Abuse Detection	8	1135	27%
Recovery Management	9	900	10%
Vocational Rehabilitation	10	768	0%

Measuring best practices within core competencies

Many organizations use metrics to gauge operational performance; however, the emphasis tends to be on quantitative measures as opposed to qualitative or outcome-based measures of performance. A key focus of this study area is benchmarking how organizations structure performance measures to expand on standard metrics. Of the responses, 72 percent report measuring best practices within core competencies, while 28 percent report there are no / unknown metrics for best practices – displaying room for improvement.

Survey data also reflects that, on average, only 56 percent of all participants measure performance in the top three areas ranked most critical to claim outcomes. Additionally, only 65 percent of participants report that they use an audit or quality assurance program focused on claim outcomes. These findings indicate an opportunity for the industry.

Quantitative vs. Qualitative and Outcome-Based Measures of Performance

"There's a tendency in the industry to 'check off all the boxes' to meet quantitative measures, yet still not effectively impact claim outcomes. Including both quantitative and qualitative measures helps organizations go beyond tasks just passing a 'sniff test' to achieving real operational excellence."

-Laura Crowe, Study Advisory Council Member & Director of Risk Management, Presbyterian Healthcare Services

Table 4 / Survey Question:
Please indicate, on average, how often your organization measures best practices / performance within core competencies for each area. (186 Responses)

Answer	Total	Real Time /Daily	Weekly	Monthly	Semi-Monthly	Quarterly	Biannually	Annually
Disability / RTW Management	152	49	14	42	0	31	6	10
Medical Management	148	42	14	39	1	29	11	12
Compensability Investigations	135	33	11	37	0	33	8	13
Case Reserving	154	39	16	51	0	33	5	10
Claim Resolution	150	31	11	62	1	27	7	11
Litigation Management	128	21	5	38	1	45	6	12
Oversight Governance & Internal Controls	116	34	6	27	0	28	5	16
Bill Review	107	23	9	40	1	19	7	8
Recovery Management	94	13	4	29	1	29	6	12
Fraud & Abuse Detection	86	16	2	30	0	20	6	12
Vocational Rehabilitation	47	14	1	16	1	11	2	2

Note: Conditional Question for respondents who answered "yes" to measuring best practices / performance within core competencies

Using systems to drive best practices

Facilitating best practices through claims system workflow automation, advanced analytics, and predictive modeling has gained significant interest on the industry's operations side, yet survey results indicate some progress can be made in adoption of these technologies.

Nearly half of survey participants are not using systems to direct or manage tasks within best practices (see Table 5). Of those respondents who are using systems, 46 percent use workflow automation to drive best practices, which typically involves triggering certain claim activities to achieve optimal outcomes.

Additionally, 25 percent of respondents report using predictive analytics. Predictive modeling differs from traditional business analytics in that it uses mathematical models to gain insights from data to develop variables that predict the likelihood of claim development. Early adopters utilize predictive modeling to foster more competitive underwriting practices and enhance claims decision-making throughout the claim life cycle.[v] A clear opportunity exists to use predictive modeling to better identify and manage claims with the potential to impact loss costs favorably.

Table 5 / Survey Question:
Does your organization utilize any of the following systems to direct or manage tasks within best practices? Select all that apply. (258 Responses)

Segmented By Organization Type

Answer	All Responses	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	258	77	3	36	61	30	11	4	25	11
Not Utilizing / Not Applicable	45%	27%	-	33%	57%	57%	73%	25%	64%	64%
Claims System Workflow Automation	46%	64%	100%	67%	31%	30%	18%	75%	28%	27%
Predictive Analytics	25%	40%	33%	19%	15%	23%	-	50%	20%	18%
Other	3%	3%	-	-	2%	3%	9%	-	4%	9%

Note: Respondents were able to select more than one answer for this question

Using risk / reward strategies to drive best practices and achieve outcomes

A common challenge for industry leaders is how to balance incentives (rewards) and penalties (risks) that drive outcomes and operational excellence most effectively. The survey measured the use of incentives and penalties to achieve best practices for both internal staff and vendor partners. Results demonstrate an opportunity for the industry to harness these strategies better. With the increased outsourcing of key operational functions, there is a growing need to leverage risk / reward strategies with vendor partners that encourage top performance, particularly as claims organizations are being held more and more accountable for performance by their own customers – internal and external.

Survey Question: *Does your organization utilize incentives for staff or vendor partners to achieve best practices / performance measures?*

■ **51%** use incentives for **staff**
■ **29%** use incentives for **vendor partners**

Survey Question: *Does your organization utilize penalties for staff or vendor partners when best practices / performance measures are not met?*

■ **52%** use penalties for **staff**
■ **35%** use penalties for **vendor partners**

Appendix B Index – Prioritizing Core Competencies

For more information on all survey question results and additional benchmark analyses related to this focus area, please refer to the below tables and figures in **Appendix B**. >> Go There

B-1: Ranking of Core Competencies Most Critical to Claim Outcomes
Segmented by Organization Type
Segmented by Role Type – Manager
Segmented by Role Type – Director, VP, & C-Level / Executive

B-2: Use of Best Practices / Performance Measures within Core Competencies

B-2.1: Measurement Areas for Best Practices / Performance within Core Competencies

B-2.2: Measurement Frequency for Best Practices / Performance within Core Competencies

B-3: Systems Used to Direct or Manage Tasks within Best Practices
Segmented by Organization Type

B-4: Use of an Audit or Quality Assurance Program Focused on Claim Outcomes

B-5: Use of Staff Incentives to Achieve Best Practices / Performance Measures

B-6: Use of Staff Penalties When Best Practices / Performance Measures Aren't Met

B-7: Use of Vendor Partner Incentives to Achieve Best Practices / Performance Measures

B-8: Use of Vendor Partner Penalties When Best Practices / Performance Measures Aren't Met

[i] NCCI, State of the Workers' Compensation Line, May 2009, slide 36, available at:
https://www.ncci.com/Documents/AIS-09-SOL-Complete.pdf

[ii] Robert Hartwig, Insurance Information Institute, available at:
http://www.iii.org/Presentations/Making-Sense-of-Now-and-Forecasting-the-Future-The-Economys-Impact-on-Workers-Compensation.html

[iii] Department of Labor (Bureau of Labor Statistics); Insurance Information Institute, available at:
http://www.iii.org/Presentations/Making-Sense-of-Now-and-Forecasting-the-Future-The-Economys-Impact-on-Workers-Compensation.html

[iv] American College of Occupational and Environmental Medicine (ACOEM). (2006). Preventing needless work disability by helping people stay employed. Journal of Occupational and Environmental Medicine, 48, 972-987.

[v] Contingencies; Workers' Comp Predictive Modeling Comes of Age, available at:
http://www.contingenciesonline.com/contingenciesonline/201205#pg37

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Operational Challenge:
Talent Development & Retention

Attracting and retaining top talent

Like many service industries, human capital is vitally important for an organization's success in workers' compensation. Attracting and developing talent is becoming a major issue for most organizations. According to the Lloyd's 2011 Risk Index, the risk of talent retention has escalated dramatically with executives ranking talent and skills shortages as the second highest concern.[i] Could part of the problem be a lack of recognition of claims as a critical component of business strategy?

This study area provides information so organizations can benchmark how industry peers invest in resource development and retention. The results indicate that most claims organizations include staff development in their strategic goals. However, a significantly smaller percentage invests in training for new hires as well as senior-level claims staff.

Key Considerations

What is the industry doing to attract and retain the best in the industry?

What is the financial investment in training and development at peer organizations?

Do organizations include staff development in their strategic goals?

Is training customized based on skill level to ensure ongoing development for tenured staff?

How do organizations tackle the challenge of knowledge transfer from senior-level staff to less experienced staff members?

Figure 10 / Survey Question:
Is staff development included in your organizational / departmental strategic goals? (258 Responses)

3%
12%
85%

Yes (220)
No (31)
Unknown (7)

Figure 11 / Survey Question:
Does your organization have a dedicated training and development group? (258 Responses)

<1%
46%
54%

Yes (139)
No (118)
Unknown (1)
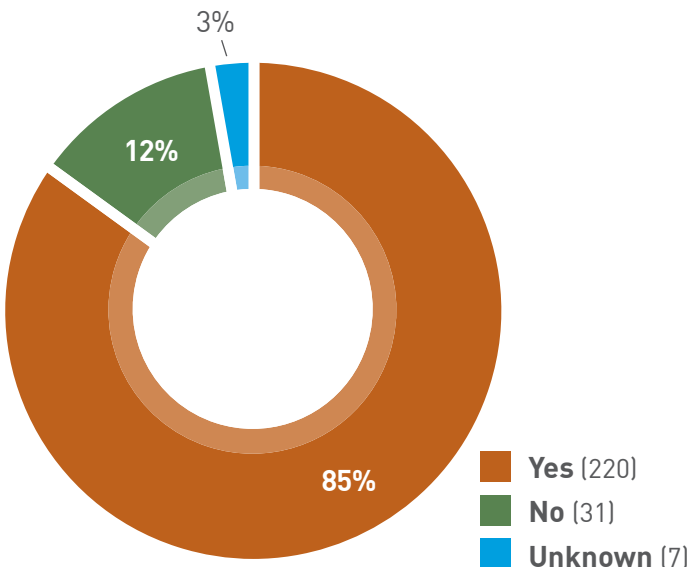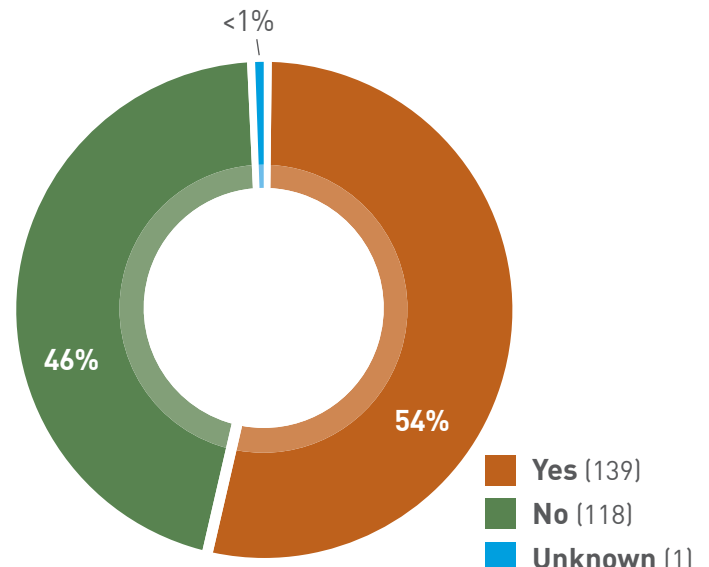
See **Appendix C** for all results related to "Talent Development & Retention"

**Top 3 Talent Retention Initiatives
Outside of Salary & Standard Benefits**

1 Tuition Reimbursement
2 Wellness Programs
3 Professional Conference Attendance

"Companies won't train workers because they might leave, and workers leave because they don't get training."

– Harvard Business Review

Investing in staff development and training

Formal training is costly and organizations are often reluctant to make an investment in employees who might not stay. This creates a vicious circle across industry sectors according to the Harvard Business Review, "Companies won't train workers because they might leave, and workers leave because they don't get training."[ii] The workers' compensation industry is certainly not immune to this type of ongoing cycle, with 43 percent of participants indicating they have no allocated budget or an unknown budget for training and development.
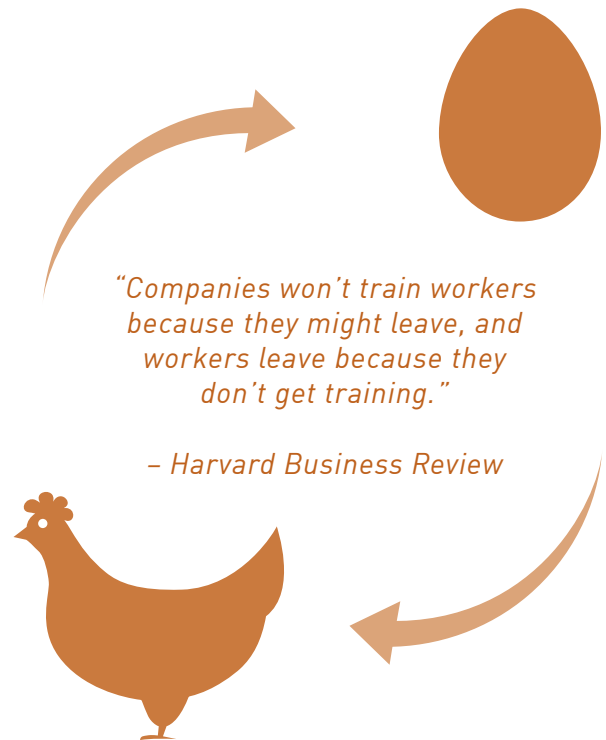
Table 6 / Survey Question:
What percentage of your annual budget is dedicated to staff development and training? (258 Responses)

Segmented By Organization Type

Answer	All Responses	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	258	77	3	36	61	30	11	4	25	11
1- 3%	40%	27%	-	47%	44%	37%	64%	50%	64%	27%
4 - 6%	13%	20%	67%	14%	2%	10%	9%	25%	16%	9%
7- 9%	1%	3%	-	-	2%	3%	-	-	-	-
> 10%	3%	1%	-	3%	5%	7%	-	-	-	-
No allocated budget for training	13%	14%	-	14%	13%	13%	-	-	4%	37%
Unknown	30%	35%	33%	22%	34%	30%	27%	25%	16%	27%

% of Budget

Developing new claims staff

Many organizations face the competing dilemma of a limited pool of experienced claims professionals versus the cost and time commitment of a training program for inexperienced staff. Some claims executives feel the available pool of qualified candidates is not the primary issue, but rather it's an unwillingness to embrace alternative recruiting strategies by hiring and investing in otherwise highly qualified candidates.[iii] These strategies include early job offers to successful interns or hiring candidates with associate degrees who are committed to furthering their education while working in a trainee role.

The survey results reflect that less than half of participants have a training program for inexperienced claims staff. Surprisingly, only 65 percent believe their training program adequately prepares new staff to handle a caseload (see Figure 13).

Figure 12 / Survey Question:
Does your organization have a formal training program for new hire claims staff with little to no experience?
(258 Responses)

- **Yes** (108)
- **No** (96)
- **Unknown** (4)
- **Not Applicable** (50)

42%
37%
19%
2%
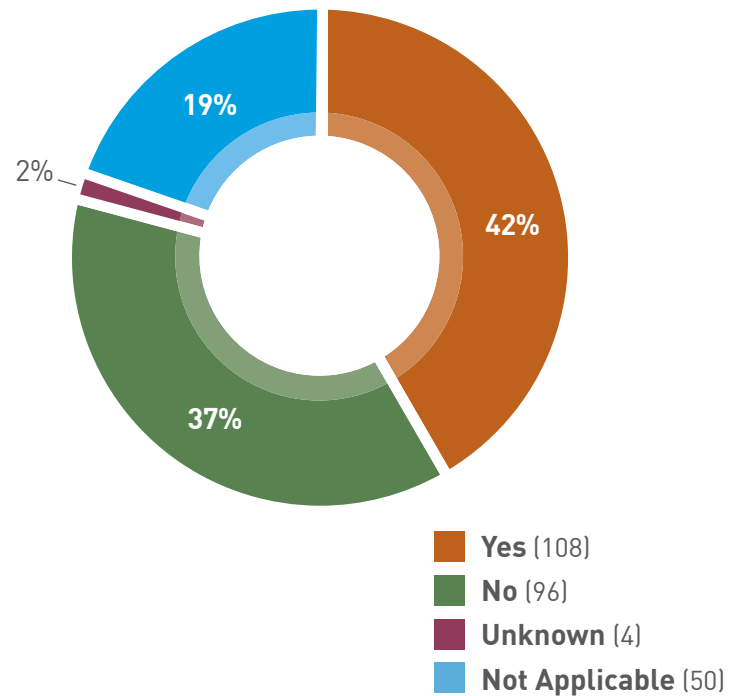
"(We) need to rethink (our) commitment to training and development. The skill gap in our industry has continued to widen as companies have reduced their investments in skill development and the complexity of claim handling has increased, especially on the medical side of the equation."

- Patrick Walsh, VP & Chief Claims Officer, Accident Fund Holdings / *WorkCompWire* [iii]
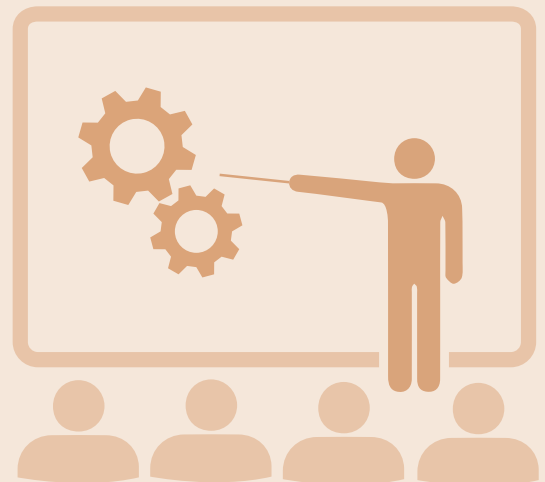
Figure 13 / Survey Question:
Overall, do you believe completion of the new hire training program prepares new claims staff to carry a caseload? (Conditional Question for respondents who answered "yes" to having a new hire training program)
(108 Responses)

Yes (70)
No (20)
Unsure (18)
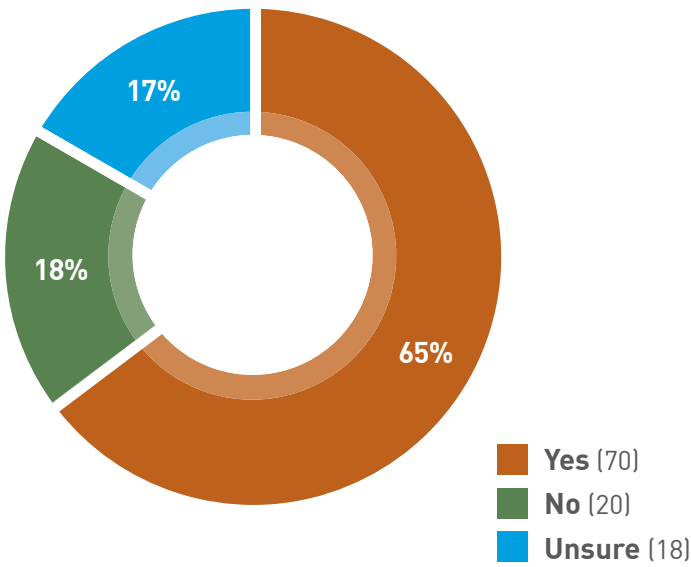
There are limited resources available in the industry for organizations that don't have the bench strength or bandwidth to take on a claims trainee program. A small percentage of organizations report collaborating with colleges or universities to meet their training needs. This finding likely is due to the limited number of programs geared toward the niche market of workers' compensation. According to a recent Claims Management article, of the few colleges that offer risk management or insurance programs, none offer claims courses.[iv]

In response to the industry need for claims education, the Claims & Litigation Management Alliance (CLM) is one known association that's launching a claims-specific program,[v] and clear opportunities exist for other education-focused entities to follow suit. New resources, like CLM's Claims College, could be a good solution for organizations looking to augment their training programs.

Figure 14 / Survey Question:
What is the length of the training program for new hire claims staff with no experience to minimal experience? (Conditional Question for respondents who answered "yes" to having a new hire training program) (108 Responses)

% of Sub-Sample Responses
% of Entire Response Sample
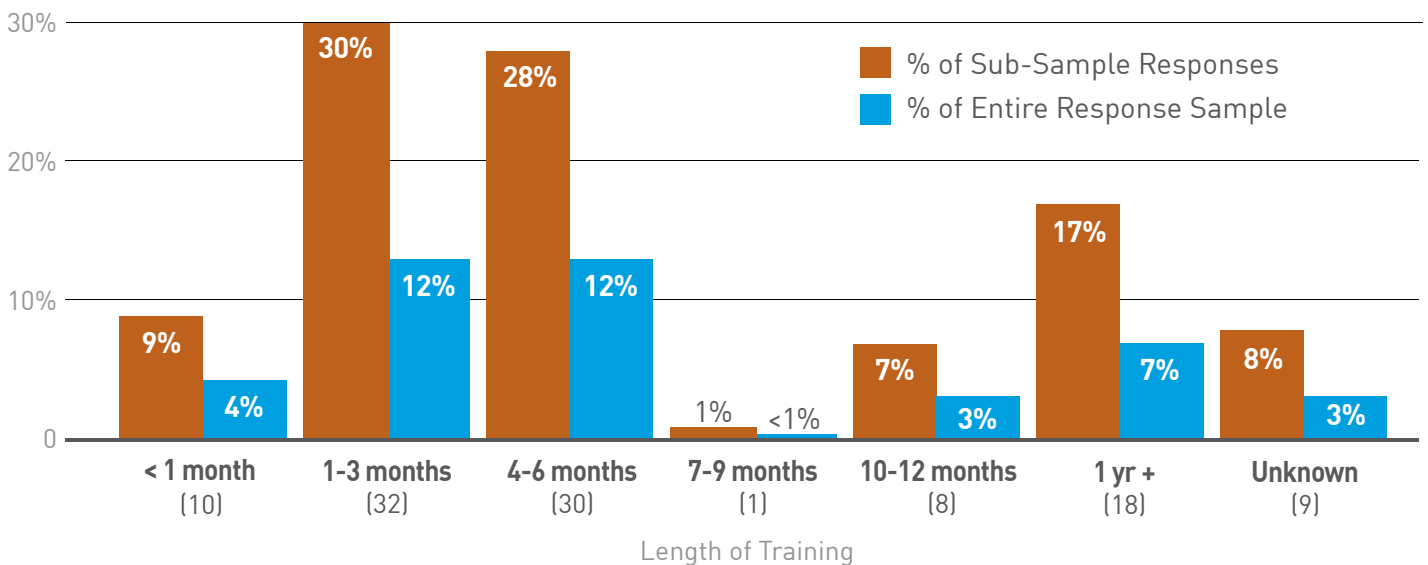
Although the industry recognizes the value of resource development, less than half of the survey participants provide training to senior-level claims staff. The results indicate that insurance companies and third party administrators are more likely to offer training for senior staff members compared to other organizational types.

Table 7 / Survey Question:
Does your organization provide technical training and development programs for senior-level claims adjusters? (258 Responses)

Segmented By Organization Type

Answer	All Responses	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	258	77	3	36	61	30	11	4	25	11
Yes	49%	70%	67%	72%	31%	10%	64%	50%	32%	55%
No	30%	29%	33%	28%	41%	27%	18%	25%	32%	9%
Unknown	1%	1%	-	-	-	3%	-	-	-	9%
Not Applicable	20%	-	-	-	28%	60%	18%	25%	36%	27%

Appendix C Index – Talent Development & Retention

For more information on all survey question results and additional benchmark analyses related to this focus area, please refer to the below tables and figures in **Appendix C**.   >> Go There

C-1:   Inclusion of Staff Development in Strategic Goals

C-2:   Use of a Dedicated Training & Development Group

C-3:   Percentage of Annual Budget for Staff Development & Training
Segmented by Organization Type & Size (Total Annual Premium and/or Claims Dollars Paid)

C-4:   Provision of Formal Training Program to New Hire Claims Staff

C-4.1:   Length of Training Program for New Hire Claims Staff

C-4.2:   Confidence Level in Training Program to Prepare New Hire Claims Staff for a Caseload
Segmented by Length of Training Program for New Hire Claims Staff

C-4.3:   ROI Considered Reasonable for Training Provided to New Hire Claims Staff

C-5:   Importance of College Degree to Job Performance for Claims Adjuster Staff

C-6:   Collaboration with Colleges / Universities for Training or Degree Programs

C-7:   Provision of Training & Development Programs for Senior Claims Adjusters
Segmented by Organization Type
Segmented by Organization Size – Total Annual Premium
Segmented by Organization Size – Total Claims Dollars Paid

C-7.1:   Frequency of Training & Development Participation by Senior Claims Adjusters

C-8:   Use of Formal Process for Knowledge-Transfer from Senior Staff to Less Experienced Staff

C-9:   Use of Benefit Initiatives Outside of Salary & Standard Benefits
Segmented by Organization Type

C-10:   Turnover Rate at Claims Adjuster Level in Last 12 Months
Segmented by Benefit Initiative Offerings
Segmented by Organization Type

C-11:   Annual Turnover Rate Considered Acceptable at Claims Adjuster Level
Segmented by Organization Type

[i] http://www.lloyds.com/~/media/files/news%20and%20insight/360%20risk%20insight/lloyds_risk_index_2011.pdf

[ii] http://hbr.org/2012/07/why-top-young-managers-are-in-a-nonstop-job-hunt/ar/1

[iii] http://www.workcompwire.com/2013/07/patrick-walsh-talent-and-the-workers-compensation-claims-arena/

[iv] http://claims-management.theclm.org/home/article/Claims-College-Welcome-Back-to-School

[v] https://www.theclm.org/ClaimsCollege/ClaimsCollege

Operational Challenge:
Impact of Technology & Data

Using technology to impact operations

Workers' compensation organizations increasingly are burdened by regulatory compliance requirements and an environment where fraud has become more prevalent. The National Insurance Crime Bureau (NICB) estimates that workers' compensation insurance fraud costs the industry $5 billion per year and is the nation's fastest growing insurance scam, with questionable claims increasing sharply as the recession has threatened workers with layoffs.[i] In response, the industry has experienced exponential growth in technology solutions such as predictive modeling, mobile applications, analytics, and the use of data warehousing to combat these challenges and remain competitive in the marketplace. This area of the study focuses on how organizations use technology to enhance operations and impact claim outcomes.

Key Considerations

How do organizations utilize data to impact / manage operations?

What strategies are used to ensure data integrity?

What key systems are integrated with claim systems?

How do organizations balance process with strategy metrics?

How are advanced analytics such as predictive modeling used to enhance operations?

Are metrics helping or hindering operational effectiveness?

A cross-section of the data demonstrates that organizations with a greater IT budget are more likely to have systems in place such as workflow automation, predictive analytics, and metrics to measure provider outcomes (see Tables 9 and 10).

Table 8 / Survey Question:
What percentage of your organization's annual budget is spent on IT systems for workers' compensation programs? (258 Responses)

Segmented By Organization Type

Answer	All Responses	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	258	77	3	36	61	30	11	4	25	11
1 to 3%	26%	9%	-	17%	34%	50%	46%	-	44%	27%
4 to 6%	11%	17%	-	14%	10%	3%	9%	-	4%	-
7 to 9%	4%	1%	33%	11%	-	3%	9%	-	8%	9%
10 to 12%	8%	9%	-	11%	7%	3%	9%	25%	-	18%
13 to 15%	2%	4%	-	3%	-	-	-	-	-	9%
16% or more	4%	3%	-	8%	3%	-	-	25%	4%	9%
Unknown	45%	57%	67%	36%	46%	41%	27%	50%	40%	27%

% of Budget

See **Appendix D** for all results related to "Impact of Technology & Data"

Tables 9 & 10 / Survey Question:
What percentage of your organization's annual budget is spent on IT systems for workers' compensation programs?
(258 Responses)

Responses Segmented by Organization's Use of Systems to Drive Best Practices

	Answer	Claims System Workflow Automation	Predictive Analytics	Other	Not Applicable
% of Budget	1 to 3%	26%	13%	1%	69%
	4 to 6%	56%	33%	11%	22%
	7 to 9%	82%	45%	-	9%
	10 to 12%	55%	30%	5%	30%
	13 to 15%	60%	60%	-	40%
	16% or more	80%	30%	-	20%
	Unknown	47%	25%	2%	45%

Responses Segmented by Organization's Use of Medical Provider Outcomes / Performance Measures

	Answer	Provider Outcomes / Measures Used	Provider Outcomes / Measures Not Used	Unknown
% of Budget	1 to 3%	26%	72%	2%
	4 to 6%	37%	63%	-
	7 to 9%	36%	64%	-
	10 to 12%	45%	55%	-
	13 to 15%	40%	60%	-
	16% or more	30%	70%	-
	Unknown	19%	64%	17%

Systems integration

Well-integrated systems allow organizations to efficiently manage the core processes of investigating and processing claims. Unfortunately, the legacy claims systems many organizations use today have limited interface capabilities. With numerous, distinct systems capturing data, managing information effectively has become a real challenge. The data varies whether it's captured through partners (e.g Pharmacy Benefit Manager (PBM), Utilization Review (UR), Bill Review, Special Investigation Unit (SIU)), or captured by the organization directly. In addition, with the prevalence of mergers and acquisitions, many companies not only have different incoming data sources, but also they're inheriting different systems that capture the same or similar information.[ii]

The study results reflect that true systems integration is limited, particularly across the core areas participants rank important to claim outcomes. Participants were asked to identify which systems are integrated and the functional nature of that integration with their claims system. Thirty-four percent reported no systems integration, and many reported a web-link or manual copy-paste of information as "integrated." Additionally, results indicate that claims adjusters most often access three to seven-plus different systems in the daily management of claims, but 70 percent of participants feel one to two systems is most ideal.

Figure 15 / Survey Question:
Do any of the following systems or programs integrate with your claims system? Check all that apply. If no systems are integrated, select "Not Applicable." (258 Responses)

System	Percent	Count
No Systems Integration / Not Applicable	34%	(88)
Bill Review	46%	(119)
Nurse Case Management	35%	(90)
Pharmacy Benefit Manager or Pharmacy Point of Service System	33%	(86)
Utilization Review	28%	(73)
Provider Networks	22%	(57)
Imaging or Imaging Service Providers (i.e., MRI, CT, X-Ray)	21%	(54)
Fraud & Abuse Detection	19%	(49)
Legal	18%	(46)
Evidence-Based Medicine Guidelines	17%	(45)
Safety / Loss Control	14%	(36)
Predictive Modeling	12%	(32)
Provider or Hospital Electronic Health Records	8%	(20)
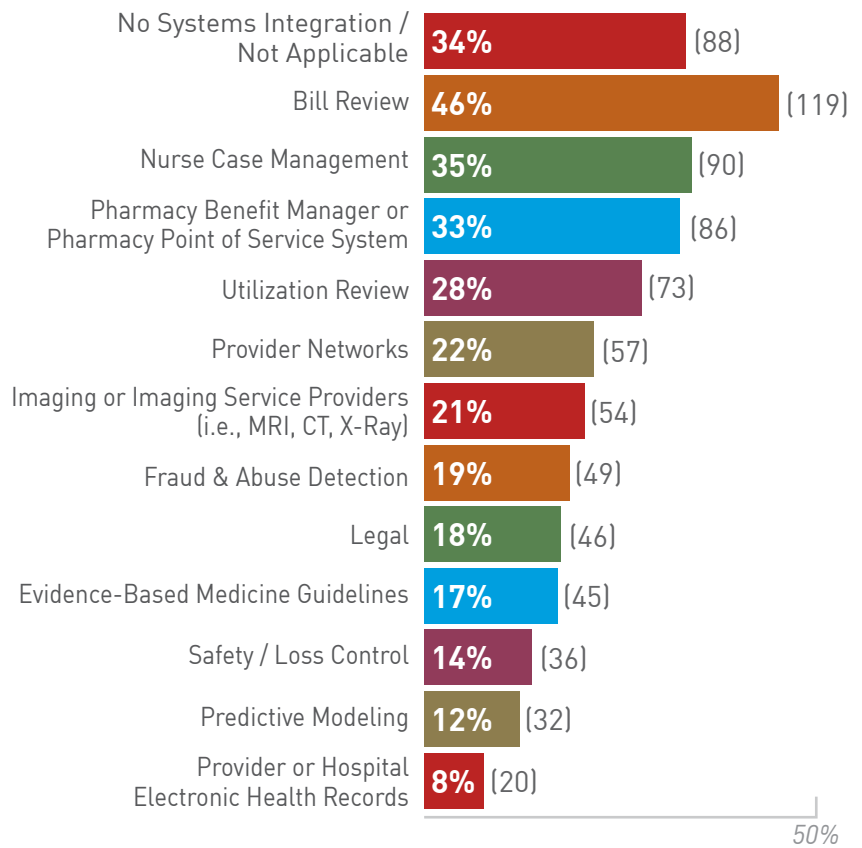
Note: Respondents were able to select more than one answer for this question

Table 11 / Survey Question:
Indicate how each selected system or program integrates with your claims system. (Conditional Question for respondents who selected a system(s) or program(s) in Figure 15)   (170 Responses)

Answer	Total Count	The system contains a web link to the claims system	Staff manually copies and pastes data into the claims system	Data populates the claims system through a scheduled file upload / flat file transfer	Data populates the claims system in real time	Health Level 7 (HL7) integration	Other
Bill Review	119	20%	5%	53%	17%	0%	5%
Nurse Case Management	90	9%	25%	23%	40%	0%	3%
Pharmacy Benefit Manager or Pharmacy Point of Service System	86	27%	6%	50%	10%	0%	7%
Utilization Review	73	16%	21%	26%	30%	0%	7%
Provider Networks	57	44%	7%	25%	18%	0%	6%
Imaging or Imaging Service Providers (i.e., MRI, CT, X-Ray)	54	17%	17%	30%	26%	0%	10%
Fraud & Abuse Detection	49	14%	31%	27%	14%	0%	14%
Legal	46	13%	37%	15%	24%	0%	11%
Evidence-Based Medicine Guidelines	45	51%	16%	9%	18%	0%	6%
Safety / Loss Control	36	14%	31%	14%	31%	0%	10%
Predictive Modeling	32	9%	13%	25%	31%	3%	19%
Provider or Hospital Electronic Health Records	20	10%	20%	35%	35%	0%	0%

Note: Respondents were able to select more than one answer for this question

Using analytics in workers' compensation

Analytics focus on optimizing business outcomes and can involve workflow and decision automation, data mining, statistical analysis, and predictive modeling. According to an Advisen White Paper, recent initiatives to control claims costs fall principally into three areas: predictive analytics to improve risk selection, data mining and artificial intelligence to combat fraud, and automation of decision-making and information-sharing to improve claims outcomes.[iii] A possible solution for organizations hamstrung by legacy systems is using a data warehouse to aggregate and produce meaningful data intelligence. The study results indicate 50 percent of participants use a data warehouse and its use is more prevalent among insurance companies than other organization types.

Table 12 / Survey Question:
Does your organization use a data warehouse to consolidate or integrate systems for reporting purposes? (258 Responses)

Responses Segmented By Organization Type

Answer	All Responses	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent #	258	77	3	36	61	30	11	4	25	11
Yes	50%	73%	100%	53%	33%	33%	45%	25%	24%	73%
No	39%	21%	-	36%	49%	60%	55%	75%	48%	18%
Unknown	11%	6%	-	11%	18%	7%	-	-	28%	9%

Using outcome-based measures to manage operational performance

Any performance measurement system must be able to correlate cause and effect by providing an appropriate balance of quantitative and qualitative activity-based metrics, which represent the means to achieve desired goals or objectives. Outcome-based metrics, on the other hand, represent the goals or objectives themselves; and they must be quantitative in nature, even if evaluating qualitative variables (e.g. client satisfaction). Quantitative data is hard, rigorous, credible, and scientific. Qualitative data is nuanced, detailed, and contextual. This is what makes qualitative and outcome-based metrics more difficult for organizations to operationalize. Study participants rate their organizations' current metrics as having a moderate impact on claim performance and outcomes, with quantitative measures being the most common and qualitative and outcome-based measures being used by a small percentage of participants.

Figure 16 / Survey Question:
*Does your organization use outcome-based data /
metrics to manage operational performance?*
(258 Responses)

Yes (119)
No (109)
Unknown (30)
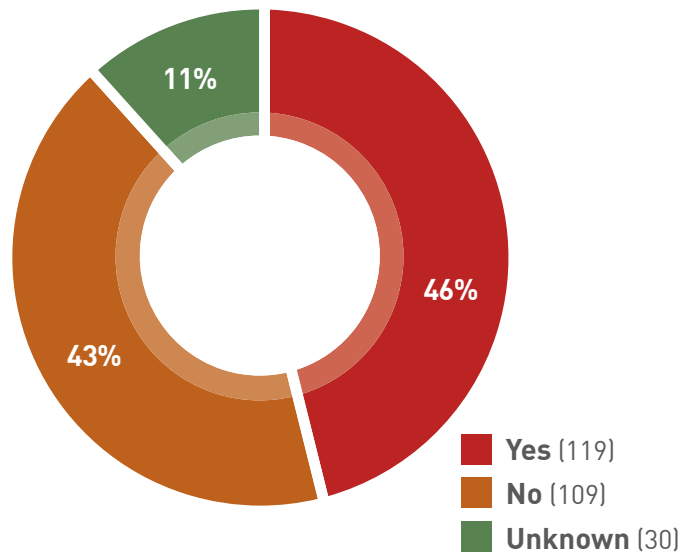
Avoiding "analysis paralysis" is a key concern for organizations and consideration should be given to what data and metrics really impact operations. Managers can be inundated with meaningless reports that ultimately hinder operations because they are spending too much time responding to senior leadership or looking for the pearl of wisdom in a sea of data. Organizations should consider which metrics allow managers to drill-down to the individual claim-level, as well as provide executives with higher-level strategic oversight. For example, PBM metrics that interface real-time with claims systems at the individual claim-level provide actionable data for claims staff, as well as traditional Drug Utilization Review (DUR) reporting that identifies trends important to senior management and executives.

Table 13 / Survey Question:
*What outcome-based systems or data do you utilize to manage operational performance? Select all that apply.
(Conditional Question for those who answered "yes"in Figure 16)*   (119 Responses)

Answer	count	% of Sub-Sample Responses	% of Entire Response Sample
Claim quantitative measures of performance based on our company policies / best practices	94	79%	36%
Claim qualitative measures of performance based on internal / external quality assurance review	74	62%	29%
Claim outcome measures based on evidence-based medicine medical treatment guidelines	43	36%	17%
Claim outcome measures based on evidence-based medicine disability duration guidelines	42	35%	16%
Other	10	8%	4%

Note: Respondents were able to select more than one answer for this question

Appendix D Index – Impact of Technology & Data

For more information on all survey question results and additional benchmark analyses related to this focus area, please refer to the below tables and figures in **Appendix D**. >> Go There

D-1:   Percentage of Annual Budget for IT Systems for Workers' Compensation Programs
Segmented by Organization's Use of Systems to Drive Best Practices
Segmented by Organization's Use of Medical Provider Outcomes / Performance Measures
Segmented by Organization Type & Size (Total Annual Premium and/or Claims Dollars Paid)

D-2:   Use of Dedicated or Allocated IT Staff for Workers' Compensation Operations

D-3:   Number of Systems Adjusters Use in Daily Claims Management
Segmented by Organization Type

D-4:   Number of Systems Considered Efficient for Adjusters' Daily Claims Management

D-5:   Prevalence of Claims System Integrations with Other System Types
Segmented by Organization Type

D-5.1:   Nature of Claims System Integrations with Other System Types

D-6:   Time Allocated Monthly to Reviewing, Preparing & Responding to Data Metrics Reports
Segmented by Role / Level of Responsibility
Segmented by Organization Type

D-7:   Number of Different Systems from which Data / Metrics Reports are Received

D-8:   Use of Data Warehouse to Consolidate Systems for Reporting Purposes
Segmented by Organization Type

D-9:   Impact Rating of Organization's Metrics on Claims Performance / Outcomes

D-10:   Use of Outcome-Based Data / Metrics to Manage Operational Performance
Segmented by Organization Type

D-10.1: Type of Outcome-Based Systems / Data Used to Manage Operational Performance

D-10.2: Segmentation of Outcome-Based Data / Metrics Used to Manage Operational Performance

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[i] https://www.nicb.org/about-nicb

[ii] http://www.insurancetech.com/whitepaper/Customer-Insight-Business-Intelligence/Analytics/predictive-analytics-enables-insurers-to-drive-pro-wp1305041319

[iii] https://www.advisen.com/downloads/topical_report_Innovation_vs_Inertia_Regulation.pdf

Operational Challenge:
Medical Performance Management

Measuring medical management and provider outcomes

The industry continues to face two major challenges: the long-tail nature of workers' compensation claims and the rising cost of medical care. There is strong opinion among industry leaders that the quality of the treating provider significantly impacts both an injured worker's recovery and the total claim cost.[i] The Institute of Medicine (IOM) defines quality of care as "the degree to which health services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge."[ii] While measuring provider performance and outcomes is a seasoned practice in group health, it is not common in the workers' compensation industry.
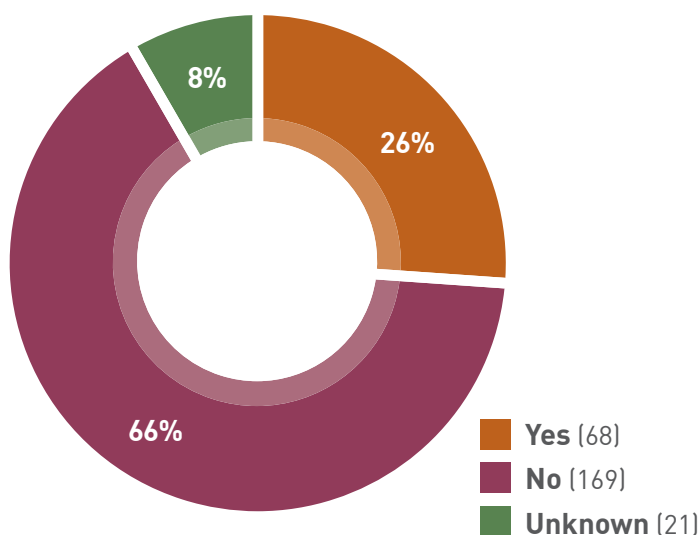
Key Considerations

Are organizations utilizing medical management outcome measures?

How is provider quality measured?

With the prevalence of outsourcing medical management to vendor partners, how do organizations measure outcomes and ROI?

Is the industry utilizing risk / reward contracting strategies with providers or vendor partners?

Figure 17 / Survey Question:
Does your organization use medical provider outcomes / performance measures? (258 Responses)

26%

8%

66%

Yes (68)
No (169)
Unknown (21)

This area of the study focuses on the industry's use of medical management performance and outcome measures.

The results reflect a small number, 26 percent of survey participants, measure provider performance and outcomes. A cross-section of the data demonstrates little difference across organizational type and size (see Tables 14-16). Probable factors affecting the limited use of provider performance and outcomes are: statutory limitations in some jurisdictions and, more likely, limited understanding of measures and/or how to operationalize them.

Tables 14 - 16 / Survey Question:
Does your organization use medical provider outcomes / performance measures?   (258 Responses)

Segmented By Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	77	3	36	61	30	11	4	25	11
Yes	23%	33%	31%	30%	17%	9%	50%	28%	45%
No	72%	67%	58%	59%	73%	82%	50%	64%	55%
Unknown	5%	-	11%	11%	10%	9%	-	8%	-

Segmented By Organization Size - Total Annual Premium

Answer	<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown / N/A
respondent # by organization size	111	42	9	24	72
Yes	21%	36%	11%	29%	30%
No	74%	57%	89%	50%	60%
Unknown	5%	7%	-	21%	10%

Segmented By Organization Size - Total Annual Claims Dollars Paid

Answer	<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
respondent # by organization size	143	48	14	20	33
Yes	23%	27%	36%	35%	30%
No	71%	73%	64%	50%	43%
Unknown	6%	-	-	15%	27%

Focusing on quality and outcomes, rare in workers' compensation

The science of medical performance measures in the workers' compensation industry is still in its infancy.[iii] One major challenge reported by industry leaders is the cost of implementing performance measures, particularly in medical management, which tend to be qualitative in nature. It could be argued that these costs will be offset by quality improvements which reduce recovery time and unnecessary medical treatments. However, the value of quality care and performance must be recognized by the industry first. There are encouraging signs. Case studies of three organizations participating in the Institute for Healthcare Improvement's "Triple Aim" initiative report that partnering with providers on outcomes improved the quality of care while lowering costs.[iv] Other promising results from early adopters include the Washington State Department of Labor & Industries' Centers of Occupational Health & Education (COHE) model. This model includes quality measures for occupational health treatment and financial and non-financial incentives to providers who deliver best practices and outcomes. The results include a reported 20 percent reduction in long-term disability overall, and a 30 percent reduction in disability among workers with low back injuries.[v]

The study results reflect less than half of survey participants use provider performance measures such as return-to-work and treatment within evidenced-based guidelines (see Table 18). Additionally, less than half report using more common measures such as average medical spend and disability days. Finally, less than a quarter of participants measure average narcotic use – a figure that may be inconsistent with the great emphasis now placed on curbing painkiller misuse and abuse both at the organizational and state-levels (e.g. Texas' limited usage formulary). These findings represent an opportunity for the industry to deploy many of the tools already available to gauge provider performance.

Table 17 / Survey Question:
Are you using any of the following measures to gauge overall provider performance? Select all that apply. If no, select "Not Applicable." (258 Responses)

Answer	count	%
No, none currently in place / Not Applicable	138	53%
Average Claim Costs	100	39%
Average Number of TTD Days	83	32%
Average Medical Spend	80	31%
Average Narcotic Use	52	20%

Note: Respondents were able to select more than one answer for this question

Evidence-based treatment guidelines provide a powerful means by which to increase the effectiveness and value of medical care and present a reliable benchmark to measure outcomes.[vi]

Table 18 / Survey Question:
Are you using any of the following data points to measure provider outcomes / performance? Select all that apply. If no, select "Not Applicable." (258 Responses)

Answer	count	%
No, none currently in place / Not Applicable	106	41%
RTW Outcomes	115	45%
Total Claims Costs	115	45%
Treatment within Evidence-Based Guidelines	78	30%
Quality & Timely Submission of Reports	63	24%
Efficiency Measures, Avg Number of Evaluation & Management (E&M) Visits per Claim by Diagnosis Code	19	7%
NCQA Cost of Care Measures	6	2%
AHRQ Clinical Quality / Appropriate Care Measures	6	2%
Other	2	1%

Note: Respondents were able to select more than one answer for this question

Medical management programs most critical to claims outcomes

The challenge of managing rising medical costs in workers' compensation has been a catalyst for integrating medical management resources with traditional claims models. For many organizations with limited internal resources, medical management programs are provided by vendor partners.

The study measures the programs participants consider most critical to claim outcomes, as well as which programs are insourced or outsourced to vendor partners (see Tables 19 and 20). Results also reflect the adoption rates of the top three programs considered most critical to claim outcomes.

Top 3 Medical Management Programs Ranked Most Critical to Claim Outcomes

1 Nurse Case Management
2 Return-to-Work Services
3 Nurse Triage

Table 19 / Survey Question:

Please rank in the order of impact the programs you believe are most critical to claim outcomes, with 1 having the "greatest impact" and 10 having the "least impact."   (258 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Nurse Case Management	1	1977	100%
Return-to-Work Services	2	1870	90%
Nurse Triage	3	1609	64%
Pharmacy Benefit Manager, Network or Pharmacy Program	4	1417	46%
Utilization Review	5	1414	45%
Bill Review	6	1377	42%
Physician Case Management	7	1321	36%
Company Developed / Owned Provider Network	8	1136	19%
Peer Review	9	1124	17%
Outsourced / Leased Provider Network	10	945	0%

Table 20 / Survey Question:

Indicate if any of the following medical management programs are currently in place and if they are insourced or outsourced. If not currently in place, select "Not Applicable."
(258 Responses)

Answer	Not currently in place / Not Applicable	Insourced	Outsourced	Combination Insourced & Outsourced	Unknown
Nurse Case Management	8%	27%	46%	19%	< 1%
Return-to-Work Services	17%	42%	18%	22%	1%
Nurse Triage	35%	29%	31%	5%	< 1%
Pharmacy Benefit Manager / Network	13%	6%	76%	5%	< 1%
Utilization Review	15%	16%	54%	14%	1%
Bill Review	4%	20%	63%	13%	< 1%
Physician Case Management	35%	10%	40%	12%	3%
Company Developed / Owned Provider Network	43%	17%	28%	10%	2%
Peer Review	20%	14%	54%	9%	3%
Outsourced / Leased Provider Network	36%	4%	49%	6%	5%

Using risk / reward strategies with medical providers and vendor partners

Nationally, quality measures are considered a cornerstone of building a better healthcare delivery system. Pay-for-performance programs have been embraced by the Centers for Medicare & Medicaid Services (CMS) and there is a sharp increase by group health plans. While there is a growing interest in the workers' compensation industry, the use of performance guarantees, with any meaningful risk / reward financial structures, are rarely seen. The study reflects that only four percent of participants are using risk / reward strategies with medical providers. This is likely the result of most organizations leasing provider networks who manage the contractual agreements. Perhaps a more scalable opportunity is deploying risk / reward strategies with medical management vendor partners. The study results indicate just 17 percent of respondents report using performance strategies with medical management vendor partners. Considering the prevalence of medical management outsourcing, with seven of the ten programs surveyed being most commonly outsourced, there is a significant competitive opportunity for early adopters wishing to differentiate themselves in the marketplace.

Figure 18 / Survey Question:
Does your organization use risk / reward-based contracting with medical providers? (258 Responses)

4%

10%

86%

Yes (9)
No (223)
Unknown (26)
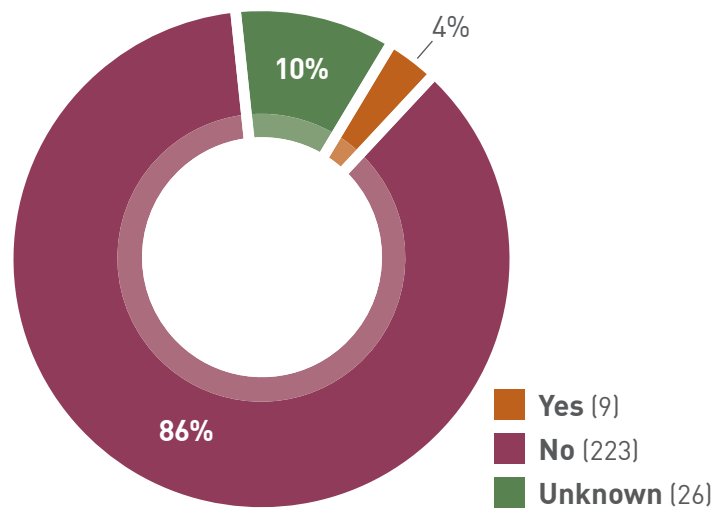
Figure 19 / Survey Question:
Do you use performance strategies to incentivize or hold medical management vendor partners accountable? (258 Responses)

12%

17%

71%

Yes (44)
No (184)
Unknown (30)
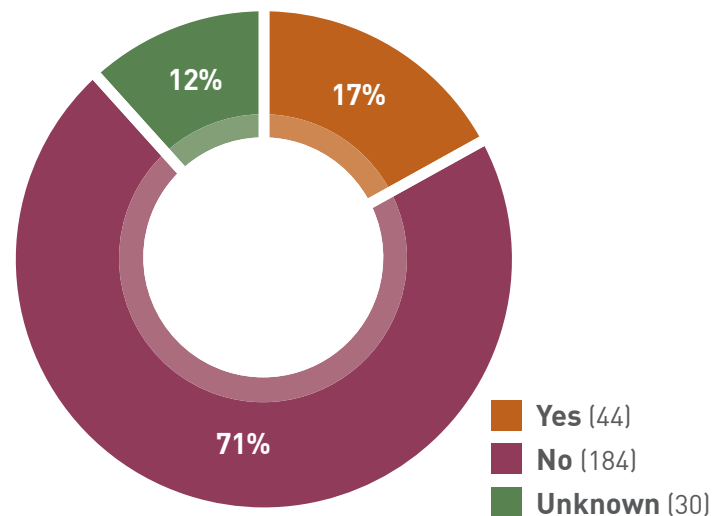
Appendix E Index – Medical Performance Management

For more information on all survey question results and additional benchmark analyses related to this focus area, please refer to the below tables and figures in **Appendix E**. >> Go There

E-1:   Use of Medical Provider Outcomes / Performance Measures
Segmented by Organization Type
Segmented by Organization Size – Total Annual Premium
Segmented by Organization Size – Total Claims Dollars Paid

E-1.1:   Prevalence of Sharing Outcomes / Performance Measure Results with Providers

E-2:   Type of Data Points Used to Measure Provider Outcomes / Performance

E-3:   Type of Measures Used to Gauge Overall Provider Performance

E-4:   Ranking of Most Effective Ways to Maintain Provider Data Integrity
Segmented by Role Type –Manager
Segmented by Role Type – Director, VP, & C-Level / Executive

E-5:   Use of Risk / Reward-Based Contracting with Medical Providers

E-5.1:   Type of Risk / Reward Strategies Used with Medical Providers
Segmented by Organization Type

E-6:   Type of Model Used for Various Medical Management Programs - Insourced / Outsourced
Segmented by Organization Type

E-7:   Ranking of Medical Management Programs Most Critical to Claim Outcomes
Segmented by Organization Type
Segmented by Role Type –Manager
Segmented by Role Type – Director, VP, & C-Level / Executive

E-8:   Use of Performance Strategies to Incentivize / Penalize Medical Management Vendor Partners

E-8.1:   Type of Performance Strategies Used to Incentivize / Penalize Medical Management Vendor Partners

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[i] http://www.maddybowlingconsult.com/pubs/BowlingMgdCareInsInt.pdf

[ii] Institute of Medicine I. Crossing the Quality Chasm: A New Health System for the 21st Century. Washington, D.C.: National Academy Press; 2001.

[iii] URAC, Measuring Quality in Workers' Compensation Managed Care Organizations. https://www.urac.org

[iv] D.McCarthy and S. Klein, The Triple Aim Journey: Improving Population Health and Patients' Experience of Care, While Reducing Costs, The Commonwealth Fund, July 2010.

[v] http://www.lni.wa.gov/ClaimsIns/Files/Providers/ohs/3CombinedReportApril222007Final.pdf

[vi] http://www.acoem.org/Quality_of_Care_WorkersCompensationPrograms.aspx

Conclusion

This study represents a comprehensive analysis of the operational challenges facing workers' compensation claims organizations today. The project includes a national survey of claims leaders from a broad range of organizations. The study's primary objectives are documenting industry practices and providing organizations with information to evaluate strategic aspects of their claims operations alongside industry peers. The aim of this first benchmarking effort is to create an operational assessment tool that will support claims executives with meaningful data for their leadership role.

Contact:

We welcome your insight and reaction to the 2013 Workers' Compensation Benchmarking Study. Please let us know if you find the study useful, have questions, or would like to participate in future studies by contacting Rising Medical Solutions at: wcbenchmark@risingms.com.

Appendices Index

Appendix C – Talent Development & Retention >> Go There

C-1:   Inclusion of Staff Development in Strategic Goals

C-2:   Use of a Dedicated Training & Development Group

C-3:   Percentage of Annual Budget for Staff Development & Training
          Segmented by Organization Type & Size (Total Annual Premium and/or Claims Dollars Paid)

C-4:   Provision of Formal Training Program to New Hire Claims Staff

C-4.1:   Length of Training Program for New Hire Claims Staff

C-4.2:   Confidence Level in Training Program to Prepare New Hire Claims Staff for a Caseload
          Segmented by Length of Training Program for New Hire Claims Staff

C-4.3:   ROI Considered Reasonable for Training Provided to New Hire Claims Staff

C-5:   Importance of College Degree to Job Performance for Claims Adjuster Staff

C-6:   Collaboration with Colleges / Universities for Training or Degree Programs

C-7:   Provision of Training & Development Programs for Senior Claims Adjusters
          Segmented by Organization Type
          Segmented by Organization Size – Total Annual Premium
          Segmented by Organization Size – Total Claims Dollars Paid

C-7.1:   Frequency of Training & Development Participation by Senior Claims Adjusters

C-8:   Use of Formal Process for Knowledge-Transfer from Senior Staff to Less Experienced Staff

C-9:   Use of Benefit Initiatives Outside of Salary & Standard Benefits
          Segmented by Organization Type

C-10:   Turnover Rate at Claims Adjuster Level in Last 12 Months
          Segmented by Benefit Initiative Offerings
          Segmented by Organization Type

C-11:   Annual Turnover Rate Considered Acceptable at Claims Adjuster Level
          Segmented by Organization Type

Appendix D – Impact of Technology & Data >> Go There

D-1:   Percentage of Annual Budget for IT Systems for Workers' Compensation Programs
          Segmented by Organization's Use of Systems to Drive Best Practices
          Segmented by Organization's Use of Medical Provider Outcomes / Performance Measures
          Segmented by Organization Type & Size (Total Annual Premium and/or Claims Dollars Paid)

D-2:   Use of Dedicated or Allocated IT Staff for Workers' Compensation Operations

D-3:   Number of Systems Adjusters Use in Daily Claims Management
          Segmented by Organization Type

D-4:   Number of Systems Considered Efficient for Adjusters' Daily Claims Management

D-5:   Prevalence of Claims System Integrations with Other System Types
          Segmented by Organization Type

Appendix A - Survey Participant Demographics

1 Role / Level of Responsibility:
(258 Responses)

- **Manager** (100)
- **Director** (74)
- **Vice President** (53)
- **C-Level / Executive** (30)
- **Other** (1)

2 Organization Type:
(258 Responses)

Answer	count	%
Insurance Company	77	30%
Self-Insured Employer	61	24%
Third Party Administrator	36	14%
Insured Employer	30	12%
Governmental Entity	25	10%
Risk Pool	11	4%
Other	11	4%
State Fund / Mutual Fund	4	2%
Reinsurance Company / Excess Insurance Company	3	1%

3 Location:
(258 Responses)

Corporate Headquarters (206) — 80%
Regional Office (52) — 20%
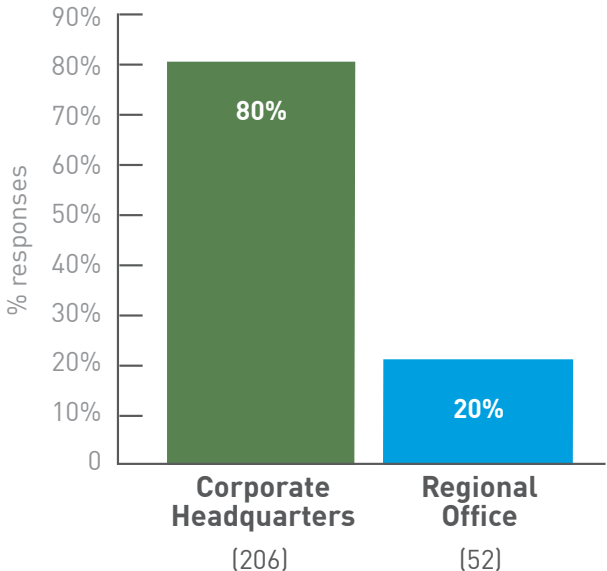
4 My organization's workers' compensation claims are predominately managed by a(n):
(258 Responses)

Answer	count	%
Third Party Administrator	109	42%
Insurance Company or State Fund	95	37%
Self-Insured / Self-Administered	54	21%

5 **Business Focus:**
(258 Responses)
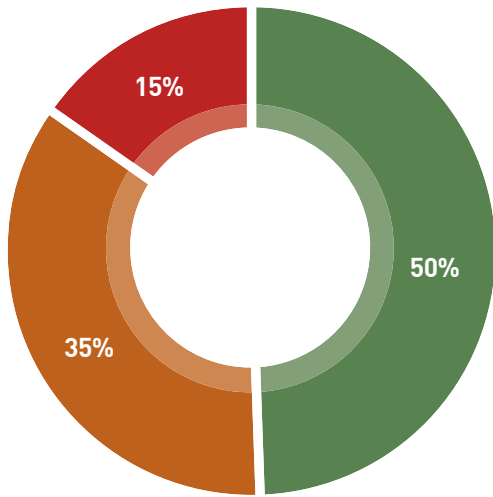
- **Multi-Line** (128)
- **Mono-Line**, i.e. workers' compensation exclusively (91)
- **Not Applicable** (39)

6 **Geographic Focus:**
(258 Responses)

Answer	count	%
Regional in Scope	147	57%
National in Scope	111	43%

Conditional Question for those who selected "Regional in Scope" in Question 6

6.1 **Indicate the regions your company currently manages workers' compensation claims. Select all that apply:**
(147 Responses)
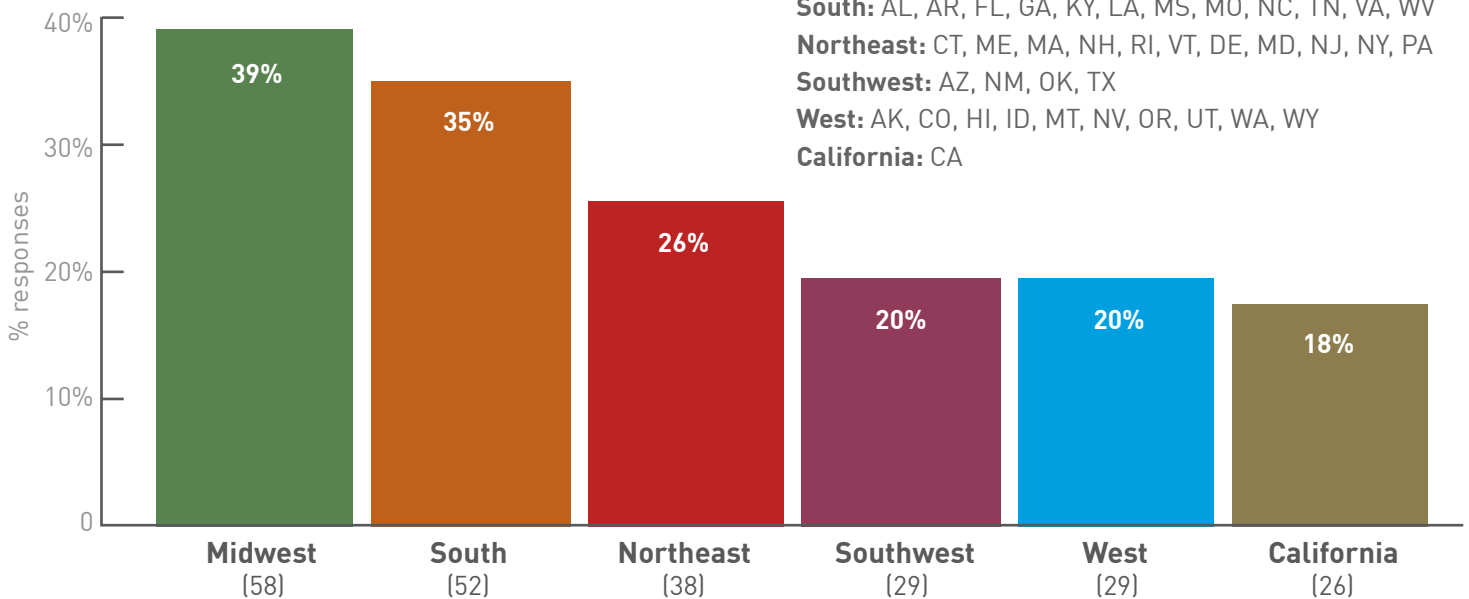
Midwest: IL, IN, IA, KS, MN, NE, ND, OH, SD, WI
South: AL, AR, FL, GA, KY, LA, MS, MO, NC, TN, VA, WV
Northeast: CT, ME, MA, NH, RI, VT, DE, MD, NJ, NY, PA
Southwest: AZ, NM, OK, TX
West: AK, CO, HI, ID, MT, NV, OR, UT, WA, WY
California: CA

Midwest (58)	South (52)	Northeast (38)	Southwest (29)	West (29)	California (26)
39%	35%	26%	20%	20%	18%

NOTE: Participants were allowed to pick more than one answer for this question

(7) **Organization Size – Total Annual Claims Dollars Paid:**
(258 Responses)

Overview - All Responses

Answer	count	%
< $100 Million	143	55%
>$100 Million to $350 Million	48	19%
>$350 Million to $750 Million	14	5%
> $750 Million	20	8%
Unknown	33	13%

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
< $100 Million	34%	-	44%	77%
>$100 Million to $350 Million	34%	-	20%	11%
>$350 Million to $750 Million	9%	67%	8%	2%
> $750 Million	12%	-	6%	3%
Unknown	11%	33%	22%	7%

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
< $100 Million	77%	82%	50%	52%	64%
>$100 Million to $350 Million	3%	9%	25%	20%	-
>$350 Million to $750 Million	-	-	-	-	9%
> $750 Million	3%	9%	25%	12%	9%
Unknown	17%	-	-	16%	18%

8 Organizational Size - Total Annual Premium:

(258 Responses)

Overview - All Responses

Answer	count	%
< $100 Million	111	43%
>$100 Million to $350 Million	42	16%
>$350 Million to $750 Million	9	4%
> $750 Million	24	9%
Unknown	31	12%
Not Applicable	41	16%

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
< $100 Million	23%	-	28%	54%
>$100 Million to $350 Million	39%	34%	11%	3%
>$350 Million to $750 Million	10%	-	-	-
> $750 Million	20%	33%	3%	2%
Unknown	7%	33%	25%	13%
Not Applicable	1%	-	33%	28%

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
< $100 Million	77%	91%	50%	40%	46%
>$100 Million to $350 Million	3%	-	25%	4%	18%
>$350 Million to $750 Million	-	-	-	4%	-
> $750 Million	10%	-	25%	8%	-
Unknown	7%	-	-	12%	18%
Not Applicable	3%	9%	-	32%	18%

⑨ **Organizational Size – Total Employee Headcount:**
(258 Responses)
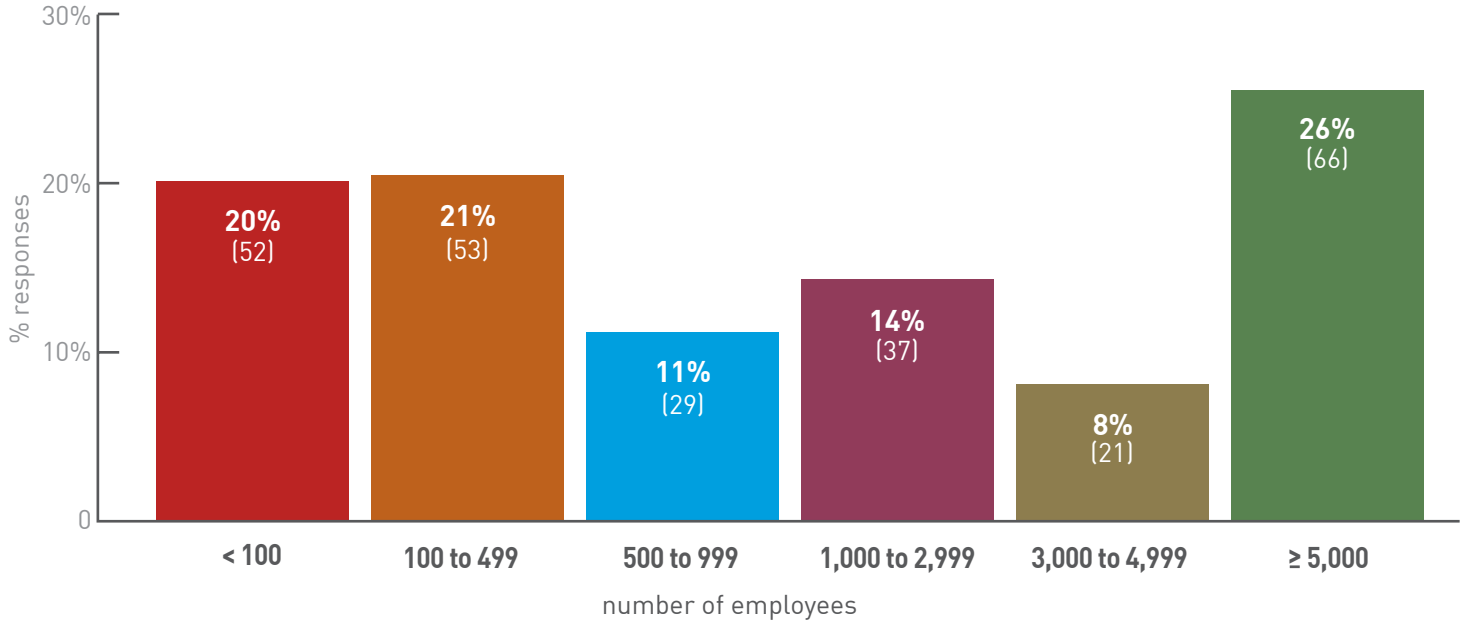
Appendix B - Prioritizing Core Competencies

1 **Rank in order of highest priority the core competencies most critical to claim outcomes, with 1 being the "highest priority" and 10 being the "lower priority."**

(258 Responses)

Overview - All Responses

Answer	Overall Rank	Total Score	Percentile Rank
Disability / RTW Management	1	2124	100%
Medical Management	2	2107	99%
Compensability Investigations	3	1897	83%
Case Reserving	4	1460	51%
Litigation Management	5	1393	46%
Oversight Governance & Internal Controls	6	1222	33%
Bill Review	7	1184	31%
Fraud & Abuse Detection	8	1135	27%
Recovery Management	9	900	10%
Vocational Rehabilitation	10	768	0%

NOTE: The Total Score is a sum of the ranked item options. Top positioned options have higher rank.

Responses Segmented by Organization Type

Insurance Company (77 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Medical Management	1	628	100%
Disability / RTW Management	2	624	99%
Compensability Investigations	3	603	94%
Case Reserving	4	503	69%
Bill Review	5	388	40%
Litigation Management	6	387	40%
Oversight Governance & Internal Controls	7	326	25%
Fraud & Abuse Detection	8	300	19%
Recovery Management	9	251	6%
Vocational Rehabilitation	10	225	0%

(1 cont'd)   Rank in order of highest priority the core competencies most critical to claim outcomes, with 1 being the "highest priority"...

Responses Segmented by Organization Type

Reinsurance / Excess Insurance Company (3 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Disability / RTW Management	1	27	100%
Medical Management	2	22	72%
Oversight Governance & Internal Controls	3	21	67%
Bill Review	4	17	44%
Compensability Investigations	5	16	39%
Recovery Management	6	15	33%
Fraud and Abuse Detection	7	14	28%
Litigation Management	7	14	28%
Vocational Rehabilitation	9	10	6%
Case Reserving	10	9	0%

Third Party Administrator (36 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Compensability Investigations	1	293	100%
Disability / RTW Management	2	290	99%
Medical Management	3	272	90%
Litigation Management	4	203	56%
Oversight Governance & Internal Controls	5	195	52%
Case Reserving	6	194	52%
Fraud & Abuse Detection	7	173	42%
Bill Review	8	155	33%
Recovery Management	9	118	15%
Vocational Rehabilitation	10	87	0%

(1 cont'd)

(1 cont'd) Rank in order of highest priority the core competencies most critical to claim outcomes, with 1 being the "highest priority"...

Responses Segmented by Organization Type

Self-Insured Employer (61 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Disability / RTW Management	1	529	100%
Medical Management	2	515	96%
Compensability Investigations	3	420	69%
Litigation Management	4	340	46%
Case Reserving	5	315	39%
Oversight Governance & Internal Controls	6	314	39%
Fraud & Abuse Detection	7	269	26%
Bill Review	8	259	23%
Recovery Management	9	216	11%
Vocational Rehabilitation	10	178	0%

Insured Employer (30 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Medical Management	1	251	100%
Disability / RTW Management	2	247	97%
Compensability Investigations	3	200	68%
Litigation Management	4	182	56%
Case Reserving	5	164	45%
Fraud & Abuse Detection	6	139	29%
Bill Review	7	134	26%
Recovery Management	8	121	18%
Oversight Governance & Internal Controls	9	119	16%
Vocational Rehabilitation	10	93	0%

(1 cont'd)

(1 cont'd)   Rank in order of highest priority the core competencies most critical to claim outcomes, with 1 being the "highest priority"...

Responses Segmented by Organization Type

Risk Pool   (11 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Disability / RTW Management	1	98	100%
Medical Management	2	89	88%
Compensability Investigations	3	80	75%
Case Reserving	4	68	58%
Litigation Management	5	63	51%
Oversight Governance & Internal Controls	6	54	39%
Bill Review	7	49	32%
Fraud & Abuse Detection	8	45	26%
Vocational Rehabilitation	9	33	10%
Recovery Management	10	26	0%

State Fund / Mutual Fund   (4 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Medical Management	1	36	100%
Disability / RTW Management	2	31	77%
Bill Review	3	28	64%
Compensability Investigations	4	26	55%
Oversight Governance & Internal Controls	5	19	23%
Case Reserving	6	18	18%
Recovery Management	7	18	18%
Litigation Management	8	16	9%
Fraud & Abuse Detection	9	14	0%
Vocational Rehabilitation	10	14	0%

(1 cont'd)

(1 cont'd)   Rank in order of highest priority the core competencies most critical to claim outcomes, with 1 being the "highest priority"...

Responses Segmented by Organization Type

Government Entity (25 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Medical Management	1	211	100%
Disability / RTW Management	2	198	90%
Compensability Investigations	3	192	85%
Fraud & Abuse Detection	4	131	36%
Litigation Management	5	123	30%
Oversight Governance & Internal Controls	6	121	28%
Case Reserving	7	114	22%
Bill Review	8	104	14%
Vocational Rehabilitation	9	95	7%
Recovery Management	10	86	0%

Responses Segmented by Manager Role

(100 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Disability / RTW Management	1	850	100%
Medical Management	2	822	95%
Compensability Investigations	3	728	77%
Case Reserving	4	557	45%
Litigation Management	5	555	44%
Fraud & Abuse Detection	6	452	25%
Bill Review	7	431	21%
Oversight Governance & Internal Controls	8	418	18%
Recovery Management	9	365	8%
Vocational Rehabilitation	10	322	0%

(1 cont'd)

(1 cont'd)   Rank in order of highest priority the core competencies most critical to claim outcomes, with 1 being the "highest priority"...

Responses Segmented by Director, VP & C-Level / Executive Roles

(158 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Medical Management	1	1285	100%
Disability / RTW Management	2	1274	99%
Compensability Investigations	3	1169	86%
Case Reserving	4	903	54%
Litigation Management	5	838	47%
Oversight Governance & Internal Controls	6	804	43%
Bill Review	7	753	37%
Fraud & Abuse Detection	8	683	28%
Recovery Management	9	535	11%
Vocational Rehabilitation	10	446	0%

(2) **Does your organization measure best practices / performance within core competencies?**
(258 Responses)

- ■ **Yes** (186)
- ■ **No** (52)
- ■ **Unknown** (20)

72% 20% 8%
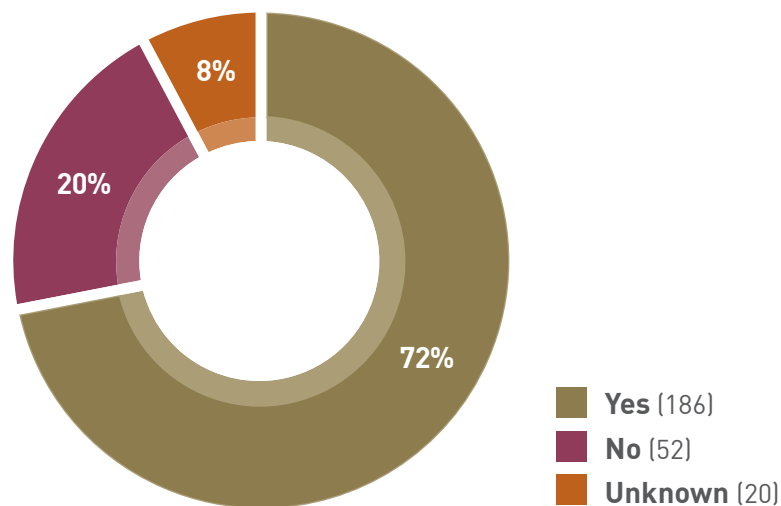
Conditional Question for those who answered "Yes" in Question 2

2.1 **Considering the following core competencies, please indicate which areas your organization measures best practices / performance. Select all that apply:** (186 Responses)

Answer	count	% of Sub-Sample Responses	% of Entire Response Sample
Case Reserving	154	83%	60%
Disability / RTW Management	152	82%	59%
Claim Resolution	150	81%	58%
Medical Management	148	80%	57%
Compensability Investigations	135	73%	52%
Litigation Management	128	69%	50%
Oversight Governance & Internal Controls	116	62%	45%
Bill Review	107	58%	41%
Recovery Management	94	51%	36%
Fraud & Abuse Detection	86	46%	33%
Vocational Rehabilitation	47	25%	18%

NOTE: Participants were able to select more than one answer for this question

Conditional Question for those who answered "Yes" in Question 2, and then segmented by their responses in Question 2.1

2.2 **Indicate, on average, how often your organization measures best practices / performance within core competencies for each area.** (186 Responses)

Answer	Total Count	Real Time /Daily	Weekly	Monthly	Semi-Monthly	Quarterly	Biannually	Annually
Case Reserving	154	25%	10%	33%	0%	21%	3%	6%
Disability / RTW Management	152	32%	9%	28%	0%	20%	4%	7%
Claim Resolution	150	21%	7%	41%	1%	18%	5%	7%
Medical Management	148	28%	9%	26%	1%	20%	7%	8%
Compensability Investigations	135	24%	8%	27%	0%	24%	6%	10%
Litigation Management	128	16%	4%	30%	1%	35%	5%	9%
Oversight Governance & Internal Controls	116	29%	5%	23%	0%	24%	4%	14%
Bill Review	107	22%	8%	37%	1%	18%	7%	7%
Recovery Management	94	14%	4%	31%	1%	31%	6%	13%
Fraud & Abuse Detection	86	19%	2%	35%	0%	23%	7%	14%
Vocational Rehabilitation	47	30%	2%	34%	2%	23%	4%	4%

③ **Does your organization utilize any of the following systems to direct or manage tasks within best practices? Select all that apply: (If no, select "Not Applicable")** (258 Responses)

Overview - All Responses
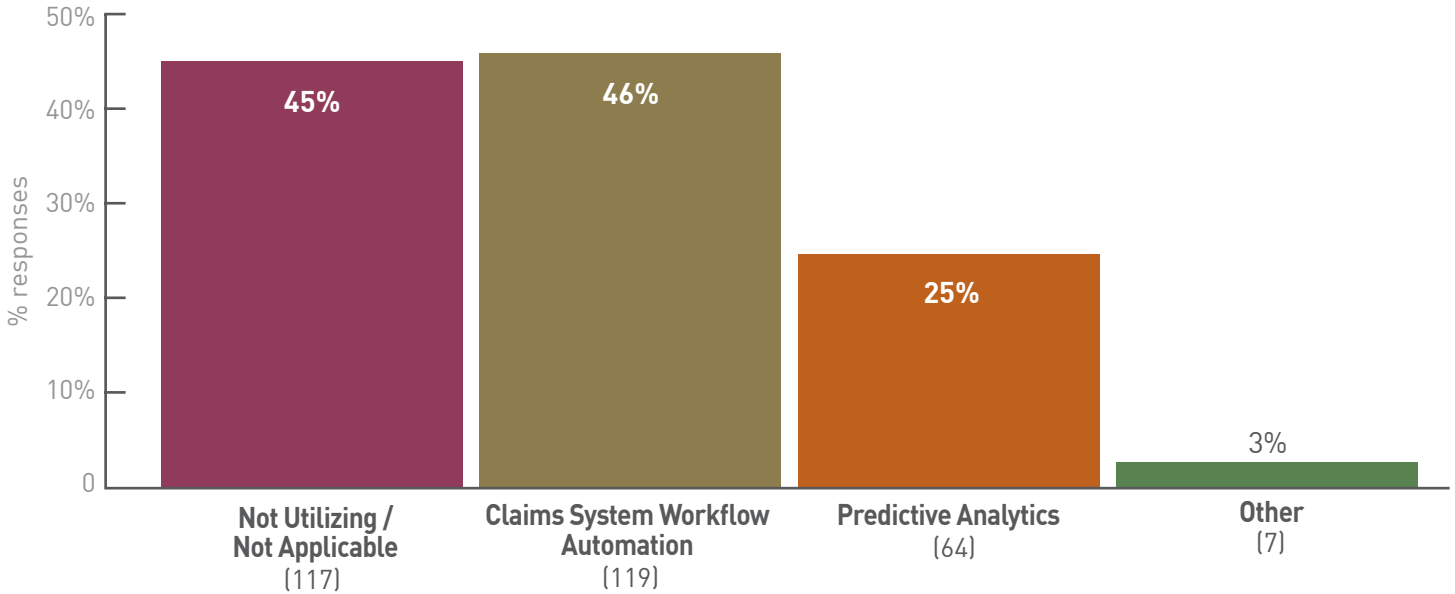
NOTE: Participants were able to select more than one answer for this question

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
Not Utilizing / Not Applicable	27%	-	33%	57%
Claims System Workflow Automation	64%	100%	67%	31%
Predictive Analytics	40%	33%	19%	15%
Other	3%	-	-	2%

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
Not Utilizing / Not Applicable	57%	73%	25%	64%	64%
Claims System Workflow Automation	30%	18%	75%	28%	27%
Predictive Analytics	23%	-	50%	20%	18%
Other	3%	9%	-	4%	9%

NOTE: Participants were able to select more than one answer for this question

4 **Does your organization use an audit or quality assurance program focused on claim outcomes for operational performance?** (258 Responses)

Yes (169)
No (77)
Unknown (12)
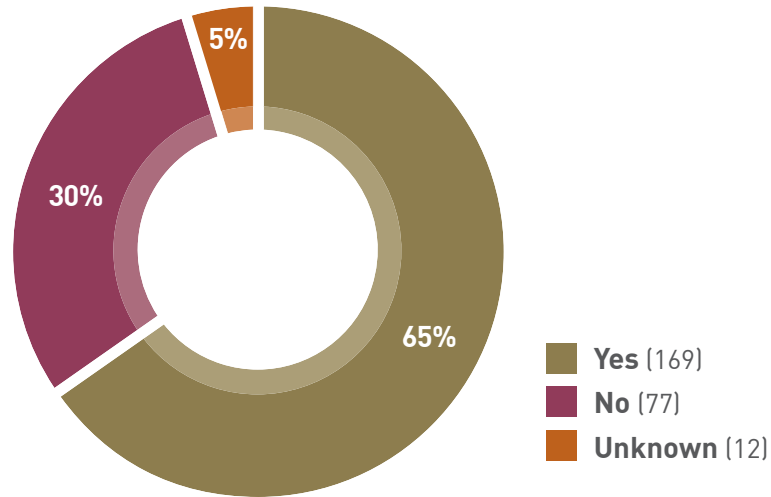
5 **Does your organization utilize incentives for <u>staff</u> to achieve best practices / performance measures? Select all that apply: (If no, select "Not Applicable")** (258 Responses)

	No / Not Applicable (126)	Bonus Structure (80)	Formal Recognition (76)	Increased Pay / Salary (66)	Other (2)
%	49%	31%	29%	26%	1%
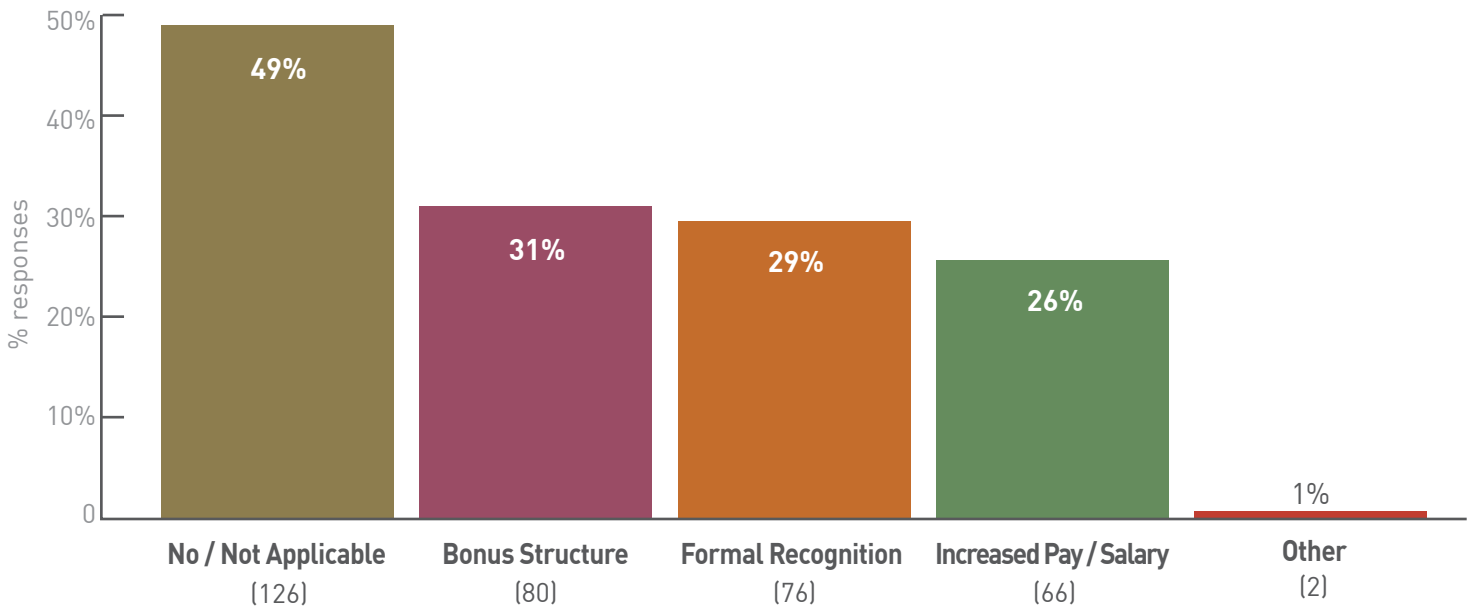
NOTE: Participants were able to select more than one answer for this question

6 **Does your organization utilize penalties for <u>staff</u> when best practices / performance measures are not met? Select all that apply: (If no, select "Not Applicable")** (258 Responses)
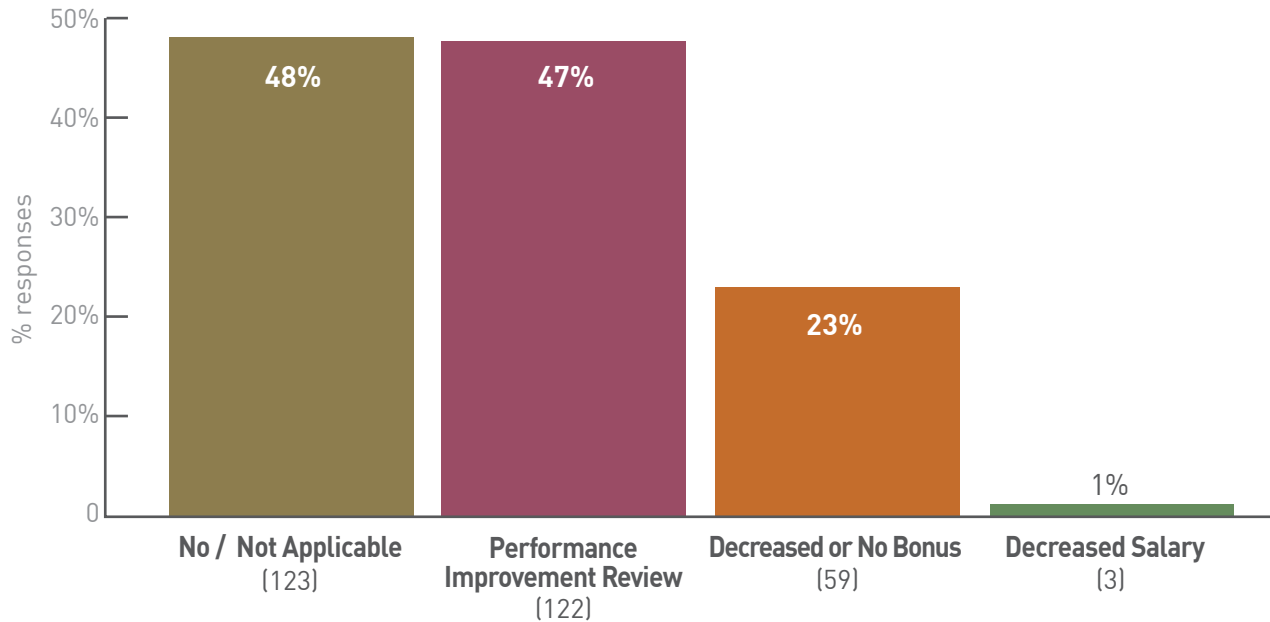
NOTE: Participants were able to select more than one answer for this question

7 **Does your organization utilize incentives for <u>vendor partners</u> to achieve best practices / performance measures? Select all that apply: (If no, select "Not Applicable")** (258 Responses)
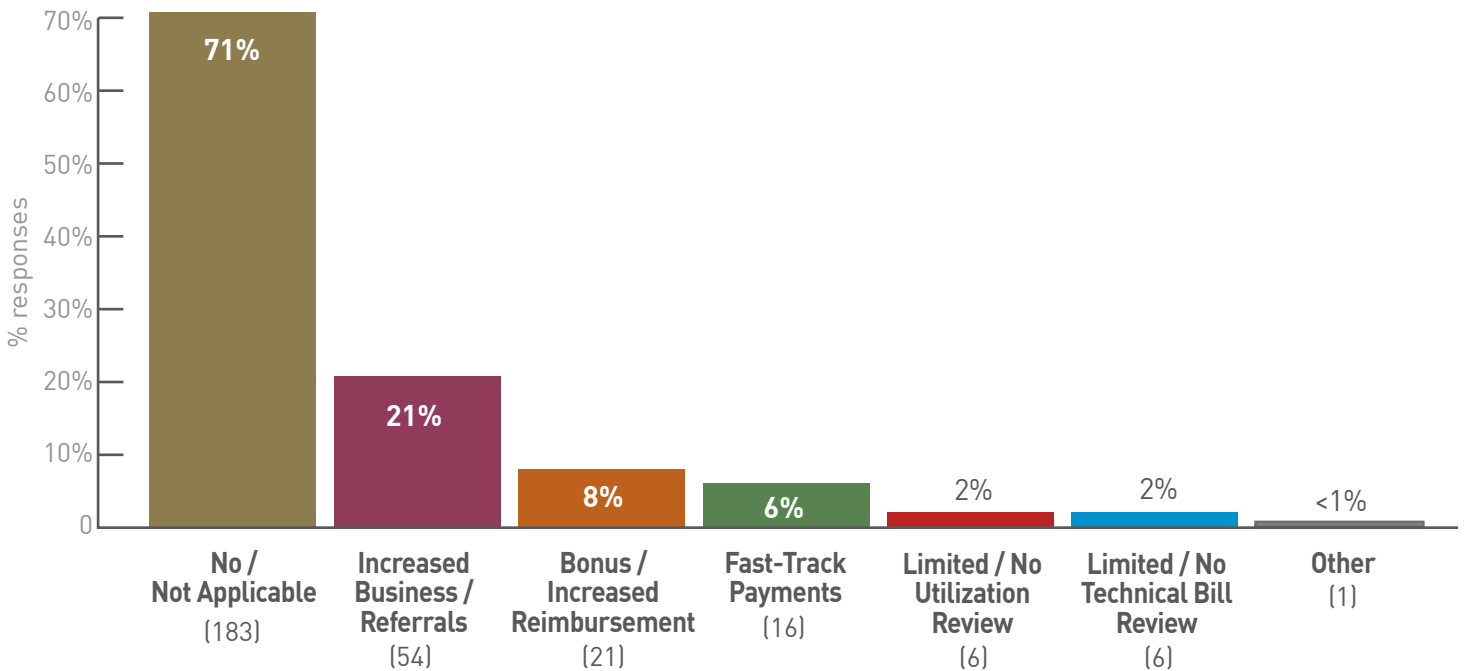
NOTE: Participants were able to select more than one answer for this question

(8) **Does your organization utilize penalties for <u>vendor partners</u> when best practices / performance measures are not met? Select all that apply: (If no, select "Not Applicable")** (258 Responses)
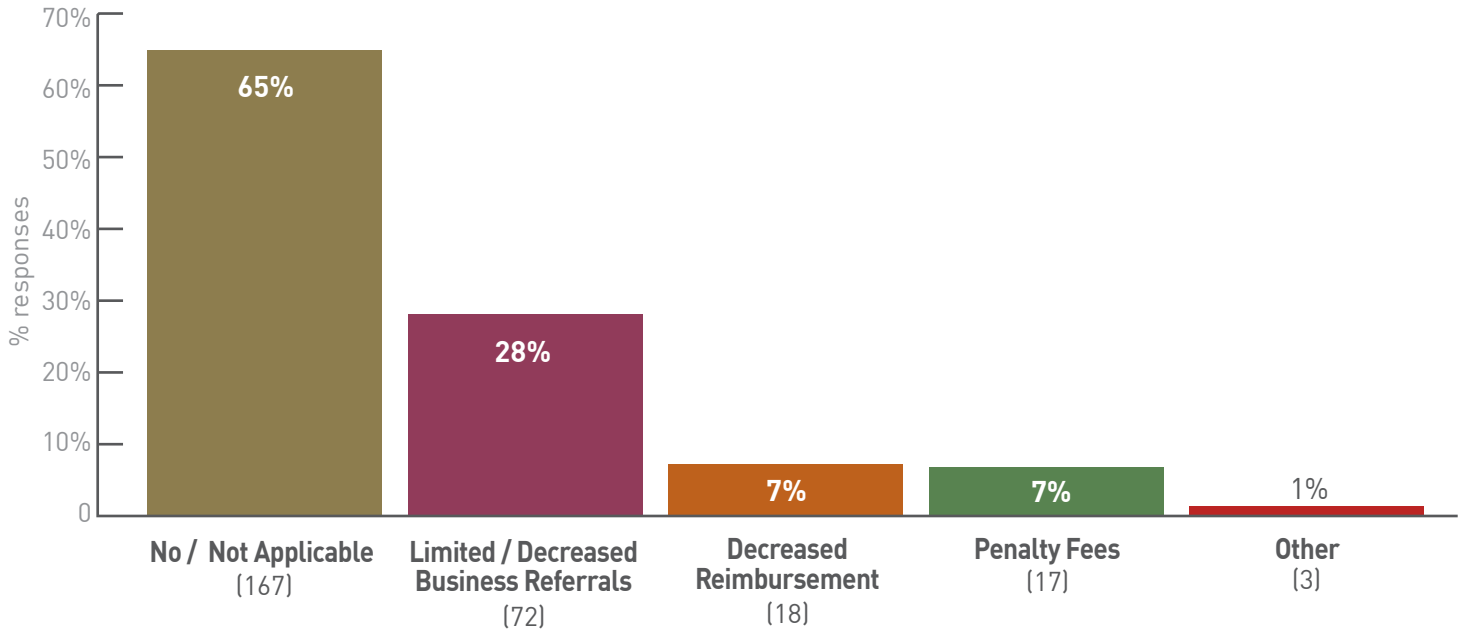
NOTE: Participants were able to select more than one answer for this question

Appendix C - Talent Development & Retention

(1) **Is staff development included in your organizational / departmental strategic goals?**
(258 Responses)

3%
12%
85%

- Yes (220)
- No (31)
- Unknown (7)

(2) **Does your organization have a dedicated training and development group?**
(258 Responses)

<1%
46%
54%

- Yes (139)
- No (118)
- Unknown (1)

(3) **What percentage of your annual budget is dedicated to staff development and training?**
(258 Responses)

Overview - All Responses

1%
3%
13%
13%
40%
30%

- **1-3%** (104)
- **4-6%** (33)
- **7-9%** (4)
- **>10%** (7)
- **No allocated budget for training** (33)
- **Unknown** (77)

(3 cont'd)

(3 cont'd) What percentage of your annual budget is dedicated to staff development and training?

Responses Segmented by Organization Type & Size (Total Annual Premium and/or Claims Dollars Paid)

Insurance Company (77 Responses)

Answer	All Responses	Total Annual Premium				
		$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown / N/A
1- 3%	27%	28%	27%	50%	27%	-
4 - 6%	20%	17%	27%	25%	13%	-
7- 9%	3%	6%	-	-	7%	-
> 10%	1%	-	-	-	7%	-
No allocated budget for training	14%	28%	10%	25%	7%	-
Unknown	35%	21%	36%	-	39%	100%

Answer	All Responses	Total Annual Claims Dollars Paid				
		$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
1- 3%	27%	19%	42%	29%	33%	-
4 - 6%	20%	27%	19%	14%	11%	11%
7- 9%	3%	4%	-	14%	-	-
> 10%	1%	-	-	-	11%	-
No allocated budget for training	14%	23%	8%	14%	-	22%
Unknown	35%	27%	31%	29%	45%	67%

Reinsurance / Excess Insurance Company (3 Responses)

Answer	All Responses	Total Annual Premium				
		$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
1- 3%	-	-	-	-	-	-
4 - 6%	67%	-	100%	-	100%	-
7- 9%	-	-	-	-	-	-
> 10%	-	-	-	-	-	-
No allocated budget for training	-	-	-	-	-	-
Unknown	33%	-	-	-	-	100%

(3 cont'd)

(3 cont'd)   What percentage of your annual budget is dedicated to staff development and training?

Responses Segmented by Organization Type & Size (Total Annual Premium and/or Claims Dollars Paid)

Third Party Administrator (36 Responses)

Answer	All Responses	Total Annual Claims Dollars Paid				
		$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
1- 3%	47%	50%	57%	33%	100%	25%
4 - 6%	14%	19%	-	33%	-	13%
7- 9%	-	-	-	-	-	-
> 10%	3%	6%	-	-	-	-
No allocated budget for training	14%	13%	29%	-	-	13%
Unknown	22%	12%	14%	34%	-	49%

Self-Insured Employer (61 Responses)

Answer	All Responses	Total Annual Claims Dollars Paid				
		$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
1- 3%	44%	47%	43%	-	100%	-
4 - 6%	2%	2%	-	-	-	-
7- 9%	2%	2%	-	-	-	-
> 10%	5%	4%	14%	-	-	-
No allocated budget for training	13%	15%	-	100%	-	-
Unknown	34%	30%	43%	-	-	100%

Insured Employer (30 Responses)

Answer	All Responses	Total Annual Premium				
		$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown / N/A
1- 3%	37%	43%	100%	-	-	-
4 - 6%	10%	9%	-	-	-	33%
7- 9%	3%	-	-	-	-	33%
> 10%	7%	9%	-	-	-	-
No allocated budget for training	13%	9%	-	-	67%	-
Unknown	30%	30%	-	-	33%	34%

(3 cont'd)

(3 cont'd) What percentage of your annual budget is dedicated to staff development and training?

Responses Segmented by Organization Type & Size (Total Annual Premium and/or Claims Dollars Paid)

Risk Pool (11 Responses)

		Total Annual Claims Dollars Paid			
Answer	All Responses	<$100M	>$100M-$350M	>$350M-$750M	>$750M
1- 3%	64%	67%	100%	-	-
4 - 6%	9%	11%	-	-	-
7- 9%	-	-	-	-	-
> 10%	-	-	-	-	-
No allocated budget for training	-	-	-	-	-
Unknown	27%	22%	-	-	100%

State Fund / Mutual Fund (4 Responses)

		Total Annual Premium			
Answer	All Responses	<$100M	>$100M-$350M	>$350M-$750M	>$750M
1- 3%	50%	50%	-	-	100%
4 - 6%	25%	50%	-	-	-
7- 9%	-	-	-	-	-
> 10%	-	-	-	-	-
No allocated budget for training	-	-	-	-	-
Unknown	25%	-	100%	-	-

Government Entity (25 Responses)

		Total Annual Claims Dollars Paid				
Answer	All Responses	$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
1- 3%	64%	77%	80%	-	100%	50%
4 - 6%	16%	15%	-	-	-	-
7- 9%	-	-	-	-	-	-
> 10%	-	-	-	-	-	-
No allocated budget for training	4%	-	20%	-	-	-
Unknown	16%	8%	-	-	-	50%

4 **Does your organization have a formal training program for new hire claims staff with little to no experience?** (258 Responses)

- ■ **Yes** (108)
- ■ **No** (96)
- ■ **Unknown** (4)
- ■ **Not Applicable** (50)

42%
37%
19%
2%
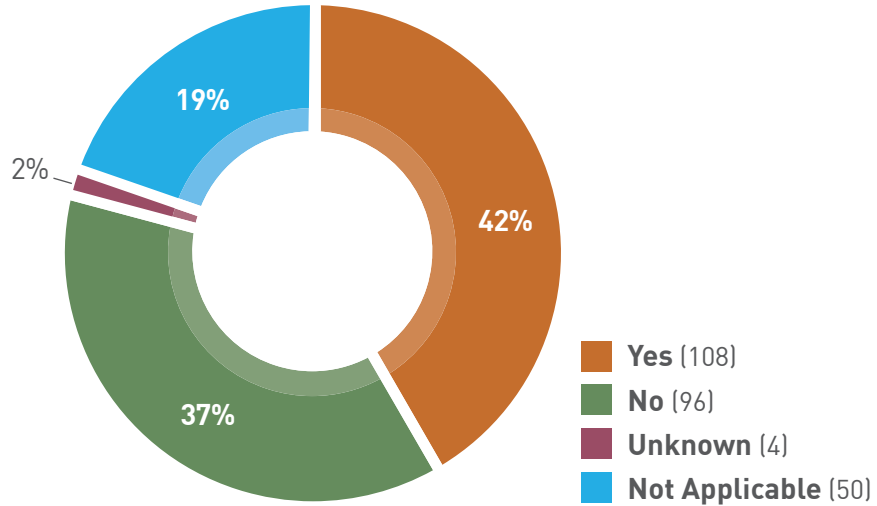
Conditional Question for those who answered "Yes" in Question 4

4.1 **What is the length of the training program for new hire claims staff with no experience to minimal experience?** (108 Responses)

- ■ **% of Sub-Sample Responses**
- ■ **% of Entire Response Sample**

	< 1 month (10)	1-3 months (32)	4-6 months (30)	7-9 months (1)	10-12 months (8)	1 yr + (18)	Unknown (9)
% of Sub-Sample	9%	30%	28%	1%	7%	17%	8%
% of Entire Response Sample	4%	12%	12%	<1%	3%	7%	3%

Length of Training Program
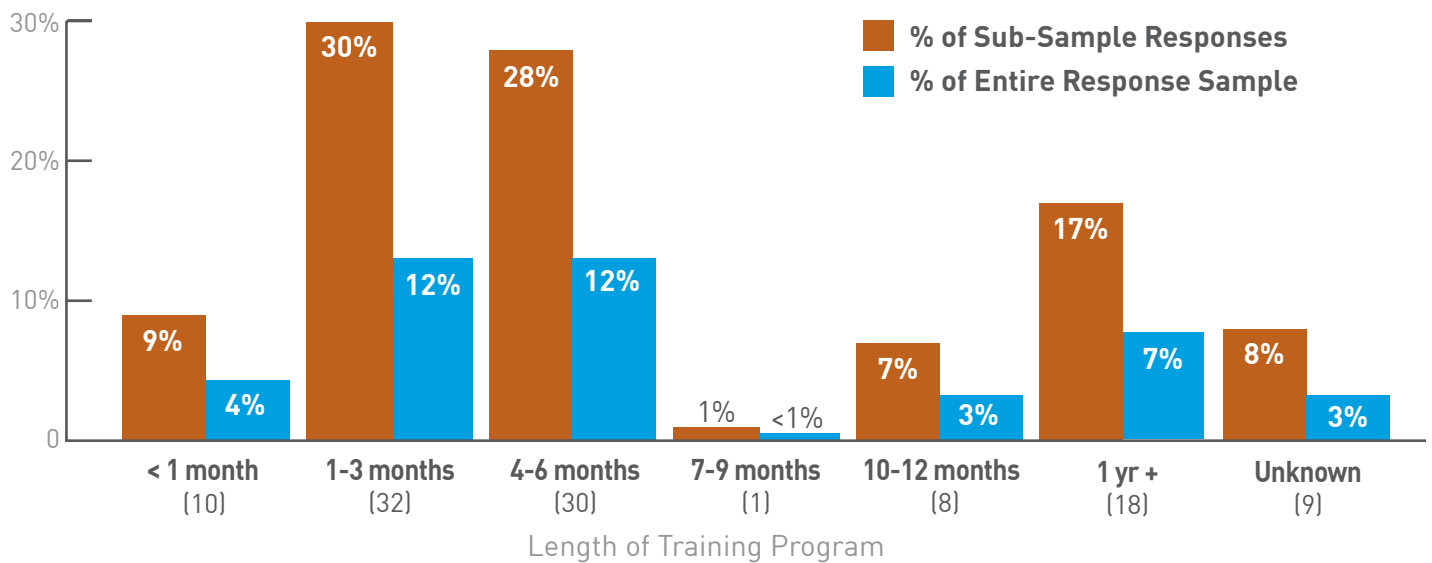
Conditional Question for those who answered "Yes" in Question 4

4.2 **Overall, do you believe completion of the new hire training prepares claims staff to carry a caseload?**
(108 Responses)

Overview - All Responses

- **Yes** (70)
- **No** (20)
- **Unsure** (18)

65% / 18% / 17%
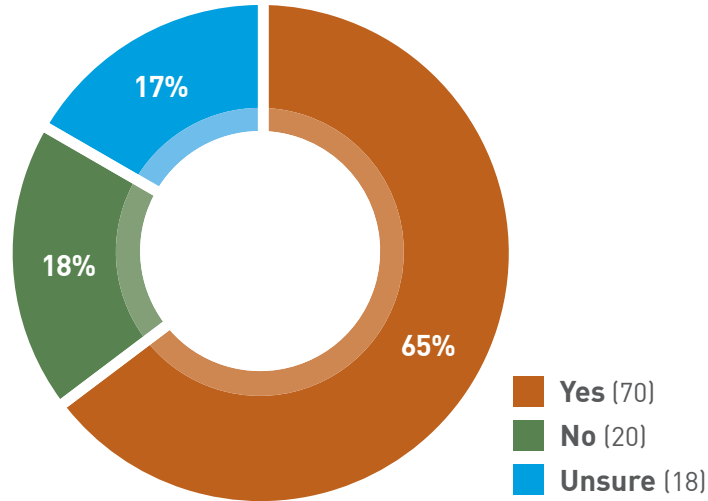
Responses Segmented by Length of Training Program for New Hire Claims Staff

Answer	<1 month	1-3 months	4-6 months	7-9 months	10-12 months	1 year +	Unknown
Yes	30%	59%	77%	-	88%	83%	33%
No	30%	25%	13%	100%	12%	-	33%
Unsure	40%	16%	10%	-		17%	34%

Conditional Question for those who answered "Yes" in Question 4

4.3 **What do you consider a reasonable ROI for the training provided to new hire claims staff?**
(108 Responses)

32% / 44% / 16% / 8%

- **1-2 yrs of employment** (35)
- **3-4 yrs of employment** (47)
- **>5 yrs of employment** (17)
- **Unknown** (9)
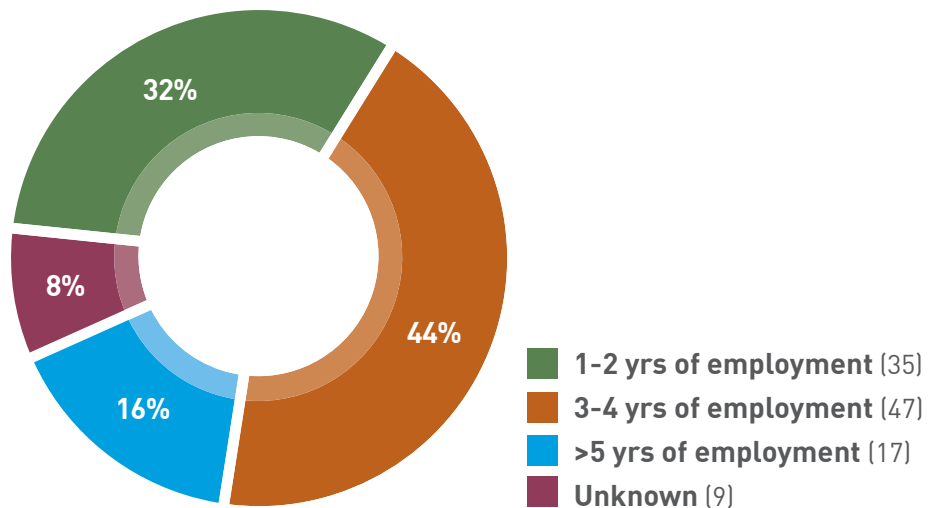
5 **How important do you believe a college degree is to overall job performance for claims adjuster staff?**
(with a rating of 1 being "not important" and a rating of 5 being "very important")   (258 Responses)

Mean = 3.5   Median = 3   Mode = 4
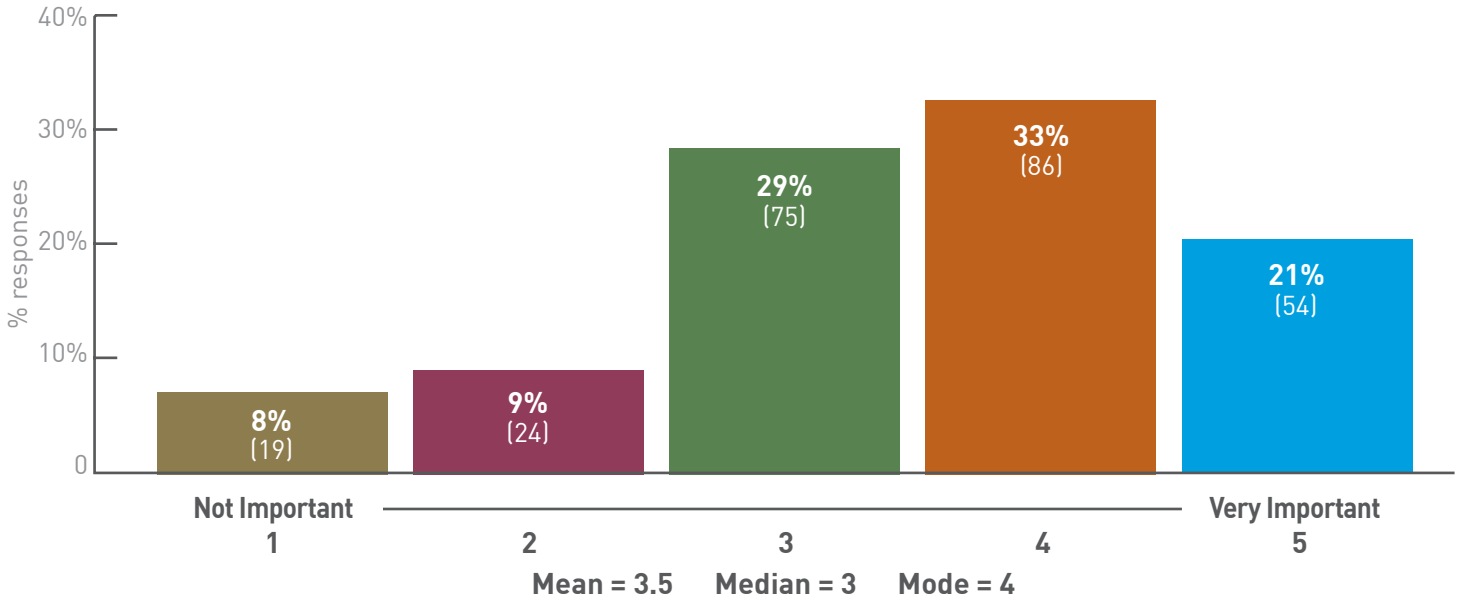
6 **Does your organization collaborate with colleges or universities to conduct training, either through custom training programs or degree programs?** (258 Responses)

Yes (58)
No (180)
Unknown (20)

7 **Does your organization provide technical training and development programs for senior-level claims adjusters?** (258 Responses)

Overview - All Responses
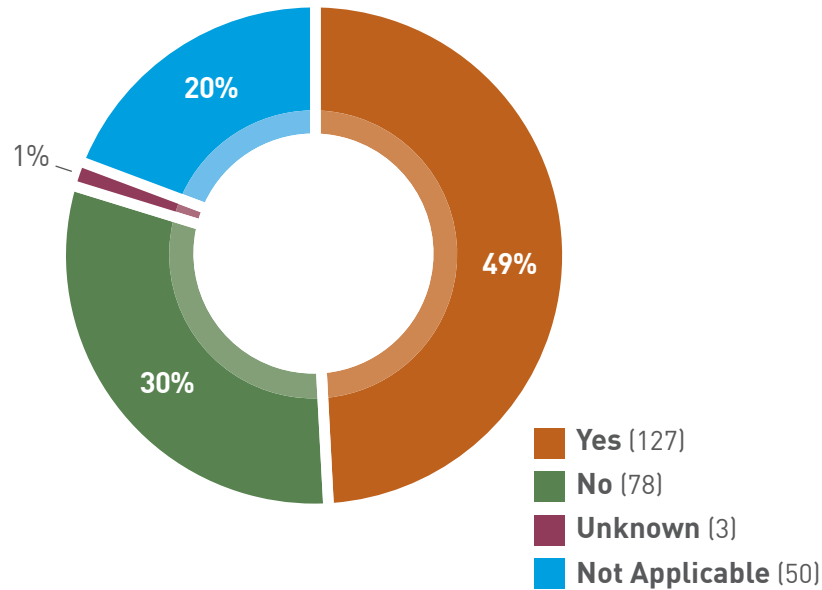
Yes (127)
No (78)
Unknown (3)
Not Applicable (50)

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
Yes	70%	67%	72%	31%
No	29%	33%	28%	41%
Unknown	1%	-	-	-
Not Applicable	-	-	-	28%

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
Yes	10%	64%	50%	32%	55%
No	27%	18%	25%	32%	9%
Unknown	3%	-	-	-	9%
Not Applicable	60%	18%	25%	36%	27%

(7 cont'd)

(7 cont'd) Does your organization provide technical training and development programs for senior-level claims adjusters?

Responses Segmented by Organization Size - Total Annual Premium

Answer	<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown / N/A
respondent # by organization size	111	42	9	24	72
Yes	34%	79%	67%	58%	50%
No	35%	17%	33%	29%	31%
Unknown	1%	2%	-	-	1%
Not Applicable	30%	2%	-	13%	18%

Responses Segmented by Organization Size - Total Annual Claims Dollars Paid

Answer	<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
respondent # by organization size	143	48	14	20	33
Yes	41%	65%	71%	70%	43%
No	33%	25%	29%	20%	33%
Unknown	1%	2%	-	5%	-
Not Applicable	25%	8%	-	5%	24%

Conditional Question for those who answered "Yes" in Question 7

7.1 **On average, how often do senior-level claims adjusters participate in technical training and development?** (127 Responses)

Answer	count	% of Sub-Sample Responses	% of Entire Response Sample
Monthly	32	25%	12%
Quarterly	38	30%	15%
Twice a Year	26	20%	10%
Annually	24	19%	9%
Other	7	6%	3%

8 **Are formal processes in place to ensure knowledge transfer from senior-level staff to new / less experienced staff? Select all that apply: (If no, select "Not Applicable")** (258 Responses)

Answer	count	%
No Processes in Place / Not Applicable	90	35%
Regular Multidisciplinary Strategy / Staffing Sessions	80	31%
Cross-Training Program	74	29%
Formal Mentoring Program	58	22%
Oversight Governance	45	17%
Other	3	1%

NOTE: Participants were able to select more than one answer for this question

9 **Other than salary and standard benefits, what initiatives are in place for non-management staff? Select all that apply: (If none, select "Not Applicable")** (258 Responses)

Overview - All Responses

Answer	count	%
No initiatives currently in place / Not Applicable	51	20%
Tuition reimbursement	139	54%
Wellness programs	128	50%
Professional Conference fee reimbursement	127	49%
Professional Membership dues reimbursement	123	48%
Time for staff to participate in community outreach programs	93	36%
Flextime for exercise during the workday	74	29%
Work from home option	67	26%
Gym Memberships	65	25%
Four day workweek or other alternative scheduling arrangement	64	25%
On-site exercise programs	62	24%

NOTE: Participants were able to select more than one answer for this question

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
No initiatives currently in place / Not Applicable	9%	-	17%	34%
Tuition reimbursement	71%	67%	53%	44%
Wellness programs	61%	33%	44%	43%
Professional Conference fee reimbursement	61%	67%	56%	31%
Professional Membership dues reimbursement	66%	67%	42%	25%
Time for staff to participate in community outreach programs	52%	67%	31%	26%
Flextime for exercise during the workday	40%	67%	22%	21%
Work from home option	32%	67%	42%	18%
Gym Memberships	35%	-	14%	16%
Four day workweek or other alternative scheduling arrangement	19%	33%	33%	16%
On-site exercise programs	40%	-	6%	21%

(9 cont'd)

(9 cont'd) Other than salary and standard benefits, what initiatives are in place for non-management staff? Select all that apply:...

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
No initiatives currently in place / Not Applicable	27%	18%	-	16%	27%
Tuition reimbursement	53%	18%	75%	52%	18%
Wellness programs	47%	27%	75%	48%	55%
Professional Conference fee reimbursement	47%	55%	25%	48%	55%
Professional Membership dues reimbursement	57%	45%	75%	48%	27%
Time for staff to participate in community outreach programs	47%	9%	50%	16%	27%
Flextime for exercise during the workday	23%	27%	-	32%	18%
Work from home option	10%	18%	25%	28%	9%
Gym Memberships	27%	27%	50%	24%	36%
Four day workweek or other alternative scheduling arrangement	33%	45%	25%	32%	18%
On-site exercise programs	27%	-	25%	12%	36%

10 **What is your organization's turnover rate at the claims adjuster level in the last 12 months?**
(258 Responses)

Overview - All Responses

Answer	count	%
< 10%	157	61%
> 10 - 20 %	41	16%
> 20 - 30%	11	4%
> 30 - 40%	5	2%
> 40 - 50%	-	-
> 50%	1	< 1%
Unknown	43	17%

(10 cont'd)

(10 cont'd) What is your organization's turnover rate at the claims adjuster level in the last 12 months?

Responses Segmented by Benefit Initiatives Offered

Answer	Total Count	<10%		>10-20%		>20-30%	
		count	%	count	%	count	%
No initiatives currently in place	51	24	15%	7	17%	2	18%
Tuition reimbursement	139	88	56%	26	63%	5	45%
Wellness programs	128	84	54%	21	51%	5	45%
Professional Conference fee reimbursement	127	87	55%	17	41%	4	45%
Professional Membership dues reimbursement	123	76	48%	22	54%	5	45%
Time for staff to participate in community outreach programs	93	60	38%	17	41%	3	27%
Flextime for exercise during the workday	74	53	34%	14	34%	1	9%
Work from home option	67	42	27%	16	39%	2	18%
Gym Memberships	65	47	30%	7	17%	4	36%
Four day workweek or other alternative scheduling arrangement	64	42	27%	10	24%	4	36%
On-site exercise programs	62	43	27%	12	29%	1	9%

Answer	>30-40%		>40-50%		>50%		Unknown	
	count	%	count	%	count	%	count	%
No initiatives currently in place	1	20%	-	-	-	-	17	40%
Tuition reimbursement	3	60%	-	-	-	-	17	40%
Wellness programs	2	40%	-	-	-	-	16	37%
Professional Conference fee reimbursement	3	60%	-	-	1	100%	14	33%
Professional Membership dues reimbursement	4	80%	-	-	1	100%	15	35%
Time for staff to participate in community outreach programs	2	40%	-	-	-	-	11	26%
Flextime for exercise during the workday	1	20%	-	-	-	-	5	12%
Work from home option	1	20%	-	-	1	100%	5	12%
Gym Memberships	1	20%	-	-	-	-	6	14%
Four day workweek or other alternative scheduling arrangement	1	20%	-	-	-	-	7	16%
On-site exercise programs	1	20%	-	-	-	-	5	12%

(10 cont'd)

(10 cont'd)   What is your organization's turnover rate at the claims adjuster level in the last 12 months?

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
< 10%	61%	67%	64%	64%
> 10 - 20 %	25%	34%	28%	7%
> 20 - 30%	8%	-	2%	2%
> 30 - 40%	1%	-	-	2%
> 40 - 50%	-	-	-	-
> 50%	-	-	-	-
Unknown	5%	-	6%	25%

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
< 10%	53%	64%	50%	60%	55%
> 10 - 20 %	10%	18%	-	8%	-
> 20 - 30%	-	-	25%	4%	9%
> 30 - 40%	4%	9%	25%	-	-
> 40 - 50%	-	-	-	-	-
> 50%	-	-	-	4%	-
Unknown	33%	9%	-	24%	36%

11   **What do you consider an acceptable level of annual turnover at the claims adjuster level (i.e., those employees who are not a good organizational fit)?**
(258 Responses)

Overview - All Responses

Answer	count	%
< 10%	194	75%
> 10 - 20%	28	11%
> 20 - 30%	2	1%
> 30 - 40%	-	-
> 40 - 50%	-	-
> 50%	1	<1%
Unknown	33	13%

(11 cont'd)

(11 cont'd) What do you consider an acceptable level of annual turnover at the claims adjuster level?

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
< 10%	79%	100%	83%	75%
> 10 - 20 %	17%	-	14%	5%
> 20 - 30%	1%	-	-	-
> 30 - 40%	-	-	-	-
> 40 - 50%	-	-	-	-
> 50%	-	-	3%	-
Unknown	3%	-	-	20%

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
< 10%	67%	73%	75%	64%	64%
> 10 - 20 %	7%	27%	-	8%	-
> 20 - 30%	3%	-	-	-	-
> 30 - 40%	-	-	-	-	-
> 40 - 50%	-	-	-	-	-
> 50%	-	-	-	-	-
Unknown	23%	-	25%	28%	36%

Appendix D - Impact of Technology & Data

(1) **What percentage of your organization's annual budget is spent on IT systems for workers' compensation programs?** (258 Responses)

Overview - All Responses
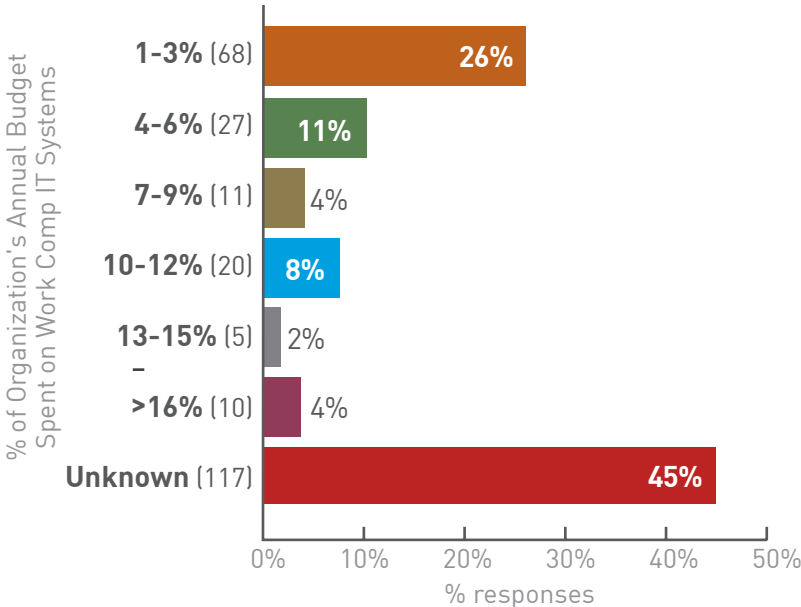
% of Organization's Annual Budget Spent on Work Comp IT Systems

- **1-3%** (68) — 26%
- **4-6%** (27) — 11%
- **7-9%** (11) — 4%
- **10-12%** (20) — 8%
- **13-15%** (5) — 2%
- **>16%** (10) — 4%
- **Unknown** (117) — 45%

% responses

Responses Segmented by Organization's Use of Systems to Drive Best Practices

Answer	Claims System Workflow Automation	Predictive Analytics	Other	Not Applicable
1 - 3%	26%	13%	1%	69%
4 - 6%	56%	33%	11%	22%
7 - 9%	82%	45%	-	9%
10 - 12%	55%	30%	5%	30%
13 - 15%	60%	60%	-	40%
16% or more	80%	30%	-	20%
Unknown	47%	25%	2%	45%

NOTE: Participants were able to select more than one answer for this question.

(1 cont'd)

(1 cont'd) What percentage of your organization's annual budget is spent on IT systems for workers' compensation programs?

Responses Segmented by Organization's Use of Medical Provider Outcomes / Performance Measures

Answer	Provider Outcomes / Measures Used	Provider Outcomes / Measures Not Used	Unknown
1 - 3%	26%	72%	2%
4 - 6%	37%	63%	-
7 - 9%	36%	64%	-
10 - 12%	45%	55%	-
13 - 15%	40%	60%	-
16% or more	30%	70%	-
Unknown	19%	64%	17%

Responses Segmented by Organization Type & Size (Total Premiums and /or Annual Claims Dollars Paid)

Insurance Company (77 Responses)

Answer	All Responses	Total Annual Premium				
		<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown / N/A
1 - 3%	9%	11%	10%	14%	7%	-
4 - 6%	17%	17%	23%	14%	7%	-
7 - 9%	1%	6%	-	-	-	-
10 - 12%	9%	17%	10%	-	7%	-
13 - 15%	4%	-	10%	-	-	-
16% or more	3%	-	-	-	7%	-
Unknown	57%	49%	47%	72%	72%	100%

Answer	All Responses	Total Annual Claims Dollars Paid				
		<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
1 - 3%	9%	12%	8%	14%	-	11%
4 - 6%	17%	19%	19%	14%	22%	-
7 - 9%	1%	4%	-	-	-	-
10 - 12%	9%	12%	12%	-	11%	-
13 - 15%	4%	-	12%	-	-	-
16% or more	3%	-	4%	-	11%	-
Unknown	57%	53%	45%	71%	56%	100%

(1 cont'd) What percentage of your organization's annual budget is spent on IT systems for workers' compensation programs?

Responses Segmented by Organization Type & Size (Total Annual Premium and/or Claims Dollars Paid)

Reinsurance / Excess Insurance Company (3 Responses)

Answer	All Responses	Total Annual Premium				
		<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
1 - 3%	-	-	-	-	-	-
4 - 6%	-	-	-	-	-	-
7 - 9%	33%	-	100%	-	-	-
10 - 12%	-	-	-	-	-	-
13 - 15%	-	-	-	-	-	-
16% or more	-	-	-	-	-	-
Unknown	67%	-	-	-	100%	33%

Third Party Administrator (36 Responses)

Answer	All Responses	Total Annual Claims Dollars Paid				
		<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
1 - 3%	17%	19%	43%	-	-	-
4 - 6%	14%	19%	14%	33%	-	-
7 - 9%	11%	13%	-	-	50%	13%
10 - 12%	11%	25%	-	-	-	-
13 - 15%	3%	-	-	-	50%	-
16% or more	8%	13%	-	33%	-	-
Unknown	36%	13%	43%	34%	-	87%

Self-Insured Employer (61 Responses)

Answer	All Responses	Total Annual Claims Dollars Paid				
		<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
1 - 3%	34%	34%	14%	100%	100%	25%
4 - 6%	10%	11%	14%	-	-	-
7 - 9%	-	-	-	-	-	-
10 - 12%	7%	6%	14%	-	-	-
13 - 15%	-	-	-	-	-	-
16% or more	3%	2%	14%	-	-	-
Unknown	46%	47%	44%	-	-	75%

(1 cont'd)

(1 cont'd) What percentage of your organization's annual budget is spent on IT systems for workers' compensation programs?

Responses Segmented by Organization Type & Size (Total Annual Premium and/or Claims Dollars Paid)

Insured Employer (30 Responses)

Total Annual Premium

Answer	All Responses	<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown / NA
1 - 3%	50%	57%	100%	-	33%	-
4 - 6%	3%	4%	-	-	-	-
7 - 9%	3%	4%	-	-	-	-
10 - 12%	3%	4%	-	-	-	-
13 - 15%	-	-	-	-	-	-
16% or more	-	-	-	-	-	-
Unknown	41%	31%	-	-	67%	100%

Risk Pool   (11 Responses)

Total Annual Claims Dollars Paid

Answer	All Responses	<$100M	>$100M-$350M	>$350M-$750M	>$750M
1 - 3%	46%	45%	100%	-	-
4 - 6%	9%	11%	-	-	-
7 - 9%	9%	11%	-	-	-
10 - 12%	9%	11%	-	-	-
13 - 15%	-	-	-	-	-
16% or more	-	-	-	-	-
Unknown	27%	22%	-	-	100%

State Fund / Mutual Fund   (4 Responses)

Total Annual Premium

Answer	All Responses	<$100M	>$100M-$350M	>$350M-$750M	>$750M
1 - 3%	-	-	-	-	-
4 - 6%	-	-	-	-	-
7 - 9%	-	-	-	-	-
10 - 12%	25%	50%	-	-	-
13 - 15%	-	-	-	-	-
16% or more	25%	50%	-	-	-
Unknown	50%	-	100%	-	100%

(1 cont'd)

(1 cont'd) What percentage of your organization's annual budget is spent on IT systems for workers' compensation programs?

Responses Segmented by Organization Type & Size (Total Annual Premium and/or Claims Dollars Paid)

Government Entity (25 Responses)

| | | Total Annual Claims Dollars Paid | | | | |
Answer	All Responses	<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
1 - 3%	44%	62%	40%	-	-	25%
4 - 6%	4%	8%	-	-	-	-
7 - 9%	8%	-	20%	-	33%	-
10 - 12%	-	-	-	-	-	-
13 - 15%	-	-	-	-	-	-
16% or more	4%	-	-	-	33%	-
Unknown	40%	30%	40%	-	34%	75%

(2) **Do you have dedicated or allocated IT staff for your workers' compensation operation?**
(258 Responses)

3%

43%

54%

■ **Yes** (140)
■ **No** (110)
■ **Unknown** (8)
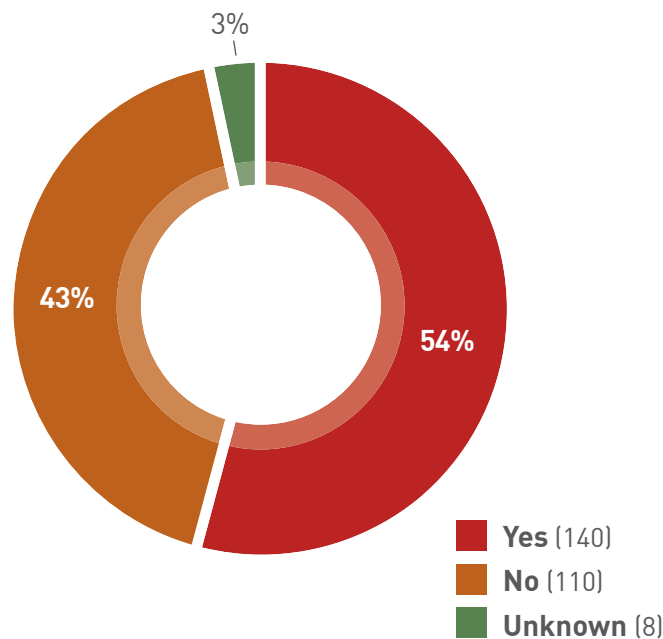
(3) **Including internal and external systems, how many systems do your claims adjusters utilize in the daily management of claims?** (258 Responses)

Overview - All Responses
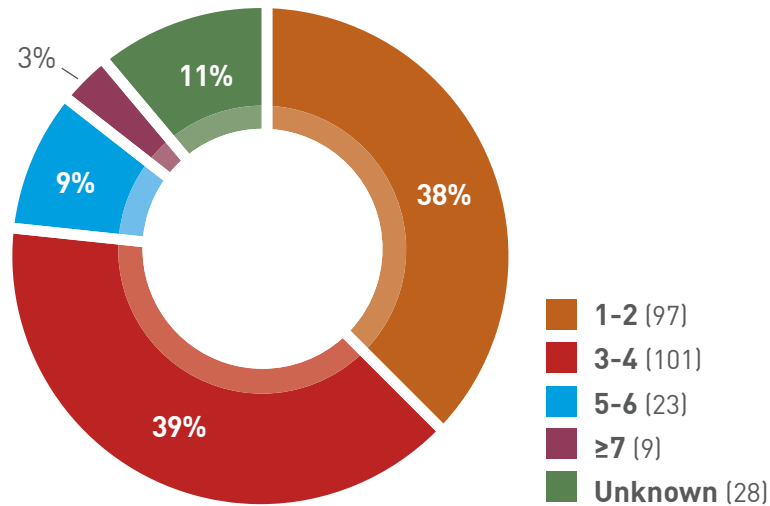
- **1-2** (97)
- **3-4** (101)
- **5-6** (23)
- **≥7** (9)
- **Unknown** (28)

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
1 - 2	22%	67%	53%	44%
3 - 4	57%	33%	39%	30%
5 - 6	12%	-	5%	8%
7 or more	9%	-	3%	-
Unknown	-	-	-	18%

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
1 - 2	43%	27%	-	48%	37%
3 - 4	27%	37%	75%	28%	18%
5 - 6	7%	18%	25%	8%	-
7 or more	-	-	-	-	9%
Unknown	23%	18%	-	16%	36%

4 **How many systems do you consider efficient for a claims adjuster to utilize in the daily management of claims?** (258 Responses)

1% <1%

29%

70%

- **1-2** (180)
- **3-4** (74)
- **5-6** (3)
- **>7** (1)
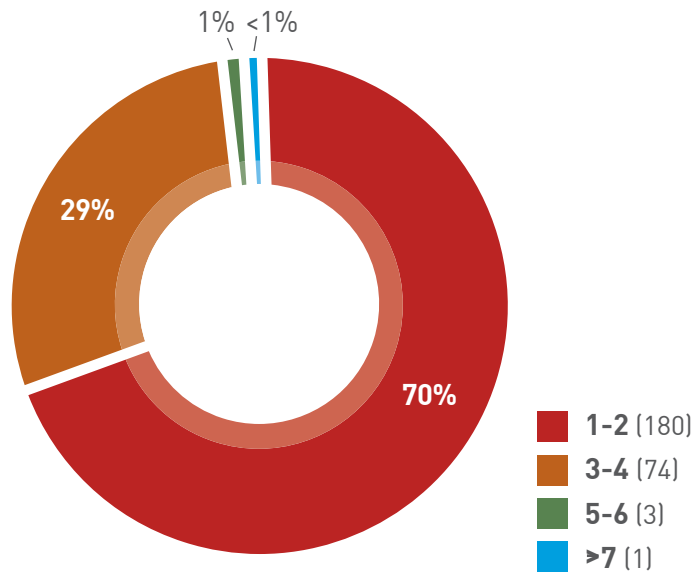
5 **Do any of the following systems or programs integrate with your claims system? Check all that apply: (If no systems are integrated, select "Not Applicable")** (258 Responses)

Overview - All Responses

Answer	count	%
No Systems Integration / Not Applicable	88	34%
Bill Review	119	46%
Nurse Case Management	90	35%
Pharmacy Benefit Manager or Pharmacy Point of Service System	86	33%
Utilization Review	73	28%
Provider Networks	57	22%
Imaging or Imaging Service Providers (i.e., MRI, CT, X-Ray)	54	21%
Fraud & Abuse Detection	49	19%
Legal	46	18%
Evidence-Based Medicine Guidelines	45	17%
Safety Loss Control	36	14%
Predictive Modeling	32	12%
Provider or Hospital Electronic Health Records	20	8%

NOTE: Participants were able to select more than one answer for this question

(5 cont'd)

(5 cont'd)   Do any of the following systems or programs integrate with your claims system? Check all that apply:…

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
No Systems Integration / Not Applicable	19%	67%	14%	51%
Bill Review	61%	-	78%	31%
Nurse Case Management	44%	33%	50%	26%
Pharmacy Benefit Manager or Pharmacy Point of Service System	48%	-	56%	25%
Utilization Review	35%	-	44%	25%
Provider Networks	25%	-	31%	16%
Imaging or Imaging Service Providers (i.e., MRI, CT, X-Ray)	31%	33%	22%	15%
Fraud & Abuse Detection	29%	-	25%	10%
Legal	30%	33%	3%	20%
Evidence-Based Medicine Guidelines	26%	-	19%	18%
Safety / Loss Control	6%	-	14%	20%
Predictive Modeling	21%	-	6%	5%
Provider or Hospital Electronic Health Records	10%	-	8%	8%

| Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
No Systems Integration / Not Applicable	57%	45%	-	32%	45%
Bill Review	20%	45%	75%	36%	18%
Nurse Case Management	27%	27%	50%	24%	18%
Pharmacy Benefit Manager or Pharmacy Point of Service System	17%	18%	50%	16%	9%
Utilization Review	20%	18%	50%	12%	18%
Provider Networks	17%	9%	25%	24%	36%
Imaging or Imaging Service Providers (i.e., MRI, CT, X-Ray)	10%	18%	50%	16%	9%
Fraud & Abuse Detection	10%	18%	25%	20%	9%
Legal	7%	9%	50%	16%	-
Evidence-Based Medicine Guidelines	7%	-	50%	8%	9%
Safety / Loss Control	7%	18%	25%	32%	9%
Predictive Modeling	17%	-	25%	8%	27%
Provider or Hospital Electronic Health Records	3%	-	25%	4%	9%

NOTE: Participants were able to select more than one answer for this question

Conditional Question for those who selected a system(s) or program(s) in Question 5

5.1 **Indicate how each selected system or program integrates with your claims system. Check all that apply:**
(170 Responses)

Answer	Total Count	The system contains a web link to the claims system	Staff manually copies and pastes data into the claims system
Bill Review	119	20%	5%
Nurse Case Management	90	9%	25%
Pharmacy Benefit Manager or Pharmacy Point of Service System	86	27%	6%
Utilization Review	73	16%	21%
Provider Networks	57	44%	7%
Imaging or Imaging Service Providers (i.e., MRI, CT, X-Ray)	54	17%	17%
Fraud & Abuse Detection	49	14%	31%
Legal	46	13%	37%
Evidence-Based Medicine Guidelines	45	51%	16%
Safety / Loss Control	36	14%	31%
Predictive Modeling	32	9%	13%
Provider or Hospital Electronic Health Records	20	10%	20%

Answer	Data populates the claims system through a scheduled file upload / flat file transfer	Data populates the claims system in real time	Health Level 7 (HL7) integration	Other
Bill Review	53%	17%	0%	5%
Nurse Case Management	23%	40%	0%	3%
Pharmacy Benefit Manager or Pharmacy Point of Service System	50%	10%	0%	7%
Utilization Review	26%	30%	0%	7%
Provider Networks	25%	18%	0%	6%
Imaging or Imaging Service Providers (i.e., MRI, CT, X-Ray)	30%	26%	0%	10%
Fraud & Abuse Detection	27%	14%	0%	14%
Legal	15%	24%	0%	11%
Evidence-Based Medicine Guidelines	9%	18%	0%	6%
Safety / Loss Control	14%	31%	0%	10%
Predictive Modeling	25%	31%	3%	19%
Provider or Hospital Electronic Health Records	35%	35%	0%	0%

NOTE: Participants were able to select more than one answer for this question

6 **What percentage of your time do you spend reviewing, preparing, and responding to data metrics reports in a given month?** (258 Responses)

Overview - All Responses
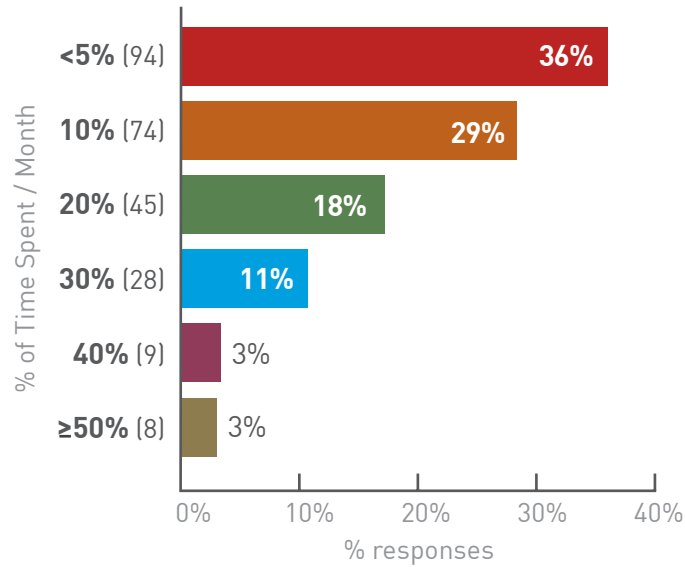
Responses Segmented by Role / Level of Responsibility

Answer	Manager	Director	Vice President	C-Level / Executive Level	Other
respondent # by role	100	74	53	30	1
<5%	39%	38%	26%	40%	100%
10%	30%	24%	32%	30%	-
20%	16%	18%	17%	23%	-
30%	9%	8%	21%	7%	-
40%	3%	5%	4%	-	-
50% or more	3%	7%	-	-	-

(6 cont'd)

(6 cont'd) What percentage of your time do you spend reviewing, preparing, and responding to data metrics reports in a given month?

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
<5%	19%	-	50%	47%
10%	30%	33%	22%	20%
20%	22%	67%	6%	20%
30%	18%	-	17%	6%
40%	7%	-	3%	2%
50% or more	4%	-	3%	5%

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
<5%	37%	27%	25%	56%	28%
10%	43%	46%	25%	28%	36%
20%	13%	18%	-	8%	36%
30%	7%	9%	25%	-	-
40%	-	-	25%	4%	-
50% or more	-	-	-	4%	-

7 **How many different systems do you receive data / metrics reports from?**
(258 Responses)

- 🟥 **1-3** (192)
- 🟧 **4-6** (53)
- 🟩 **7-9** (7)
- 🟦 **>10** (6)

(8) **Does your organization use a data warehouse to consolidate or integrate systems for reporting purposes?** [258 Responses]

Overview - All Responses
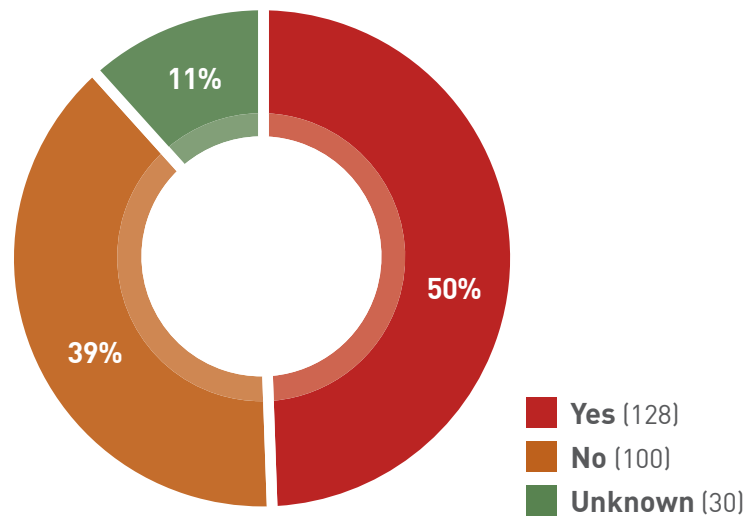
Yes (128)
No (100)
Unknown (30)

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
Yes	73%	100%	53%	33%
No	21%	-	36%	49%
Unknown	6%	-	11%	18%

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
Yes	33%	45%	25%	24%	73%
No	60%	55%	75%	48%	18%
Unknown	7%	-	-	28%	9%

9 **Rate the overall impact of your organization's metrics on claims performance and outcomes.**
(with a rating of 1 being "no impact" and a rating of 5 being "high impact") (258 Responses)

Mean = 3.2   Median = 3   Mode = 3

10 **Does your organization use outcome-based data / metrics to manage operational performance?**
(258 Responses)

Overview - All Responses
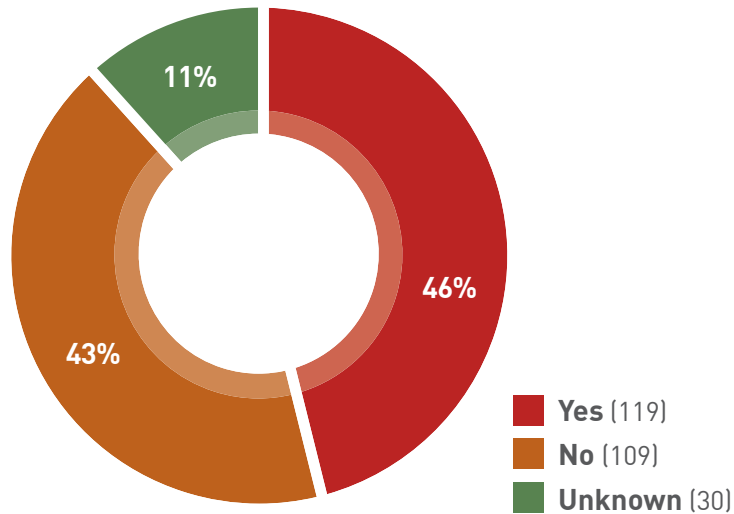
Yes (119)
No (109)
Unknown (30)

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
Yes	62%	33%	45%	39%
No	31%	34%	47%	39%
Unknown	6%	33%	8%	21%

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
Yes	37%	27%	50%	40%	36%
No	57%	55%	50%	44%	64%
Unknown	6%	18%	-	16%	-

Conditional Question for those who answered "Yes" in Question 10

10.1 **What outcome-based systems or data do you utilize to manage operational performance? Select all that apply:** (119 Responses)

Answer	count	% of Sub-Sample Responses	% of Entire Response Sample
Claim quantitative measures of performance based on our company policies / best practices	94	79%	36%
Claim qualitative measures of performance based on internal / external quality assurance review	74	62%	29%
Claim outcome measures based on evidence-based medicine medical treatment guidelines	43	36%	17%
Claim outcome measures based on evidence-based medicine disability duration guidelines	42	35%	16%
Other	10	8%	4%

NOTE: Participants were able to select more than one answer for this question

Conditional Question for those who answered "Yes" in Question 10

10.2 **Your outcome-based data / metrics are segmented or measured by which of the following? Select all that apply:** (119 Responses)

Answer	count	% of Sub-Sample Responses	% of Entire Response Sample
Claims Adjuster	83	70%	32%
Office / Operation	65	55%	25%
Jurisdiction	57	48%	22%
Frontline Supervisor	49	41%	19%
Nurse Case Manager	37	31%	14%
Vendor Service Provider	33	28%	13%
Medical Provider	20	17%	8%
Other	5	4%	2%

NOTE: Participants were able to select more than one answer for this question

Appendix E - Medical Performance Management

1 **Does your organization use medical provider outcomes / performance measures?**
(258 Responses)

Overview - All Responses
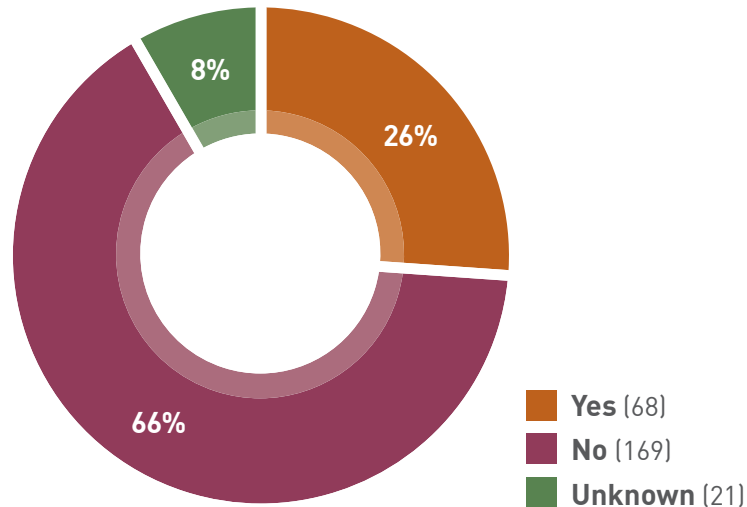
- **Yes** (68)
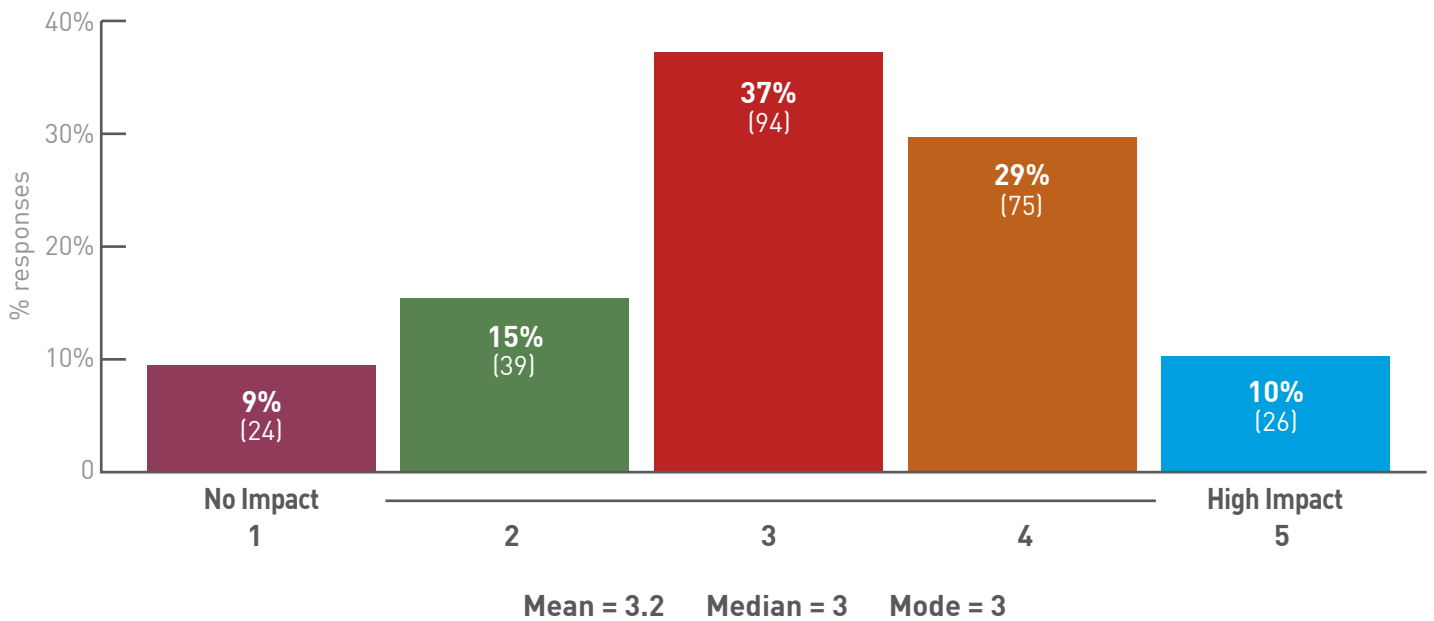- **No** (169)
- **Unknown** (21)

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
Yes	23%	33%	31%	30%
No	72%	67%	58%	59%
Unknown	5%	-	11%	11%

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
Yes	17%	9%	50%	28%	45%
No	73%	82%	50%	64%	55%
Unknown	10%	9%	-	8%	-

(1 cont'd)

(1 cont'd)   Does your organization use medical provider outcomes / performance measures?

Responses Segmented by Organization Size - Total Annual Premium

Answer	<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown & N/A
		Total Annual Claims Dollars Paid			
respondent # by organization size	111	42	9	24	72
Yes	21%	36%	11%	29%	30%
No	74%	57%	89%	50%	60%
Unknown	5%	7%	-	21%	10%

Responses Segmented by Organization Size - Total Annual Claims Dollars Paid

Answer	<$100M	>$100M-$350M	>$350M-$750M	>$750M	Unknown
		Total Annual Claims Dollars Paid			
respondent # by organization size	143	48	14	20	33
Yes	23%	27%	36%	35%	30%
No	71%	73%	64%	50%	43%
Unknown	6%	-	-	15%	27%

1.1 Are the outcomes / performance measures results shared with providers? (68 Responses)

Yes (31) — 46% / 12%
No (26) — 38% / 10%
Unknown (11) — 16% / 4%

- % of Sub-Sample Responses
- % of Entire Response Sample

2 Are you using any of the following data points to measure provider outcomes / performance? Select all that apply: (If no, select "Not Applicable")
(258 Responses)

Answer	count	%
No, none currently in place / Not Applicable	106	41%
RTW Outcomes	115	45%
Total Claims Costs	115	45%
Treatment within Evidence-Based Guidelines	78	30%
Quality & Timely Submission of Reports	63	24%
Efficiency Measures, Avg Number of Evaluation & Management (E&M) Visits per Claim by Diagnosis Code	19	7%
NCQA Cost of Care Measures	6	2%
AHRQ Clinical Quality / Appropriate Care Measures	6	2%
Other	2	1%

NOTE: Participants were able to select more than one answer for this question

3   **Are you using any of the following measures to gauge overall provider performance? Select all that apply: (If no, select "Not Applicable")**

(258 Responses)

Answer	count	%
No, none currently in place / Not Applicable	138	53%
Average Claim Costs	100	39%
Average Number of TTD Days	83	32%
Average Medical Spend	80	31%
Average Narcotic Use	52	20%

NOTE: Participants were able to select more than one answer for this question

4   **Please rank in order of effectiveness the best way to maintain provider data integrity, with 1 being the "most effective" and 5 being the "least effective."**

(258 Responses)

Overview - All Responses

Answer	Overall Rank	Total Score	Percentile Rank
Quality Assurance Reviews	1	973	100%
Dedicated Provider Data Management Staff	2	850	68%
Internal Provider Credentialing	3	733	37%
Updates from Network Partners	4	724	35%
National Provider Identifier (NPI) Database	5	590	0%

NOTE: The Total Score is a sum of the ranked item options. Top positioned options have higher rank.

(4 cont'd)

(4 cont'd) Please rank in order of effectiveness the best way to maintain provider data integrity, with 1 being the "most effective"…

Responses Segmented by Manager Role

(100 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Quality Assurance Reviews	1	390	100%
Dedicated Provider Data Management Staff	2	312	54%
Updates From Network Partners	3	296	45%
Internal Provider Credentialing	4	283	37%
National Provider Identifier (NPI) Database	5	219	0%

Responses Segmented by Director, VP & C-Level / Executive Roles

(158 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Quality Assurance Reviews	1	583	100%
Dedicated Provider Data Management Staff	2	538	79%
Internal Provider Credentialing	3	450	37%
Updates From Network Partners	4	428	27%
National Provider Identifier (NPI) Database	5	371	0%

5 **Does your organization use risk / reward-based contracting with medical providers?**
(258 Responses)

4%

10%

86%

- **Yes** (9)
- **No** (223)
- **Unknown** (26)
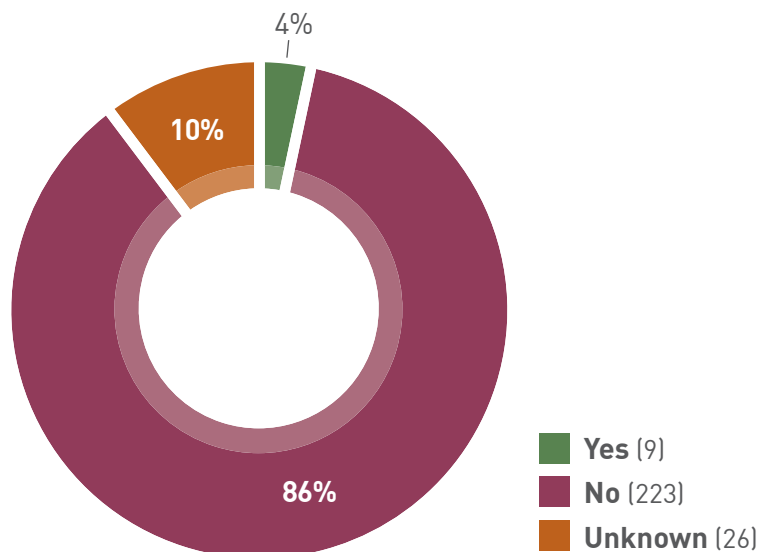
Conditional Question for those who answered "Yes" to Question 5

5.1 **What risk / reward strategies are used with medical providers? Select all that apply:**
(9 Responses)

Overview - All Responses

Answer	count	% of Sub-Sample Responses	% of Entire Response Sample
Decreased Utilization Review	6	67%	2%
Limited Bill Review	5	56%	2%
Referral or Patient Channeling	4	44%	2%
Fast-Track Payments	4	44%	2%
Pay for Performance	3	33%	1%

NOTE: Participants were able to select more than one answer for this question

Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer
respondent # by organization type	77	3	36	61
Decreased Utilization Review	4%	-	6%	2%
Limited Bill Review	3%	-	6%	2%
Referral or Patient Channeling	1%	-	6%	-
Fast-Track Payments	3%	-	6%	-
Pay for Performance	3%	-	-	-

Answer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
respondent # by organization type	30	11	4	25	11
Decreased Utilization Review	-	-	-	-	-
Limited Bill Review	-	-	-	-	-
Referral or Patient Channeling	-	-	-	4%	-
Fast-Track Payments	-	-	-	-	-
Pay for Performance	-	-	-	-	9%

6 Indicate if any of the following medical management programs are currently in place and if they are insourced or outsourced. (If not currently in place, select "Not Applicable")
(258 Responses)

Overview - All Responses

Answer	Not Currently in Place / N/A	Insourced	Outsourced	Combination Insourced & Outsourced	Unknown
Nurse Triage	35%	29%	31%	5%	< 1%
Nurse Case Management	8%	27%	46%	19%	< 1%
Return-to-Work Services	17%	42%	18%	22%	1%
Utilization Review	15%	16%	54%	14%	1%
Bill Review	4%	20%	63%	13%	< 1%
Company Developed / Owned Provider Network	43%	17%	28%	10%	2%
Outsourced / Leased Provider Network	36%	4%	49%	6%	5%
Pharmacy Benefit Manager / Network	13%	6%	76%	5%	< 1%
Physician Case Management	35%	10%	40%	12%	3%
Peer Review	20%	14%	54%	9%	3%

Responses Segmented by Organization Type

Insurance Company (77 Responses)

Answer	Not Currently in Place / N/A	Insourced	Outsourced	Combination Insourced & Outsourced	Unknown
Nurse Triage	36%	38%	23%	3%	0%
Nurse Case Management	2%	29%	42%	27%	0%
Return-to-Work Services	16%	23%	32%	29%	0%
Utilization Review	12%	18%	48%	22%	0%
Bill Review	0%	12%	73%	15%	0%
Company Developed / Owned Provider Network	41%	16%	38%	5%	0%
Outsourced / Leased Provider Network	23%	4%	68%	0%	5%
Pharmacy Benefit Manager / Network	4%	7%	88%	1%	0%
Physician Case Management	24%	16%	42%	16%	2%
Peer Review	12%	17%	57%	12%	2%

(6 cont'd)

(6 cont'd) Indicate if any of the following medical management programs are currently in place and if they are insourced...

<p style="text-align:center">Responses Segmented by Organization Type</p>

Reinsurance / Excess Insurance Company (3 Responses)

Answer	Not Currently in Place / N/A	Insourced	Outsourced	Combination Insourced & Outsourced	Unknown
Nurse Triage	33%	67%	0%	0%	0%
Nurse Case Management	33%	33%	0%	34%	0%
Return-to-Work Services	33%	0%	67%	0%	0%
Utilization Review	100%	0%	0%	0%	0%
Bill Review	67%	0%	0%	33%	0%
Company Developed / Owned Provider Network	100%	0%	0%	0%	0%
Outsourced / Leased Provider Network	100%	0%	0%	0%	0%
Pharmacy Benefit Manager / Network	33%	0%	33%	34%	0%
Physician Case Management	67%	0%	0%	33%	0%
Peer Review	0%	33%	33%	33%	0%

Third Party Administrator (36 Responses)

Answer	Not Currently in Place / N/A	Insourced	Outsourced	Combination Insourced & Outsourced	Unknown
Nurse Triage	22%	42%	22%	14%	0%
Nurse Case Management	0%	44%	31%	25%	0%
Return-to-Work Services	19%	47%	14%	20%	0%
Utilization Review	5%	36%	42%	17%	0%
Bill Review	0%	36%	33%	31%	0%
Company Developed / Owned Provider Network	47%	14%	20%	19%	0%
Outsourced / Leased Provider Network	17%	8%	56%	17%	2%
Pharmacy Benefit Manager / Network	8%	0%	78%	14%	0%
Physician Case Management	36%	17%	33%	11%	3%
Peer Review	14%	19%	56%	11%	0%

(6 cont'd)

(6 cont'd) Indicate if any of the following medical management programs are currently in place and if they are insourced...

Responses Segmented by Organization Type

Self-Insured Employer (61 Responses)

Answer	Not Currently in Place / N/A	Insourced	Outsourced	Combination Insourced & Outsourced	Unknown
Nurse Triage	36%	30%	28%	5%	1%
Nurse Case Management	11%	30%	41%	18%	0%
Return-to-Work Services	21%	51%	7%	18%	3%
Utilization Review	15%	10%	59%	13%	3%
Bill Review	10%	16%	62%	10%	2%
Company Developed / Owned Provider Network	48%	20%	16%	13%	3%
Outsourced / Leased Provider Network	57%	2%	28%	7%	6%
Pharmacy Benefit Manager / Network	23%	8%	64%	3%	2%
Physician Case Management	44%	8%	33%	10%	5%
Peer Review	30%	10%	46%	8%	6%

Insured Employer (30 Responses)

Answer	Not Currently in Place / N/A	Insourced	Outsourced	Combination Insourced & Outsourced	Unknown
Nurse Triage	37%	10%	50%	3%	0%
Nurse Case Management	13%	13%	64%	10%	0%
Return-to-Work Services	24%	30%	23%	23%	0%
Utilization Review	23%	7%	70%	0%	0%
Bill Review	7%	17%	73%	3%	0%
Company Developed / Owned Provider Network	44%	3%	43%	10%	0%
Outsourced / Leased Provider Network	30%	0%	57%	7%	6%
Pharmacy Benefit Manager / Network	23%	10%	64%	3%	0%
Physician Case Management	33%	0%	53%	10%	4%
Peer Review	20%	10%	63%	3%	4%

(6 cont'd)

(6 cont'd) Indicate if any of the following medical management programs are currently in place and if they are insourced...

Responses Segmented by Organization Type

Risk Pool (11 Responses)

Answer	Not Currently in Place / N/A	Insourced	Outsourced	Combination Insourced & Outsourced	Unknown
Nurse Triage	55%	18%	27%	0%	0%
Nurse Case Management	18%	36%	46%	0%	0%
Return-to-Work Services	9%	64%	9%	18%	0%
Utilization Review	27%	0%	55%	18%	0%
Bill Review	0%	18%	82%	0%	0%
Company Developed / Owned Provider Network	55%	9%	18%	9%	9%
Outsourced / Leased Provider Network	36%	0%	55%	0%	9%
Pharmacy Benefit Manager / Network	18%	0%	82%	0%	0%
Physician Case Management	64%	0%	27%	0%	9%
Peer Review	45%	0%	45%	0%	10%

State Fund / Mutual Fund (4 Responses)

Answer	Not Currently in Place / N/A	Insourced	Outsourced	Combination Insourced & Outsourced	Unknown
Nurse Triage	75%	25%	0%	0%	0%
Nurse Case Management	25%	25%	25%	25%	0%
Return-to-Work Services	25%	25%	0%	50%	0%
Utilization Review	25%	25%	0%	50%	0%
Bill Review	0%	50%	25%	25%	0%
Company Developed / Owned Provider Network	0%	50%	0%	50%	0%
Outsourced / Leased Provider Network	25%	0%	25%	25%	25%
Pharmacy Benefit Manager / Network	0%	25%	50%	25%	0%
Physician Case Management	25%	50%	0%	25%	0%
Peer Review	25%	0%	25%	50%	0%

(6 cont'd)

(6 cont'd) Indicate if any of the following medical management programs are currently in place and if they are insourced...

Responses Segmented by Organization Type

Government Entity (25 Responses)

Answer	Not Currently in Place / N/A	Insourced	Outsourced	Combination Insourced & Outsourced	Unknown
Nurse Triage	32%	8%	48%	8%	4%
Nurse Case Management	4%	8%	80%	4%	4%
Return-to-Work Services	8%	64%	4%	20%	4%
Utilization Review	16%	4%	72%	0%	8%
Bill Review	4%	24%	72%	0%	0%
Company Developed / Owned Provider Network	40%	28%	24%	4%	4%
Outsourced / Leased Provider Network	56%	8%	24%	8%	4%
Pharmacy Benefit Manager / Network	8%	8%	80%	4%	0%
Physician Case Management	28%	0%	60%	12%	0%
Peer Review	24%	8%	60%	4%	4%

7 **Please rank in order of impact the programs you believe are most critical to claim outcomes, with 1 having the "greatest impact" and 10 having the "least impact."**
(258 Responses)

Overview - All Responses

Answer	Overall Rank	Total Score	Percentile Rank
Nurse Case Management	1	1977	100%
Return-to-Work Services	2	1870	90%
Nurse Triage	3	1609	64%
Pharmacy Benefit Manager, Network or Pharmacy Program	4	1417	46%
Utilization Review	5	1414	45%
Bill Review	6	1377	42%
Physician Case Management	7	1321	36%
Company Developed / Owned Provider Network	8	1136	19%
Peer Review	9	1124	17%
Outsourced / Leased Provider Network	10	945	0%

NOTE: The Total Score is a sum of the ranked item options. Top positioned options have higher rank.

(7 cont'd)

(7 cont'd) Please rank in order of impact the programs you believe are most critical to claim outcomes, with 1 having the "greatest...

Responses Segmented by Organization Type

Insurance Company (77 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Nurse Case Management	1	606	100%
Return-to-Work Services	2	530	78%
Nurse Triage	3	471	60%
Pharmacy Benefit Manager, Network or Pharmacy Program	4	466	59%
Utilization Review	5	465	59%
Bill Review	6	451	55%
Physician Case Management	7	361	28%
Peer Review	8	328	18%
Outsourced / Leased Provider Network	9	292	8%
Company Developed / Owned Provider Network	10	265	0%

Reinsurance / Excess Insurance Company (3 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Nurse Case Management	1	25	100%
Nurse Triage	2	24	95%
Peer Review	2	24	95%
Return-To-Work Services	4	23	91%
Physician Case Management	5	19	73%
Pharmacy Benefit Manager, Network or Pharmacy Program	6	17	64%
Utilization Review	7	12	41%
Company Developed / Owned Provider Network	8	10	32%
Bill Review	9	8	23%
Outsourced / Leased Provider Network	10	3	0%

(7 cont'd)

(7 cont'd)   Please rank in order of impact the programs you believe are most critical to claim outcomes, with 1 having the "greatest...

Third Party Administrator (36 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Nurse Case Management	1	282	100%
Nurse Triage	2	259	86%
Return-to-Work Services	3	249	81%
Utilization Review	4	210	58%
Pharmacy Benefit Manager, Network or Pharmacy Program	5	209	57%
Bill Review	6	195	49%
Company Developed / Owned Provider Network	7	168	33%
Peer Review	8	161	29%
Physician Case Management	9	135	14%
Outsourced / Leased Provider Network	10	112	0%

Self-Insured Employer (61 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Return-to-Work Services	1	464	100%
Nurse Case Management	2	462	99%
Nurse Triage	3	359	58%
Physician Case Management	4	355	56%
Pharmacy Benefit Manager, Network or Pharmacy Program	5	312	39%
Company Developed / Owned Provider Network	6	305	36%
Utilization Review	7	298	33%
Peer Review	8	294	31%
Bill Review	9	290	30%
Outsourced / Leased Provider Network	10	216	0%

(7 cont'd)

(7 cont'd)   Please rank in order of impact the programs you believe are most critical to claim outcomes, with 1 having the "greatest...

<p style="text-align:center;color:#2aa0d5;">Responses Segmented by Organization Type</p>

Insured Employer (30 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Nurse Case Management	1	234	100%
Return-to-Work Services	2	219	86%
Nurse Triage	3	198	67%
Physician Case Management	4	164	36%
Pharmacy Benefit Manager, Network or Pharmacy Program	5	161	34%
Bill Review	6	155	28%
Utilization Review	7	145	19%
Company Developed / Owned Provider Network	8	125	1%
Peer Review	9	125	1%
Outsourced / Leased Provider Network	10	124	0%

Risk Pool (11 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Return-to-Work Services	1	88	100%
Nurse Case Management	2	83	89%
Utilization Review	3	64	49%
Bill Review	4	61	43%
Nurse Triage	5	59	38%
Pharmacy Benefit Manager, Network or Pharmacy Program	6	57	34%
Company Developed / Owned Provider Network	7	56	32%
Physician Case Management	8	55	30%
Outsourced / Leased Provider Network	9	41	0%
Peer Review	10	41	0%

(7 cont'd)

(7 cont'd) Please rank in order of impact the programs you believe are most critical to claim outcomes, with 1 having the "greatest...

Responses Segmented by Organization Type

State Fund / Mutual Fund (4 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Bill Review	1	30	100%
Pharmacy Benefit Manager, Network or Pharmacy Program	2	27	82%
Physician Case Management	3	26	76%
Nurse Triage	4	24	65%
Nurse Case Management	5	24	65%
Utilization Review	6	22	53%
Peer Review	7	19	35%
Return-to-Work Services	8	18	29%
Company Developed / Owned Provider Network	9	17	24%
Outsourced / Leased Provider Network	10	13	0%

Government Entity (25 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Return-to-Work Services	1	203	100%
Nurse Case Management	2	183	83%
Nurse Triage	3	157	61%
Physician Case Management	4	150	55%
Utilization Review	5	140	46%
Bill Review	6	123	32%
Pharmacy Benefit Manager, Network or Pharmacy Program	7	117	26%
Company Developed / Owned Provider Network	8	114	24%
Peer Review	9	102	14%
Outsourced / Leased Provider Network	10	86	0%

(7 cont'd)   Please rank in order of impact the programs you believe are most critical to claim outcomes, with 1 having the "greatest...

Responses Segmented by Manager Role

(100 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Nurse Case Management	1	765	100%
Return-To-Work Services	2	738	94%
Nurse Triage	3	676	79%
Physician Case Management	4	538	46%
Utilization Review	5	516	40%
Pharmacy Benefit Manager, Network or Pharmacy Program	6	515	40%
Bill Review	7	491	34%
Peer Review	8	486	33%
Company Developed / Owned Provider Network	9	427	19%
Outsourced / Leased Provider Network	10	348	0%

Responses Segmented by Director, VP & C-Level / Executive Roles

(158 Responses)

Answer	Overall Rank	Total Score	Percentile Rank
Nurse Case Management	1	1212	100%
Return-To-Work Services	2	1132	87%
Nurse Triage	3	933	55%
Pharmacy Benefit Manager, Network or Pharmacy Program	4	902	50%
Utilization Review	5	898	49%
Bill Review	6	886	47%
Physician Case Management	7	783	30%
Company Developed / Owned Provider Network	8	709	18%
Peer Review	9	638	7%
Outsourced / Leased Provider Network	10	597	0%

8 **Does your organization use performance strategies to incentivize or hold medical management vendor partners accountable?**

(258 Responses)


Yes (44)
No (184)
Unknown (30)

17%
71%
12%
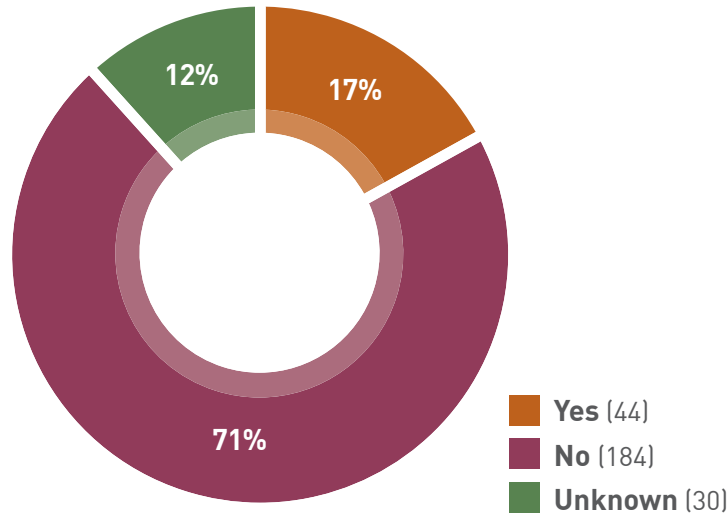
Conditional Question for those who answered "Yes" to Question 8

8.1 **What performance strategies are used to incentivize or hold medical management vendor partners accountable? Select all that apply:**

(44 Responses)

Answer	count	% of Sub-Sample Responses	% of Entire Response Sample
Service Level Agreement (SLA) with Performance Standards & Financial Commitments	36	82%	14%
Increased Volume Based on Performance	23	52%	9%
Decreased Volume Based on Performance	14	32%	5%
Fast-Track Payments	8	18%	3%
Limited Bill Review	7	16%	3%
Pay-for-Perfomance Measures	7	16%	3%
Decreased UR Requirements	5	11%	2%

NOTE: Participants were able to select more than one answer for this question

2013 Workers' Compensation Benchmarking Study
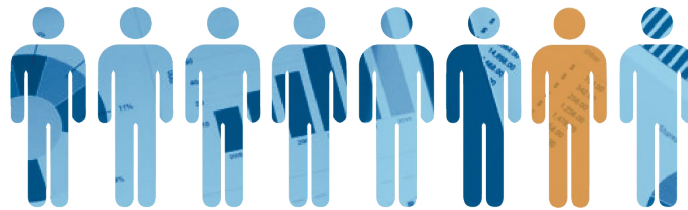
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