2019 WORKERS' COMPENSATION BENCHMARKING STUDY

CLAIMS MANAGEMENT OPERATIONAL STUDY

Comparing
Claims Leader & **Frontline Staff**
Perspectives

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Rising Medical Solutions

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Preface

About the Study

The Workers' Compensation Benchmarking Study is a national research program that examines the complex forces impacting claims management in workers' compensation today. The study's mission is to advocate for the advancement of claims management by providing both quantitative and qualitative research that allows organizations to evaluate priorities, hurdles, and strategies amongst their peers. Conceived by Rising Medical Solutions (Rising), the study's impetus evolved from various conversations Rising had with industry executives about the gap in available research focusing on how claims organizations address daily operational challenges.

Today, the ongoing study program is a collaboration of workers' compensation leaders who represent diverse perspectives and share a commitment to providing meaningful information about claims management trends and best opportunities for advancement. Recognizing the need for an unbiased approach, the study is guided by an independent Principal Researcher and an Advisory Council of industry experts whose involvement is critical to maintaining a framework that produces impartial and compelling research.

About the Study Director & Publisher, Rising Medical Solutions

Rising is a national medical cost containment and care management company serving payers of medical claims in the workers' compensation, auto, liability, and group health markets. Rising spearheaded the study idea and leads the logistical, project management, industry outreach, and publication aspects of the effort. For study inquiries, please contact Chief Experience Officer & Study Program Director Rachel Fikes at wcbenchmark@risingms.com.

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

Denise Zoe Algire is the Director of Risk Initiatives & National Medical Director for Albertsons Companies. She is a nationally recognized expert in workers' compensation, healthcare, and integrated disability management. 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 20 years of industry experience, her expertise includes claim operations, medical management, enterprise risk management, and healthcare practice management.

Study Advisory Council

Essential to the study program and research is its Advisory Council, comprised of nearly 20 workers' compensation executives who represent national and regional carriers, employers, third party administrators, brokerages, and industry consultancies.

Since 2013, their varied perspectives have guided the study's continued efforts to examine some of the most significant operational challenges facing claims organizations today. From the formation of research strategies to the interpretation of results, the Council has provided critical expertise throughout this endeavor.

Among those distinguished advisors we thank for their time and commitment are:

- **Denise Zoe Algire** | Director of Risk Initiatives & National Medical Director | **Albertsons Companies**

- **Raymond Jacobsen** | Senior Managing Director | **AON**

- **Rich Cangiolosi** | Vice President, Western Region | **Cannon Cochran Management Services, Inc. (CCMSI)**

- **Kelly Kuri** | Claims Manager | **Frank Winston Crum Insurance**

- **Helen Weber** | Assistant Vice President, Head of Medical Strategy | **The Hanover Insurance Group, Inc.**

- **Adam Seidner, MD, MPH** | Chief Medical Officer | **The Hartford**

- **Scott Emery** | Senior Director, Claims | **Markel**

- **Tom Wiese** | Vice President, Claims | **The MEMIC Group**

- **Ted Jeffries** | Director of Claims | **Missouri Employers Mutual**

- **Michele Fairclough** | Medical Services Director | **Montana State Fund**

- **Tom McCauley** | Owner & Consultant | **Networks by Design**

- **Alan Bender** | Director, Workers' Compensation & Casualty Insurance | **Publix Super Markets, Inc.**

- **Jonathan Gerdes** | Senior Vice President, Casualty Claims Solutions | **SmartCasualtyClaims**

- **Marcos Iglesias, MD** | Vice President, Chief Medical Director | **Travelers**

- **David Price** | Vice President | **UMR Risk Management**

- **Linda Butler** | Director, Claims Management | **Walt Disney World Resort**

- **Brian Trick** | Senior Manager of Claims | **Wegmans Food Markets, Inc.**

- **Kyle Cato** | Associate Risk Manager, Workers' Compensation & General Liability Claims | **Williams-Sonoma, Inc.**

- **Tom Stark** | Vice President, Underwriting | **Zenith Insurance Company**

Acknowledgments

Introduction

For every new workplace injury in this country, there is a claims professional or nurse who is personally responsible for engaging the injured employee in their recovery. With several million newly injured employees per year, our frontline teams directly manage a total economic outlay of nearly 100 billion dollars in workers' compensation benefits paid. Understanding the view from the front lines is not only valuable to the industry, it's vital.

Now in its seventh year, the 2019 Workers' Compensation Benchmarking Study – for the first time ever – surveyed frontline claims professionals (instead of claims executives) to ascertain alignment between industry leadership and staff who *directly handle* workers' compensation claims. As the industry's largest talent constituency, with the greatest influence on financial and injured worker outcomes, visibility into how their views mirror or differ from claims executives highlights opportunities to advance the entire industry.

Reprising prior years' survey questions, the 2019 study not only compares frontline participants' perspectives to the views of the 1,800-plus claims executive participants who preceded them, it also provides strategies for how to best incentivize and retain this critical talent pool. Finally, by exploring the below key areas, the 2019 study continues its exploration of front burner topics such as prioritizing claims core competencies, training and developing claims talent, utilizing a claims advocacy approach, leveraging technology and data, and driving improved medical and claim outcomes.

> With several million newly injured employees per year, frontline claims teams directly manage a total economic outlay of nearly 100 billion dollars in workers' compensation benefits paid.
>
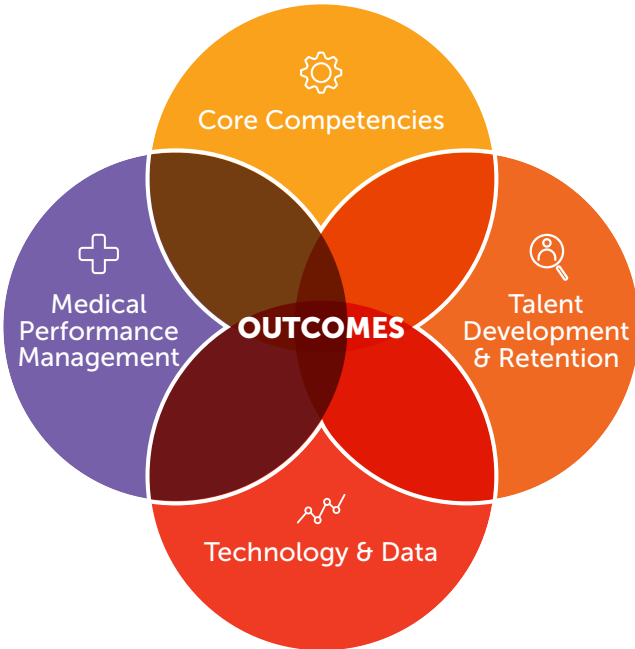> Understanding the view from the front lines is not only valuable to the industry, it's vital.

Frontline Intelligence
Across 4 Major Drivers of Claim Outcomes

Executive Summary

Workers' compensation covers an estimated 140.3 million U.S. workers, with benefits that amount to more than $97 billion annually.[1] Managing these claims continues to be more complex, particularly for frontline claims professionals balancing multiple priorities, jurisdictional differences, and financial pressures.

Since 2013, the Workers' Compensation Benchmarking Study surveyed more than 1,800 claims leaders regarding their top operational priorities, challenges, and opportunities, as well as their strategies for improving claim outcomes. This year, given the considerable impact *frontline* claims professionals have on outcomes and organizational success, including customer satisfaction/retention and financial liabilities, the 2019 study examines claims operational issues from the perspective of professionals who *directly handle* workers' compensation claims.

The 2019 study reprises survey questions from the 2016 and 2017 studies to examine the perspective of frontline claims professionals and the similarities and/or differences from prior survey research with claims leaders. This 2019 Report includes a visual key for readers to quickly identify data trends from prior study reports.

Overall, the most significant challenge facing claims organizations today is a talent shortage. The U.S. unemployment rate has remained steady, averaging 3.6 percent in 2019.[2] The converging forces of the aging U.S. population and retirement of Baby Boomers creates an even greater exposure for the workers' compensation industry. Compounding these issues is a pending mass exodus of experienced claims professionals – juxtaposed against the continued challenge of attracting young professionals to the industry. Success in this area will require organizations to think outside of traditional talent management and recruitment strategies.

The 2019 Report outlines a roadmap for claims organizations to improve operational efficiencies and hone talent strategies.

Industry Trend Key

Claims Leader & Frontline Staff Comparison:

➡ **Similar Perspective**

⬍ **Different Perspective**

The results reflect the following key trends and opportunities:

Caseloads increase. The results indicate that 53 percent of frontline claims professionals report indemnity claims caseloads of 125 or less and 20 percent report caseloads greater than 150. Compare that to the 2017 study of claims leaders, in which 60 percent report caseloads of 125 or less and nine percent report caseloads greater than 150. This data could represent growing caseloads, or a disconnect between claims leaders' perspectives and operational reality. Caseloads can be impacted by technology, the level of administrative support, or soft market expense management.

Similar perspectives on the key processes that drive claim outcomes. Frontline claims professionals rank compensability investigations, disability/return-to-work (RTW) management, and medical management as the top three capabilities most critical to claim outcomes.

Although the 2019 study reflects the same top three core competencies as the 2017 survey of claims leaders, frontline claims professionals rank compensability investigations as the *most* important competency while claims leaders rank compensability investigations third (see Table 4). The impact of compensability investigations on claim outcomes, including delivery of timely medical care, return-to-work, and claim resolution, cannot be overstated. The potential impact, if this competency is not efficiently and effectively executed, is significant. According to a Lockton Study of denied claims, 67 percent of claims originally denied are converted to paid claims within a year and cost on average 55 percent more than the original claim.[3] This should give organizations pause to consider when more formal compensability investigations are actually needed, as well as the hidden cost to claims from unnecessary frictional delays.

Compliance and administrative activities may limit strategic focus. Frontline participants report spending a considerable amount of time on compliance and administrative activities (see Tables 8 and 9). Excessive focus on compliance and administrative tasks to the detriment of other objectives (i.e., communicating with injured workers and key stakeholders, proactive coordination of healthcare services and RTW, strategic and tactical claims management) negatively impacts claim outcomes. Organizations should determine which administrative tasks and/or regulatory compliance activities can and should be automated. The time and attention of claims professionals should be allocated to higher-level tasks and more strategic responsibilities.

Similar perspectives on desired claim outcomes and obstacles. Frontline claims professionals rank employee return-to-work (RTW) within anticipated benchmarks as the *most important* claims outcome and the *lack of* RTW options/accommodation as the greatest obstacle to achieving desired outcomes. This result is similar to the 2016 survey of claims leaders (see Table 11 and Table 12). Many stakeholders play a role in the RTW process, with employer and employee involvement being critical to successful RTW. Employee expectations for recovery and RTW are also commonly associated with positive outcomes. The Workers Compensation Research Institute (WCRI) found that employee trust in their employer is a key predictor of successful return-to-work.[4] Organizations should consider focused training on the importance of RTW, the impact on human capital, and positive employer/employee relationships.

More than half of frontline claims professionals leverage systems/analytics to manage claims. The results show 65 percent of frontline claims professionals use analytics (i.e., workflow automation, predictive modeling, push technology and/or auto adjudication) to some degree to manage claims (see Figure 13). Most commonly, analytics are used to detect and manage medical utilization and return-to-work/disability duration benchmarks.

Differing views on the impact of metrics on claim performance outcomes. Frontline claims professionals show differing levels of confidence in organizational metrics' impact on claim outcomes based on their years of experience. The results indicate claims professionals with five years or less experience in claims adjusting have a higher level of confidence than more senior claims professionals (see Figure 14 and Table 21). Organizations could consider two primary conclusions: a need to "upskill" claims talent to better understand and leverage metrics, or that metrics need to be retooled to be more actionable/meaningful to claims operations.

Frontline claims professionals identify tools needed to successfully do their job. Most claims professionals, 90 percent, indicate that one or more tools are needed to more effectively do their jobs. The results indicate that more than 40 percent need jurisdictional-specific training, with claims professionals having five years or less experience reporting a greater need (see Table 22). Over a third indicate they need better tools to communicate with injured workers and other claims stakeholders, with even greater need expressed by 55 percent of claims professionals with less than one year of experience (see Tables 22 and 23).

Investment in soft skills training is essential to effective claims management. The results indicate 57 percent of organizations include soft skills training for frontline claims professionals, a slight improvement from the 2017 survey of claims leaders. However, only 25 percent receive training on empathy – a critical skill when dealing with people who are injured (see Table 16). To be effective, claims professionals need more than traditional training focused on financial controls and legal/regulatory compliance. They must be skilled communicators and adaptable to cultural differences.

Benefits most important to frontline claims professionals. Claims professionals identify flexibility in work arrangements (i.e., remote work option and flexible schedules) as well as bonus/profit sharing as the most valued benefits that could influence current and/or future employment considerations (see Appendix C-6). Additionally, participants indicate salary and benefits are the primary reason they would leave their job, followed by growth opportunity (see Figure 10). The workers' compensation claims industry is conservative and lags other areas of the P&C industry when it comes to innovation and alternative work arrangements. Organizations must rethink their current strategies, including reassessing compensation and benefits that consider what employees value.

▶ **Advocacy-based claims models, what's the missing link?** Advocacy-based claims models, described as an employee-centric customer service model, is an area of continued interest in the industry. However, 72 percent of frontline claims professionals report they do not know what an advocacy-based claims model is (see Table 18). Given the significant industry focus on advocacy-based models, there is clearly a disconnect between theory and practice. Organizations should consider that claims advocacy is not a one-and-done training session. To change longstanding practices will require a concerted, ongoing effort and commitment.

▶ **Provider quality metrics impacting outcomes.** Fifty percent of frontline claims professionals identify return-to-work/patient functional outcomes as the most important measure of provider quality. Additionally, using evidence-based care is recognized as an important indicator (see Figure 16). Claims professionals with less experience identify administrative efficiency as a higher measure of provider quality, suggesting an educational opportunity regarding meaningful quality indicators (see Table 26).

▶ **Critical training is needed in medical management.** On average, 30 percent of frontline participants do not receive adequate training in key areas of medical management, such as evaluating medical treatment, interpreting diagnostic tests, identifying co-morbidities, and understanding psychosocial risk factors and mental health issues. Frontline claims professionals indicate the greatest training needs are in understanding psychosocial risk factors and mental health issues (see Figure 17). Participants with less than five years of experience demonstrate significantly higher training needs across all key areas. Given the significance of psychosocial risk factors and mental health issues, organizations should consider equipping claims professionals with this necessary training. Additionally, utilizing screening tools and/or predictive modeling can ensure risk factors are identified early.

[1] Weiss E., Murphy G., and Borden L. Workers' compensation benefits, costs, and coverage. National Academy of Social Insurance. Oct 2019. Available: https://www.nasi.org/sites/default/files/nasiRptWkrsComp201710_31%20final.pdf

[2] Bureau of Labor Statistics, Unemployment statistics. Available at: https://www.bls.gov/web/laus/laumstrk.htm (accessed Oct 27, 2019)

[3] Flannery K., Cooley H., Geldes C. & Billings, K. Claims denied. Lockton Companies May 2018.
Available: https://www.lockton.com/whitepapers/Flannery_Cooley_Geldes_Billings-Workers_Compensation-May18-LR.pdf

[4] Predictors of Injured Worker Outcomes: State Specific Research. WCRI. Available at: https://www.wcrinet.org

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Methodology

The 2019 study focus was guided by facilitated think-tank sessions with the Advisory Council Members and led by the Principal Researcher. The 2019 survey targeted frontline claims professionals who directly handle and adjudicate claims (i.e., claims adjuster, claims examiner, claims associate or similar role). Some organizations utilize nurse case managers to manage both claims and medical management functions. Claims leaders, including supervisors, managers, directors and executives, were excluded from survey participation. Overall, the Study Report is based on the survey results of **1,282** respondents, including frontline claims professionals and nurse case managers from every major type of workers' compensation payer organization.

The research was conducted using a confidential, online survey tool. The survey tool structure and questionnaire were developed by the Principal Researcher. The survey questions were organized across the study's four indexes – Prioritizing Core Competencies; Talent Development & Retention; Impact of Technology & Data; and Medical Performance Management as well as Participant Demographics.

The survey included a total of **44** questions: 6 questions for Demographics, 15 for Prioritizing Core Competencies, 14 for Talent Development & Retention, 5 for Technology & Data, 3 for Medical Performance Management, and 1 for general comments. The survey contained partially categorized and closed-ended questions, including dichotomous, rank order scaling, Likert scale, multiple choice, constant sum, and random order question sets in order to reduce response bias. The survey results are compared to prior study research, not to specific respondents or organizations.

Survey invitations were directed to frontline claims professionals through direct email invitations, as well as various industry channels. All direct email invitations included an opt-out link, allowing recipients to remove themselves from study communications. The results are presented in average responses of the entire group of participants, no individual or organization who participated in the study is identified.

The survey was open for a total of 51 days from May 8, 2019 through June 28, 2019. Participants could 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

- **1,538** completed responses

- **223** participants who identified as a "claims leader" were excluded from survey participation

- **33** responses were excluded (participants who did not meet the survey target audience, i.e., vendors/service providers, attorneys, medical providers)

- **596** incomplete responses, where the survey was started but not completed (incomplete responses were excluded from the study results)

- Average response time to complete the survey was **14 minutes**

The Principal Researcher completed the data validation and analysis, as well as authored this Study Report.

Survey Participant Demographics

About the Survey Participants

The study targeted frontline workers' compensation claims professionals who directly handle and adjudicate claims. In most organizations, claims functions are performed by claims professionals with titles such as claims adjuster, claims examiner, and claims associate. In some organizations, claims adjudication is performed by nurses who directly manage both claims and medical management functions. Claims leaders, including supervisors, managers, directors and executives, were excluded from survey participation. The study includes **1,282** participants, with claims professionals representing the largest respondent population followed by nurse case managers (see Figure 1). The participants are predominately indemnity/lost time claims professionals, representing 85 percent of respondents (see Figure 2). The survey responses include participation across industry sectors, with insurance companies representing the greatest participation by organizational type, followed by third party administrators and self-insured employers (see Table 1). The 2019 study responses represent a 124 percent increase from the study's last industry survey in 2017.

Figure 1 Survey Question: *Role / Level of Responsibility*
[1,282 Responses]

- Claims Professional who directly handles / adjudicates claims [1131]
- Nurse Case Manager [149]
- Other [2]
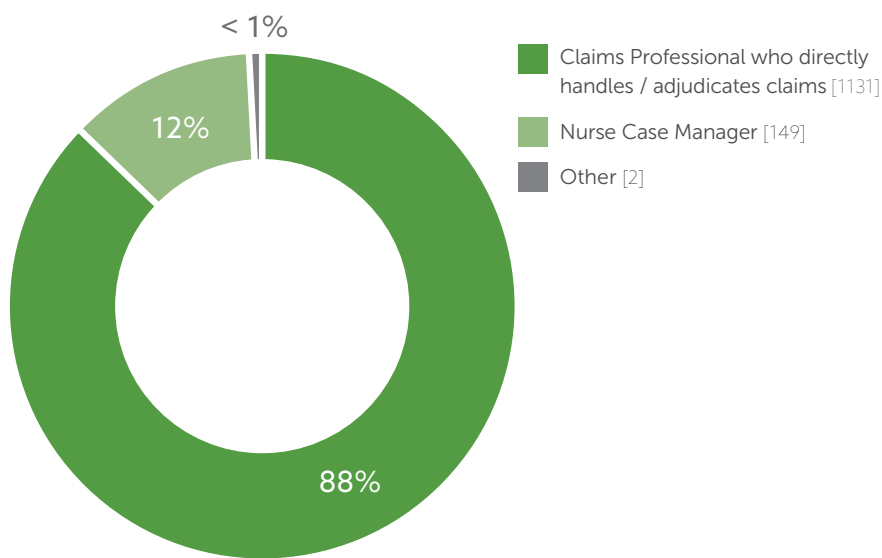
Table 1 Survey Question: *Organization Type*
[1,282 Responses]

Answer	count	%
Insurance Company	518	40%
Third Party Administrator	507	40%
Self-Insured Employer	122	10%
State Fund / Mutual Fund	51	4%
Governmental Entity	44	3%
Insured Employer	28	2%
Risk Pool	7	1%
Other	5	< 1%
Reinsurance or Excess Insurance Company	–	0%

Figure 2 Survey Question: *Role / Claims Caseload Mix Is Predominantly:*
[1,282 Responses]
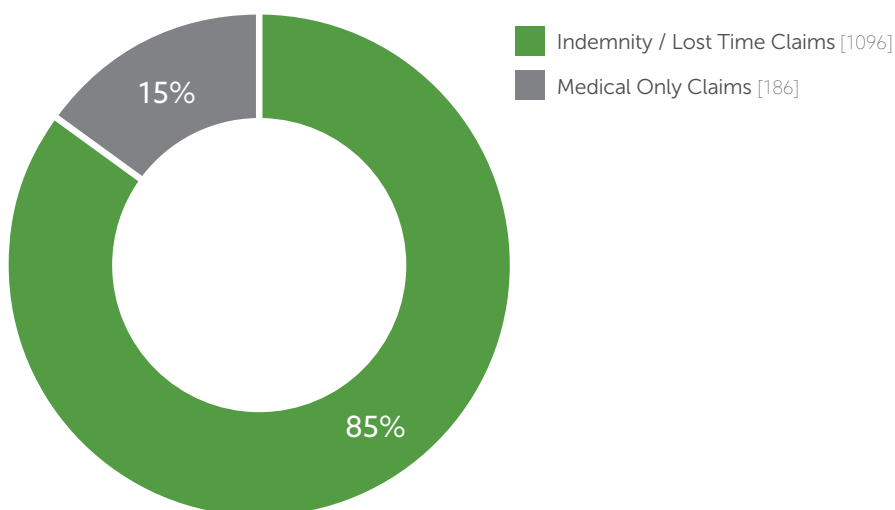
- Indemnity / Lost Time Claims [1096]
- Medical Only Claims [186]

Industry Trend Key

Claims Leader & Frontline Staff Comparison:

➡ **Similar Perspective**

⮃ **Different Perspective**

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Participant Demographics – Key Metrics

To garner a deeper understanding of claims operational challenges and offer additional areas for organizations to benchmark performance, study demographics include average lost time and medical only caseloads and participant years of experience in workers' compensation claims adjusting. Given that 57 percent of participants report "unknown" to the survey question "*What is your organization's total overall claims closure ratio,*" the 2019 study does not include this benchmark measure across organizational type or other key areas of the study research as was done in previous studies.

Participant Caseloads – Increase from Prior Study Results

2017 to 2019 Trend

Organizations frequently examine the trends and differences in loss costs – defined as total claims costs, including the costs to administer and investigate claims – when considering program effectiveness. The industry often considers caseloads when evaluating program effectiveness and a claims professional's productivity. A more defined measure is *claims throughput* (i.e., the number of claims opened and closed in a defined period). For example, a claims professional with a caseload of 80, and a throughput of 10 claims is more productive than a claims professional with a caseload of 125 and a throughput of 5 claims during the same defined period. Many factors can drive differences in loss costs in the same mix of business and job type, including benefit rates, propensity for litigation, medical fee schedules, treatment guidelines, and regulatory changes.[1] Organizational factors impacting caseloads include case complexity and severity, administrative support levels for claims professionals, supervisory oversight/span of control, claim system efficiency and number of systems staff must access to manage claims, as well as years of experience and the authority delegated to claims professionals.

Other considerations include medical only to indemnity claims ratio, as well as the ratio of future medical claims to active indemnity claims. Although a specific benchmark for caseloads does not exist, according to several claims leaders interviewed, depending on the jurisdiction, caseloads between 100 to 120 are optimal to achieve desired outcomes.[2] Additionally, 2017 study results indicate organizations with lost time caseloads of 125 or less demonstrate more favorable claims closure ratios.[3]

The study results show 53 percent of respondents report indemnity claims caseloads are 125 or less and 20 percent report caseloads greater than 150 (see Table 2). This reflects an increase from the 2017 study, with 60 percent of claims leader respondents reporting caseloads of 125 or less and nine percent reporting caseloads greater than 150. Insurance company and insured employer participants report lower overall indemnity caseloads in 2019, while third party administrator participants report higher average indemnity caseloads (see Appendix A-5 for results by organizational type).

Table 2 Survey Question: *What is your average caseload? (If unknown, select "Unknown")* [1,282 Responses]

Responses Segmented by Role / Claims Caseload Mix

Answer (# of claims)	Medical Only Claims		Indemnity Claims	
	count	%	count	%
< 80	157	28%	53	14%
80 to 100	134	8%	14	12%
101 to 125	288	17%	32	27%
126 to 150	261	10%	19	24%
151 to 175	115	9%	16	10%
176 to 200	50	3%	6	5%
> 200	51	19%	35	5%
Unknown	40	6%	11	3%

Figure 3 Survey Question: *What is your average caseload? (If unknown, select "Unknown")* [1,096 Responses]

Segmented by Role / Claims Caseload Mix - Indemnity Claims Only

Answer	%
< 80	14%
80 to 100	12%
101 to 125	27%
126 to 150	24%
151 to 175	10%
176 to 200	5%
> 200	5%
Unknown	3%
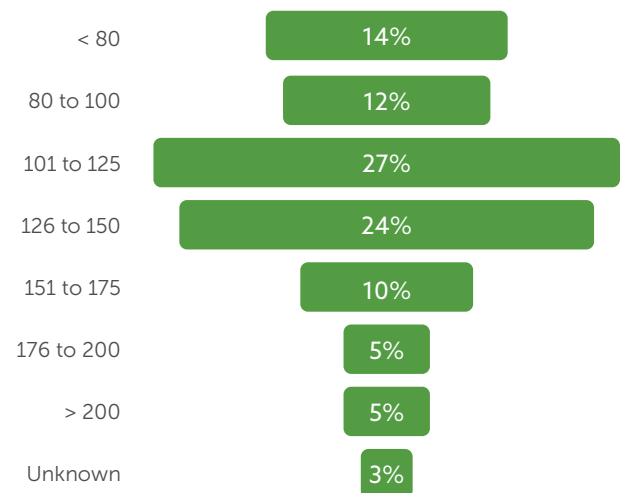
Participant Years of Experience

Given the significance of talent development and retention in claims organizations, the study includes years of experience in workers' compensation claims adjusting as a new benchmark. This data point is utilized throughout the study to provide organizations with a deeper understanding of preferences, areas of opportunity, as well as training needs by participants' years of experience. The results reflect that 26 percent of respondents have five years or less experience in workers' compensation claims adjusting and 34 percent have greater than 20 years of experience (see Figure 4). Third party administrators and self-insured employers represent a larger percentage of participants with more than 20 years of experience. Conversely, state fund/mutual funds and insurance companies represent a larger percentage of new entrants to workers' compensation claims (see Table 3). Organizations looking to attract new talent should consider what these organizations are doing.

Figure 4 Survey Question: *How many years of experience do you have in workers' comp claims adjusting?*
[1,282 Responses]
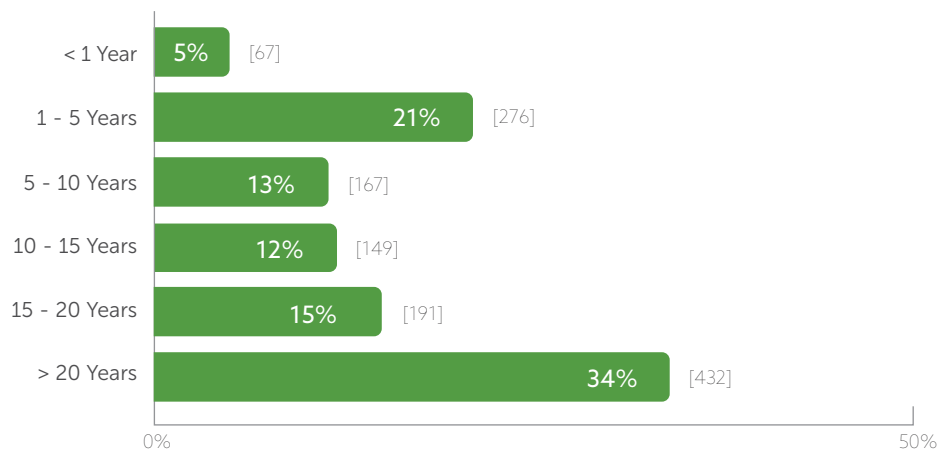
Table 3 Survey Question: *How many years of experience do you have in workers' comp claims adjusting?*
[1,282 Responses]

Responses Segmented by Organization Type

Answer (# of cases)	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
< 1 Year	7%	4%	5%	14%	-	2%	2%	-
1 - 5 Years	28%	16%	11%	18%	14%	41%	14%	40%
5 - 10 Years	14%	12%	12%	18%	14%	16%	2%	-
10 - 15 Years	14%	9%	17%	14%	-	2%	11%	-
15 - 20 Years	13%	19%	14%	7%	14%	8%	14%	-
> 20 Years	24%	40%	41%	29%	58%	31%	57%	60%

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**.

A-1:   **Role / Level of Responsibility**
            Segmented by Organization Type

A-2:   **Role / Claims Caseload Mix**

A-3:   **Organization Type**

A-4:   **Years of Experience in Workers' Compensation Claims Adjusting**
            Segmented by Organization Type

A-5:   **Average Claims Caseloads**
            Segmented by Organization Type
            Segmented by Role / Claims Caseload Mix

A-6:   **Claims Resolution / Claims Closure Ratio**

[1] A Cautionary Tale: The Danger of Comparing Average Loss Costs Across State Lines. NCCI 2017. Available: https://ncci.wistia.com/medias/hn3oehmtre

[2] Ceniceros, R., Cap TPA adjuster caseloads to improve service, outcomes. Business Insurance 2010. Available:
   http://www.businessinsurance.com/article/99999999/NEWS080101/399999969

[3] Algire, D.Z., 2017 Workers' Compensation Benchmarking Study. Rising Medical Solutions 2017. Available:
   https://www.risingms.com/wp-content/uploads/2017/12/2017WorkCompBenchmarkStudy_Rising.pdf

Operational Challenge
Prioritizing Core Competencies

Core competencies – key abilities that drive claim outcomes

Managing workers' compensation claims continues to be more complex, particularly for frontline claims professionals balancing multiple priorities, jurisdictional differences, and financial pressures. This coupled with increasing claims severity underscores the importance of focusing resources on what matters most. Core competencies – the collective skills, abilities, and expertise required to manage claims effectively – are the framework *ultimately responsible* for driving performance and claim outcomes.

This area of the report explores *what* organizations consider core competencies, *how* resources are allocated to those core competencies, and *how* best practices and outcomes are defined, measured, and executed. The study examines the perspective of frontline claims professionals and the similarities and/or differences from prior survey research with claims leaders.

Prioritizing core competencies most critical to claim outcomes

2017 to 2019 Trend ⟹

Similar to claims leaders in the 2017 study, frontline participants rank compensability investigations, disability/return-to-work (RTW) management and medical management as the top three capabilities most critical to claim outcomes. Although the study reflects the same top three core competencies, frontline claims professionals rank compensability investigations as the most important versus claims' leaders ranking of medical management as most important in 2017 (see Table 4).

Top 3 Core Competencies Ranked Most Critical to Claim Outcomes

1 Compensability Investigations
2 Disability/RTW Management
3 Medical Management

Table 4 Survey Question: *Please identify the top three claims core competencies most critical to claim outcomes, with 1 being the "highest priority" and 3 being the "lower priority."* [1,282 Responses]

Answer	2017 Claims Leaders Overall Rank	2019 Frontline Staff Overall Rank	Composite Score
Compensability Investigations	3	1	2140
Disability / RTW Management	2	2	1753
Medical Management	1	3	1600
Claim Resolution / Settlement Strategy	4	4	997
Case Reserving	5	5	429
Oversight Governance / Compliance	7	6	278
Litigation Management	6	7	241
Fraud & Abuse Detection	9	8	146
Bill Review	8	9	63
Vocational Rehabilitation	10	10	45

Note: 2019 participants were presented with the above ten answer options and asked to rank the top three only

Key Considerations

What do frontline claims professionals consider are their most important core competencies versus where they spend most of their time?

How are frontline claims professionals measured and incentivized to achieve claims best practices/outcomes?

How do frontline claims professionals define a good claims outcome?

What are frontline claims professionals' greatest obstacles to achieving claims outcomes?

Industry Trend Key

Claims Leader & Frontline Staff Comparison:

⟹ Similar Perspective

⇕ Different Perspective

Compensability investigations ranked #1

It's logical that frontline claims professionals rank compensability investigations as the number one factor most critical to claim outcomes. Within the traditional claims model, claims professionals initially *investigate* claims to determine if the injured worker is legally entitled to benefits. Most claims are compensable; however, not all are. To be compensable, an injury must arise out of and in the course of employment. Regulations and case law in each jurisdiction define which conditions and under what circumstances injuries and diseases are occupationally related and therefore compensable under workers' compensation statutes.

For example, jurisdictions vary greatly on the compensability of psychological conditions without a physical injury. The impact of compensability investigations on claim outcomes, including delivery of timely medical care, return-to-work, and claim resolution, cannot be overstated. The potential impact, if this competency is not efficiently and effectively executed, is significant. According to a Lockton study of denied claims, 67 percent of claims originally denied are converted to paid claims within a year and cost on average 55 percent more than the original claim.[1] This should give organizations pause to consider when more formal compensability investigations are actually needed, and the hidden cost to claims from unnecessary frictional delays.

When are more formal compensability **investigations** actually **needed?**

What are the **hidden costs** to claims **from** unnecessary **frictional delays?**

Disability/RTW management ranked #2

Disability and RTW management are critical to claims outcomes. NCCI results indicate that, in 2018, average indemnity claim severity increased by 3 percent.[2] Multiple studies support the benefits of early RTW for both the employee and employer. In instances where an employee is losing time from work, it is in the best interest of all stakeholders to return the employee to work in some capacity as soon as possible. According to the Department of Labor, the likelihood of an injured worker returning to work drops to 50 percent after 12 weeks off work, representing a short period of time to engage injured workers.[3] Having optimistic expectations for recovery and RTW are commonly associated with positive outcomes. According to over 50 systematic reviews addressing RTW, stakeholder expectations of recovery and RTW are important *modifiable* factors in progressing RTW across health and injury conditions.[4] This underscores the importance of claims professionals engaging injured workers early and often in RTW discussions.

Medical management ranked #3

Claims leaders in prior studies consistently rank medical management as the most critical core competency for claim outcomes. With total medical spend averaging more than 50 percent of claim costs nationally and approaching 20 percent of the US gross domestic product,[5] it follows that frontline claims professionals also rank medical management as one of the top three factors most critical to claim outcomes. Medical severity issues, such as the aging workforce, mental health, obesity and diabetes, all have a significant impact on outcomes and how claims professionals manage claims. As medical factors continue to dominate total claim costs, study results show an aligned industry focus from frontline claims professionals to claims leaders on medical performance management.

Aligning core competencies critical to claim outcomes with claims management priorities

Claims professionals play a vital role in organizational success, including financial results through the management and resolution of claims. Managing claims successfully requires astute time management skills, industry expertise, and the ability to leverage diverse resources. To be effective, organizations should align core claim activities, performance and outcome measures, as well as support resources/tools to ensure frontline claims staff focus on activities with the greatest impact.

Top 3 Core Competencies Where Claims Professionals Spend Most of Their Time

1 Medical Management
2 Compensability Investigations
3 Disability/RTW Management

The 2019 study examines where claims professionals spend their time in relation to claims core competencies identified as most critical to claim outcomes. Frontline participants rank medical management, disability and RTW, and compensability investigations as the top three areas where they spend the greatest amount of time (see Table 5).

Table 5 Survey Question: *Considering the following core competencies, please identify the top three areas where you spend most of your time, with 1 being the "greatest amount of time" and 3 being "less time."* [1,282 Responses]

Answer	Overall Rank	Composite Score
Medical Management	1	1892
Compensability Investigations	2	1566
Disability / RTW Management	3	1379
Claim Resolution / Settlement Strategy	4	875
Reviewing and/or responding to Oversight Governance / Compliance requirements	5	591
Litigation Management	6	433
Case Reserving	7	420
Bill Review (reviewing and/or approving bills/invoices)	8	413
Fraud & Abuse Detection	9	67
Vocational Rehabilitation	10	56

Note: Participants were presented with the above ten answer options and asked to rank the top three only

Using systems to drive best practices

2017 - 2019 Trend

Organizations use tools such as workflow automation and predictive modeling to ensure consistency in execution and to drive desired outcomes. Workers' compensation claims are affected by numerous indicators, including jurisdictional differences, injured worker demographics, socioeconomic factors, employment, medical conditions, as well as current and prior injuries. These various factors, coupled with claim and medical transaction data, are the baseline for predictive modeling tools. More recently, organizations are leveraging *prescriptive* analytics to improve outcomes. Prescriptive analytics help organizations determine the best solutions and/or activities among various choices, given the known risks to mitigate severity and drive desired outcomes.

Predictive and prescriptive technologies have become increasingly important as key decision support tools in the management of workers' compensation claim outcomes. Using these tools allows organizations to quickly identify and strategically intervene in claims with a probability to incur high claim costs, litigation, and other key drivers of claim severity.

The 2019 study results demonstrate 39 percent of organizations are utilizing systems such as workflow automation to manage best practices, similar to the 40 percent reported in the 2017 study. Predictive modeling is still not widely utilized, with 30 percent reporting its use. To identify what other systems and/or tools organizations are leveraging, the study included additional data points including: push technology, prescriptive analytics and auto adjudication (see Table 6).

Given the growing cost and complexity of claims, utilizing tools to identify high risk cases as early as possible is a clear competitive advantage. The 2017 study results indicate organizations that utilize systems to drive best practices report notably better claim outcomes.[6] The 2019 data shows that state fund/mutual funds and governmental entities are more likely to utilize one or more systems to direct and manage claims within best practices. Employers are less likely to do so, with more than 60 percent of self-insured and insured employers reporting no use of any systems to support claims best practices (see Appendix B-3 for results by organizational type).

With a greater focus on consumer-driven communication in workers' compensation – from employers, injured workers, medical providers, vendor partners and claims payers – organizations are more likely to leverage push technologies through mobile apps and other tools in the near term.

Table 6 Survey Question: *Does your organization utilize any of the following systems/tools to direct or manage tasks within best practices? Select all that apply.* [1,282 Responses]

Answer	2017 Claims Leaders		2019 Frontline Staff	
	count	%	count	%
No / Not Applicable	269	47%	464	36%
Claim System Workflow Automation	227	40%	503	39%
Predictive modeling *(statistical model of future probability of claim development)*	185	32%	381	30%
Push technology *(information automatically sent to injured workers / key stakeholders)*	*	*	322	25%
Prescriptive analytics *(used to determine the best solutions / activities to achieve desired outcomes)*	*	*	219	17%
Auto adjudication	*	*	158	12%
Other	11	2%	18	1%

* Not in 2017 study

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

Effect of analytics on claims best practices

A new area of research is the *effectiveness* of these tools from the perspective of frontline claims professionals (see Table 7). Overall, claims professionals indicate the systems their organizations utilize are either very effective or somewhat effective. Predictive modeling ranked the lowest, with 19 percent indicating it's not effective.

Table 7 Survey Question: *How effective are the following systems/tools in managing claims within best practices? (Conditional Question for those who selected a system/tool in Table 6)* [818 Responses]

Answer	count	Very Effective	Somewhat Effective	Not Effective
Claim System Workflow Automation	503	38%	56%	6%
Predictive modeling	381	19%	62%	19%
Push technology	322	37%	55%	8%
Prescriptive analytics	219	36%	55%	9%
Auto adjudication	158	29%	60%	11%
Other	18	33%	61%	6%

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

Impact of administrative and regulatory compliance requirements

Workers' compensation is a state-run system, greatly impacted by regulatory requirements that vary across jurisdictions. Therefore, a certain time allocation for regulatory compliance activities is anticipated for frontline claims professionals. However, how much is too much? Study participants report spending a considerable amount of time on compliance and administrative activities (see Tables 8 and 9). Excessive focus on internal and/or external compliance and administrative tasks to the detriment of other objectives (i.e., communicating with injured workers and key stakeholders, proactive coordination of healthcare services and RTW, strategic and tactical claims management) will negatively impact claim outcomes. Organizations should determine which administrative tasks and/or regulatory compliance activities can and should be automated. The time and attention of claims professionals, and other key partners like clinicians and legal, should be allocated to higher-level tasks and more strategic responsibilities.

Table 8 Survey Question: *What percentage of your time do you spend on compliance activities to meet external regulatory requirements? (i.e., mailing/filing state forms, sending compliance letters, etc.)* [1,282 Responses]

Answer	count	%
Less than 20%	436	34%
20 to 30%	355	28%
30 to 40%	207	16%
40% or more	184	14%
None / Not Applicable	100	8%

Table 9 Survey Question: What percentage of your time do you spend on administrative tasks? (i.e., letters, data collection, internal claims system administrative requirements, etc.) [1,282 Responses]

Answer	count	%
Less than 20%	242	19%
20 to 30%	377	29%
30 to 40%	303	24%
40% or more	337	26%
None / Not Applicable	23	2%

Balancing risk/reward strategies to empower frontline claims staff

2017 to 2019 Trend

Rewarding good outcomes and penalizing poor performance is a common approach used in many businesses to achieve desired results. Incentives and penalties play an important role in driving both human capital and vendor partner results. Organizations may face challenges and limitations depending on labor union contracts, company culture, and human resource practices. Many times, organizations do not know how to operationalize such metrics. Risk/reward systems should align Key Performance Indicators (KPIs) with desired outcomes and motivate employees to achieve results.

The 2019 results reflect greater use of risk/reward strategies for frontline claims professionals. Organizations are taking a balanced approach, with 57 percent of participants reporting they receive incentives for meeting claims best practices and penalties when they are not (see Table 10) – a 10 percent improvement from the 2017 study. Prior results reflect that higher-performing organizations are more likely to leverage risk/reward strategies to incentivize claims best practices and achieve desired outcomes.[7]

The 2019 data shows insurance companies are more likely to incentivize frontline claims professionals to meet best practices, with 73 percent reporting one or more incentives. Employers and governmental entities are least likely, with more than 75 percent of respondents reporting no incentives (see Appendix B-6 for results by organizational type).

Table 10 Survey Questions:

Do you receive incentives for meeting claims best practices/performance measures? Select all that apply. [1,282 Responses]

Incentives	
Answer	%
No/None	43%
Bonus Structure	38%
Increased Pay/Salary	26%
Formal Recognition	17%
Other	2%

Do you receive penalties when claims best practices/performance measures are not met? Select all that apply. [1,282 Responses]

Penalties	
Answer	%
No/None	43%
Performance Improvement Review	47%
Decreased or No Bonus	22%
Decreased Salary	2%
Other	2%

Note: Participants were able to select more than one answer for these questions

From the frontline – defining claim outcomes

2016 to 2019 Trend ➡

Organizations are under constant pressure to achieve performance targets and ensure the claims department supports and advances organizational goals. Defining good outcomes is dependent on several factors. First, the context and level of the outcomes must be determined, including the individual or professional level (i.e., employee, claims examiner, nurse, provider, risk manager), and/or organizational level (i.e., company, business unit or department). KPIs are utilized at both the individual and organizational levels as *quantifiable* metrics that reflect how well an individual, department, or organization achieves its goals and objectives, or critical success factor (CSF).[8] Tangible metrics should also indicate the specific interventions and/or activities to achieve the desired outcome.

The 2019 study examines claim outcomes from the perspective of frontline claims professionals. Participants rank employee return-to-work within anticipated benchmarks as the most important claims outcome. Possible tangible metrics are: return-to-work is assessed at the outset of the claim and throughout the recovery process; employee and manager are engaged in the return-to-work process and problem solving; medical treatment within evidence-based medicine is expedited/facilitated within 24-hours of request – all of which can impact early/timely return-to-work.

The 2019 survey results reflect frontline claims professionals have an aligned perspective on outcomes with claims leaders surveyed in 2016 (see Table 11).[9]

Table 11 Survey Question: *How do you define a good claims outcome? Please rank in the order of greatest importance, with 1 being the "most important" and 5 being of "lower importance." (Rank 1 through 5)* [1,282 Responses]

Answer	2017 Claims Leaders Overall Rank	2019 Frontline Staff Overall Rank	Mean
Return-to-Work (RTW) achieved by anticipated outcome/benchmark	2	1	2.23
Employee return to the same or better pre-injury functional capabilities	1	2	2.26
Maximum Medical Improvement achieved by anticipated outcome	4	3	3.00
Claims closure/resolution achieved by anticipated outcome	3	4	3.12
Lack of litigation	5	5	4.39

Greatest obstacles to achieving claim outcomes

2016 to 2019 Trend ➡

The 2019 study identifies disability and RTW management as one of the most critical factors in claims outcomes, and the *lack of* RTW options/accommodation as the greatest obstacle to desired outcomes that frontline staff experience. Many stakeholders play a role in the RTW process; however, the employer and employee are critical to success. Employers often struggle with identifying modified duties. This is where the expertise of claims professionals, along with nurse case managers and/or vocational counselors, can bridge the gap. The employee can also have a significant impact on RTW. Employee expectations for recovery and RTW are commonly associated with positive outcomes. The Workers Compensation Research Institute (WCRI) found employee trust to be the key predictor of successful return-to-work. The research reveals workers who are strongly concerned about being fired after an injury experienced poorer RTW outcomes than workers without these concerns.[10] Organizations should consider focused training on the importance of RTW, the impact on human capital, and positive employer/employee relationships.

The 2019 survey participants identify lack of return-to-work options, litigation, and psychosocial issues and/or other co-morbidities as the top three greatest obstacles to achieving desired claim outcomes, which are also the top three greatest obstacles identified by claims leaders in 2016 (see Table 12). These findings are consistent with WCRI's "*Predictors of Worker Outcomes*" research, which indicate that workers with co-morbidities have longer disability durations. Additionally, NCCI research findings indicate claims with co-morbidities cost twice as much as like matched claims.[11] Litigation is also a recognized risk factor in workers' compensation claims. The cause and effect of litigation are closely linked to the predictors of successful return-to-work and ultimate claim costs. Employees are more likely to seek legal representation when there is poor communication or lack of trust with the employer and/or claims administrator. The 2019 study results also identify employee/employer relationship as a key driver of litigation (see Figure 5).

Table 12 Survey Question: *What are your greatest obstacles to achieving desired claim outcomes? Please rank the top three in the order of the greatest impediment, with 1 being the "greatest obstacle" and 3 being the "lower obstacle."* [1,282 Responses]

Answer	2016 Claims Leaders	2019 Frontline Staff	
	Overall Rank	Overall Rank	Composite Score
Lack of RTW option / accommodation	2	1	1404
Litigation / Applicant Attorney involvement	3	2	1221
Psychosocial issues and/or other co-morbidities	1	3	1083
Late injury / claim reporting	5	4	1009
Lack of good employee / employer relationship	4	5	758
Lack of time to proactively communicate with stakeholders	6	6	620
Employee doesn't understand the workers' comp system	8	7	573
Jurisdictional / geographic differences	9	8	449
Access to quality care	10	9	355
Legalese statutory requirements	7	10	220

Note: 2019 participants were presented with the above ten answer options and asked to rank the top three only

Figure 5 Survey Question: *In your opinion, what is the greatest driver/reason injured workers retain an attorney?* [1,282 Responses]

Claim delay and/or denial	45% [582]
Employee / employer relationship	22% [281]
Medical treatment controls and/or delays	18% [234]
Initial compensability investigation process	8% [98]
Lack of time to build rapport with injured worker	7% [87]
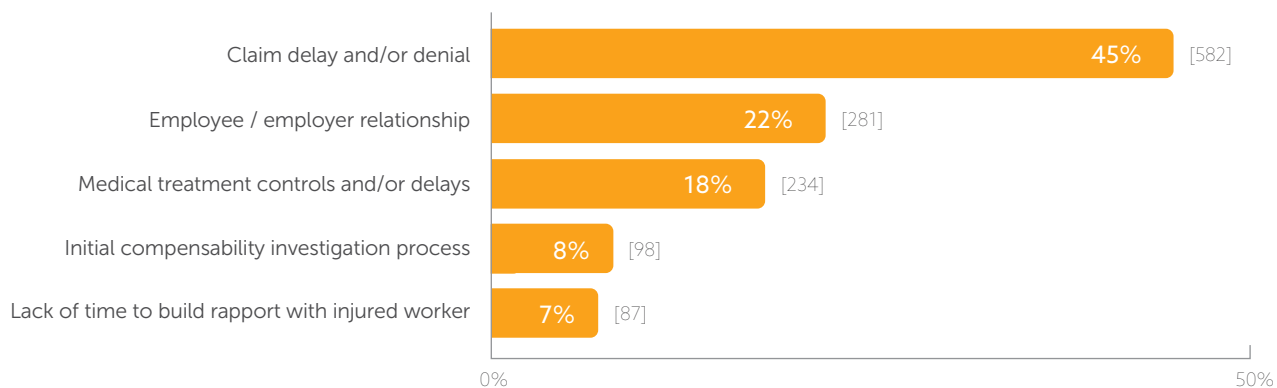
Appendix B Index – Prioritizing Core Competencies

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**.

[1] Flannery K., Cooley H., Geldes C. & Billings, K. Claims denied. Lockton Companies May 2018. Available: https://www.lockton.com/whitepapers/Flannery_Cooley_Geldes_Billings-Workers_Compensation-May18-LR.pdf

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[3] Ashley, J., Cashdollar, W., Etcheverry, R., and Magill, K. Transition back to work: policies to support return to work after illness or injury. For SAW/RTW policy collaborative, U.S. Department of Labor, Office of Disability Employment Policy, IMPAQ International, LLC. Aug 2017. Available: https://www.dol.gov/odep/topics/pdf/PAP_Transition%20Back%20to%20Work%20FINAL_2017-09-07.pdf

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[5] Chadarevian, R.H. Medical price index for workers compensation. NCCI 2017. Available: https://www.ncci.com/Articles/Documents/II_MPI-WC-Study.pdf

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[7] Algire, D.Z., 2017 Workers' Compensation Benchmarking Study. Rising Medical Solutions 2017. Available: https://www.risingms.com/wp-content/uploads/2017/12/2017WorkCompBenchmarkStudy_Rising.pdf

[8] Gray, E. Measuring success: an introduction to metrics. HDI Jan 2017. Available: https://www.thinkhdi.com/library/supportworld/2016/measuring-success-introduction-metrics.aspx

[9] Algire, D.Z., 2016 Workers' Compensation Benchmarking Study. Rising Medical Solutions 2016. Available: https://www.risingms.com/wp-content/uploads/2016/11/2016WorkCompBenchmarkStudy_Rising.pdf

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[11] Laws C., and Colon, D. Comorbidities in workers' compensation. NCCI Oct 2012. Available: https://www.ncci.com/Articles/Pages/II_research-brief-comorbidities-in-workers-compensation-2012.pdf

Operational Challenge
Talent Development & Retention

Talent crisis remains a challenge

The talent shortage is the most significant challenge claims organizations face. The converging forces of the aging U.S. population and retirement of Baby Boomers creates an even greater exposure for the industry. The U.S. unemployment rate has remained steady, averaging 3.6 percent in 2019.[1] According to a Jacobson Group report, Property & Casualty (P&C) unemployment is 1.5 percent and, in 2020, the insurance industry will need to fill 400,000 positions – making this a competitive candidate market.[2] Compounding these issues is a pending mass exodus of experienced claims professionals – juxtaposed against the continued challenge of attracting young professionals to the industry. Success in this area will require organizations to think outside of traditional talent management and recruitment strategies.

This area of the study provides an opportunity for organizations to benchmark how industry peers invest in talent development and retention. The study examines, for the first time, the frontline claims professional's perspective of key talent management, training, and development issues.

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, and what features are most important to frontline claims professionals?

How are organizations leveraging claims advocacy, and what is the perception of frontline claims professionals?

What benefits are most important to frontline claims professionals?

Industry Trend Key

Claims Leader & Frontline Staff Comparison:

➡ Similar Perspective

⇅ Different Perspective

Competitive advantage – investing in new hire training and development

2017 to 2019 Trend

The survey results reflect that 53 percent of organizations provide training for new hire claims staff with minimal to no experience, a 15 percent improvement from the 2017 study (see Table 13). The duration of new hire training programs declined, with more than 50 percent reporting programs that consist of three months or less training (see Table 14). Frontline claims staff are less confident in new hire training programs, with only 55 percent indicating that the training prepares new claims staff to carry a caseload, a decline from the 2017 survey of claims leaders (see Figure 6).[3] The 2017 results show 70 percent believe their training equips new claims staff to manage a caseload. Additionally, the 2017 results demonstrate that organizations which invest more time in new hire training report better outcomes, with more favorable claims closure ratios. They also report a higher level of confidence that training prepares new claims staff to manage claims.

Table 13 Survey Question: *Does your organization have a formal training program for new hire claims staff with little to no experience?* [1,282 Responses]

Answer	2017 Claims Leaders		2019 Frontline Staff	
	count	%	count	%
Yes	216	38%	678	53%
No	203	36%	315	25%
Unknown	25	4%	256	20%
Not Applicable	128	22%	33	2%

Figure 6 Survey Question: *Overall, do you believe completion of the new hire training program prepares new claims staff to carry a case load? (Conditional Question for those who answered "Yes" in Table 13)* [678 Responses]

2017 Claims Leaders
Yes [151]
No [32]
Unsure [33]

2019 Frontline Staff
Yes [372]
No [175]
Unsure [131]
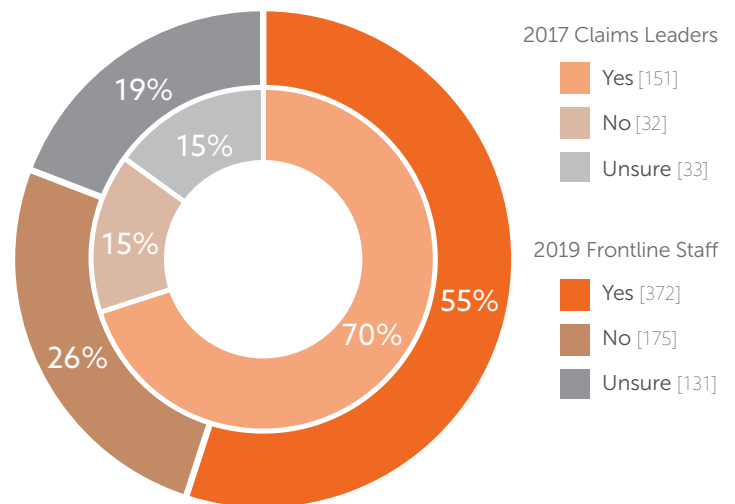
Table 14 Survey Question: *What is the length of your organization's training program for new hire claims staff with minimal to no experience? (Conditional Question for those who answered "Yes" in Table 13)* [678 Responses]

Answer	2017 Claims Leaders			2019 Frontline Staff		
	count	% of Sub-Sample Responses	% of Entire Response Sample	count	% of Sub-Sample Responses	% of Entire Response Sample
Less than a month	18	8%	3%	178	26%	14%
One to three months	60	28%	10%	219	32%	17%
Four to six months	58	27%	10%	70	10%	5%
Seven to nine months	12	6%	2%	6	1%	< 1%
Ten to twelve months	21	10%	4%	39	6%	3%
Greater than 12 months	34	16%	6%	34	5%	3%
Unknown	13	5%	2%	132	20%	10%

Investing in ongoing skills training and development

2017 to 2019 Trend

With the expanding skills gap and challenge attracting new entrants into the industry, organizations must be more diligent to retain the staff they have. In a recent Deloitte study, learning and development was identified as one of the insurance industry's most critical talent challenges. Meeting the demand for new and rapidly changing skills, due primarily to increasing claim complexity and industry innovation, underscores this need.[4]

Most participants, 84 percent, report their organizations provide ongoing skills training and development (see Figure 7), up significantly from the 2017 survey of claims leaders. The 2019 study identifies the primary reasons claims professionals do not receive ongoing training. The results show time constraints and a lack of perceived business need as the primary factors (see Figure 8). To remain competitive, organizations need to balance business needs and invest in continued training and development of frontline claims professionals. The 2017 results indicate higher performing organizations are more likely to provide training for senior-level claims staff and provide the training more frequently.[5]

Figure 7 Survey Question: *Does your organization provide you with ongoing skills training and development?* [1,282 Responses]

Yes [1075], No [162], Unsure [45]
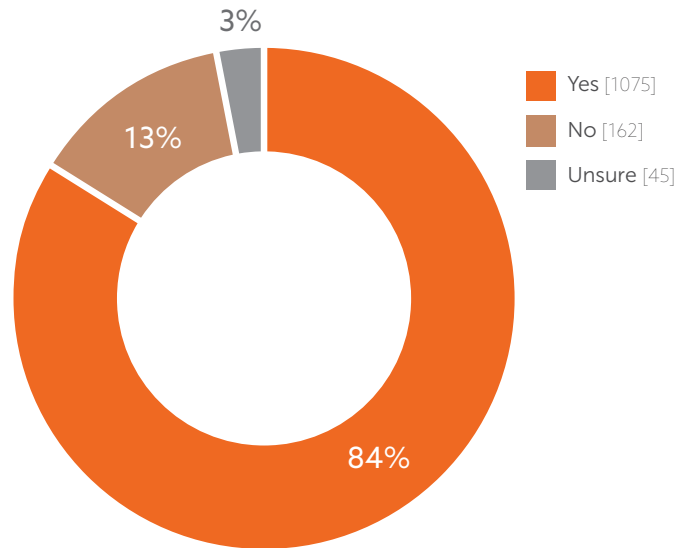
Table 15 Survey Question: *On average, how often do you participate in skills training and development? (Conditional Question for those who answered "Yes" in Figure 7)* [1,075 Responses]

Answer	count	% of Sub-Sample Responses	% of Entire Response Sample
Monthly	462	43%	36%
Quarterly	397	37%	31%
Twice a year	115	11%	9%
Annually	64	6%	5%
Less than once per year	37	3%	3%

Figure 8 Survey Question: *What is the primary reason for not receiving ongoing skills training and development? (Conditional Question for those who answered "No" in Figure 7)* [162 Responses]

Not a perceived need: 35% [40], 30% [62]
Budget limitations: 17% [19], 11% [49]
Time constraints/too busy managing claims: 20% [22], 38% [34]
Other: 28% [32], 21% [17]

2017 Claims Leaders / 2019 Frontline Staff
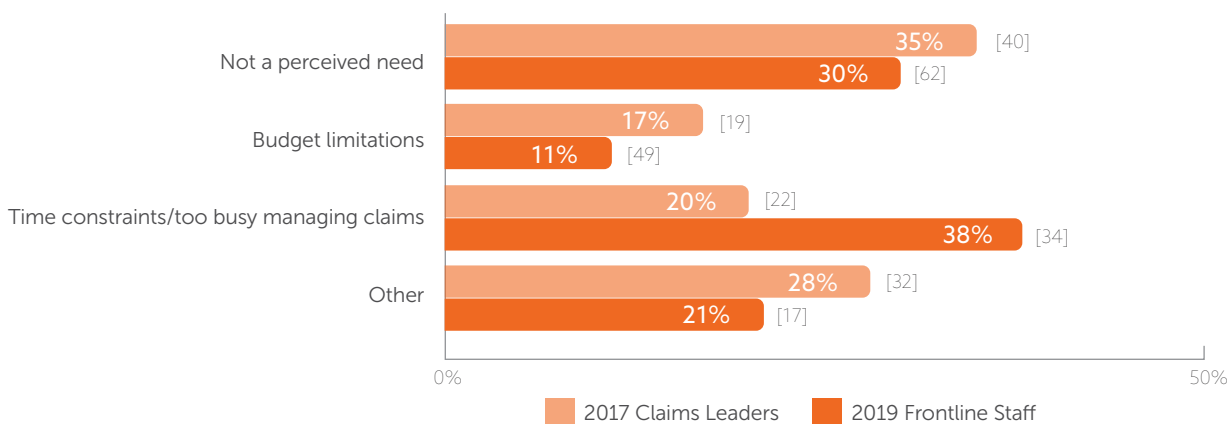
Soft skills essential to effective claims management

To be effective, claims professionals need more than traditional training focused on financial controls and legal/regulatory compliance. They must be skilled communicators and adaptable to cultural differences. The study examines the soft skills claims professionals need to excel in their demanding role, such as communication skills, active listening, and empathy. Skillful communicators listen with full attention to concerns, adapt their communication based on each personality style, and manage conflict in a way that all parties experience a satisfactory outcome. Additionally, they understand multigenerational and cultural differences and adjust accordingly. Study results indicate that 57 percent of organizations provide soft skills training for frontline claims professionals, a slight improvement from the 2017 survey. However, only 25 percent receive training on empathy – a critical skill when dealing with people who are injured (see Table 16).

Table 16 Survey Question: *Does your organization provide you training in any of the following areas? Select all that apply.*
[1,282 Responses]

	2017 Claims Leaders		2019 Frontline Staff	
Answer	count	%	count	%
None / Not Applicable	260	45%	545	43%
Customer service skills	248	43%	611	48%
Communication skills	242	42%	552	43%
Critical thinking	181	32%	442	34%
Active listening skills	194	34%	414	32%
Empathy	126	22%	323	25%

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

Figure 9 Survey Question: *In your opinion, do you receive enough applicable ongoing training and development to effectively do your job?* [1,282 Responses]

Overview - All Responses

- Greatly agree [497]
- Somewhat agree [653]
- Disagree [132]

39%

51%

10%

RISING
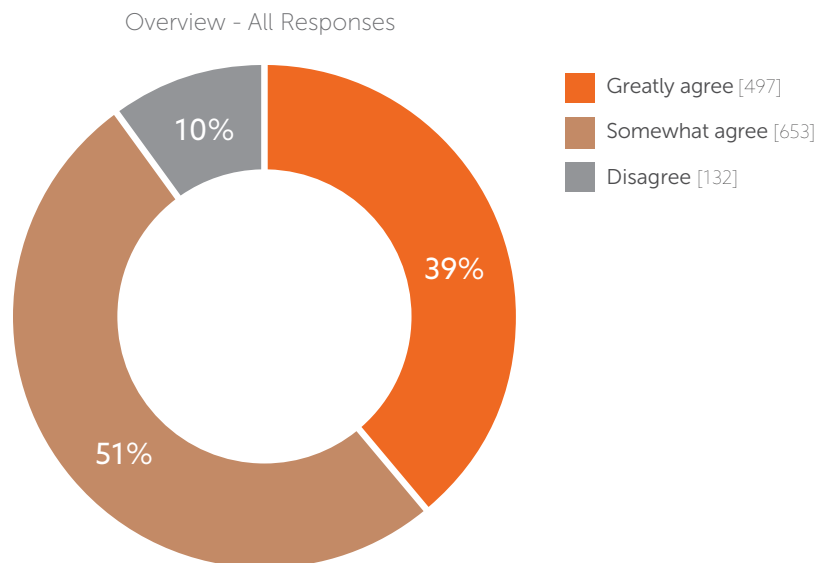
Employee benefits – what's important to frontline claims professionals

2017 to 2019 Trend

In today's competitive labor market, organizations must rethink their current hiring strategies, including reassessing compensation and benefits that consider what employees value.[6] In addition to training, the study examines what other talent retention strategies organizations use. Claims professionals identify flexibility in work arrangements (i.e., remote work option and flexible schedules) as well as bonus/ profit sharing as the most valued benefits that could influence current and/or future employment considerations (see Appendix C-6).

The 2019 results show organizations are investing more in diverse benefit strategies important to employees than the 2017 study (see Table 17). Claims organizations that offer flexibility and reward frontline staff for organizational success through bonus and profit sharing have a clear competitive advantage.

Top 3 Benefits Most Important to Frontline Claims Professionals

1 Work from home option
2 Bonus and/or profit sharing
3 Four-day workweek or alternative scheduling arrangement

Table 17 Survey Question: *Other than salary and standard benefits, what benefits do you currently receive? Select all that apply.*

[1,282 Responses]

Answer	2017 Claims Leaders		2019 Frontline Staff	
	count	%	count	%
None / Not Applicable	81	14%	80	6%
Wellness programs	336	59%	773	60%
Work from home option	236	41%	762	59%
Bonus / Profit sharing	243	42%	655	51%
Tuition reimbursement	328	57%	500	39%
Recognition / rewards for industry designations (i.e., AIC, CPCU, CRM)	209	37%	401	31%
Time for staff to participate in community outreach programs	215	38%	400	31%
Stock options	43	8%	381	30%
Professional conference fee reimbursement	297	52%	296	23%
Onsite exercise programs	163	28%	261	20%
Flextime for exercise during the workday	165	29%	259	20%
Professional membership dues reimbursement	254	44%	253	20%
Four-day workweek or other alternative scheduling arrangement	147	26%	182	14%
Gym memberships	116	20%	159	12%
Other	31	5%	28	2%

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

Advocacy-based claims models, what's the missing link?

2017 to 2019 Trend

An area of continued interest to the workers' compensation industry is *advocacy-based claims models*, described as an employee-centric customer service claims model that focuses on employee engagement during the injury recovery process. Such models remove adversarial obstacles, make access to benefits simple, build trust, and hold the organization accountable to metrics that go beyond cost containment.

The study initially examined the use of advocacy-based claims models in the 2016 survey. To better understand frontline claims professionals' knowledge and perception of advocacy-based models, the 2019 survey asks if participants know what an advocacy-based claims model is. This survey question was presented independently of other questions to reduce bias. Surprisingly, 72 percent of frontline claims professionals indicate they do not know what an advocacy-based claims model is (see Table 18).

> ### Advocacy Based Claims Model
>
> An employee-centric customer service claims model that focuses on employee engagement during the injury recovery process, removes adversarial obstacles, makes access to benefits simple, builds trust, and holds organizations accountable to metrics that go beyond cost containment.

Participants that indicate no knowledge of advocacy models are more likely to rank the impact on claim outcomes low (see Appendix C-12). Given the significant industry focus on advocacy-based models, there is clearly a disconnect between theory and practice. Claims advocacy is not a one-and-done training session. If organizations want to change longstanding practices, it will require a concerted effort and commitment. According to Darrell Brown, former Chief Claims Officer with Sedgwick and Advisory Council member of the study, "We are in the early stages of a paradigm shift toward an advocacy-based claims model – a model that creates a win-win for injured workers and industry stakeholders alike."

Table 18 Survey Question: *Do you know what an advocacy-based claims model is?* [1,282 Responses]

Answer	2017 Claims Leaders		2019 Frontline Staff	
	count	%	count	%
Yes	284	50%	363	28%
No	288	50%	919	72%

The results reveal 18 percent of 2019 participants have already implemented an advocacy model, a 10 percent decline from the 2017 survey of claims leaders (see Table 19). The 2019 results show self-insured employer participants are more aware of claims advocacy with 44 percent reporting knowledge of advocacy-based claims models. Additionally, self-insured employers report a higher level of implementation of this key strategy (see Appendix C-11 for results by organizational type).

The 2017 study shows higher performing organizations are more likely to implement an advocacy-based claims model.[7]

Table 19 Survey Question: *Has your organization considered implementing/adopting an advocacy-based claims model?*
[1,282 Responses]

Answer	2017 Claims Leaders		2019 Frontline Staff	
	count	%	count	%
Yes, already implemented	159	28%	233	18%
Yes, will likely implement within the next 1-3 years	52	9%	35	3%
Considering, no specific implementation plans	110	19%	40	3%
No, not considering	138	24%	50	4%
Unknown	113	20%	924	72%

Advocacy-based claims models, a key talent strategy

Although 72 percent of frontline claims professionals report no knowledge of advocacy-based claims models, they are optimistic regarding the potential impact on the claims profession. The results show 47 percent believe advocacy-based claims models could transform the image of claims professionals from adjuster to advocate (see Table 20). Could this empower a more purposeful view of the claims profession, thereby attracting more new talent to the industry?

Table 20 Survey Question: *Considering advocacy-based claims models, what are potential impacts on the claims profession? Select all that apply.* [1,282 Responses]

Answer	count	%
None, no impact	307	24%
Employee / injured worker engagement	620	48%
Transform the image of the claims profession, from "adjuster" to "advocate"	607	47%
Improve organizational reputation / social image	462	36%
Elevate the social factors, meaningful work of claims professionals	364	28%
Connect claims talent strategy to organizational mission	303	24%
Other	90	7%

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

Talent retention considerations – what's important to frontline claims professionals

Prior study research from 2013 to 2017 highlights the significant challenges claims organizations face with the growing talent shortage. The 2019 study provides new areas of research that organizations can leverage to benchmark talent strategies. Frontline claims professionals indicate salary and benefits are the primary reason they would leave their job, followed by growth opportunity (see Figure 10). Additionally, participants that selected "other" provided written responses indicating workload/caseloads as a primary factor.

Meaningful work is important to all workers. According to a McKinsey study, meaningful work is the most important career attribute – exceeding company culture, compensation, and perks across all age groups. The McKinsey study also highlights the importance of helping employees grasp the value of their work. "Many companies give employees data about their customers. But giving employees a clear sense of how their work directly affects specific customers is much more profound."[8]

During the study's 2015 qualitative focus group research, industry leaders recommended organizations concentrate on claims as a purposeful profession, elevating the social factors by "rebranding" the claims adjuster as an advocate.[9] Overall, the 2019 results show frontline claims professionals find meaning in their role, with 80 percent reporting they strongly agree or somewhat agree their job is meaningful (see Figure 11).

Figure 10 Survey Question: *What is the primary reason you would leave your job?* [1,282 Responses]
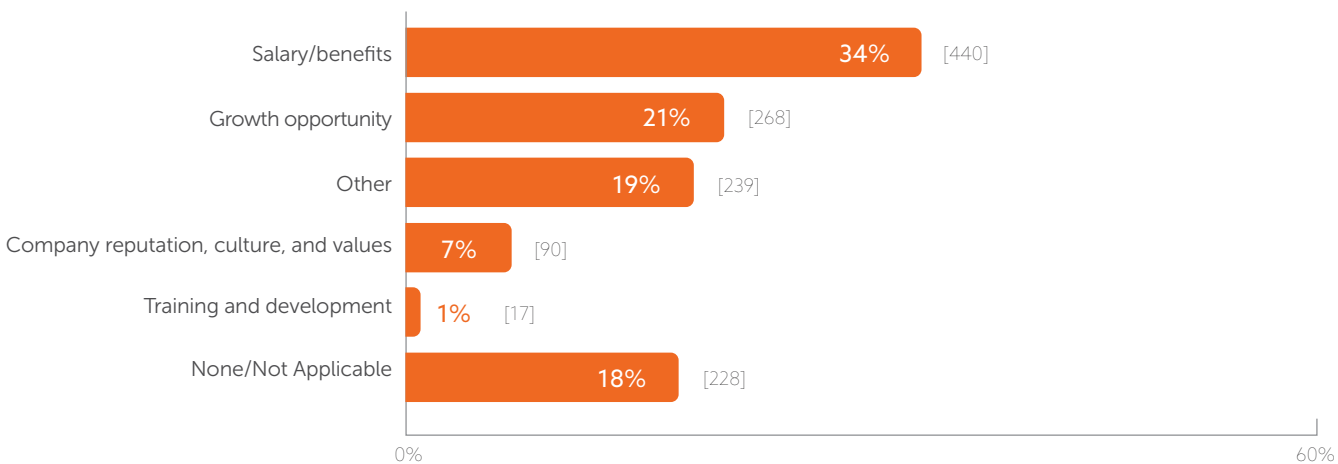
Figure 11 Survey Question: *Overall, do you find your job meaningful?* [1,282 Responses]
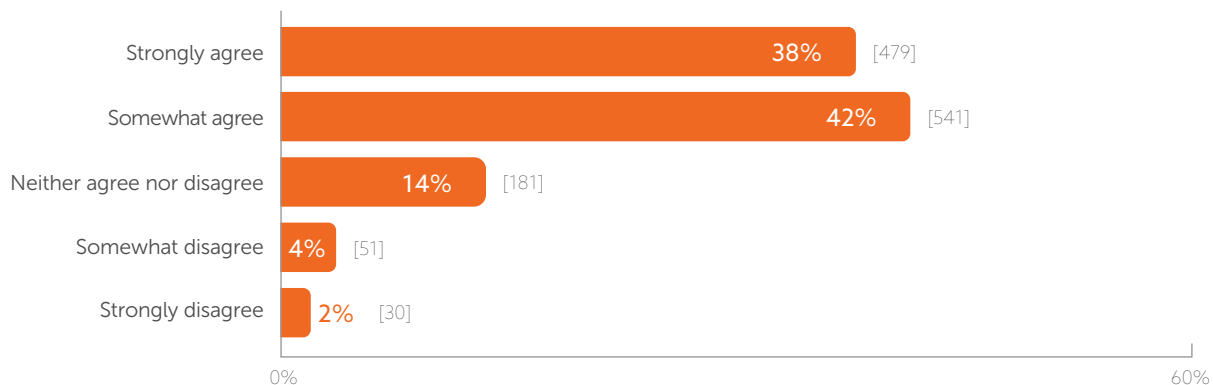
Appendix C Index – Talent Development & Retention

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**.

[1] Bureau of Labor Statistics, Unemployment statistics. Available at: https://www.bls.gov/web/laus/laumstrk.htm (accessed Oct 27, 2019)

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[8] Cable, C. Making work meaningful: a leader's guide. McKinsey & Company. Oct 2018. Available:
https://www.mckinsey.com/business-functions/organization/our-insights/making-work-meaningful-a-leaders-guide

[9] Algire, D.Z., 2015 Workers' Compensation Benchmarking Study. Rising Medical Solutions Oct 2015. Available:
https://www.risingms.com/wp-content/uploads/2016/01/2015WorkCompBenchmarkStudy_Rising.pdf

Operational Challenge
Impact of Technology & Data

Claims operations, target for innovation

Technology and managing data from multiple systems remain major factors for improving the claims process and outcomes. Insurance and technology research firm Novarica recently addressed technology trends in workers' compensation. Their findings indicate the industry continues to be transformed by technology advancements – from pre-loss use of wearables and the Internet of Things, to the use of multiple sources of data to enhance customer engagement and experience. Primarily, though, the industry is focused on improving claims management through leveraging business process improvement, workflow automation, and proactive analytics to determine which claims are likely to result in larger losses. Key initiatives include using mobile apps to improve loss avoidance and mitigation, investment in claims systems to improve claims/customer service, as well as operationalizing predictive analytics.[1]

This area of the study focuses on *how* frontline claims professionals leverage technology to enhance operations and impact claim outcomes.

Claims management efficiency opportunities

2017 to 2019 Trend

The prior 2017 study examined industry initiatives to improve frontline claims management efficiencies, including streamlining workflow, systems integration, and minimizing administrative tasks. The 2019 results indicate 28 percent of frontline claims staff utilize five to six systems and 14 percent use seven or more, significantly different than what was reported by claims leaders in the 2017 survey (see Figure 12).

Figure 12 Survey Question: *Including internal and external programs/systems, how many systems do you utilize in the daily management of claims?*

[1,282 Responses]

	2017 Claims Leaders	2019 Frontline Staff
1 to 2	40% [229]	15% [195]
3 to 4	42% [240]	43% [546]
5 to 6	14% [78]	28% [362]
7 or more	4% [25]	14% [179]
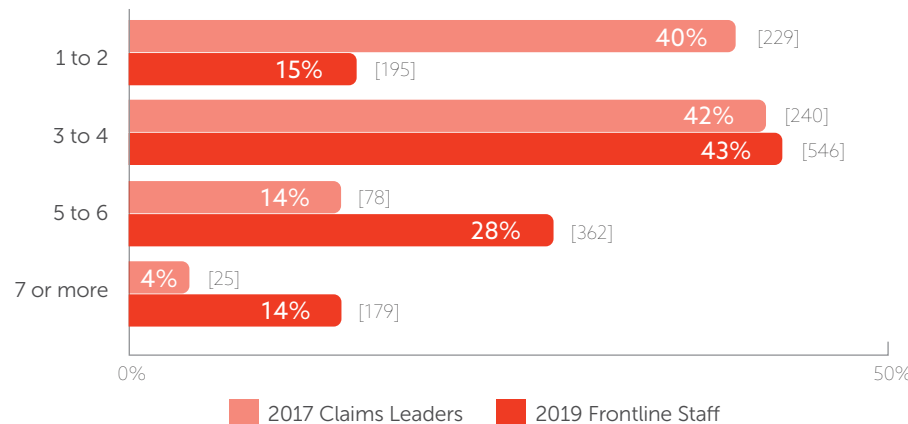
Key Considerations

How do frontline claims professionals utilize data to impact/manage claims?

How are advanced analytics such as predictive modeling used by frontline claims professionals?

What tools do frontline claims professionals need to improve their job/efficiency?

Has technology improved frontline claims operations?

Industry Trend Key

Claims Leader & Frontline Staff Comparison:

➡ Similar Perspective

⇕ Different Perspective

Use of analytics to manage claims

Many organizations tout the use of analytics. However, success is dependent on execution – how the systems and/or data are leveraged to manage claims. Analytics can help *manage* claims resources more effectively. Among its many functions, analytics can be used for pre-loss mitigation, frequency and severity prediction, specialty claims resource assignment, subrogation, litigation management, reserving, fraud detection, settlement evaluation, risk detection and volatility. Organizations that integrate analytics into claims systems, with real-time alerts/workflow automation for frontline staff, will see more successful execution.

> Many organizations tout the use of analytics. However, success is dependent on execution – how the systems and/or data are leveraged to *manage* claims.

The results show 65 percent of frontline claims professionals use analytics to some degree to manage claims. Frontline claims professionals report analytics are used more frequently to detect and manage medical utilization and return-to-work/disability duration benchmarks (see Figure 13). Additionally, the 2017 survey of claims leaders indicates evidence-based medicine (EBM) and disability durations are utilized to measure operational performance.[2]

Insurance companies and insured employer respondents demonstrate greater use of analytics to manage claims. Conversely, governmental entities and self-insured employers show lower adoption/utilization (see Appendix D-2).

Figure 13 Survey Question: *What ways do you utilize analytics (i.e., analysis of data or statistics) to manage your claims? Select all that apply. (If none, select "None/Not Applicable")* [1,282 Responses]

Category	Percent	Count
None / Not Applicable	35%	[454]
Identify medical treatment / utilization outside of EBM	45%	[573]
Identify RTW / disability durations outside of EBM	41%	[522]
Predict / detect claims severity	37%	[469]
Fraud detection	25%	[324]
Predict / detect litigation	19%	[240]
Other	1%	[19]
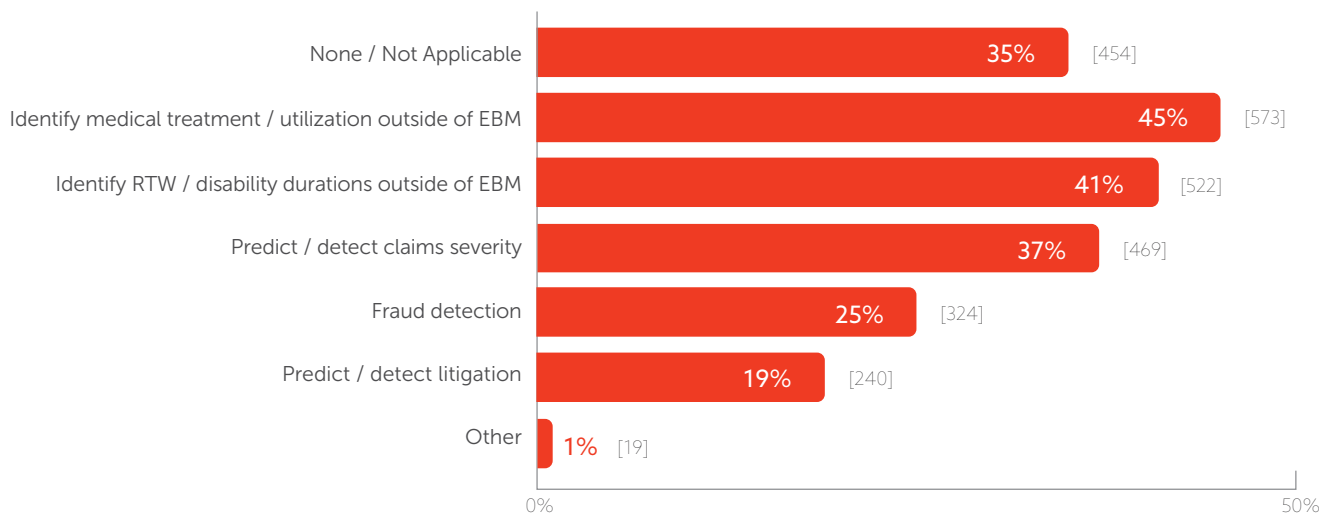
Note: Participants were able to select more than one answer for this question

Impact of metrics on outcomes

Claims organizations' operational processes and services are underpinned by technology. However, execution all comes down to talent. Creating and/or attracting a workforce ready to leverage technology, is more challenging for organizations. The Harvard Business Review outlines approaches to help organizations create a more educated, tech savvy workforce. The key strategies include "upskilling – teaching employees how to use tools/practices to do their jobs better/faster; and reskilling – helping employees make career transformations."[3, 4]

Frontline claims professionals show differing levels of confidence in organizational metrics based on their years of experience. The results indicate claims professionals with five years or less experience in claims adjusting have a higher level of confidence (see Figure 14 and Table 21). Organizations could consider two primary conclusions: a need to "upskill" claims talent to better understand and leverage metrics, or metrics need to be retooled to be more actionable/meaningful to claims operations.

Figure 14 Survey Question: *In your opinion, does your organization's overall metrics have a positive impact on claim performance outcomes?* [1,282 Responses]
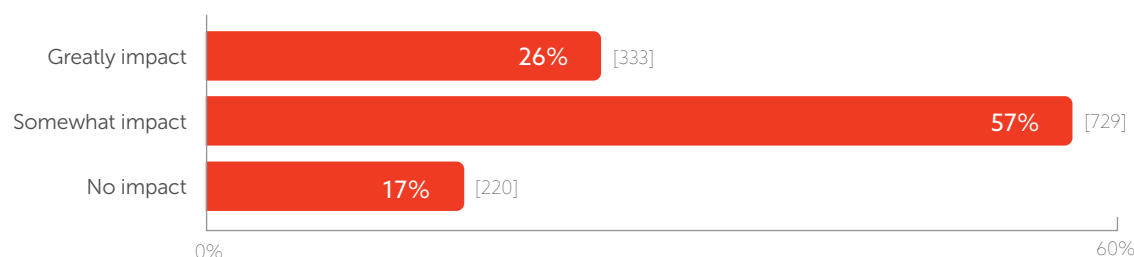
Table 21 Survey Question: *In your opinion, does your organization's overall metrics have a positive impact on claim performance outcomes?* [1,282 Responses]

Responses Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Answer	< 1 Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	> 20 Years
count	67	276	167	149	191	432
Greatly impact	39%	36%	17%	27%	21%	23%
Somewhat impact	54%	56%	64%	54%	62%	54%
No impact	7%	8%	19%	19%	17%	23%

Technology and training enhancements

Most frontline claims professionals, 90 percent, indicate that one or more tools are needed to more effectively do their jobs (see Table 22). Over 50 percent indicate claim system upgrades and/or advancements are needed, with an even greater need expressed by 61 percent of insurance company participants (see Appendix D-4). Many organizations are constrained by legacy systems, which could limit data analytics and hinder productivity. Given the significant financial investment in claims systems, making changes requires a greater degree of assessment and planning than other needs identified by frontline claims professionals (see Table 22). According to Advisen, some organizations with legacy systems are utilizing automated tools to improve decision making and enhance communication among claim stakeholders to improve efficiency and outcomes. "More efficient claims management not only results in lower costs, it also can lead to much greater satisfaction by injured workers."[5]

Table 22 Survey Question: *What tools, training, and/or technology could help you do your job better? Select all that apply.*

[1,282 Responses]

Answer	count	%
None, Not Applicable	134	10%
Claim system upgrade / advancements	698	54%
Administrative support	652	51%
Jurisdictional-specific legal, medical, and/or case law training	533	42%
Tools to communicate with injured workers and other claims stakeholders (i.e., mobile apps, text messaging options)	437	34%
Data and/or metrics to manage claim activities	304	24%
Other	67	5%

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

The results indicate more than 40 percent of participants need jurisdictional-specific training, claims professionals with five years or less experience report a greater need (see Table 23). There are many external resources available to claims organizations for jurisdictional training on regulatory issues/changes and case law decisions. Additionally, many defense counsel firms provide ongoing training to claims organizations.

Over a third of participants indicate they need better tools to communicate with injured workers and other claims stakeholders, with even greater need expressed by 55 percent of frontline staff with less than one year of experience (see Tables 22 and 23). According to a recent study by PwC, personalized customer experience is still new in insurance; but the potential impact on injured worker and customer satisfaction is gaining a competitive advantage for those who operationalize a "customer-centricity" approach.[6]

Table 23 Survey Question: *What tools, training, and/or technology could help you do your job better? Select all that apply.*

[1,282 Responses]

Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Answer	< 1 Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	> 20 Years
count	67	276	167	149	191	432
None / Not Applicable	12%	8%	11%	12%	10%	11%
Claim system upgrade / advancements	46%	55%	43%	60%	51%	60%
Administrative support	34%	43%	54%	54%	52%	56%
Jurisdictional-specific legal, medical, and/or case law training	45%	53%	38%	38%	47%	34%
Tools to communicate with injured workers and other claims stakeholders (i.e., mobile apps, text messaging options)	55%	45%	38%	38%	26%	24%
Data and/or metrics to manage claim activities	25%	26%	19%	27%	26%	22%
Other	4%	4%	6%	3%	6%	7%

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

Technology impact on frontline claims

Technology continues to be a key differentiator in workers' compensation claims management. Additionally, the focus on elevating service delivery and consumer engagement has created an optimal environment for innovation. However, does this help frontline claims professionals do their jobs more effectively? The results show mixed results, with 71 percent reporting "strongly agree" or "somewhat agree" that technology improves their ability to do their job (see Figure 15). More experienced claims professionals are even less confident in technology's impact on job functionality (see Table 24). This could indicate the need to "upskill" or "reskill" claims staff or, even more important, include frontline claims professionals in technology and/or system upgrade decisions.

Figure 15 Survey Question: *Overall has claims technology improved your ability to do your job?* [1,282 Responses]
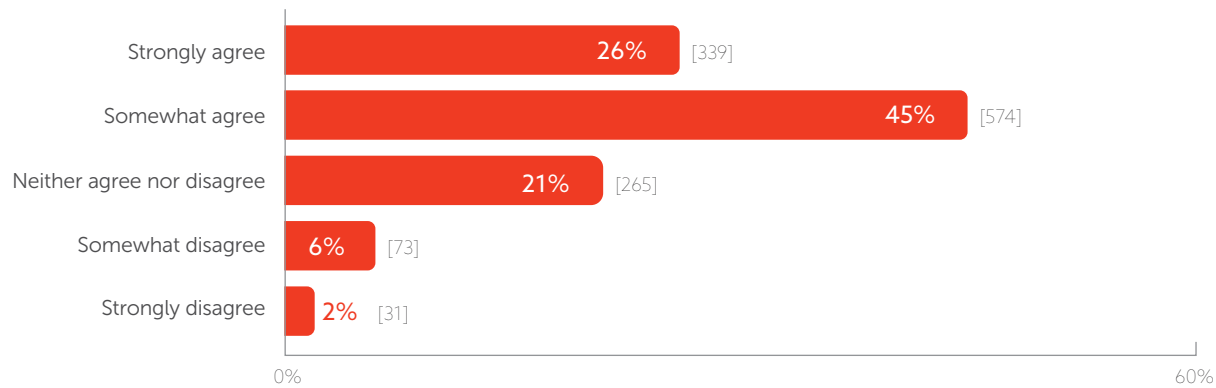
Table 24 Survey Question: *Overall has claims technology improved your ability to do your job?* [1,282 Responses]

Responses Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Answer	< 1 Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	> 20 Years
count	67	276	167	149	191	432
Strongly agree	42%	29%	17%	29%	31%	23%
Somewhat agree	37%	51%	53%	41%	40%	42%
Neither agree nor disagree	15%	18%	21%	25%	20%	23%
Somewhat disagree	6%	2%	9%	3%	4%	8%
Strongly disagree	–	< 1%	< 1%	2%	5%	4%

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**.

[1] Zawisza, D., and Kaye, S. Business and technology trends: workers' compensation. Novarica. Oct 2019. Available: https://novarica.com/business-and-technology-trends-workers-compensation/

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Operational Challenge
Medical Performance Management

Medical management programs critical to claim outcomes

2017 to 2019 Trend

Since the Workers' Compensation Benchmarking Study launched in 2013, claims leaders have repeatedly ranked medical management as the number one core competency most critical to claim outcomes. This consistent ranking is appropriate considering medical costs exceed 50 percent of overall workers' compensation claim costs in most jurisdictions.[1] There are many macroeconomic factors contributing to the escalating cost of medical care. The key drivers are medical inflation, an aging workforce, obesity and other co-morbid conditions, the national opioid crisis, increased utilization, and the cost of medical resources (i.e., biologic agents, antivirals, prostheses).

Top 3 Medical Management Programs Ranked Most Critical to Claim Outcomes

1 Nurse Case Management
2 Return-to-Work Services
3 Utilization Review

This area of the study focuses on *what* medical management programs claims organizations are using and priorities from the perspective of frontline claims professionals.

Given the industry's intense focus on medical and disability management, it follows that the medical management programs frontline claims professionals rank most critical to claim outcomes are nurse case management, return-to-work services, and utilization review. This is slightly different than the top three priorities identified by claims leaders in the 2017 survey (see Table 25).

Table 25 Survey Question: *Please rank in the order of impact the top three medical management programs you believe are most critical to claim outcomes, with 1 having the "greatest impact" and 3 having "less impact."* [1,282 Responses]

Answer	2017 Claims Leaders Overall Rank	2019 Frontline Staff Overall Rank	Composite Score
Nurse Case Management	1	1	2516
Return-To-Work Services	2	2	1311
Utilization Review	5	3	872
Nurse / Claims Triage	3	4	861
Bill Review	7	5	584
Pharmacy Benefit Manager / Network	4	6	507
Physician Case Management	6	7	334
Company Developed / Owned Provider Network	8	8	315
Peer Review	9	9	311
Outsourced / Leased Provider Network	10	10	81

Note: Participants were presented with the above ten answer options and asked to rank the top three only

Key Considerations

What medical management programs have the greatest impact on claim outcomes?

How is provider quality measured, and from the perspective of frontline claims staff, what is the most important?

With the significant impact of medical factors on claims, do frontline claims staff receive effective ongoing training in this high priority core competency?

Industry Trend Key

Claims Leader & Frontline Staff Comparison:

→ Similar Perspective

⇅ Different Perspective

Nurse case management ranked #1

The increasing complexity of claims and medical severity is a catalyst for integrating medical management resources within traditional claims models. The strategic use of clinical resources, with nurses working collaboratively with frontline claims professionals, is now an industry standard. Leveraging clinical resources *effectively* throughout the claim lifecycle can have a significant impact on outcomes.

The significant impact of nurse case management on claim outcomes is demonstrated in a Liberty Mutual research study of 42,000 claims normalized for injury, patient, and biopsychosocial factors. The study results show 26 percent lower total claims costs and 15 percent faster claims closures when nurses are assigned.[2] The methodology utilized a prescriptive model to notify claims professionals on claims where nurses could have the most impact. Additionally, a URAC study of 13,648 claims identifies a positive association in outcomes when nurses are assigned to claims. The results demonstrate that referral timing is critical, with over 50 percent of employees returning to work within 90 days when nurse case management is leveraged within seven days. Alternatively, when cases are referred after 30 days, only 27 percent of employees return to work within 90 days.[3]

Return-to-work services ranked #2

Disability and RTW management are critical to claim outcomes. One of the most important factors in successful resolution of claims is timely return-to-work. Effective return-to-work programs have a notable impact on workers' compensation claims. According to the Integrated Benefits Institute (IBI), employers without RTW programs and resources have higher year-over-year disability costs and longer claim durations.[4] Frontline claims professionals are key to successful RTW program execution. To be effective, they must proactively communicate with injured workers, employers, medical providers, and return-to-work service providers when engaged. Given the significant impact of RTW on employee wellbeing, as well as claim outcomes, why do many organizations struggle with this key core competency? According to the Institute for Work & Health, workplace disability management programs are deficient in several key areas. These include the education and training of return-to-work resources in the job accommodation process, active communication/ engagement of employees in RTW (i.e., early contact when they are initially off work, continued contact during post-return and stay-at-work phases of RTW), and using functional KPIs to determine program outcomes.[5]

Disability management requires proactive communication. When communication barriers occur, such as language/cultural differences or lack of understanding of organizational practices and policies, it can contribute to RTW delays. In a study published by the Journal of Occupational Rehabilitation, communication bottlenecks are centered around frontline claims professionals and employee supervisors. Inconsistent communication across organizations contributes to avoidable disability days.[6]

Utilization review ranked #3

Utilization review (UR) in workers' compensation varies significantly by jurisdiction. In some states, claims administrators are required by law to have a utilization review program. Additionally, many states require accreditation of UR programs. URAC, an accreditor of health care organizations, defines UR as "the evaluation of the medical necessity, appropriateness, and efficacy of health care services, procedures, and facilities under the provisions of the applicable health benefits plan."[7]

Although many see UR as a cost-containment strategy, the purpose is to ensure timely and appropriate medical services based on evidence-based medicine (EBM) and to reduce the risk of harm to patients. Harm is defined as physical or psychiatric injury resulting from, or contributed to, by health care services that result in the need for additional monitoring, treatment or hospitalization or that worsens the condition(s), increases disability, or causes death.[8, 9, 10]

Frontline claims professionals play a key role in quality care

Utilization review is an important tool for frontline claims staff. In many organizations, claims professionals work closely with clinicians (i.e., nurse case managers and physicians) to ensure effective execution of UR protocols. In a recent presentation at the 2019 National Workers' Compensation and Disability Conference, Dr. Gary Franklin indicated frontline claims professionals serve a key role in quality care and disability prevention. Their role in prevention relies on the *judicious* use of evidence-based medicine to approve effective treatments that do not harm injured workers. "Claims professionals are the last line of defense against bad care. As such, they are akin to a public health official whose role is to protect workers from harm."[11]

> *"Claims professionals are the last line of defense against bad care. As such, they are akin to a public health official whose role is to protect workers from harm."*
> *– Gary Franklin, MD*

Provider quality – key metrics

Quality health care is defined by the Institute of Medicine as care that is "safe, effective, patient-centered, timely, efficient, and equitable."[12] Health care quality in work-related injuries, however, is not consistently understood or measured. Claims professionals, especially those who are less experienced, may revert to administrative efficiency and communication ease as a proxy for clinical quality. Health care best practices, including the treatment for workers' compensation injuries and illnesses, are based on evidence-based medicine guidelines and should have functional recovery as a primary goal. Accordingly, meaningful indicators are in concordance with evidence-based practice guidelines and effective disability management.

Frontline claims professionals are integral to ensuring injured workers receive optimal, high quality care. Measuring provider outcomes is a necessary step to improving the quality of care for injured workers. The results show 50 percent of frontline claims professionals identify return-to-work/patient functional outcomes as the most important measure of provider quality (see Figure 16). Additionally, using evidence-based care is recognized as an important measure by frontline claims professionals. The results are similar to the 2016 survey of claims leaders that rank RTW outcomes, patient functional outcomes, and clinical quality as the top three provider quality metrics critical to claim outcomes.[13]

Frontline claims professionals with less experience in claims adjusting, identify administrative efficiency as a higher measure of provider quality than experienced claims professionals, suggesting an educational opportunity regarding meaningful quality indicators (see Table 26).

Figure 16 Survey Question: *What is the most important measure of medical provider quality?* [1,282 Responses]

Return-to-Work / Patient Functional Outcomes	50% [642]
Using Evidence-Based Care	23% [296]
Administrative Efficiency	16% [208]
Patient Satisfaction	7% [93]
Total Cost of Care / Claim Costs	4% [43]

0%   50%
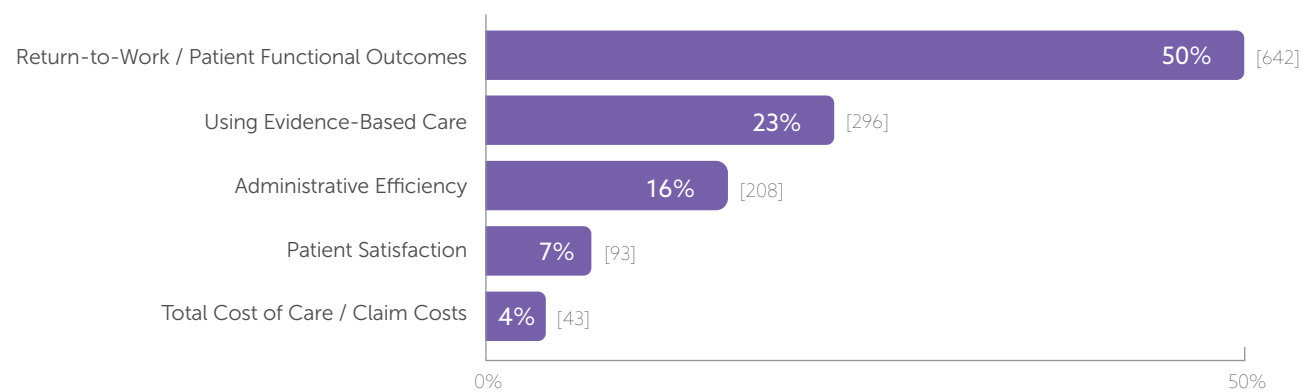
Table 26 Survey Question: *What is the most important measure of medical provider quality?*   [1,282 Responses]

Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Answer	< 1 Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	> 20 Years
count	67	276	167	149	191	432
Return-to-Work / Patient Functional Outcomes	43%	47%	50%	46%	53%	53%
Using Evidence-Based Care	25%	27%	22%	26%	20%	21%
Administrative Efficiency (quality of documentation / timely submission of reports)	21%	17%	15%	19%	15%	15%
Patient Satisfaction	8%	6%	9%	7%	7%	7%
Total Cost of Care / Claim Costs	3%	3%	4%	2%	5%	4%

Medical management – critical training needs

Considering the impact of medical factors on claim outcomes, the 2019 study includes additional research to assess training needs in key areas of medical management for frontline claims professionals. The results show, on average, 30 percent of participants do not receive adequate training. Claims professionals indicate the greatest training needs are in understanding psychosocial risk factors and mental health issues (see Figure 17). Frontline claims professionals with less than five years' experience demonstrate significantly higher training needs across all key areas.

Figure 17 Survey Question: *In your opinion, have you received adequate training in medical management in the following areas?*

[1,282 Responses]
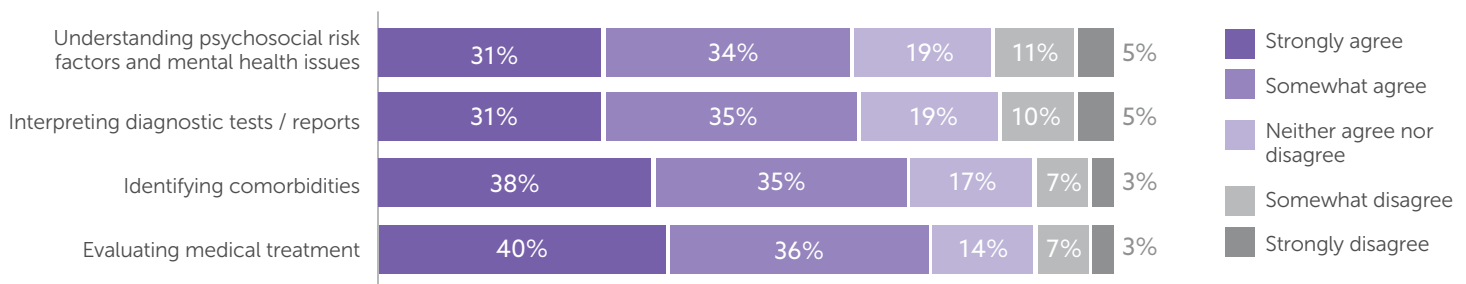
Psychosocial risk factors and understanding mental health issues

Mental health issues have a significant economic impact on the U.S. economy with 1 trillion dollars per year in estimated lost productivity. The World Health Organization (WHO) outlines strategies for creating a healthy workplace by promoting and protecting the health, safety, and wellbeing of all employees. The WHO recommends organizations leverage a three-pronged approach: protect mental health by reducing work-related risk factors, promote mental health by developing positive aspects of work/employee strengths, and address mental health problems regardless of cause.[14]

Psychosocial barriers/risk factors and the relationship to psychiatric diagnosis remains controversial, even within the medical community. Psychosocial risk factors can cause mental distress. The trauma can be acute, recurrent, or chronic. Although psychosocial risk factors are necessary to cause mental distress, it is not enough to cause mental disease.[15]

Psychosocial barriers to functional recovery, psychological symptoms and psychiatric illness are distinct, yet interrelated phenomena that lie on a continuum. Psychosocial barriers or risk factors, such as pain catastrophizing, fear avoidance and perceived injustice, are not a diagnosis and are not work related; however they can delay recovery. Modifying these risk factors can lead to better claim outcomes.

In workers' compensation claims, mental health diseases may include co-morbidities such as depression, anxiety, post-traumatic stress disorder, and/or substance abuse. Psychosocial risk factors are more difficult to identify and require understanding the whole person, including their fears and beliefs as well as their degree of coping and resilience to stressors.

A recent article from industry veteran Peter Rousmaniere states "the standard training manual for worker's compensation claims professionals ignores the worker and their psychology, the disruption, the decision-making, the risk and impact of delays."[16] Given the significance of psychosocial risk factors and mental health issues, a good understanding of the psychological continuum is an essential skill. Organizations should consider equipping claims professionals with this necessary training and ensure clinical resources, like nurse case managers are integrated to provide medical expertise. Additionally, utilizing screening tools and/or predictive modeling can ensure risk factors are identified early so that injured workers can be directed to the appropriate intervention.

Interventions:
Stress management
Equipping Coaching
Cognitive Behavioral Therapy
Clinical Resources
Support Empathy
Education

Psychosocial Risk Factors:
Stress
Catastrophic thinking
Anxiety
Anxiety
Disability mindset
Fear
Stress
Stress
Perceived injustice
Fear
Anxiety

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.

E-1: Ranking of Medical Management Programs Most Critical to Claim Outcomes

E-2: Assessment of Training Received in Medical Management

E-3: Most Important Measure of Medical Provider Quality
  Segmented by Organization Type
  Segmented by Years of Experience in Workers' Compensation Claims Adjusting

[1] Medical Price Index for Workers Compensation. NCCI 2017. Available: https://www.ncci.com/Articles/Documents/II_MPI-WC-Study.pdf

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Conclusion

Since its inception, the Workers' Compensation Benchmarking Study has conducted research for, *and with,* claims leaders and practitioners to provide organizations with a means for evaluating strategic aspects of their claim operations alongside industry peers.

From its initial identification of widespread claims challenges / opportunities in 2013 and 2014, *to* the 2015 study's "solutions roadmap" for future advancement, *to* identifying how and what high performing claims organizations are doing differently than lower performing peers in 2016 and 2017, *to* a deep investigation of progressive medical management strategies in 2018, the annual Report continually reveals the cumulative intelligence of the workers' compensation claims community.

For the first time ever in 2019, the study surveyed frontline claims professionals (instead of claims executives) to ascertain alignment between industry leadership and staff who *directly handle* workers' compensation claims.

The 2019 Report is the seventh Workers' Compensation Benchmarking Study directed and published by Rising Medical Solutions. To learn more or to access the study's online Resource Center, visit: www.risingms.com.

Contact

We welcome your reaction to the 2019 Workers' Compensation Benchmarking Study. Please let us know if you find the study useful, have questions about the research, or would like to participate in future studies by contacting Rachel Fikes, Chief Experience Officer & Study Program Director, at Rising Medical Solutions: wcbenchmark@risingms.com.

Appendix A
Survey Participant Demographics

1 Role / Level of Responsibility:
[1,282 responses]

Overview - All Responses

< 1%

12%

88%

- ● Claims Professional who directly handles / adjudicates claims (i.e., Claims Adjuster, Claims Examiner, Claims Associate or similar role) [1131]
- ● Nurse Case Manager [149]
- ● Other [2]

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
Claims Professional who directly handles / adjudicates claims	88%	88%	94%	75%	100%	78%	98%	100%
Nurse Case Manager	12%	12%	5%	25%	–	22%	2%	–
Other	< 1%	–	1%	–	–	–	–	–

2 Your Role / Claims Caseload Mix Is Predominantly:
[1,282 responses]

15%

85%

- ● Indemnity / Lost Time Claims [1096]
- ● Medical Only Claims [186]

(3) Organization Type:
[1,282 responses]

Answer	count	%
Insurance Company	518	40%
Third Party Administrator	507	40%
Self-Insured Employer	122	10%
State Fund / Mutual Fund	51	4%
Governmental Entity	44	3%
Insured Employer	28	2%
Risk Pool	7	1%
Other	5	< 1%
Reinsurance or Excess Insurance Company	–	0%

(4) How many years of experience do you have in workers' comp claims adjusting?
[1,282 responses]

Answer	count	%
Less than 1 Year	67	5%
1 to 5 Years	276	21%
5 to 10 Years	167	13%
10 to 15 Years	149	12%
15 to 20 Years	191	15%
More than 20 Years	432	34%

Responses Segmented by Organization Type

Answer (# of cases)	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
< 1 Year	7%	4%	5%	14%	-	2%	2%	-
1 - 5 Years	28%	16%	11%	18%	14%	41%	14%	40%
5 - 10 Years	14%	12%	12%	18%	14%	16%	2%	-
10 - 15 Years	14%	9%	17%	14%	-	2%	11%	-
15 - 20 Years	13%	19%	14%	7%	14%	8%	14%	-
> 20 Years	24%	40%	41%	29%	58%	31%	57%	60%

(5) What is your average caseload? (If unknown, select "Unknown") [1,282 responses]

Overview - All Responses

Answer (# of cases)	count	%
Less than 80	210	16%
80 to 100	148	12%
101 to 125	320	25%
126 to 150	280	22%
151 to 175	131	10%
176 to 200	56	4%
More than 200	86	7%
Unknown	51	4%

Responses Segmented by Organization Type

Answer (# of cases)	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
Less than 80	18%	14%	14%	43%	–	22%	16%	–
80 to 100	17%	6%	14%	7%	14%	6%	14%	–
101 to 125	27%	23%	21%	18%	43%	39%	14%	40%
126 to 150	19%	26%	27%	11%	29%	8%	11%	20%
151 to 175	9%	14%	8%	7%	–	2%	2%	40%
176 to 200	5%	5%	3%	–	14%	–	2%	–
More than 200	2%	9%	7%	11%	–	14%	20%	–
Unknown	3%	3%	6%	3%	–	9%	21%	–

Responses Segmented by Role / Claims Caseload Mix

Answer (# of cases)	Indemnity / Lost Time Claims	Medical Only Claims
count	1096	186
Less than 80	14%	28%
80 to 100	12%	8%
101 to 125	27%	17%
126 to 150	24%	10%
151 to 175	10%	9%
176 to 200	5%	3%
More than 200	5%	19%
Unknown	3%	6%

(6) Claims Resolution – What is your organization's total overall claims closure ratio for calendar year 2018? Claims closure ratio is defined as the number of claims closed divided by the number of claims received during a calendar year period. (If unknown, select "Unknown") [1,282 responses]

Answer	count	%
50% or Less	35	3%
51 to 60%	22	2%
61 to 70%	24	2%
71 to 80%	32	2%
81 to 90%	49	4%
91 to 100%	214	17%
101 to 110%	147	11%
111 to 120%	16	1%
Greater than 120%	9	1%
Unknown	734	57%

Appendix B
Prioritizing Core Competencies

(1) Please identify the top three claims core competencies most critical to claim outcomes, with 1 being the "highest priority" and 3 being the "lower priority." (Note, rank three items only.) [1,282 responses]

Answer	Overall Rank	Composite Score
Compensability Investigations	1	2140
Disability / RTW Management	2	1753
Medical Management	3	1600
Claim Resolution / Settlement Strategy	4	997
Case Reserving	5	429
Oversight Governance / Compliance	6	278
Litigation Management	7	241
Fraud & Abuse Detection	8	146
Bill Review	9	63
Vocational Rehabilitation	10	45

(2) Considering the following core competencies, please identify the top three areas where you spend most of your time, with 1 being the "greatest amount of time" and 3 being "less time." (Note, rank three items only.) [1,282 responses]

Answer	Overall Rank	Composite Score
Medical Management	1	1892
Compensability Investigations	2	1566
Disability / RTW Management	3	1379
Claim Resolution / Settlement Strategy	4	875
Reviewing and/or responding to Oversight Governance / Compliance requirements	5	591
Litigation Management	6	433
Case Reserving	7	420
Bill Review (reviewing and/or approving bills/invoices)	8	413
Fraud & Abuse Detection	9	67
Vocational Rehabilitation	10	56

3 Does your organization utilize any of the following systems / tools to direct or manage tasks within best practices? Select all that apply. (If no, select "Not Applicable") [1,282 responses]

Overview - All Responses

Answer	count	%
No / Not Applicable	464	36%
Claim System Workflow Automation	503	39%
Predictive modeling (statistical model of future probability of claim development)	381	30%
Push technology (information automatically sent to injured workers / key stakeholders)	322	25%
Prescriptive analytics (used to determine the best solutions / activities to achieve desired outcomes)	219	17%
Auto adjudication	158	12%
Other	18	1%

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

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
No / Not Applicable	28%	40%	62%	64%	57%	10%	20%	80%
Claim System Workflow Automation	48%	35%	24%	21%	29%	35%	41%	20%
Predictive modeling	37%	31%	10%	14%	29%	24%	9%	–
Push technology	29%	20%	11%	14%	–	51%	59%	–
Prescriptive analytics	21%	16%	6%	11%	–	22%	11%	20%
Auto adjudication	11%	6%	2%	4%	–	75%	70%	20%
Other	1%	2%	1%	4%	–	–	2%	–

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

Conditional Question for those who selected a **system / tool** in Question 3

3.1 How effective are the following systems / tools in managing claims within best practices? [818 responses]

Answer	count	Very Effective	Somewhat Effective	Not Effective
Claim System Workflow Automation	503	38%	56%	6%
Predictive modeling	381	19%	62%	19%
Push technology	322	37%	55%	8%
Prescriptive analytics	219	36%	55%	9%
Auto adjudication	158	29%	60%	11%
Other	18	33%	61%	6%

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

(4) What percentage of your time do you spend on compliance activities to meet external regulatory requirements? (i.e., mailing / filing state forms, sending compliance letters, etc.) [1,282 responses]

Answer	count	%
Less than 20%	436	34%
20 to 30%	355	28%
30 to 40%	207	16%
40% or more	184	14%
None / Not Applicable	100	8%

(5) What percentage of your time do you spend on administrative tasks? (i.e., form letters, data collection, internal claims system administrative requirements, etc.) [1,282 responses]

Answer	count	%
Less than 20%	242	19%
20 to 30%	377	29%
30 to 40%	303	24%
40% or more	337	26%
None / Not Applicable	23	2%

(6) Do you receive incentives for meeting claims best practices / performance measures? Select all that apply. (If no, select "Not Applicable") [1,282 responses]

Answer	%	count
No / Not Applicable	43%	[547]
Bonus Structure	38%	[489]
Increased Pay / Salary	26%	[327]
Formal Recognition	17%	[214]
Other	2%	[20]

0%   60%
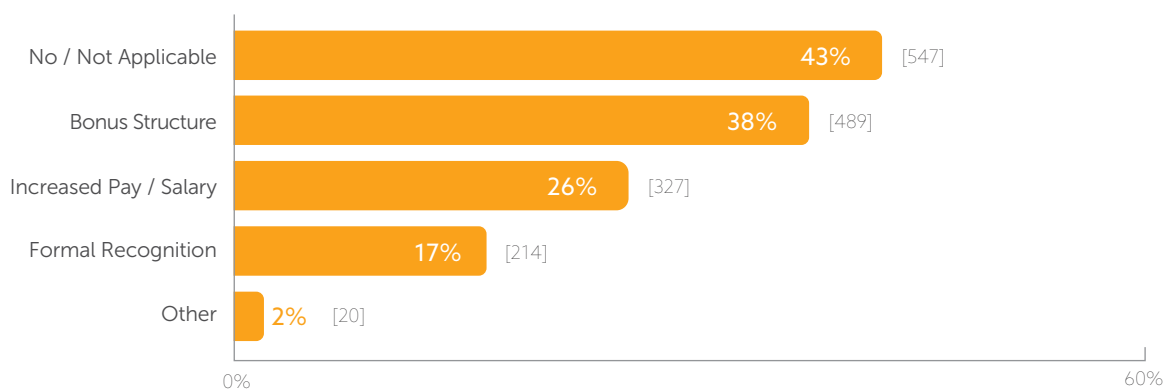
Note: Participants were able to select more than one answer for this question

[6 cont'd] Do you receive incentives for meeting claims best practices / performance measures? Select all that apply. (If no, select "Not Applicable")

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
No / Not Applicable	27%	42%	77%	82%	57%	71%	86%	60%
Bonus Structure	56%	34%	14%	11%	43%	4%	7%	–
Increased Pay / Salary	36%	20%	15%	7%	29%	25%	5%	40%
Formal Recognition	19%	20%	7%	–	14%	6%	7%	–
Other	2%	2%	1%	–	–	–	–	–

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

7 Do you receive penalties when claims best practices / performance measures are not met? Select all that apply. (If no, select "Not Applicable") [1,282 responses]

Overview - All Responses

Answer	Value	Count
No / Not Applicable	43%	[552]
Performance Improvement Review	47%	[598]
Decreased or No Bonus	22%	[282]
Decreased Salary	2%	[23]
Other	2%	[20]

0% — 60%

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

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
No / Not Applicable	39%	42%	62%	54%	29%	39%	43%	40%
Performance Improvement Review	48%	47%	35%	32%	43%	61%	55%	60%
Decreased or No Bonus	29%	22%	7%	18%	43%	2%	5%	–
Decreased Salary	2%	2%	2%	–	–	6%	–	–
Other	2%	2%	–	–	–	–	2%	–

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

8) How do you define a good claims outcome? Please rank in the order of greatest importance, with 1 being the "most important" and 5 being of "lower importance." [1,282 responses]

Answer	Overall Rank	Mean
Return-to-Work achieved by anticipated outcome	1	2.23
Employee return to the same or better pre-injury functional capabilities	2	2.26
Maximum Medical Improvement (MMI) / Permanent & Stationary achieved by anticipated outcome	3	3.00
Claims closure / resolution achieved by anticipated outcome	4	3.12
Lack of litigation	5	4.39

9) What are your greatest obstacles to achieving desired claim outcomes? Please rank the top three in the order of the greatest impediment, with 1 being the "greatest obstacle" and 3 being the "lower obstacle." (Note, rank three items only.) [1,282 responses]

Answer	Overall Rank	Composite Score
Lack of RTW option / accommodation	1	1404
Litigation / Applicant Attorney involvement	2	1221
Psychosocial issues and/or other co-morbidities	3	1083
Late injury / claim reporting	4	1009
Lack of good employee / employer relationship	5	758
Lack of time to proactively communicate with stakeholders (i.e., employee, employer, providers)	6	620
Employee doesn't understand the workers' comp system	7	573
Jurisdictional / geographic differences (i.e., regulatory limitations)	8	449
Access to quality care	9	355
Legalese statutory requirements	10	220

10) In your opinion, what is the greatest driver / reason injured workers retain an attorney? [1,282 responses]

Answer	count	%
Claim delay and/or denial	582	45%
Employee / employer relationship	281	22%
Medical treatment controls and/or delays	234	18%
Initial compensability investigation process	98	8%
Lack of time to build rapport with injured worker	87	7%

Appendix C
Talent Development & Retention

1 Does your organization have a formal training program for new hire claims staff with no experience to minimal experience? [1,282 responses]
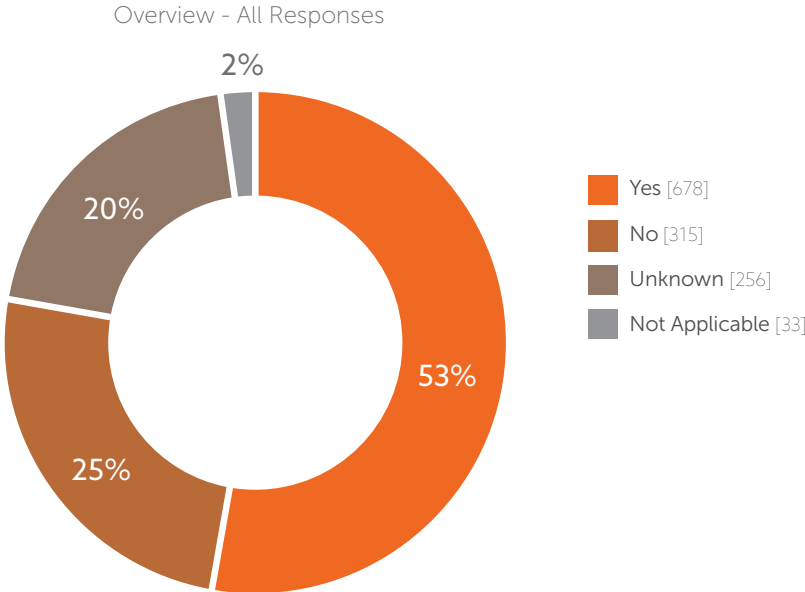
Overview – All Responses

2%

20%

53%

25%

- Yes [678]
- No [315]
- Unknown [256]
- Not Applicable [33]

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
Yes	65%	45%	24%	43%	42%	82%	68%	20%
No	19%	25%	52%	36%	29%	12%	20%	20%
Unknown	15%	29%	16%	7%	29%	6%	7%	40%
Not Applicable	1%	1%	8%	14%	–	–	5%	20%

Conditional Question for those who answered "**Yes**" in Question 1

(1.1) What is the length of your organization's training program for new hire claims staff with minimal to no experience? [678 responses]

Overview - All Responses

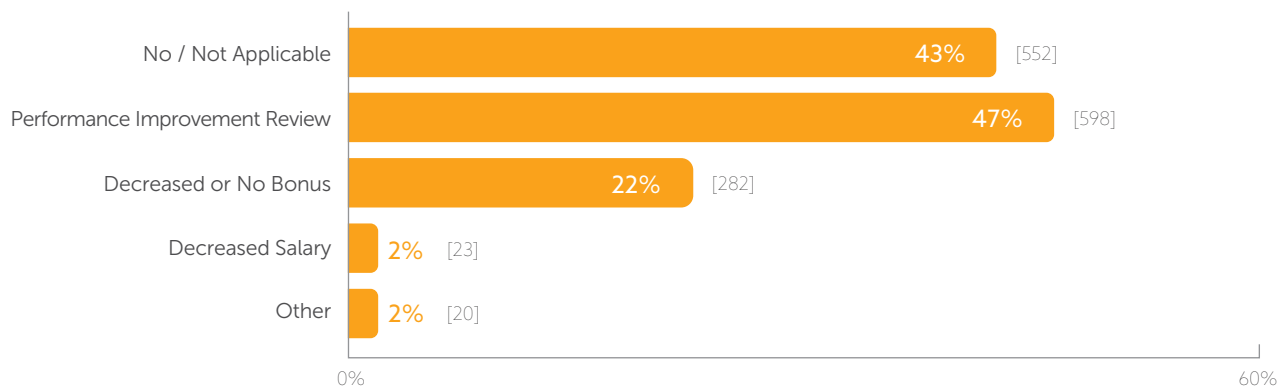| Answer	count	% of Sub-Sample Responses	% of Entire Response Sample
Less than a month	178	26%	14%
One to three months	219	32%	17%
Four to six months	70	10%	5%
Seven to nine months	6	1%	< 1%
Ten to twelve months	39	6%	3%
Greater than 12 months	34	5%	3%
Unknown	132	20%	10%

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	334	227	29	12	3	42	30	1
Less than a month	29%	21%	28%	58%	33%	7%	47%	100%
One to three months	38%	29%	21%	25%	33%	19%	30%	–
Four to six months	11%	11%	10%	8%	–	5%	7%	–
Seven to nine months	1%	2%	–	–	–	–	–	–
Ten to twelve months	4%	3%	10%	–	–	33%	3%	–
Greater than 12 months	2%	4%	10%	–	–	29%	7%	–
Unknown	15%	30%	21%	9%	34%	7%	6%	–

Conditional Question for those who answered "**Yes**" in Question 1

(1.2) Overall, do you believe completion of the new hire training program prepares claims staff to manage claims? [678 responses]

Yes [372]
No [175]
Unsure [131]

19%
55%
26%

(2) Does your organization provide you with ongoing skills training and development?
[1,282 responses]

Overview - All Responses

3%

13%

84%

- Yes [1075]
- No [162]
- Unsure [45]
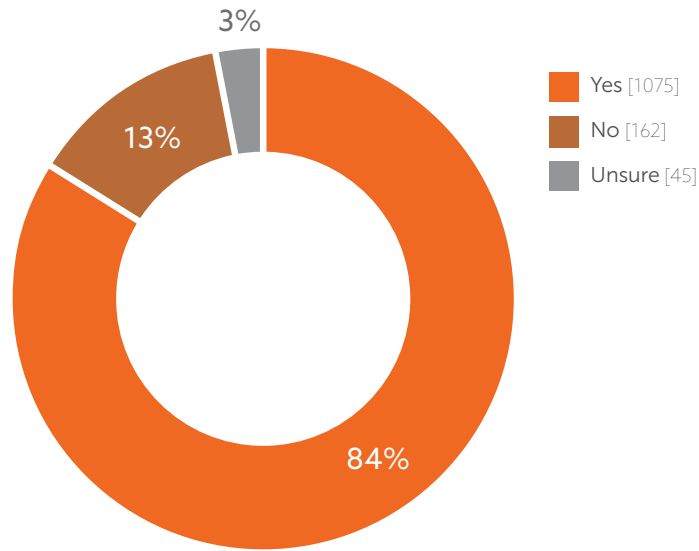
Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
Yes	88%	79%	85%	82%	100%	88%	73%	100%
No	9%	16%	12%	11%	–	12%	25%	–
Unknown	3%	5%	3%	7%	–	–	2%	–

Conditional Question for those who answered "**Yes**" in Question 2

(2.1) On average, how often do you participate in skills training and development? [1,075 responses]

Overview - All Responses

Answer	count	% of Sub-Sample Responses	% of Entire Response Sample
Monthly	462	43%	36%
Quarterly	397	37%	31%
Twice a year	115	11%	9%
Annually	64	6%	5%
Less than once per year	37	3%	3%

Responses Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Answer	< Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	> 20 Years
count	60	244	144	120	159	348
Monthly	59%	49%	44%	49%	46%	32%
Quarterly	28%	36%	36%	33%	35%	42%
Twice a year	5%	7%	10%	12%	12%	14%
Annually	5%	6%	7%	4%	3%	7%
Less than once per year	3%	2%	3%	2%	4%	5%

Conditional Question for those who answered "**No**" in Question 2

(2.2) What is the primary reason for not receiving ongoing skills training and development? [162 responses]

Answer	count	% of Sub-Sample Responses	% of Entire Response Sample
Time constraints / too busy managing claims	62	38%	5%
Not a perceived need	49	30%	4%
Other	34	21%	3%
Budget limitations	17	11%	1%

3 Does your organization provide you training in any of the following areas? Select all that apply. (If no, select "None / Not Applicable")

[1,282 responses]

Overview - All Responses

Answer	count	%
None / Not Applicable	**545**	**43%**
Customer service skills	**611**	**48%**
Communication skills	**552**	**43%**
Critical thinking	**442**	**34%**
Active listening skills	**414**	**32%**
Empathy	**323**	**25%**

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

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
None / Not Applicable	**35%**	**52%**	**39%**	**61%**	**43%**	**20%**	**45%**	**60%**
Customer service skills	**55%**	**41%**	**43%**	**29%**	**29%**	**71%**	**45%**	**40%**
Communication skills	**48%**	**37%**	**49%**	**29%**	**43%**	**57%**	**34%**	**40%**
Critical thinking	**42%**	**25%**	**38%**	**21%**	**57%**	**47%**	**34%**	**–**
Active listening skills	**38%**	**25%**	**34%**	**21%**	**14%**	**53%**	**27%**	**20%**
Empathy	**31%**	**18%**	**27%**	**18%**	**29%**	**39%**	**23%**	**–**

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

Responses Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Answer	Less than 1 Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	More than 20 Years
count	67	276	167	149	191	432
None / Not Applicable	**25%**	**46%**	**42%**	**47%**	**44%**	**41%**
Customer service skills	**61%**	**44%**	**50%**	**41%**	**47%**	**50%**
Communication skills	**64%**	**41%**	**43%**	**35%**	**39%**	**46%**
Critical thinking	**60%**	**39%**	**34%**	**31%**	**32%**	**31%**
Active listening skills	**45%**	**37%**	**32%**	**27%**	**29%**	**31%**
Empathy	**37%**	**29%**	**25%**	**25%**	**24%**	**22%**

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

(4) In your opinion, do you receive enough applicable ongoing training and development to effectively do your job? [1,282 responses]

Overview - All Responses

- Greatly agree [497]
- Somewhat agree [653]
- Disagree [132]

39%
51%
10%
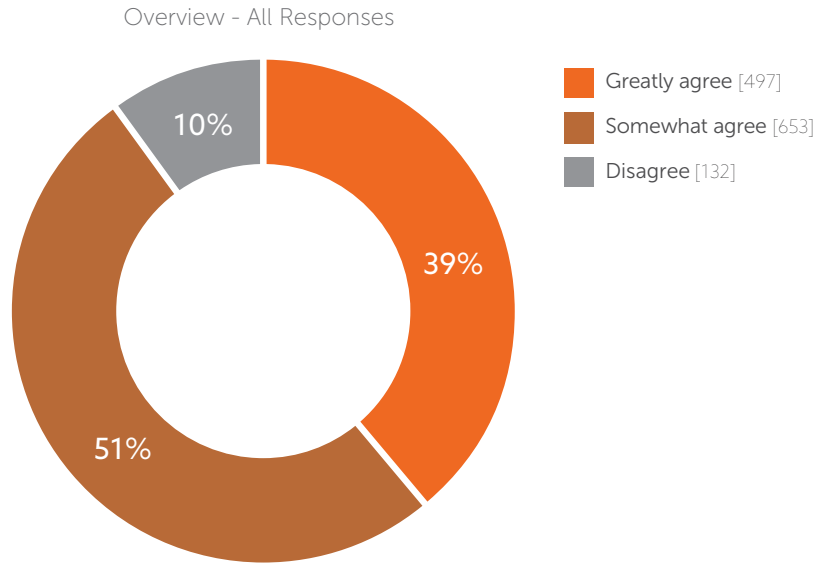
Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
Greatly agree	44%	36%	32%	14%	71%	47%	29%	20%
Somewhat agree	48%	51%	58%	82%	29%	43%	57%	60%
Disagree	8%	13%	10%	4%	–	10%	14%	20%

Responses Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Answer	Less than 1 Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	More than 20 Years
count	67	276	167	149	191	432
Greatly agree	46%	39%	32%	37%	39%	40%
Somewhat agree	43%	53%	57%	51%	48%	50%
Disagree	11%	8%	11%	12%	13%	10%

⑤ Other than salary and standard benefits, what benefits do you currently receive? Select all that apply. (If none, select "None / Not Applicable") [1,282 responses]

Answer	count	%
None / Not Applicable	80	6%
Wellness programs	773	60%
Work from home option	762	59%
Bonus / Profit sharing	655	51%
Tuition reimbursement	500	39%
Recognition / rewards for industry designations (i.e., AIC, CPCU, CRM)	401	31%
Time for staff to participate in community outreach programs	400	31%
Stock options	381	30%
Professional conference fee reimbursement	296	23%
Onsite exercise programs	261	20%
Flextime for exercise during the workday	259	20%
Professional membership dues reimbursement	253	20%
Four-day workweek or other alternative scheduling arrangement	182	14%
Gym memberships	159	12%
Other	28	2%

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

⑥ Of the following benefits, which are most important to you and/or could influence your employment decision with current or future employers? Please rank the top three in order of importance, with 1 being the "most important" and 3 being "less important." (Note, rank three items only.) [1,282 responses]

Answer	Overall Rank	Composite
Work from home option	1	2464
Bonus / Profit sharing	2	2024
Four-day workweek or other alternative scheduling arrangement	3	1558
Flextime for exercise during the workday	4	392
Recognition / rewards for industry designations (i.e., AIC, CPCU, CRM)	5	351
Professional membership dues and/or conference fee reimbursement	6	234
Wellness programs	7	197
Tuition reimbursement	8	195
Gym memberships	9	177
Time to participate in community outreach programs	10	100

7 Does your organization offer a formal career path program with growth opportunities for claims staff?
[1,282 responses]

Overview - All Responses
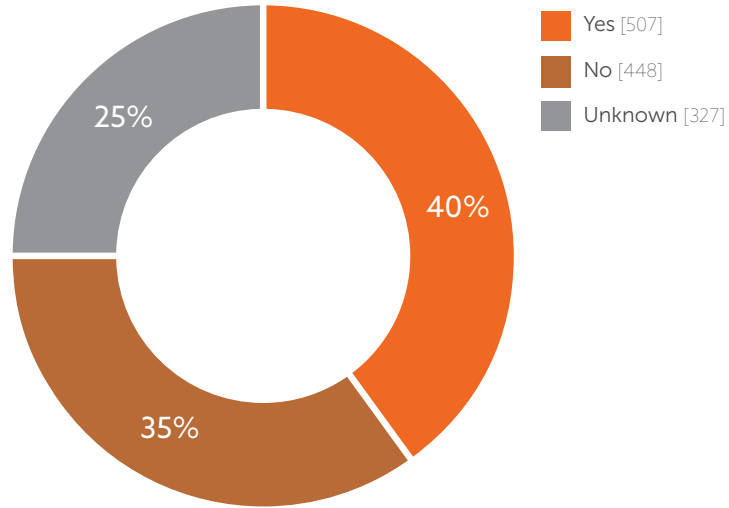
Yes [507]
No [448]
Unknown [327]

40%
35%
25%

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
Yes	48%	35%	25%	36%	57%	43%	32%	−
No	31%	32%	56%	50%	14%	29%	57%	80%
Unknown	21%	33%	19%	14%	29%	28%	11%	20%

8 Overall, do you find your job meaningful? [1,282 responses]

Overview - All Responses

Answer	%	count
Strongly agree	38%	[479]
Somewhat agree	42%	[541]
Neither agree nor disagree	14%	[181]
Somewhat disagree	4%	[51]
Strongly disagree	2%	[30]

0%   60%

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
Strongly agree	42%	31%	42%	46%	57%	39%	36%	40%
Somewhat agree	43%	44%	38%	43%	29%	35%	41%	40%
Neither agree nor disagree	10%	18%	12%	11%	14%	20%	11%	20%
Somewhat disagree	3%	4%	6%	–	–	6%	5%	–
Strongly disagree	2%	3%	2%	–	–	–	7%	–

Responses Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Answer	Less than 1 Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	More than 20 Years
count	67	276	167	149	191	432
Strongly agree	43%	43%	28%	37%	32%	39%
Somewhat agree	46%	42%	47%	39%	46%	39%
Neither agree nor disagree	5%	12%	18%	17%	16%	14%
Somewhat disagree	5%	2%	5%	5%	4%	4%
Strongly disagree	1%	1%	2%	2%	2%	4%

9 What is the primary reason you would leave your job? (If none, select "None / Not Applicable")
[1,282 responses]

Overview - All Responses

Answer	count	%
Salary / benefits	440	34%
Growth opportunity	268	21%
Other	239	19%
Company reputation, culture, and values	90	7%
Training and development	17	1%
None / Not Applicable	228	18%

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
Salary / benefits	34%	38%	29%	43%	43%	22%	20%	–
Growth opportunity	26%	14%	24%	25%	–	18%	30%	20%
Other	15%	20%	22%	10%	14%	35%	25%	20%
Company reputation, culture and values	7%	7%	7%	4%	14%	8%	7%	–
Training and development	1%	2%	–	4%	–	–	–	–
None, Not Applicable	17%	19%	18%	14%	29%	17%	18%	60%

10 Do you know what an advocacy-based claims model is?
[1,282 responses]

Overview - All Responses

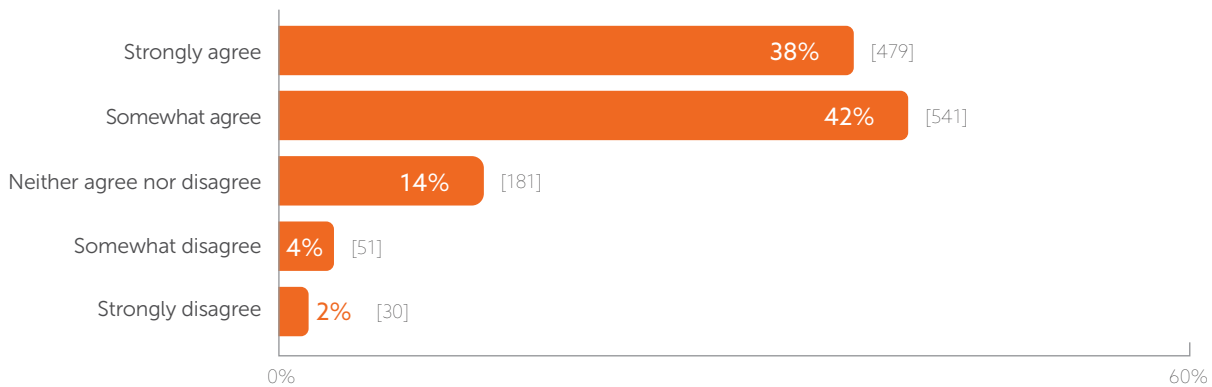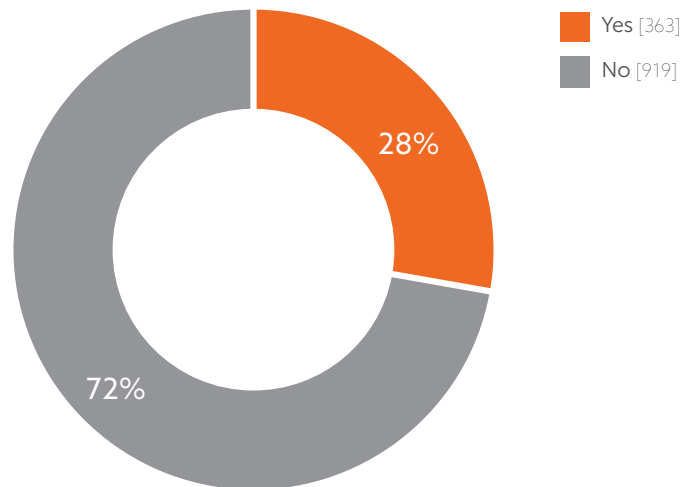

Yes [363]
No [919]

28%

72%

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
Yes	30%	24%	44%	25%	29%	25%	16%	60%
No	70%	76%	56%	75%	71%	75%	84%	40%

11 Has your organization considered implementing / adopting an advocacy-based claims model?
[1,282 responses]

Overview - All Responses

Answer	count	%
Yes, already implemented	233	18%
Yes, will likely implement within the next 1-3 years	35	3%
Considering, no specific implementation plans	40	3%
No, not considering	50	4%
Unknown	924	72%

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
Yes, already implemented	24%	10%	31%	21%	14%	12%	18%	40%
Yes, will likely implement within the next 1-3 years	3%	2%	3%	–	29%	2%	2%	–
Considering, no specific implementation plans	3%	2%	8%	4%	–	4%	–	20%
No, not considering	2%	3%	10%	14%	14%	8%	7%	–
Unknown	68%	83%	48%	61%	43%	74%	73%	40%

Conditional Question for those who answered "**Yes**" in Question 11

11.1 What advocacy-based claims model initiatives have you implemented? Select all that apply.
[233 responses]

Answer	count	% of Sub-Sample Responses	% of Entire Response Sample
Focused claims adjuster training on empathy and/or other "soft skills"	116	50%	9%
Emphasis on workers' compensation as a benefit delivery system (vs. a claims adjudication system)	110	47%	9%
Revamped employee / injured worker communications	106	45%	8%
Cultural shift within your organization supporting an advocacy model, including executive-level buy in	90	39%	7%
Dedicated employee / injured worker advocates, available in addition to the claims examiner	85	36%	7%
Other	11	5%	1%

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

12 In your opinion, will / does an advocacy-based claims model positively impact claim outcomes?
[1,282 responses]

Overview - All Responses

- Greatly impacts [272]
- Somewhat impacts [702]
- No impact [308]

21%
55%
24%
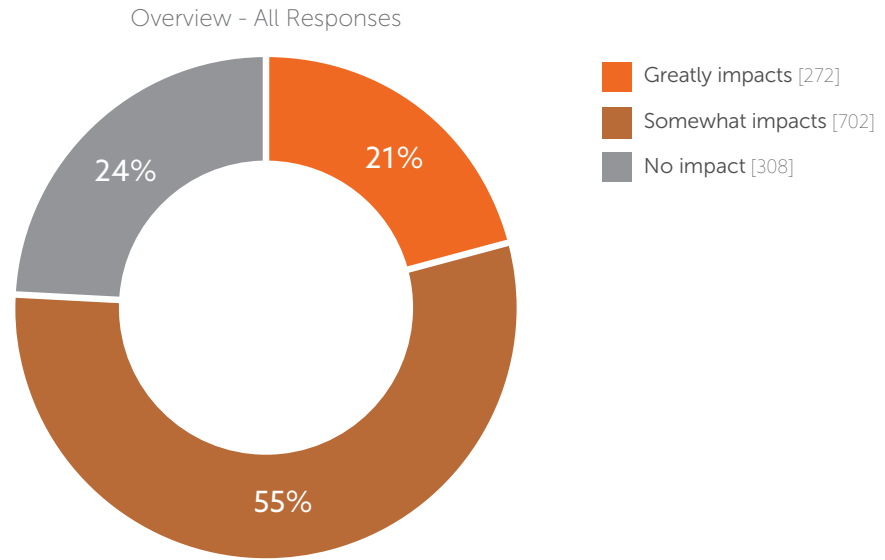
Responses Segmented by Knowledge of Advocacy-Based Claims Models

Answer	Has knowledge	Does not have knowledge
count	363	919
Greatly impacts	38%	15%
Somewhat impacts	55%	54%
No impact	7%	31%

Responses Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Answer	< 1 Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	> 20 Years
count	67	276	167	149	191	432
Greatly impacts	27%	28%	15%	27%	22%	17%
Somewhat impacts	52%	55%	62%	48%	51%	56%
No impact	21%	17%	23%	25%	27%	27%

RISING

13 Considering advocacy-based claims models, what are potential impacts on the claims profession? Select all that apply. (If none, select "None, no impact")
[1,282 responses]

Answer	count	%
None, no impact	307	24%
Employee / injured worker engagement	620	48%
Transform the image of the claims profession, from "adjuster" to "advocate"	607	47%
Improve organizational reputation / social image	462	36%
Elevate the social factors, meaningful work of claims professionals	364	28%
Connect claims talent strategy to organizational mission	303	24%
Other	90	7%

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

RISING

Appendix D
Impact of Technology & Data

1 Including internal and external programs / systems, how many systems do you utilize in the daily management of claims? (i.e., claims system, UR, legal, bill review, payment systems, web portals, etc.) [1,282 responses]

Answer	count	%
1 to 2	195	15%
3 to 4	546	43%
5 to 6	362	28%
7 or more	179	14%

2 What ways do you utilize analytics (i.e., analysis of data or statistics) to manage your claims? Select all that apply. (If none, select "None / Not Applicable") [1,282 responses]

Overview - All Responses

Answer	count	%
None / Not Applicable	454	35%
Identify medical treatment / utilization outside of Evidence-Based Medicine Guidelines (EBM)	573	45%
Identify RTW / disability durations outside of EBM	522	41%
Predict / detect claims severity	469	37%
Fraud detection	324	25%
Predict / detect litigation	240	19%
Other	19	1%

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

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
None, Not Applicable	30%	37%	45%	29%	43%	43%	48%	60%
Identify medical treatment / utilization outside of Evidence-Based Medicine Guidelines (EBM)	48%	44%	41%	46%	43%	43%	20%	20%
Identify RTW / disability durations outside of EBM	46%	38%	35%	50%	29%	39%	27%	20%
Predict / detect claims severity	42%	34%	34%	36%	57%	24%	25%	20%
Fraud detection	30%	22%	24%	14%	14%	20%	25%	20%
Predict / detect litigation	19%	19%	22%	18%	29%	6%	11%	40%
Other	1%	2%	–	4%	–	2%	7%	–

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

RISING

3 In your opinion, does your organization's overall metrics have a positive impact on claim performance / outcomes?
[1,282 responses]

Overview - All Responses

Greatly impact	26% [333]
Somewhat impact	57% [729]
No impact	17% [220]

0% — 60%

Responses Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Answer	< 1 Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	> 20 Years
count	67	276	167	149	191	432
Greatly impact	39%	36%	17%	27%	21%	23%
Somewhat impact	54%	56%	64%	54%	62%	54%
No impact	7%	8%	19%	19%	17%	23%

4 What tools, training, and/or technology could help you do your job better? Select all that apply.
(If none, select "None / Not Applicable") [1,282 responses]

Overview - All Responses

Answer	count	%
None / Not Applicable	134	10%
Claim system upgrade / advancements	698	54%
Administrative support	652	51%
Jurisdictional specific legal, medical, and/or case law training	533	42%
Tools to communicate with injured workers and other claims stakeholders (i.e., mobile apps, text messaging options)	437	34%
Data and/or metrics to manage claim activities	304	24%
Other	67	5%

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

[4 cont'd] What tools, training, and/or technology could help you do your job better? Select all that apply. (If none, select "None / Not Applicable")

Responses Segmented by Organization Type

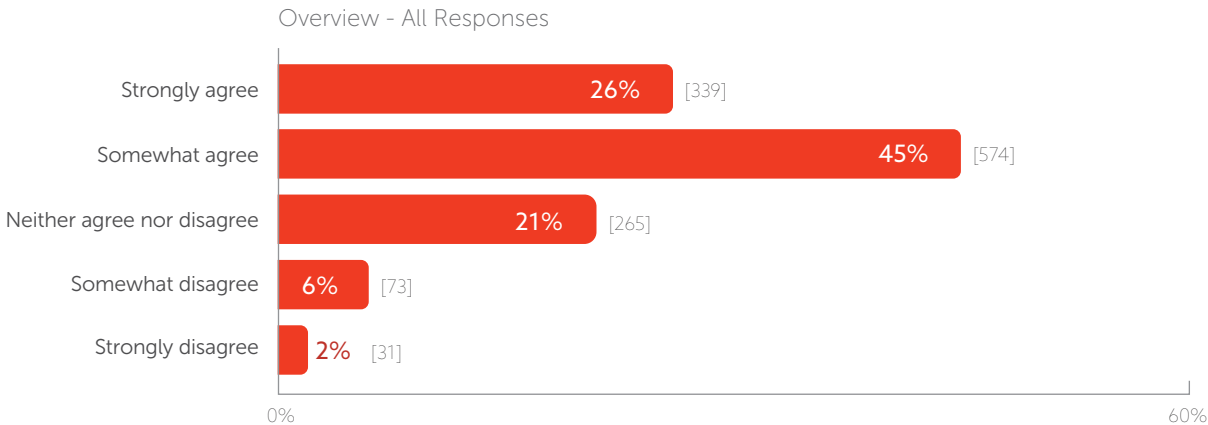| Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
None / Not Applicable	7%	14%	7%	–	43%	18%	11%	–
Claim system upgrade / advancements	61%	50%	59%	32%	43%	37%	45%	80%
Administrative support	54%	50%	52%	39%	29%	33%	48%	60%
Jurisdictional specific legal, medical, and/or case law training	49%	37%	41%	46%	–	25%	34%	20%
Tools to communicate with injured workers and other claims stakeholders (i.e., mobile apps, text messaging options)	41%	25%	39%	43%	29%	37%	30%	20%
Data and/or metrics to manage claim activities	25%	18%	36%	29%	29%	20%	36%	20%
Other	4%	6%	2%	7%	–	10%	9%	20%

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

Responses Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Answer	Less than 1 Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	More than 20 Years
count	67	276	167	149	191	432
None / Not Applicable	12%	8%	11%	12%	10%	11%
Claim system upgrade / advancements	46%	55%	43%	60%	51%	60%
Administrative support	34%	43%	54%	54%	52%	56%
Jurisdictional specific legal, medical, and/or case law training	45%	53%	38%	38%	47%	34%
Tools to communicate with injured workers and other claims stakeholders (i.e., mobile apps, text messaging options)	55%	45%	38%	38%	26%	24%
Data and/or metrics to manage claim activities	25%	26%	19%	27%	26%	22%
Other	4%	4%	6%	3%	6%	7%

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

(5) Overall has claims technology improved your ability to do your job? [1,282 responses]

Overview - All Responses

Answer	< 1 Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	> 20 Years
count	67	276	167	149	191	432
Strongly agree	42%	29%	17%	29%	31%	23%
Somewhat agree	37%	51%	53%	41%	40%	42%
Neither agree nor disagree	15%	18%	21%	25%	20%	23%
Somewhat disagree	6%	2%	9%	3%	4%	8%
Strongly disagree	–	< 1%	< 1%	2%	5%	4%

Responses Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Appendix E
Medical Performance Management

1 Please rank in the order of impact the top three medical management programs you believe are most critical to claim outcomes, with 1 having the "greatest impact" and 3 having "less impact." (Note, rank three items only.) [1,282 responses]

Answer	Overall Rank	Composite Score
Nurse Case Management	1	2516
Return-To-Work Services	2	1311
Utilization Review	3	872
Nurse / Claims Triage	4	861
Bill Review	5	584
Pharmacy Benefit Manager / Network	6	507
Physician Case Management	7	334
Company Developed / Owned Provider Network	8	315
Peer Review	9	311
Outsourced / Leased Provider Network	10	81

2 In your opinion, have you received adequate training in medical management in the following areas? [1,282 responses]

Answer	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree
Evaluating medical treatment	40%	36%	14%	7%	3%
Identifying comorbidities	38%	35%	17%	7%	3%
Interpreting diagnostic tests / reports	31%	35%	19%	10%	5%
Understanding psychosocial risk factors and mental health issues	31%	34%	19%	11%	5%

(3) What is the most important measure of medical provider quality?
[1,282 responses]

Overview - All Responses

Answer	count	%
Return-to-Work / Patient Functional Outcomes	642	50%
Using Evidence-Based Care	296	23%
Administrative Efficiency (i.e., quality of documentation and timely submission of reports)	208	16%
Patient Satisfaction	93	7%
Total Cost of Care / Claim Costs	43	4%

Responses Segmented by Organization Type

Answer	Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	518	507	122	28	7	51	44	5
Return-to-Work / Patient Functional Outcomes	50%	52%	45%	50%	72%	49%	43%	60%
Using Evidence-Based Care	25%	20%	25%	21%	14%	31%	21%	–
Administrative Efficiency	18%	17%	13%	21%	–	6%	18%	–
Patient Satisfaction	5%	7%	12%	–	14%	10%	16%	20%
Total Cost of Care / Claim Costs	2%	4%	5%	8%	–	4%	2%	20%

Segmented by Years of Experience in Workers' Compensation Claims Adjusting

Answer	< 1 Year	1 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	> 20 Years
count	67	276	167	149	191	432
Return-to-Work / Patient Functional Outcomes	43%	47%	50%	46%	53%	53%
Using Evidence-Based Care	25%	27%	22%	26%	20%	21%
Administrative Efficiency (quality of documentation / timely submission of reports)	21%	17%	15%	19%	15%	15%
Patient Satisfaction	8%	6%	9%	7%	7%	7%
Total Cost of Care / Claim Costs	3%	3%	4%	2%	5%	4%

2019 WORKERS' COMPENSATION BENCHMARKING STUDY

CLAIMS MANAGEMENT OPERATIONAL STUDY

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