



[Workers' Comp](#)

# Genex Services White Paper Examines the Tipping Points of Routine Workers' Compensation Claims

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## Highlights value of early case management intervention for optimal RTW

**February 18, 2015** — **Wayne, Pa.** Genex Services, the nation's largest provider of managed care services for employers and insurance carriers, explores the provocative question of, "where is the tipping point in a seemingly routine workers' compensation claim?" in its latest white paper.

"Every adjuster or workers' compensation program manager has more than one story of a simple sprain or strain that somehow, somehow escalated from a claim that should have been resolved in a month for a few thousand dollars to one that spiraled out-of-control," says Pat Chavanu, senior vice president at Genex. "It's costly for employers and carriers and can be devastating for the injured worker. We have to find ways to stop it."

Analyzing industry research, as well as its own database covering thousands of claims from close to 400 of the nation's leading Fortune 500 corporations, Genex identified that there is no single tipping point, but there are claims characteristics that indicate the likelihood a claim may "tip" and then rapidly escalate into excessive costs.

Genex data supports the premise regarding the value of earlier case management intervention. The company's latest analysis of 46,000 claims over a 12-month period shows that the longer the delay in intervention, the higher the costs and the longer it takes to return workers to their jobs. The return-to-work rate can drop by close to 20 percentage points when delaying case management for a year. In addition, claims that utilize case management within the first nine months of the injury are twice as likely to achieve a successful RTW as those that are referred three years after the incident.

Characteristics of claims that may tip include: 1) poor initial physician diagnosis; 2) doctor hopping (e.g., three or more specialty physicians); 3) lack of modified work duty options; 4) poor employee/employer relationships; 5) psycho-social factors including poor family support; 6) pre-existing conditions; 7) alcohol or drug dependence.

The challenge, Chavanu notes, is that often employers and carriers aren't aware of contributing factors, until the claim has already started to spiral. By then, excessive delays and costs have already kicked in creating additional resolution challenges.

“One of the most important steps employers and carriers can take is to analyze claims and to engage telephonic case management for even routine injuries when two or more red flags are identified,” says Chavanu. “As an industry we have to move away from setting arbitrary dollar figures for when to bring in case management; we need to utilize it earlier when it can make a difference in terms of costs, outcomes and the well-being of the worker.”

The findings support other analysis conducted by the company. Overall, Genex, with its emphasis on case management, returns injured workers to the job 25 percent faster than industry averages.\* All told, Genex customers achieved a total of \$235 million in return to work savings in 2014.

The company notes this figure is especially notable as the majority of the claims managed are for severe injuries and often cases that have lingered for months.

“The key is to establish criteria based on the organization's RTW goals; to ensure claimants have access to a network of work comp savvy providers; and to provide the tools and resources adjusters need to identify red flag claim characteristics,” says Chavanu.

To read the Genex White Paper, The Heart and Science of Workers' Comp: Tipping points: When good claims go bad visit <http://info.genexservices.com/tippingpoint>. Also available on that page is a video featuring insights from leading employers on their views related to the tipping points of claims.

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## About Genex Services, LLC

**Genex Services** ([www.genexservices.com](http://www.genexservices.com)) is the trusted provider of managed care services that enables workers' compensation payors and risk managers to transform their bottom lines. Genex is the most experienced managed care provider in the industry, with more than 2,500 employees and 47 service locations throughout North America. The company serves 381 of the top Fortune 500 companies in the U.S. today. In addition, Genex is the only company that delivers high quality clinical services enhanced by intelligent systems and 360-degree data analysis to consistently drive superior results related to medical, wage loss, and productivity costs associated with claims in the workers' compensation, disability, automobile, and health care systems.

\*Genex data compared to Work Comp Research Institute (WCRI).



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