



CASE STUDY

How Customization and Collaboration Resulted in Improved Return to Work and Significant Savings for American Airlines



The Problem



The Solution



The Results



"Genex held an important role in the workers' compensation program creation and directly contributed to achieving our goals. We chose the unbundled claims program to benefit from expertise assisting us in managing medical care which in turn, allowed our injured employees to return to work as soon as safely possible."

— Jennifer Saddy

Director Workers' Compensation
Corporate Insurance & Risk Management,
American Airlines



The Problem

American Airlines Group (AAG) merged with US Airways and combined two very different workers' compensation (WC) programs, essentially recreating a brand new WC program including a new WC team. Their primary focus was to develop a strong early intervention program to close claims faster due to a large number of open legacy claims. The goals were 1) reduce total pending claims, 2) reduce aged pending claims, 3) improve current year claims closing ratio, 4) reduce legal costs, and 5) reduce Temporary Total Disability spend.





The Solution

The first step to pull together a successful multi-vendor program was to research, benchmark and assess historical data to design a best-in class program. Willis Towers Watson was instrumental in outlining strategies based on the data analysis from all American and US Airways pre-merger program partners. They helped direct the creation of an integrated program with milestones and performance metrics agreed upon by all parties.

Genex's TCM/FCM, UR, Bill Review, IME & Peer Review services were selected based on proven results from the legacy US Airways early intervention program and Genex's ability to customize the services to meet AAG's needs. Genex aligned dedicated nurses with AAG's business units and placed an onsite nurse directly at Dallas Fort-Worth airport to ensure the nurses handling the account understood the airline's unique work environment.

Dedicated UR nurses were instrumental in the program's success, handling not only mandatory UR jurisdictions, but targeting specific procedures and services in non-mandated states for optimal outcomes.

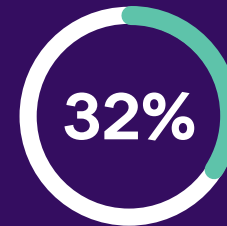
A proprietary detailed dashboard paired with expert analytical capabilities enabled easy identification of potential problems and program improvement opportunities.

Although the program's main focus was early intervention, the key to its success was maintaining an understanding of when claims needed to move from TCM to FCM to keep them on track and return employees to work. Genex and AAG's TPA, Sedgwick, worked collaboratively strategizing on claims, ensuring employees received the best care and their needs were addressed as quickly as possible. Constant communication between Genex and Sedgwick, along with input from the AAG's claims managers, helped proactively manage and close more cases.

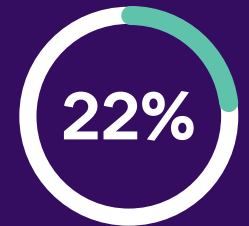
To help train and assure staff members they had full support from the workers' comp teams, Sedgwick and Genex went through flight attendant training and spent time at multiple AAG locations. Both partners were closely involved in strategy meetings to look for program optimization opportunities and ensure they were effectively meeting AAG's goals.

Genex advanced the effectiveness of AAG's Bill Review program by utilizing proprietary dashboards to strategically reconfigure AAG's networks by state. Then Genex augmented their Capstone Rules to create business-segment specific policies to drive further savings. In key states, custom outcome-based provider networks were implemented to reduce medical and indemnity costs.

Genex and Partners



Reduction in
claim duration



Reduction in
collateral, saving \$164M



Reduced pending claims
from 6,000 to less than 3,697

"We worked closely with all of AAG's partners to streamline the custom program creation and implementation across multiple vendors process, develop strategies to help meet the AAG goals, and ensure everyone was educated on the complete program, resulting in a resounding success that reduced AAG's total incurred expense from \$800M in 2013 to \$566M in 2015."

— Christine Lawson

Vice President of Claims, Willis Towers Watson



The Results

As a result of the custom program implementation, analytical fine tuning and joint partnership among vendors, American Airlines was able to close claims faster and lower the cost per claim. In the first year, the strong focus on early intervention yielded a 32% decrease in average claim duration and a 4.3% decrease in average cost per claim.

Genex achieved nearly \$9.5M additional savings from bill review as compared to the legacy program. TCM realized \$2M savings by successfully facilitating full-duty return to work for 1,333 employees. The specialized UR program saved \$1.9M with more than 87,000 PT units saved out of 230,000.



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