

The *INNOVATOR*

Message from the Director of Workers' Compensation Services

On behalf of WCS and MCI I want to thank you all for the important role you play in the workers' compensation program. We have devoted this issue of the Newsletter to communicating our FY16 results. I would like to share with you some of the program's successes and our vision and plan for the next fiscal year.

Key Program Successes

Formation of Agency Advisory Council – Two important foundational meetings were held with agency contacts representing the Department of Taxation, Department of Health, Department of Game and Inland Fisheries, Virginia Department of Transportation, Department of Military Affairs, Department of Corrections and Virginia Indigent Defense Council participating. Your views and experiences continue to provide us with a roadmap for improving the workers' compensation experience for agencies and injured workers. Should your agency have interest in joining the advisory council, please feel free to contact Penny Gough at 804-775-0702 or by email at pgough@mcinnovations.com.

Staffing of CSP (Claim Service Provider) team – As you are all aware through prior communications, we added three new claim positions to the MCI staffing model and the CSP added a local, on-site Vice President of Claims, all aimed at reducing workload and improving customer service. Of equal importance is the stabilization of the team by controlling turnover. Overall, turnover is down over 9%. The additional positions and reduction in turnover allow for more consistent, thorough and timely claim management. Additionally, we are pleased to have supported the promotion of the following five team members during FY16.

- Ashley Bessie – Medical Only Benefit Coordinator promoted to Medical Only Investigate Benefit Coordinator
- Linda Hsu – Medical Only Investigate Benefit Coordinator promoted to Lost Time Benefit Coordinator
- Ian Clare – Senior Lost Time Benefit Coordinator promoted to Claim Supervisor
- Kim Byers – Lost Time Benefit Coordinator promoted to Senior Benefit Coordinator
- Ivy Tsang – Medical Only Investigate Benefit Coordinator promoted to Lost Time Benefit Coordinator

Roadshows – In May and June, 110 attendees from 48 agencies attended our four statewide regional Roadshows. Those who attended received roughly six hours of workers' compensation training, along with a brief update on MCI news and key program results.

Visual Liquid Web (VLW) – Successfully revamped VLW to a web-based application with additional enhancements to functionality.

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Publication

Special points of interest:

- > FY16 Key Program Successes
- > FY16 Key Metric Results
- > FY17 Program Focus
- > Slip, Trip or Fall injuries are the most costly

Inside this issue:

Message from Director of WCS	1
Injury Analysis	4
Provider Search Tool	7

(Message from Director of WCS- continued from page 1)

**Significant
effort focused
on visiting
agencies in FY16**

Agency Visits/Training – In addition to the Roadshows and Agency Advisory Council, MCI/WCS focused considerable time on getting out in the field to visit agencies. We did this primarily through snapshot surveys, FOCUS training, workers' compensation training, claim team visits and Return-to-Work Unit visits. In all we had personal contact with 68 agencies or agency locations. In addition, loss control offered 29 training classes and 3 OSHA classes. If you are interested in a visit please contact Penny Gough at 804-775-0702 or by email pgough@mcinnovations.com. For help with agency-specific training, please contact me by email at Kristie.mcclaren@dhrm.virginia.gov or by telephone at 804-786-0362.

**Enrollment in Direct
Deposit increased by
35%**

Direct Deposit- Enrollment for direct deposit continues to grow. At the end of FY15 we had enrolled 166 of 537 candidates. Enrollment has increased by 35% to 224 in FY16.

**MCI Pilot Mail Order
Pharmacy Program
enjoys conversion
rate of 14%**

Mail Order Program - Our contract with MCI includes a provision allowing for a pilot mail order pharmacy program aimed at increasing mail order utilization. MCI reached out to 50 injured workers with significant retail pharmacy spend in an effort to convert them to mail order. The program is modeled after the group health mail order prescription coverage by offering incentives for using mail order services. The participating injured worker receives 20% of the adjusted savings resulting from the mail order pharmacy program. This pilot resulted in a conversion rate of 14% with total savings of \$10,628.10 during the first reporting period.

Subrogation Recoveries – Subrogation recoveries totaled \$669,951.83 in FY16. In addition, Third Party Offset Credits totaled \$4,540,879.42.

Key Metrics

Significant effort has been placed on reducing the number of days it takes to make a compensability decisions and on the prompt payment of medical bills. I am pleased to report that the average decision lagtime for FY16 was reduced from 16.3 days in FY15 to 12 days. Claims requiring more than 30 days to reach a decision were reduced by just over 7%. Of the 4,691 claim decisions rendered only 506 took in excess of 30 days. We also report significant improvement in our medical bill turnaround time with an average payment lagtime of 11 days compared to 15 days in FY15. Less than 1% of medical checks issued were more than 30 days from the date of receiving a complete and proper bill, compared to 2% in FY15.

**Claim
decision
lagtime
reduced from
16.3 days to
12 days**

54,127 bills were allowed for payment by our medical bill adjudication partner with recommended payments totaling \$34,431,000. This was a savings of 28.7% or \$13,862,000. Since medical bill payments account for 68.9% of our overall workers' compensation costs, it is important to have effective medical cost containment strategies in place.

Claim resolution/claim closure ratio is a common benchmark used to evaluate overall operational performance and help stabilize claim inventories. Against a goal of 100%, the program achieved a 100.75% closing ratio.

**Medical bill
adjudication
savings in
excess of
\$13.8M**

The WC Program administers a customer satisfaction survey of all client agencies to ensure the delivery of key program requirements under the contract. Surveys were distributed at the end of the fiscal year to over 500 agency representatives. Results are used to drive a model of continuous improvement in the administration of claims and are one of the key measures of our performance. We are pleased to report that overall satisfaction was significantly improved over FY15 results with 90% of those responding rating MCI as 6 or better on a 10 point scale. This is a 7% improvement over last year's results!

The annual return-to-work rate for occupational injuries is another key program measure. Once again we can report that 99% of those released to work actually returned to work. This marks the sixth consecutive year with RTW rates of either 98 or 99 percent.



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(Message from Director -Continued from Page 2)

Our newest key measure of the program compares average disability duration per claim (lost work days divided by number of claims with lost work days) which helps us measure our success in driving down the number of lost work days associated with workers' compensation claims and improve cost avoidance for the Commonwealth. Beginning in FY 15, we established a contractual stretch goal of 10% when comparing lost work days against the established benchmark. For FY16 we reduced the average number of days lost by 8.66 days or 19.8% below the established benchmark.

Since FY 2009, the program tracks cost avoidance experienced under the outsourced program by comparing spend against actuarial projections for expected spend based on experience under MC Innovations' contracts since 1998. Cost avoidance for FY16 totaled \$1,521,281. The program has achieved cost avoidance over actuarial projections in this model from FY 09 through FY 16 totaling \$22,788,403.

Plan for FY17

Safety Day – Save the date of October 18, 2016! We have an exciting day planned with guest speaker Gordon Graham speaking about Occupational Safety-Tips for Success and 5 Concurrent Themes for Success. More information on this exciting day will be shared as we approach the date.

Additional Training Opportunities - In addition to our FY17 Roadshows, we plan to offer other training opportunities throughout the year. Our focus will be on providing training related to VSDP and workers' compensation, accident investigations and the role of the supervisor and properly completing required forms. Stay tuned for future training opportunities! We will focus effort on the utilization of other medium, such as podcasts, YouTube, etc., for the delivery of training.

Expansion of Mail Order Pharmacy Program – We recognize opportunities for additional savings through the expansion of MCI's mail order program. We will continue to look for ways to convert retail pharmacy spend to mail order spend.

Agency Manual - We are updating the Agency Manual with a goal to make it available in the near future.

Development of various checklists – The Advisory Council came up with the suggestion of creating a checklist of information needed for various types of claims. We plan to implement this in FY17.

Mobile App - We anticipate the release of a mobile app for injured worker utilization following satisfactory quality assurance testing. The app will allow for injured worker notification when a new payment is issued. It also allows the injured worker to review his/her current claim status and for the submission of return to work information by taking a picture of the disability slip. The injured worker can also view other pertinent file information such as, benefit coordinator and medical provider contact information and billing information. We expect this app to continue to evolve with more useful features.

We are proud of the program's accomplishments and are eager to continuously improve our performance! Feel free to contact me to share your thoughts and priorities as we work in partnership to meet the needs of your agency and injured workers.

Vol. 1 Issue 5

**Average Disability Duration
decreased by 8.66 days
below benchmark**

**Cost Avoidance over
\$1.5M**

**FY16 Customer
Satisfaction Score
improved by 7% to
90%**



Commonwealth of Virginia
Workers' Compensation Services

Injury Analysis for FY2016

Loss control consultants review worker injury statistics every year to see if there are any trends where we should be concentrating our safety and loss prevention efforts. We thought it might be useful to share this year's analysis with everyone to highlight some of the more persistent types of injuries.

Below are the types of injury causes for claims reported in FY16, ranked by the frequency:

Cause Description	# Claims	Total Incurred Cost
Struck or Injured By	2159	\$5,176,833
Slip, Trip, or Fall	1615	\$6,753,961
Miscellaneous Causes	1258	\$2,547,416
Strains	1133	\$5,048,203
Cut, Puncture, Scrape	814	\$871,077
Motor Vehicle	348	\$1,551,051
Caught In, Under, or Between	267	\$784,433
Striking Against or Stepping On	246	\$535,996
Burn or Scald-Heat or Cold Exposures	212	\$317,114
Rubbed or Abraded By	4	\$98,935
Totals	8056	\$23,685,019.29



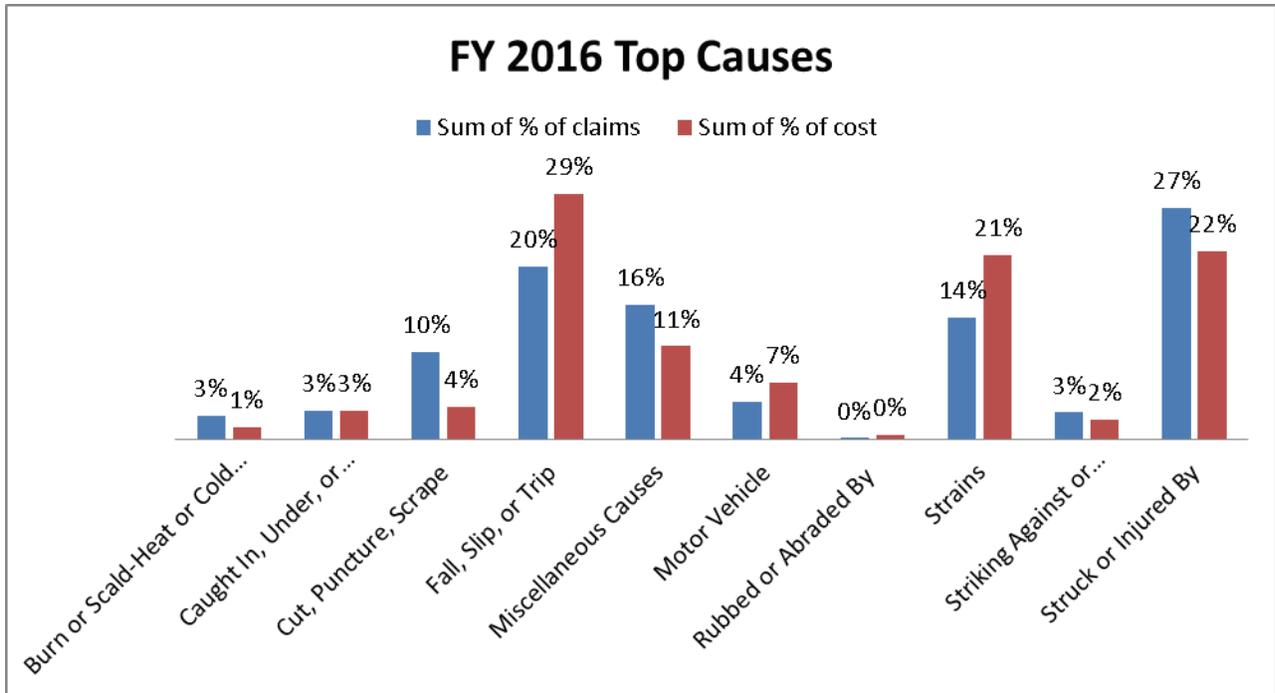
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Slip, Trip or Fall injuries account for 20% of FY16 injuries, while accounting for 29% of the costs.

The most frequently occurring injuries result from being Struck or Injured by a person or object.

(continued on next page)

(Injury Analysis- continued from page 4)



Traditionally, “Strain” and “Slip, Trip, or Fall” claims have held the #1 and #2 top causes of worker injuries for state employees. For FY16 we also see “Struck or Injured By” and “Miscellaneous Causes” in the top five causes. It’s time consuming to analyze all 1,258 “Miscellaneous Causes” reported to determine specific trends. When reporting claims through Visual Liquid Web, try to pick a specific cause of injury from the available list that is more descriptive of the actual incident you are reporting. Selecting a more descriptive cause, will help all of us to identify accurate injury trends each year. Accurate statistics help us to devote time, effort and resources to those types of hazards that are contributing to employee injuries.

“Struck or Injured By” Claims

Claims involving employees being struck or injured by a person or object were the most common cause of accidents (27%) for all state agencies in FY16. Conversely, the most costly category of injury involved slips, trips, and falls (STF). STFs accounted for 29% of the total cost of all claims.

Digging deeper into the “Struck or Injured By” category reveals that claims involving a fellow worker, patient, or other person represented 53% of these injuries and 41% of the costs associated with this category. Many of these cases occur in state agencies that deal directly with personal care of patients in health care or mental health facilities, law enforcement activity, and people in correctional facilities.

Strategies to reduce the frequency and severity of struck by injuries include comprehensive initial training for employees in those work environments including verbal de-escalation skills, how to work with difficult people and a thorough review of agency policies and procedures designed for the specific work environment. The training plans should also include ongoing in-service training on specific subjects throughout the year. Another strategy that is important and sometimes difficult to attain is adequate staffing through all shifts as well as adequate supervision.

The Occupational Safety and Health Administration (OSHA) suggests that facilities have a written program for workplace violence prevention as part of that organization’s overall safety and health program.

(Injury Analysis –Continued from page 5)

According to OSHA the building blocks for developing an effective workplace violence prevention program include:

- Management commitment and employee participation,
- Worksite analysis,
- Hazard prevention and control,
- Safety and health training, and
- Recordkeeping and program evaluation.

A violence prevention program focuses on developing processes and procedures appropriate for the workplace in question.

OSHA has a booklet available on-line called “Guidelines for Preventing Workplace Violence for Healthcare and Social Service Workers” which is an excellent resource for those state agencies dealing with health care, social services, corrections, juvenile justice, mental health or law enforcement environments. The booklet is available free at <https://www.osha.gov/Publications/osha3148.pdf>.

“Slip, Trip, or Fall” Claims

Slip, trip, or fall claims in FY16 were most frequently associated with incidents occurring on the same level (40%). This was also the most costly category of STF claims (34%). Other common causes included slip, trip, or fall injuries occurring on different levels, or on ice/snow. Together these three categories were responsible for 59% of the STF claims and 63% of the total incurred costs of STF claims.

This type of claim has been a persistent problem area for years. Injuries occur when workers trip on steps, damaged carpets, and walking surface deformities (i.e. cracks, potholes, etc.). Slippery floors because of spills and leaks, and workers falling due to snow or ice are also common hazards that lead to claims. Slips, trips, or falls from different levels refer to falls from heights such as loading docks, steps, or platforms. There are a number of strategies and tactics that can be used to prevent slip, trip, or fall injuries and they require participation on everyone’s part. Loss control consultants typically look at the following controls when we visit state facilities:

- Engineering and administrative controls
- Personal protective equipment such as slip-resistant shoes where necessary
- Floor care and maintenance procedures to prevent slippery walking conditions
- Ladder safety training and procedures
- Fall arrest systems for personnel working at heights

OSHA has a training program outline available on-line that can serve as a model for state agencies and facilities. “Preventing Slips, Trips and Falls: Strategies for Small Business” program materials are available for free at: https://www.osha.gov/dte/grant_materials/fy06/46e0-ht10-06.html.

Strain Injury Claims

The most frequent type of strain injury claims come from four primary categories:

- Strain or Injury By Lifting
- Strain or Injury By Not Otherwise Classified
- Strain or Injury By Pushing or Pulling
- Strain or Injury By Twisting



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(Injury Analysis—continued from page 6)

Strain injuries from lifting represented 34% of the number of strain claims and 34% of the total incurred cost of strain claims in FY16. The next highest category was “Not Otherwise Classified” which is a category that does not help us identify any specific trends. Strains from pushing or pulling represented 12% of the number of strain claims and 14% of the overall cost, while twisting strains were involved in 12% of the strain claims and 8% of the overall costs.

This type of claim is another persistent category that is always among the most frequent and most costly type of injuries. They are most often related to manual material handling such as lifting or carrying some type of object or material. Pushing or pulling a cart, box or other object is also a frequent cause of strain injuries. Workers engaged in manual labor experience the most claims but office workers can also be injured while moving office supplies (i.e. copy paper, file boxes).

Employee training on proper material handling such as safe lifting and workplace ergonomics is essential to help reduce the frequency of strain claims. Supervisors should monitor employee activity and look for potential job tasks that could lead to strain injuries if not performed correctly. Are employees using the appropriate tools for the job at hand? Are they using proper lifting techniques? Do employees work in teams when lifting heavy objects? If not, then the supervisor should intervene and coach the workers on proper material handling methods. NIOSH has an excellent resource document called “Ergonomic Guidelines for Manual Material Handling” which is available free at <http://www.cdc.gov/niosh/docs/2007-131/>.

If state agencies, facilities and workers strive to address and control these major injury cause areas of concern – “Struck by”, “Slip, Trip, or Falls” and “Strains” – it will help reduce the overall claim numbers and costs. More importantly, it will also mean fewer workers experiencing the pain and suffering of a workplace injury. The main goal is to prevent our most important asset, our workers, from being injured on the job.

In addition to the resources listed above, safety-training classes are available online and in person throughout the year. Information and schedules can be found in the COV Knowledge Center. If you need assistance with any workplace safety hazards or training, please send a request to Kristie McClaren in DHRM/Workers’ Compensation Services at kristie.mcclaren@dhrm.virginia.gov.

New Provider Search Tool

WellComp, MCI’s medical bill adjudication partner, is pleased to announce the release of its new and improved provider search tool supported by VIIAD. The VIIAD Compass search tool is an easy to use web-based PPO search tool directory and worksite poster tool that provides advanced search functionality, including:

- ⇒ Search provides by name, city, county, address, group name,
- ⇒ Improved provider specialty and sub specialty search options
- ⇒ Improved mile radius search results
- ⇒ Provider results display in a list or map view
- ⇒ Create custom Worksite Posters / Panels
- ⇒ Text, email and print driving directions to injured workers
- ⇒ Smart Phone Technologies: All of VIIAD’s web based tools are compatible with Apple and Android platforms+

You can reach this tool following the link below or by going to www.covwc.com and clicking Services from the toolbar across the top of the page, then PPO Network and WellComp website.

http://www.viiad.com/wellcomp/public/app/compass/provider_search_main.asp

Remember Client Services is available to assist in the creating and verification of a panel. Please contact Client Services by email ClientServices@rhgnet.com or by calling 800.734.4460 for assistance.