



# integrated claims and managed care services

## benefits and results summary



For employers that integrate their claims and managed care programs with Sedgwick, each service is truly connected every step of the way – from the first call to one of our nurses soon after an accident occurs to the moment our examiner closes the claim. And our clients are pleased – they continue to renew their services with us because we produce results.

We recently completed a study to evaluate the results clients are seeing after integrating their claims and managed care services with Sedgwick. The goal was to determine what happens when an unbundled client that is using our workers' compensation claims services integrates their managed care program with us. This summary reviews the results achieved by six clients that moved from fully unbundled programs to integrated programs.

### Methodology

New workers' compensation claims data was pulled for each program 12 months before integration and 12 months after integration. This study excluded claims that incurred \$0 or more than \$100K, and only focused on indemnity and medical only claim types. Adjustments for case mix from client to client were a consideration for this analysis, but did not substantially impact the results.

### Results

Of the six clients evaluated, four saw improvements while two followed inflation and industry trends. The four clients that saw improvements had a drop in cost ranging from 3-20%. When treating all six clients equally, on aggregate we saw an overall improvement of 3.7%.

The four clients with improvements saw an average reduction of 8.8% with one client as high as 19.8%. If we treated that client as an outlier and excluded it from the analysis, the other three clients saw an average reduction ranging from 3-7%. The other two clients saw an average increase of 6.5% over the evaluation period. Most of this increase could be attributed to their state mix and medical inflation. Those two clients did not see a gain and they also did not see deterioration.

For the clients that saw a drop in claim cost, the reductions were mostly from medical and indemnity; occasionally they came from expenses as well. There are situations where we saw an increase in expenses and this was dependent on the type of program the client had in the past.

This study showed that there is a significant benefit for Sedgwick's clients to combine services into our integrated managed care model. On average, clients that participate in our integrated model are seeing a 5% reduction in their medical and indemnity claim costs in the first year.



## Key benefits of an integrated solution

The primary elements that make our integrated programs successful and help drive these positive results include a shared accountability, and our managed care and claims colleagues working together and accessing data through the same systems.

Many clients combine Sedgwick's claims and managed care services, but all integrated programs are not the same. Some clients may only use select managed care solutions while others incorporate our full suite of services, which includes clinical consultation; medical bill review; telephonic, strategic and field case management; behavioral health; return to work; complex pharmacy management; utilization review; as well as a range of review and support solutions such as provider benchmarking, and access to medical and specialty networks.

The integration of data across these services offers several advantages. Below are a couple examples:

- We process about four million bills a year and half a million claims a year, and we have the largest data set in the workers' compensation industry. The data set can be used to identify trends and leveraged to create strategies to improve outcomes. When an outside vendor manages the bill review services, examiners generally have to go into different systems to review the bills and there can be gaps in the data. If the client switches bill review vendors, it creates challenges for the TPA as well as the insurance carrier; and there are additional hurdles related to Medicare set-asides.

- We can quickly see details such as what types of injuries are occurring more often and where, and then look for the best doctors in that field. For example, if a client is seeing an increase in rotator cuff injuries in a particular state or city, we can use our provider benchmarking tool to find the best orthopedic doctors in that region who also specialize in shoulder surgeries and add them to the network. Based on our data, when injured employees visit top performing providers from the start, the results include shorter claim duration, less incurred cost, faster return to work and lower litigation rates.

We focus on what is medically the best option for the injured employee and what is going to produce the best overall result. We provide a carefully crafted strategy designed to ensure clients are getting the most value for their dollar at the claim level and the most efficient process at the examiner's desk. You cannot do that as well in a non-integrated program because the services are managed as separate entities.

With our integrated solutions, we can provide employers with every service they need under one roof delivered with the highest customer service levels in the industry.