

## Early Intervention

### A Look at the Numbers

Early intervention has proven to be an effective tool in cost containment for workers' compensation claims. SISCO's Early Intervention Program initiates early contact between a nurse case manager and the employee to establish a positive relationship, ensure timely service delivery, and foster effective treatment and rehabilitation strategies to ultimately control the claim. Through this program a dedicated nurse manager will:

- » Communicate to the employee and physician that transitional duty is available.
- » Provide medical expertise and make appropriate recommendations for treatment with quality healthcare providers.
- » Demonstrate a caring culture that reduces lost time days, attorney representation and medical costs.





## Benefits of Early Intervention

Helps to build a positive relationship with the claimants through early, informative and frequent contact.

- » The nurse case manager acts as a liaison between the employee and employer offering education, advocacy, coordination and communication.

Reduces the likelihood of claimants hiring legal representation. The top reasons claims become litigated include:

- » Not receiving pay, or not paid on time.
- » "I don't like my physician."
- » "I was afraid I was going to lose my job."
- » "The process is taking too long."
- » "No one called me to see how I was doing."

Enables SISCO to create treatment and rehabilitation strategies from day one.

- » Nurse case manager monitors utilization of medical services to keep treatment on track.
- » Reduces unnecessary and costly treatments and quickly identifies co-morbidities, pre-existing injuries and other red flags that will impact recovery.

Promotes a faster return-to-work (RTW) for the employee.

- » Begins the RTW conversation at the earliest point possible.
- » Coordinates RTW/modified duty to reduce lost time.
- » Keeps the conversation focused on long-term RTW goals.

Reduces claim costs and resolutions.

According to a Helmsman Management Services Study of **4,000 claims**, the use of early intervention nurses have produced the following results:

Future  
Medical Costs  
**18%**  
Lower

Overall Costs  
**26%**  
Lower

Claim Resolutions  
**15%**  
Faster

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*RCM&D Self-Insured Services Company (SISCO) is a trusted partner in claim management, consulting and advisory services for clients that are self-insured, fully-insured, or utilize captive or high deductible programs. Using proven expertise and technological resources, SISCO helps to ensure budget certainty, reduce costs and improve the overall efficiency of the claim process.*



## Impact on Legal Representation

### Hospital Group A

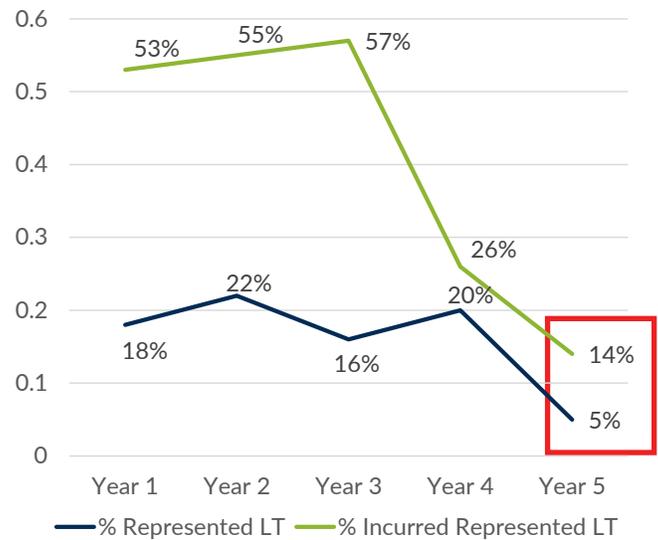
Although represented claims only made up about 20% of the total number of lost time claims each year, the represented claims accounted for over **50%** of the total cost of those claims.

SISCO worked with Hospital A to implement our Early Intervention Program effective in Year five. In **8 months**, trends clearly indicated a drop in both the frequency and severity\* of claims.

*\*It is expected that the current year severity would be lower than previous years, as the current year is new and previous years have had time to develop. For a more accurate comparison of the severity, SISCO also looked at the previous year's data for the same 8 months and found that represented claims accounted for 21% of the cost of lost time claims, indicating that the 14% for the current year does show improvement.*

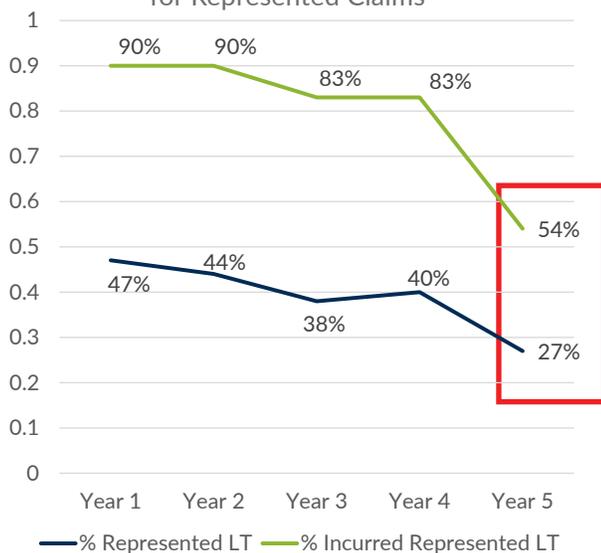
### Lost Time Claims

Frequency and Severity Percentage for Represented Claims



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Frequency and Severity Percentage for Represented Claims



## Impact on Legal Representation

### School System A

SISCO worked with School System A to implement the Early Intervention Program. The resulting trend is similar to what we found in the Hospital A case study.

Prior to the start of the early intervention program, on average, **42%** of lost time claimants were obtaining legal representation. These 42% of claims accounted for approximately **87%** of incurred costs for all lost time claims.

The Early Intervention Program was implemented in Year five. Only **27%** of lost time claims were represented that year; **15%** below the previous four year average.



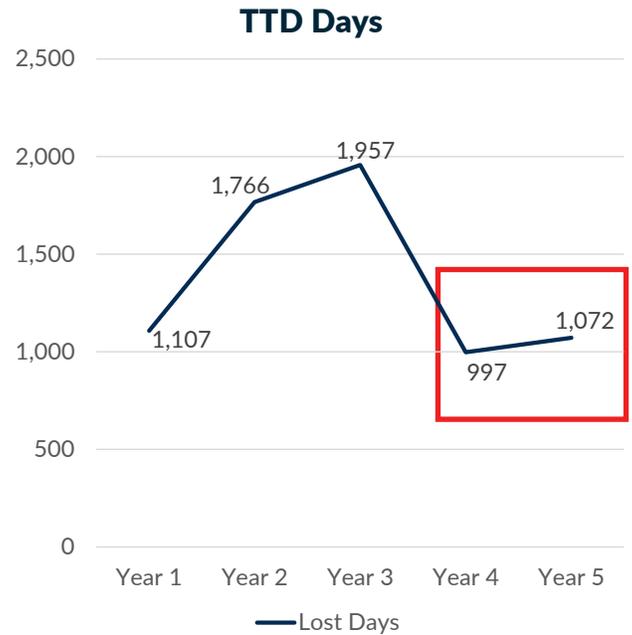
## Impact on Duration of Disability

### Hospital B

The graph to the right represents the number of lost days paid in the calendar year for claims that occurred in that same year.

In the three years prior to implementing the SISCO Early Intervention Program, the average number of lost days was **1610**. In the first year of the program (year 4), the number of lost days dropped to **997**, nearly **40%** below the previous three-year average.

The two-year average after the Early Intervention Program started was 1036 days.



### TTD Paid



## Impact on the Cost of Disability

### Hospital B

The dollar amount paid for Temporary Total Disability (TTD) reflects the same trend as shown in the previous example.

In the three years prior to implementing the Early Intervention Program, the average TTD paid was **\$110,747**. In the first year of the program (Year 4), the TTD paid dropped significantly to **\$65,614**, more than **40%** below the previous three-year average.

The two-year average after the Early Intervention Program started was \$84,594.