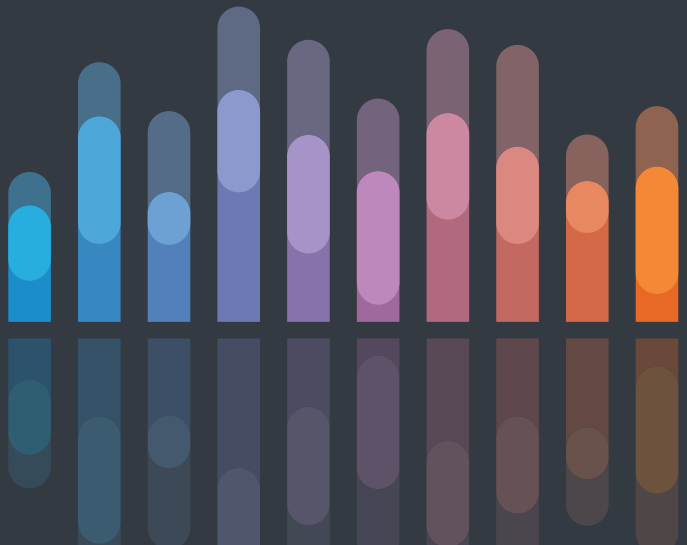
2022 WORKERS' COMPENSATION BENCHMARKING STUDY

CLAIMS MANAGEMENT OPERATIONAL STUDY

DELIVERING A 10-YEAR INDUSTRY REPORT CARD



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Denise Zoe Algire

Study Director & Publisher
Rising Medical Solutions

RISING

Table of Contents

Preface

About the Study

The Workers' Compensation Benchmarking Study is a national research program that examines the complex forces impacting claims management in workers' compensation today. The study's mission is to advocate for the advancement of claims management by providing both quantitative and qualitative research that allows organizations to evaluate priorities, hurdles, and strategies amongst their peers. Conceived by Rising Medical Solutions (Rising), the study's impetus evolved from various conversations Rising had with industry executives about the gap in available research focusing on how claims organizations address daily operational challenges.

Today, the ongoing study program is a collaboration of workers' compensation leaders who represent diverse perspectives and share a commitment to providing meaningful information about claims management trends and best opportunities for advancement. Recognizing the need for an unbiased approach, the study is guided by an independent Principal Researcher and an Advisory Council of industry experts whose involvement is critical to maintaining a framework that produces impartial and compelling research.

About the Study Director & Publisher, Rising Medical Solutions

Rising is a national medical cost containment and care management company serving payers of medical claims in the workers' compensation, auto, liability, and group health markets. Rising spearheaded the study idea and leads the logistical, project management, industry outreach, and publication aspects of the effort. For study inquiries, please contact Chief Experience Officer & Study Program Director Rachel Fikes at wcbenchmark@risingms.com.

About the Principal Researcher & Study Report Author, Denise Zoe Algire, MBA, RN, COHN-S/CM, FAAOHN

Denise Zoe Algire is the Director of Health for Albertsons Companies. She is a nationally recognized expert in workers' compensation, healthcare, and integrated disability management. She is board certified in occupational and environmental health and is a fellow of the American Association of Occupational & Environmental Health Nurses. Bringing more than 25 years of industry experience, her expertise includes claim operations, medical management, enterprise risk management, and healthcare practice management.

Study Advisory Council

Essential to the study program and research is its Advisory Council, comprised of nearly 20 workers' compensation executives who represent national and regional carriers, employers, third party administrators, and industry consultancies.

Since 2013, their varied perspectives have guided the study's continued efforts to examine some of the most significant operational challenges facing claims organizations today. From the formation of research strategies to the interpretation of results, the Council has provided critical expertise throughout this endeavor.

Among those distinguished advisors we thank for their time and commitment are:

- Denise Zoe Algire | Director of Health | **Albertsons Companies**
- Melissa Burke, PharmD | Vice President, Head of Client Experience | **AmTrust Financial Services**
- Tyrone Spears | Chief, Workers' Compensation Division | **City of Los Angeles**
- Ben Tebo, JD | Vice President | **Creative Risk Solutions**
- Thomas Stark | Regional Vice President, Commercial Lines | **Encova Insurance**
- Sharon Scott | Vice President, Medical Programs | **ESIS**
- Freddy Mistry | Assistant Vice President | **Gallagher Bassett**
- Helen Weber | Assistant Vice President, Head of Medical Strategy | **The Hanover Insurance Group**
- Adam Seidner, MD | Chief Medical Officer | **The Hartford**
- Victoria Kennedy | Vice President, Workers' Compensation | **Linea Solutions**
- Jaclyn Tiger | Senior Director, Claims, Workers' Compensation | **Markel**
- Scott Emery | Executive Claims Analyst | **Markel**
- Thomas Wiese | Vice President, Claims | **The MEMIC Group**
- Michele Fairclough | Medical Services Director | **Montana State Fund**
- Molly Flanagan | Assistant Vice President, Workers' Compensation Claims | **Nationwide**
- Marcos Iglesias, MD | Vice President, Chief Medical Director | **Travelers**
- Linda Butler | Director, Claims Management | **Walt Disney World Resort**
- Brian Trick | Senior Director, Employee Health & Claims Services | **Wegmans Food Markets**

Acknowledgments

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- Dan Reynolds | Editor-in-Chief, Risk & Insurance
- Louise Esola | Assistant Editor, Business Insurance
- Stephen Sullivan | Managing Editor, WorkCompWire.com
- William Wilt, FCAS, CFA | President, Assured Research
- William Zachry | Board Member, State Compensation Insurance Fund
- American Association of State Compensation Insurance Funds (AASCIF)
- California Self-Insurers Association (CSIA)
- International Association of Industrial Accident Boards and Commissions (IAIABC)
- Illinois Self-Insurers Association (ISIA)
- Montana Self-Insurers Association (MSIA)
- National Council of Self-Insurers (NCSI)
- New York Self-Insurers Association (NYSIA)
- Ohio Self-Insurers Association (OSIA)
- Washington Self-Insurers Association (WSIA)
- WorkCompCentral.com

Introduction

Over the past decade, claims departments have faced enormous challenges and opportunities, including changing workplace dynamics stemming from the global pandemic, employee turnover and labor shortages, an accelerated focus on digital transformation, escalating claims severity, and greater social accountability for the treatment of injured workers. Yet, looking back 10 years, it may seem that "everything and nothing has changed." Somewhere in between is reality.

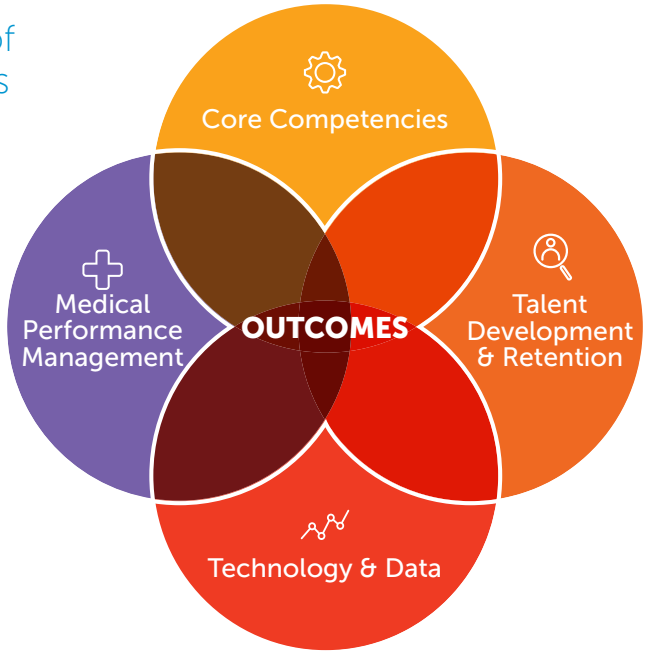
On the tenth anniversary of the Workers' Compensation Benchmarking Study's inaugural publication, the 2022 Study reprises survey questions used since the study began, revealing the trajectory of how claims management has (or has not) progressed over the past decade—ultimately delivering a 10-year industry report card.

In addition to quantifying industry advancement, the 2022 Report identifies *how* high-performing claims organizations distinguish themselves across 30-plus data variables to surpass trendlines and less successful peers in navigating persistent industry challenges.

> The 2022 Report reveals the trajectory of how claims management has (or has not) progressed over the past decade—ultimately delivering a **10-year industry report card**.

Finally, as in prior studies, the 2022 Report continues a thorough exploration of four (4) study indices as an ongoing pursuit in identifying the industry's highest priorities, progress, and performance. The strategies identified in this 2022 Report include tangible, realistic, and potent action steps that will help organizations drive claims management advancement, innovation, and necessary transformation.

4 Major Drivers of Claim Outcomes



Methodology

The 2022 study focus was guided by facilitated think-tank sessions with the Advisory Council Members and led by the Principal Researcher. The 2022 survey targeted leaders who oversee claims operations. Overall, the Study Report is based on the survey results of **388** respondents, including managers, directors, vice presidents, and executives from every major type of workers' compensation payer organization.

The research was conducted using a confidential, online survey tool. The survey tool structure and questionnaire were developed by the Principal Researcher. The survey questions were organized across the Study's four (4) indexes: Prioritizing Core Competencies, Talent Development & Retention, Impact of Technology & Data, and Medical Performance Management, as well as Participant Demographics.

The survey included a total of **61** questions: 8 questions for Demographics, 16 for Prioritizing Core Competencies, 19 for Talent Development & Retention, 7 for Technology & Data, and 11 for Medical Performance Management. The survey contained partially categorized and closed-ended questions, including dichotomous, rank order scaling, Likert scale, multiple choice, constant sum, and random order question sets in order to reduce response bias. Where comparisons are made, the survey results are compared to prior study research, not to specific respondents or organizations.

Survey invitations were directed to claims leaders through direct email invitations, as well as various industry channels. All direct email invitations included an opt-out link, allowing recipients to remove themselves from study communications. The results are presented as average responses of the entire group of participants. No individual or organization who participated in the study is identified.

The survey was open for a total of 67 days from September 26 through December 3, 2022. Participants could exit the survey at any point during the questionnaire and were given the option to receive a copy of the Study Report in exchange for completing the survey.

Responses Received

- **402** completed responses
- **14** responses were excluded (participants who did not meet the survey target audience, i.e., vendors/service providers, attorneys, medical providers)
- **405** incomplete responses, where the survey was started but not completed (incomplete responses were excluded from the study results)
- Average response time to complete the survey was **15 minutes**

Denise Zoe Algire, the Principal Researcher, completed the data validation and analysis, as well as authored this Study Report.

Executive Summary

Since 2013, the Workers' Compensation Benchmarking Study has surveyed more than 3,600 claims leaders and frontline claims professionals on their top operational priorities, challenges, and opportunities, as well as their strategies for improving claim outcomes. Building on prior research, the 2022 study reprises the 2017 survey questions to quantify the industry's progress in the past five (5) years as well as trends throughout the study's 10 years of research. The study continues to build a convincing profile of successful claims organizations by adding an expanded set of differentiating practices. These operational best practices were identified among **higher performing organizations, defined as those payers with a claims closure ratio of 101 percent or greater**—a common industry benchmark used as an overall indicator of operational performance.

The study report includes a visual key for readers to quickly identify data trends from prior study reports as well as what strategies are identified as *high performance differentiators*, with varying degrees of distinction amongst peer organizations.

The 2022 survey's 388 responses demonstrate what drives success for a diverse group of claims leaders. The participants include large carriers, TPAs, employers, governmental entities, as well as risk pools and state funds/mutual funds.

ICON KEY

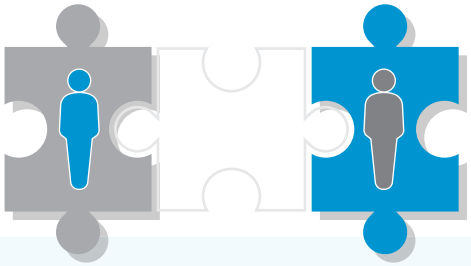
Data Trend:

- Increase
- Decrease
- Consistent
- Mixed Results
- New Question / No Trend

Level of Differentiation between High Performers & Lower Performers:

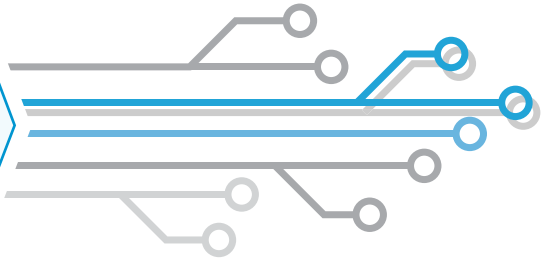
- Modest
- Moderate
- Major

The results identify the following major themes:



Talent challenges underpin issues identified across the study results. The talent gap is the industry's greatest threat to innovation, growth, and profitability.

Investment in technology and digital advancement is slow. To achieve true transformation, organizations need to invest in an ecosystem future with new technology that will rapidly advance digitization and automation to support a better customer experience and reduce claims leakage and risk.



There is increasing awareness of the impact mental health has on total worker health and well-being. One of the top obstacles to identifying and addressing mental health issues is the significant stigma of mental health conditions.

The results reflect the following summary of industry trends, as well as key operational differentiators of higher performing organizations:

Participant Demographics

Indemnity caseloads increase. The results indicate 59 percent of participants report indemnity claims caseloads are 125 or less, an increase from the 2020 study, with 65 percent reporting caseloads of 125 or less. Additionally, caseloads include a higher percentage of active indemnity claims compared to the 2020 results. *The Effects of Adjuster Caseloads*—a two-year case study—outlines a maximum caseload of 111 claims per lost time claims professional to effectively execute claims best practices and outcomes (Kern, 2019). Higher performing organizations report lower overall caseloads.

Closing ratio performance improves. Claims closure ratio is a common industry benchmark used as an overall indicator of operational performance and is defined as the number of claims closed, divided by the number of claims received during a specified timeframe. The results show that 30 percent of participants have an average closure ratio of 101 percent or greater, and more than half, 51 percent, report an average closure ratio of less than 100 percent, an improvement from prior study results.

Prioritizing Core Competencies

Top core competencies most critical to claim outcomes remain relatively consistent. The results reflect a continued industry view of claims leaders' priorities, with some changes over prior study years. Consistent throughout the study years, participants rank disability/return-to-work (RTW) management and medical management in the top three (3) capabilities most critical to claim outcomes. For the first time in the study's 10-year history, claims leaders identify claim resolution as one of the top three (3) core competencies most critical to claim outcomes. The top core competencies are intrinsically linked. Proactive medical management impacts the quality of care an injured worker receives, as well as timely return-to-work and ultimate claim resolution. One of the most important factors in successful resolution of claims is timely return-to-work.

Measuring best practices within core competencies drives favorable results. In the 2022 survey, 79 percent report measuring best practices within core competencies, an increase from 71 percent in the 2017 study as well as all prior study years. Higher performing organizations are much more likely to measure best practices within core competencies than lower performing peers.

Aligning best practices and key performance indicators (KPIs) declines. The results indicate that, on average, 61 percent of participants measure performance in the top three (3) areas ranked most critical to claim outcomes, a decline from 71 percent in the 2017 study, indicating an opportunity for the industry. A major differentiator is that higher performing organizations are much more likely to align KPI metrics across all core competencies.

Utilizing systems to drive best practices increases. The results demonstrate that 69 percent of organizations are utilizing systems to direct and manage best practices, a notable improvement from prior study results. Higher performing organizations are much more likely to utilize workflow automation, predictive analytics, and prescriptive analytics than lower performing peers.

Connecting claims outcomes with performance metrics declines. The results reveal that claims leaders are more focused on financial metrics as a measure of claims management effectiveness compared to the 2020 results. Prior study results indicate a greater focus on outcomes that support patient/injured worker functional recovery (e.g., percentage of claims that RTW at or below industry benchmarks, and percentage of claims that return to the same or better pre-injury functional capabilities). Higher performing organizations are more likely to align claim outcomes and performance metrics. Additionally, a major differentiator, higher performers are much more likely to utilize and measure injured worker satisfaction as a key metric of claims management effectiveness.

Leveraging risk/reward strategies to improve outcomes increases. The results show that, on average, 50 percent of respondents are using risk/reward strategies with staff, an increase from the 2017 results. Organizations are much more likely to use risk/reward incentives with staff compared to vendor partners, representing a considerable opportunity for claims organizations. A major differentiator, higher performing organizations are much more likely to harness performance-based strategies with staff, as well as with vendor partners.

Talent Development & Retention

Knowledge of advocacy-based, worker-centric claims models decreases. The results reflect a modest decline in claims leaders' knowledge of advocacy-based claims models from the 2020 survey. Higher performing claims organizations are much more likely to be aware of advocacy models, with 88 percent reporting knowledge compared to lower performing peers with 69 percent reporting awareness.

Leveraging advocacy-based, worker-centric claims models increases. The results reveal that 47 percent of participants have already implemented an advocacy-based, worker-centric claims model, a notable increase from prior study results. Higher performing claims organizations are much more likely to leverage advocacy models, with 60 percent reporting they have already implemented the model. Additionally, higher performers are much more likely to implement multiple advocacy model initiatives, including a major differentiator—focused claims professional training on empathy and other soft skills.

Impact of remote work on productivity, morale, and team dynamics shows mixed results. Overall, participants report that remote work does not negatively impact productivity, with 87 percent reporting either no impact or improved productivity, a slight decline from the 2020 results. Similarly, 89 percent report either no impact or improved impact on employee morale. However, a finding claims leaders should examine further—40 percent indicate a negative impact on team dynamics, an increase from the 2020 results.

Incentivizing frontline claims professionals demonstrates consistent trends. The results show 42 percent of participants offer bonus/profit sharing for frontline claims staff, a slight increase from the prior study. Higher performing organizations are much more likely to offer incentives—representing a competitive advantage for those that do. Additionally, the data shows a significant variation by organization type, with insurance companies much more likely to offer financial incentives to frontline claims professionals.

Defined career paths for claims professionals increases. The results show 54 percent of participants offer a career path with growth opportunities for claims staff, an improvement from the 2020 results. Historical results show an upward trend from the 2014 survey, indicating organizations are prioritizing this important talent strategy. However, there is still work to be done, with almost half saying they are not offering career paths. A major differentiator—higher performing organizations are much more likely to offer career paths.

Frontline claims professional attrition increases. The historical results show that attrition at the frontline claims professional level is increasing. The 2022 data shows that 30 percent of respondents report attrition greater than 10 to 20 percent and 11 percent report attrition greater than 20 to 30 percent, a significant increase from prior study results. Higher performing organizations report overall lower attrition rates.

Investing in new hire training increases. The results reflect 55 percent of participants provide training for new hire claims staff with minimal to no experience, a notable increase from the 2017 results. Additionally, historical results show organizations that have a new hire training program are investing more time in the programs. Although the investment in training is improving, 45 percent of participants do not have a new hire training program for inexperienced claims staff. Given the well-known industry talent shortage, which will only intensify, organizations without a training program should examine strategies to quickly deploy training options. Higher performing organizations are more likely to offer new hire training and invest more time in the program.

Investing in senior-level claims staff training improves. The 2022 results show 62 percent of participants provide training for senior-level claims staff, an increase from 47 percent in the 2017 survey. Higher performing organizations are much more likely to provide training for senior-level claims staff and provide the training more frequently.

Soft skills training investment increases. The results indicate that 59 percent of organizations include soft skills training for frontline claims professionals, a slight improvement from prior study results. However, only a third receive training on empathy—a critical skill when assisting people who are injured. Higher performing organizations are much more likely to leverage training across multiple soft skills, including customer service, active listening, communication skills, and empathy.

Impact of Technology & Data

Investing in strategies to improve claims professional efficiency improves. The results show that 78 percent of participants are leveraging one or more strategies to improve claims professional efficiency, an increase from prior study results. In the 2019 survey of frontline claims professionals, 42 percent report utilizing more than five (5) to six (6) systems in the daily management of claims, clearly demonstrating the need for efficiency improvements. Higher performing organizations are much more likely to invest in strategies to improve claim efficiencies, as well as to leverage multiple initiatives.

Leveraging tools to improve injured worker communications remains consistent. The results show 56 percent of participants are leveraging one or more strategies to improve communications. Similar to prior results, over a third, 37 percent, are leveraging text messaging, which is a more popular communication method for most consumers. Higher performing organizations are more likely to utilize multiple tools, including text messaging and mobile apps to enhance injured worker communication options.

Utilizing outcome-based metrics to drive claims operational performance shows mixed results. The results show 59 percent of organizations report using outcome-based measures to manage performance, a slight decline from the 2017 study. A major differentiator—higher performing organizations are much more likely to utilize outcome-based data across multiple metrics. Additionally, higher performers report higher confidence that metrics impact claim performance and outcomes.

Medical Performance Management

Measuring provider outcomes demonstrates mixed results. The results show 64 percent of organizations measure provider performance and outcomes, similar to the 2017 results and a slight improvement from prior study results. However, less than half are using return-to-work outcomes, and only a third utilize treatment within evidence based medicine, both key metrics in provider outcomes. The survey identifies the primary factors affecting the use of provider performance and outcome measures. The results show, alarmingly, that the most significant factor is that measuring provider outcomes is not a business priority. Higher performing organizations are more likely to implement provider performance and outcome measures.

Leveraging risk/reward-based contracting strategies with medical providers increases. Leveraging risk/reward-based contracting strategies, including value-based payment models, remains rare, with less than 10 percent using pay for performance methods. The results show a third of participants are leveraging some form of risk/reward strategies, an improvement from prior study results, although most are focusing on patient channeling as well as decreasing administrative burden, such as fast track payments and decreasing utilization review requirements. Higher performing organizations are much more likely to leverage risk/reward contracting strategies, including value-based payment models.

Medical management programs most critical to claim outcomes remain consistent. Since the study launched in 2013, claims leaders consistently rank nurse case management, return-to-work services, and nurse triage as the top three (3) medical management programs most critical to claim outcomes. The results show most organizations, 93 percent, are utilizing nurse case management and, on average, 78 percent are leveraging nurse triage as well as return-to-work services.

Leveraging performance strategies with medical management vendor partners increases. The results indicate 45 percent of organizations use some form of risk/reward strategies with medical management vendor partners, a slight improvement from prior study results. However, only a third leverage service level agreements (SLAs) to incentivize quality and performance with vendor partners; still, it is an improvement from prior results. Higher performing organizations are more likely to leverage multiple risk/reward strategies with vendor partners, including SLAs.

Utilizing return-to-work/patient functional outcomes to assess provider outcomes declines. The results show 52 percent are using return-to-work/patient functional outcomes to some degree, a decline from prior results. Higher performing organizations are more likely to leverage return-to-work/patient functional outcomes across multiple metrics to assess provider outcomes.

cont'd

Medical Performance Management cont'd

- **Identifying social determinants of health (SDOH) and leveraging resources for injured workers increases**. The 2022 study examines what strategies organizations utilize to equip claims professionals to identify SDOH and leverage resources for injured workers with potential health disparities. The results show 30 percent of participants are utilizing resources to equip claims professionals to identify SDOH, an increase from the 2020 results. Given the undetected impact of SDOH on injured worker outcomes, this remains a significant opportunity for claims organizations. Higher performing organizations are more likely to leverage strategies to address the impact of SDOH.

- **Utilizing resources to identify and address behavioral health/mental health issues results in better claims outcomes**. The study includes new research to examine how organizations are identifying and addressing behavioral/mental health issues in workers' compensation claims. The results show that 55 percent are leveraging programs or resources to identify behavioral/mental health issues, with questions used by claims or clinical resources to identify psychosocial risk factors as the most common strategy. Additionally, 51 percent are leveraging programs or resources to address mental health issues, with implementation of a behavioral health or mental health specialty provider network as the most common strategy, followed by use of telehealth for behavioral health services. A major differentiator—higher performers are much more likely to leverage multiple tools and resources to address behavioral/mental health issues.

Survey Participant Demographics

About the Survey Participants

The 2022 study targeted workers' compensation leaders who oversee claim operations. The study includes **388** participants, with claims managers representing the largest respondent population followed by director, vice president, and C-suite executives. Historical trends demonstrate an increase in vice president and C-suite executive participants (see Table 1). The survey responses include participation across industry sectors, with insurance companies representing the greatest participation by organizational type, followed by self-insured employers and third party administrators (TPA) (see Table 2 and Figure 1). Historical trends show a decrease in TPA participants and an increase in state fund/mutual fund participants.

Table 1 Survey Question: *Role / Level of Responsibility*

claims leader surveys
frontline staff survey

Answer	2013	2014	2017	2019	2020	2022
count	258	404	572	1282	337	388
Manager	39%	46%	48%		44%	42%
Director	29%	24%	26%		27%	23%
Vice President	21%	18%	13%		18%	21%
C-Suite Executive	12%	11%	12%		11%	12%
Claims Professional who directly handles/adjudicates claims				88%		
Nurse Case Manager				12%		
Other	< 1%	1%	1%	< 1%	–	2%

Not an answer option in this study year

Table 2 Survey Question: *Organizational Type*

claims leader surveys
frontline staff survey

Answer	2013	2014	2017	2019	2020	2022
count	258	404	572	1282	337	388
Insurance Company	30%	23%	19%	40%	32%	32%
Self-Insured Employer	24%	24%	30%	10%	23%	24%
Third Party Administrator	14%	19%	14%	40%	17%	12%
Insured Employer	12%	16%	16%	2%	10%	9%
Governmental Entity	10%	7%	10%	3%	8%	9%
State Fund / Mutual Fund	2%	2%	2%	4%	4%	5%
Risk Pool	4%	5%	4%	1%	4%	4%
Reinsurance or Excess Insurance Company	1%	1%	1%	–	1%	2%
Other	4%	3%	4%	< 1%	1%	4%

KEY

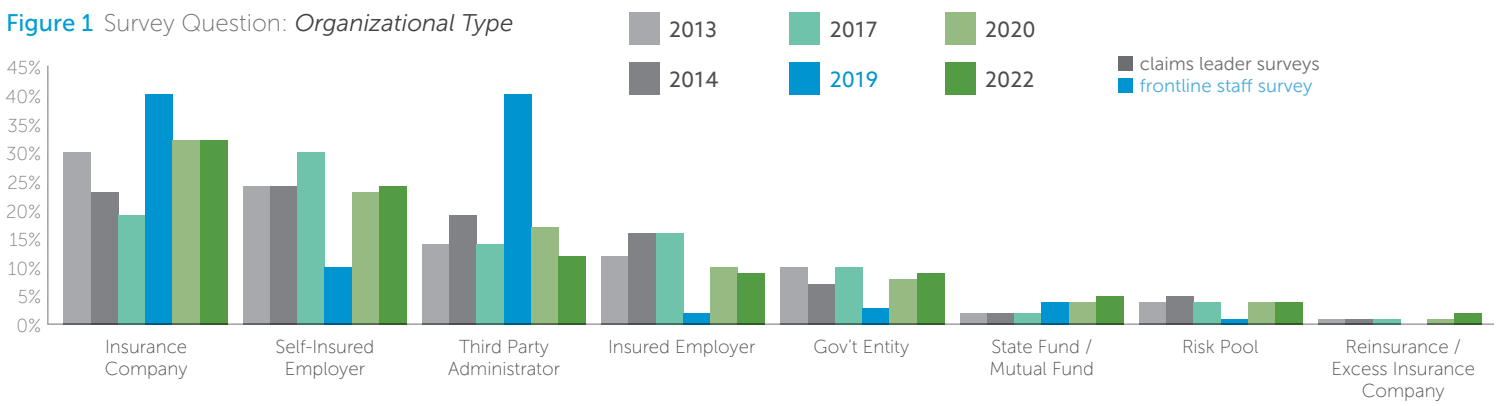
Data Trend:

- Increase
- Decrease
- Consistent
- Mixed Results
- New Question / No Trend

Level of Differentiation between High Performers & Lower Performers:

- Modest
- Moderate
- Major

Figure 1 Survey Question: *Organizational Type*



See **Appendix A** for all results related to this section

Participant Demographics – Organizational Size

Participants include a broad representation of small, midsize, and large organizations. Organization size is measured by total annual claims dollars paid and total annual premium (see Tables 3 and 4). The 2022 results show an increase in large organization participation distributed across industry sectors.

Table 3 Survey Question: *Organizational Size –Total Annual Claims Dollars Paid*

Answer	2013*	2014*	2017	2020	2022
count	258	404	572	337	388
< $25 Million	55%	45%	37%	25%	24%
> $25 Million to $100 Million			15%	20%	14%
> $100 Million to $350 Million	19%	15%	11%	13%	18%
> $350 Million to $750 Million	5%	7%	5%	9%	6%
> $750 Million	8%	11%	12%	12%	18%
Unknown	13%	22%	19%	21%	20%

* In Study years **2013** and **2014**, answer option was ≤ **$100** Million

Table 4 Survey Question: *Organizational Size – Total Annual Premium*

Answer	2013*	2014*	2017	2020	2022
count	258	404	572	337	388
< $25 Million	43%	28%	31%	20%	19%
> $25 Million to $100 Million			9%	9%	7%
> $100 Million to $350 Million	16%	7%	8%	12%	13%
> $350 Million to $750 Million	4%	8%	4%	7%	6%
> $750 Million	9%	11%	13%	12%	16%
Unknown	12%	22%	17%	20%	18%
Not Applicable	16%	24%	18%	19%	21%

* In Study years **2013** and **2014**, answer option was ≤ **$100** Million

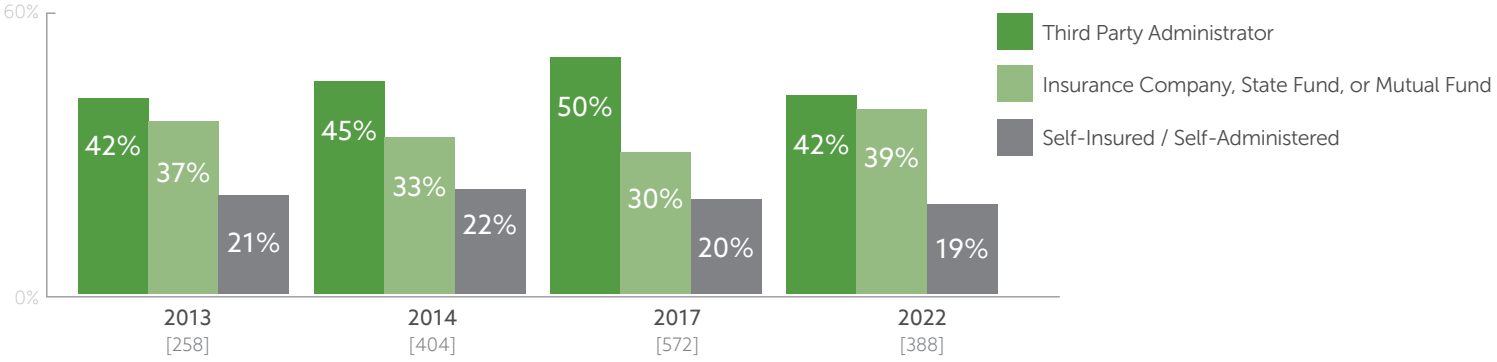
Table 5 Survey Question: *Organizational Size –Total Annual Claims Dollars Paid*

Answer	Insurance Company	Reinsurance or Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
< $25 Million	6%	17%	19%	44%	31%	64%	11%	24%	27%
> $25 Million to $100 Million	16%	17%	13%	9%	15%	29%	11%	26%	5%
> $100 Million to $350 Million	23%	49%	21%	9%	15%	7%	39%	18%	14%
> $350 Million to $750 Million	15%	17%	2%	3%	3%	–	–	3%	–
> $750 Million	18%	–	21%	19%	21%	–	39%	9%	9%
Unknown	22%	–	24%	16%	15%	–	–	20%	45%

Participant Demographics – Claims Management Administration

While historical trends show a decrease in TPA participants, the data demonstrates claims are predominantly managed by a TPA followed by an insurance company, state fund, or mutual fund. The 2022 results show an increase in participants with claims managed by an insurance company, state fund, or mutual fund. Self-insured, self-administered claims administration overall remains consistent throughout the study years, averaging 21 percent (see Figure 2).

Figure 2 Survey Question: *My organization's workers' compensation claims are predominately managed by a(n):*



Key Demographic Performance Benchmarks

To garner a deeper understanding of claims operational challenges and offer additional areas for organizations to benchmark performance, the demographics section includes average lost time caseloads and claims closure ratio. Claims closure ratio is referenced throughout the study to differentiate claims practices in *higher performing* organizations. To further examine caseloads, the study includes the percentage of lost time claims that are active indemnity, defined as claims receiving Temporary Total Disability (TTD) or Temporary Partial Disability (TPD) benefits. Active indemnity claims require more intense management and should be considered when benchmarking caseloads.

Identifying optimal claim caseloads

The workers' compensation industry often considers caseloads when evaluating program effectiveness and claims professionals' productivity. A more defined measure is claims throughput (i.e., the number of claims opened and closed in a defined period), or accident year closure rate.

What is the optimal caseload for claims professionals? It depends. Caseload valuation should consider many factors including case complexity, administrative support levels for claims professionals, supervisory oversight/span of control, claims system efficiencies, experience and technical acumen, and the authority delegated to claims professionals. Other considerations include jurisdictional requirements, as well as medical only to indemnity claims ratio and future medical claims to active indemnity claims.

High caseloads can negatively impact injured worker care and benefit delivery, as well as claim outcomes and employer loss costs. When caseloads are too high, there is a greater potential for leakage. Overextended claims professionals are more likely to miss critical areas in the claims process leading to higher claims costs, litigation, and potential for bad faith claims practices.

To accurately assess optimal caseloads, organizations should evaluate the activities required to proactively manage claims and the time commitment to execute the activities. Organizations should consider the aforementioned factors as well as reverse engineer the claims process to identify the required claims activities from initial report, compensability investigation, benefit delivery, medical management, return-to-work, litigation management, and resolution. *The Effects of Adjuster Caseloads*—a two-year case study—outlines a maximum caseload of 111 claims per lost time claims professional to effectively execute claims best practices and outcomes (Kern, 2019). The recommended maximum caseload is based on the following assumption: non-litigated compensable claims without disputes. Claims professionals managing litigated or disputed claims require a lower caseload to effectively manage claims (Kern, 2019).

The case study identified 140 claim activities with the estimated time required to support the optimal caseload recommendation. At the outset of the case study, the average caseload per claims professional was 236 and decreased to 132 the first year and 85 the second year, resulting in an accident year closure rate improvement of 75 percent. The outcomes resulted in a substantial improvement in loss costs. High caseloads can negatively impact injured worker care and benefit delivery, as well as claim outcomes and employer loss costs. When caseloads are too high, there is a greater potential for leakage. Overextended claims professionals are more likely to miss critical areas in the claims process leading to higher claims costs, litigation, and potential for bad faith claims practices (DeStefano & Barbagallo, 2016).

Claim caseloads historical trends

The 2022 results indicate 59 percent of respondents report indemnity claims caseloads that are 125 or less. This reflects an increase in caseloads from the 2020 study, with 65 percent reporting caseloads of 125 or less (see Table 6). Third party administrator and reinsurance/ excess insurance company participants report higher average indemnity caseloads with 45 and 34 percent reporting caseloads less than 125 respectively (see Appendix A-6 for results segmented by organizational type).

Historical study results show, on average, 57 percent of participants report indemnity caseloads of 125 or less and 13 percent report caseloads greater than 150 (see Table 6). Higher performing organizations report lower overall caseloads (see Table 7).

Table 6 Survey Question: *What is your organization's average Lost Time caseload per Lost Time Claims Examiner?*

claims leader surveys
frontline staff survey

Answer (#of cases)	2014	2017	2019	2020	2022
count	404	572	1282	337	388
< 80	23%	26%	16%	21%	23%
80 to 100	10%	14%	12%	18%	16%
101 to 125	14%	19%	25%	26%	20%
126 to 150	25%	20%	22%	16%	17%
151 to 175	6%	4%	10%	4%	5%
176 to 200	3%	2%	4%	3%	2%
> 200	2%	3%	7%	6%	4%
Unknown	17%	12%	4%	6%	13%

Table 7 Survey Question: *What is your organization's average Lost Time caseload per Lost Time Claims Examiner?*

2020 & 2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

	2020		2022	
Answer (#of cases)	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Lower Performance (≤ 100%)	Higher Performance (≥101%)
count	177	106	202	113
< 80	28%	12%	28%	22%
80 to 100	18%	22%	18%	16%
101 to 125	24%	34%	20%	27%
126 to 150	12%	22%	16%	24%
151 to 175	6%	1%	5%	4%
176 to 200	3%	2%	1%	2%
> 200	6%	5%	4%	2%

Excludes "Unknown" category responses

Assessing claim mix

To provide a more meaningful measure of average lost time caseload per claims professional, the study includes the percentage of claims that are active indemnity claims, defined as claims receiving Temporary Total Disability (TTD) or Temporary Partial Disability (TPD) indemnity benefits. Claims receiving TTD or TPD benefits require greater oversight and management.

It is important to consider macro factors impacting claim frequency and severity that could impact the claim mix, specifically the indemnity ratio. The National Council on Compensation Insurance (NCCI) 2023 State of the Line Guide reports lost time claim frequency has declined year-over-year. NCCI estimates that lost time claim frequency for Accident Year 2022 will be four (4) percent lower than Accident Year 2021, slightly lower than the long-term average change of 3.3 percent.

Claim frequency decreases are usually offset by an increase in claim severity. NCCI reports a notable rise in severity for 2022, with medical claim severity increasing five (5) percent and indemnity claim severity rising six (6) percent year-over-year (NCCI, 2023). Additionally, the ratio of indemnity claims as a percentage of claims has increased significantly. Prior to the pandemic, approximately 20 percent of all workers' compensation claims were indemnity claims. Data from an Oliver Wyman report shows that the indemnity ratio has increased to between 22 and 30 percent, indicating that pandemic factors are having some influence on indemnity ratios. The trend exists even when excluding COVID-19 claims. Without COVID-19 claims, the indemnity ratio is as high as 27 percent (Oliver Wyman, 2021).

Active indemnity claims ratio ↑

The 2022 study results demonstrate caseloads include a higher percentage of active indemnity claims compared to the 2020 results, with 25 percent of participants reporting lost time caseloads consist of more than 50 percent active indemnity claims (see Figure 3). Insurance company participants report the highest percentage of active indemnity claims per caseload (see Appendix A-7 for results segmented by organizational type).

Figure 3 Survey Question: *What percentage of lost time claims caseload per lost time claims examiner are active indemnity claims (defined as claims receiving Temporary Total or Temporary Partial indemnity benefits)?*

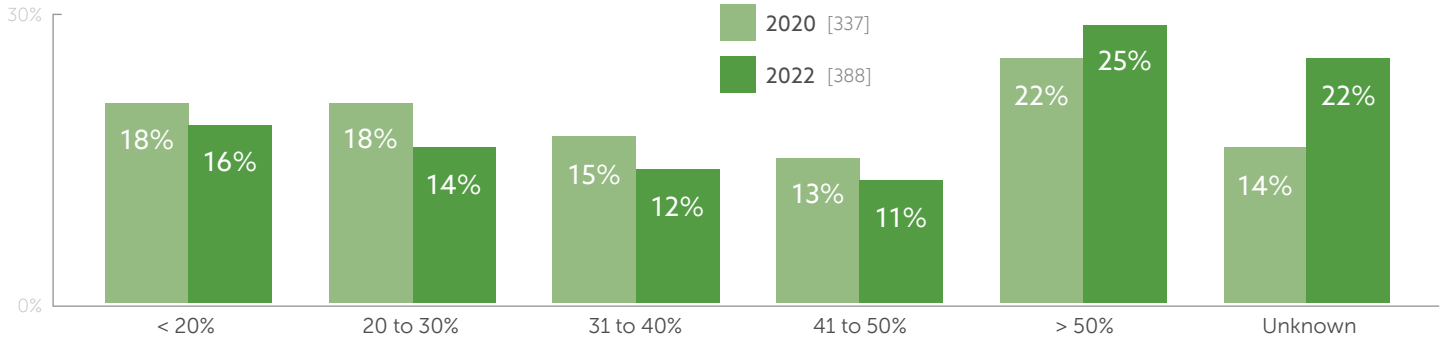


Table 8 Survey Question: *What percentage of lost time claims caseload per lost time claims examiner are active indemnity claims (defined as claims receiving Temporary Total or Temporary Partial indemnity benefits)?*

2020 & 2022 Responses Segmented by Average Lost Time Caseload

	# of cases													
	2020	2022	2020	2022	2020	2022	2020	2022	2020	2022	2020	2022	2020	2022
Answer	< 80		80 to 100		101 to 125		126 to 150		151 to 175		176 to 200		> 200	
count	72	90	60	63	87	77	53	67	13	19	10	6	21	14
< 20%	47%	40%	20%	13%	8%	6%	6%	7%	–	–	–	–	10%	–
20 to 30%	21%	23%	15%	17%	16%	9%	17%	18%	31%	5%	40%	–	5%	21%
31 to 40%	11%	4%	13%	14%	28%	19%	19%	15%	8%	16%	-	33%	5%	7%
41 to 50%	8%	6%	15%	10%	13%	16%	13%	13%	31%	21%	10%	33%	14%	14%
> 50%	10%	16%	22%	38%	25%	32%	28%	28%	23%	21%	30%	33%	43%	36%

Excludes "Unknown" category responses

Table 9 Survey Question: *What percentage of lost time claims caseload per lost time claims examiner are active indemnity claims (defined as claims receiving Temporary Total or Temporary Partial indemnity benefits)?*

2020 & 2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

	2020		2022	
Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Lower Performance (≤ 100%)	Higher Performance (≥101%)
count	177	106	202	113
< 20%	23%	12%	17%	16%
20 to 30%	21%	16%	16%	17%
31 to 40%	16%	20%	11%	17%
41 to 50%	13%	8%	12%	12%
> 50%	19%	31%	28%	26%

Excludes "Unknown" category responses

Historical results demonstrate higher performance organizations are managing a larger percentage of active indemnity claims (see Table 9).

Closure ratio performance improves ↑

Claims closure ratio is a common industry benchmark used as an overall indicator of operational performance. It is defined as the number of claims closed divided by the number of claims received during a specified timeframe. A closing ratio *less than* 100 percent (1.0) means claim inventory is growing, and a ratio *greater than* 100 percent (1.0) means inventory is stable or declining. Claims closure ratio can be impacted by rapid premium growth, acquisitions, jurisdictional mix, and book of business. In a mature, stable workers' compensation program, claims should close at a rate of at least one-to-one.

As previously indicated, claims closure ratio is referenced throughout the study report utilizing a visual key for readers to quickly identify what strategies are identified as *high performance differentiators*, with varying degrees of distinction amongst peer organizations.

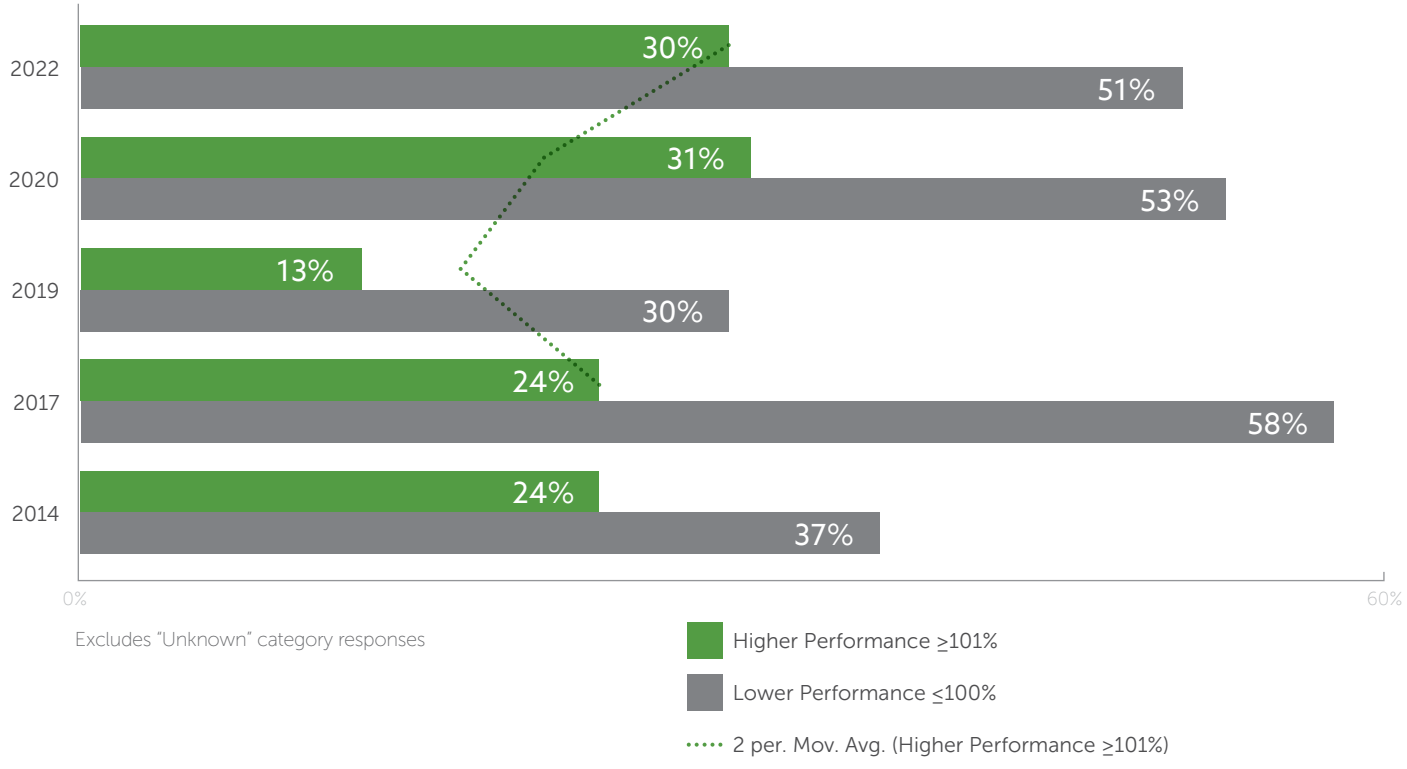
Survey participants were asked to report the overall claims closure ratio for **calendar year 2021**. Study results show that 30 percent of respondents have an average closure ratio of 101 percent or greater, and more than half, 51 percent, report an average closure ratio of less than 100 percent, an improvement from 2017 (see Table 10 and Figure 4).

Table 10 Survey Question: *Claims Resolution - What is your total overall claims closure ratio for calendar year 2021? Claims closure ratio is defined as the number of claims closed divided by the number of claims received during a calendar year period.*

claims leader surveys
frontline staff survey

Answer	2014	2017	2019	2020	2022
count	404	572	1282	337	388
Lower Performance (≤ 100%)	37%	58%	30%	53%	51%
Higher Performance (≥ 101%)	24%	24%	13%	31%	30%
Unknown	39%	18%	57%	16%	19%

Figure 4 Survey Question: *Claims Resolution - What is your total overall claims closure ratio for calendar year 2021? Claims closure ratio is defined as the number of claims closed divided by the number of claims received during a calendar year period.*



Appendix A Index – Survey Participant Demographics

For more information on the survey participants' demographic data, please refer to the below tables and figures in Appendix A.

Operational Challenge

Prioritizing Core Competencies

Core competencies, driving claim outcomes and organizational value

Most organizations measure success by the ability to generate a profit, with favorable earnings before interest, taxes, depreciation, and amortization (EBITDA) or return on equity (ROE). However, a critical component of a claims organization's financial success is the *effectiveness* of claims management execution.

Claims are the single largest expenditure for insurance companies and present the greatest opportunity to reduce workers' compensation program costs for employers and/or the entities that administer claims on behalf of employers. Successfully managing claims is one of the most effective tactics to reduce loss costs and drive profitable growth. Core competencies—the collective skills, abilities, and expertise required to manage claims effectively—are the framework *ultimately* responsible for driving performance execution and claim outcomes.

This area of the report explores *what* organizations consider core competencies as well as *how* best practices and outcomes are defined, measured, and executed. The 2022 study examines the similarities and/or differences from prior survey research with claims leaders from 2013 through 2022 and frontline claims professionals in 2019, as well as *what* strategies are identified as *high performance differentiators*, with varying degrees of distinction amongst peer organizations.

Top core competencies most critical to claim outcomes ⇵

The 2022 results reflect a continued industry view of claims leaders' priorities, with some changes over prior study years. Consistent throughout the study years, participants rank disability/return-to-work (RTW) management and medical management in the top three (3) capabilities most critical to claim outcomes (see Table 11). Similar to claims leaders, in the 2019 study, frontline claims professionals rank compensability investigations, disability/return-to-work (RTW) management, and medical management as the top three (3) capabilities most critical to claim outcomes. Although the 2019 study reflects the same top three (3) core competencies as prior claims leader surveys, frontline claims participants rank compensability investigations as the most important.

The 2022 results, for the first time in the study's 10-year history, claims leaders did not rank compensability investigations in the top three (3) core competencies most critical to claim outcomes. Instead, claim resolution took third position in the rankings.

Table 11 Top 3 Core Competencies Most Critical to Claim Outcomes

claims leader surveys
frontline staff survey

Rank	2013*	2014*	2017*	2019†	2022†
1	Disability / RTW Management	Medical Management	Medical Management	Compensability Investigations	Disability / RTW Management
2	Medical Management	Disability / RTW Management	Disability / RTW Management	Disability / RTW Management	Medical Management
3	Compensability Investigations	Compensability Investigations	Compensability Investigations	Medical Management	Claims Resolution

* In Study years **2013**-**2017**, participants ranked 1-10 answer options.
† In Study years **2019** and **2022**, participants ranked 1-3 only.
All Study years included the same 10 answer options.

See **Appendix B** for all results related to this section

Key Considerations

What do organizations consider top core competencies impacting claim outcomes?

How do organizations define best practices within core competencies?

How do organizations measure effective claims management?

Do organizations utilize risk/reward strategies to drive best practices and achieve outcomes?

KEY

Data Trend:

- ↑ Increase
- ↓ Decrease
- ↔ Consistent
- ⇵ Mixed Results
- \+ New Question / No Trend

Level of Differentiation between High Performers & Lower Performers:

- Modest
- Moderate
- Major

Top core competencies—leaning into advocacy-based, worker-centric claims models

There is no doubt that compensability investigations remain an important function of claims management. Given the legal implications of AOE/COE, the impact on claim outcomes, if not efficiently and effectively executed, is significant. The 2022 study change in ranking may signal organizations are more focused on an advocacy-based, worker-centric claims model. The approach used for compensability investigations is an area many organizations reflect on in terms of advocacy-based claims models and the initial customer experience for injured workers. The 2018 study recommended organizations examine traditional claims practices to reduce frictional delays, including eliminating recorded statements and special investigations unit (SIU) probes unless there is a clear need to establish an AOE/COE inquiry (Algire, 2018).

Table 12 Survey Question: *Please identify the top three claims core competencies most critical to claim outcomes, with 1 being the "highest priority" and 3 being the "lower priority." Note, rank three items only.*

2022 Responses

Answer	Overall Rank	Weighted Score
count	— 388 —	
Disability / RTW Management	1	638
Medical Management	2	563
Claim Resolution	3	350
Compensability Investigations	4	347
Case Reserving	5	147
Litigation Management	6	134
Oversight Governance / Supervisory Oversight	7	90
Fraud & Abuse Detection	8	27
Bill Review	9	17
Vocational Rehabilitation	10	15

Note: Participants selected the top 3 core competencies from a list of 10 options

Disability/RTW management ranked #1

Disability and return-to-work (RTW) management remain highly critical to claims outcomes. Many industry studies support the benefits of early return-to-work for both the injured worker and employer. In claims where an injured worker is losing time from work, it is in the best interest of all stakeholders to return the injured worker to work in some capacity as soon as possible. Return-to-work is the top priority for workers' compensation organizations globally, which support the health and wellbeing of injured workers (Deloitte, 2020). According to a recent Deloitte study on how workers' compensation organizations can improve return-to-work outcomes, "organizations must take action today to shape the future of RTW, which hinges on improving injured workers' experiences, reducing lost-time days and ensuring sustainable return-to-work." The changes required to get to the future state will not come easily which demands reassessing current organizational priorities and initiatives (Deloitte, 2020).

> "Return-to-work is the top priority for workers' compensation organizations globally, which support the health and wellbeing of injured workers."
>
> Deloitte, 2020

In the 2019 study, frontline claims professionals rank the *lack of return-to-work (RTW) options* as the number one obstacle to achieving desired claim outcomes, consistent with prior survey results of claims leaders (Algire, 2019). Prior study research examines *what* initiatives organizations are leveraging to address RTW obstacles. The results reflect worker-centric approaches as top strategies. Over half, 54 percent, report engaging injured workers in the RTW process by assisting in identifying RTW abilities, a critical component of successful disability management, and 56 percent leverage dedicated resources to facilitate RTW with all key stakeholders (Algire, 2021).

Medical management ranked #2

Since the study launched in 2013, claims leaders have ranked medical management as one of the top three (3) core competencies most critical to claim outcomes. The medical care an injured worker receives can be a significant driver and determinant of injured worker and claim outcomes. This, in turn, impacts claim costs.

NCCI estimates that the average medical lost time claim severity for Accident Year 2022 will be five (5) percent higher than Accident Year 2021, and notes there are potential challenges ahead as medical costs could experience inflationary pressure (NCCI, 2023). Additionally, in a recent report on workers' compensation medical costs, NCCI notes two (2) factors drive changes in medical costs: the price of medical services and utilization, which measures the mix and number of services provided to an injured worker (NCCI, 2022). A third factor should include the quality of care received. The study results show an industry focus on the operational area most impacting overall claim costs. Next, organizations need to center attention on *how* to hedge these escalating costs, including a thorough examination of quality care that includes key metrics.

Claim resolution ranked #3

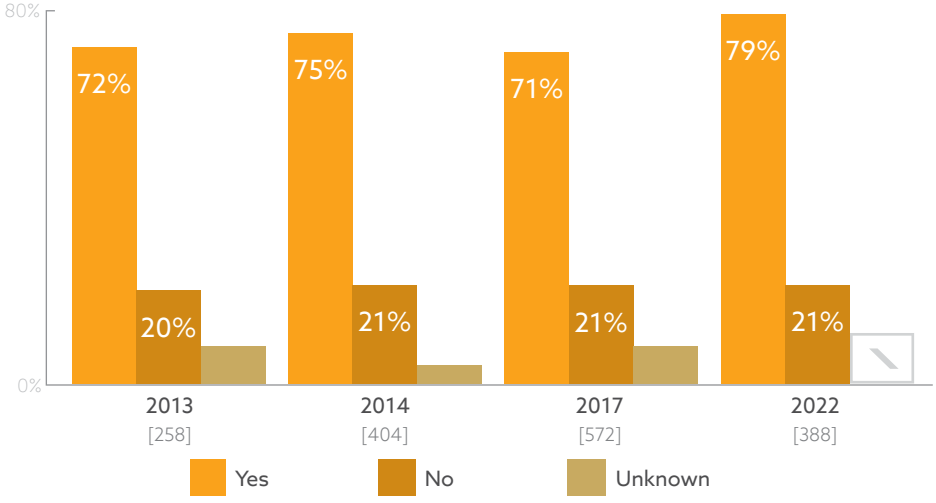
For the first time in the study's 10-year history, claims leaders identify claim resolution as one of the top three (3) core competencies most critical to claim outcomes. The year-over-year increasing claim severity is likely driving this more intense focus as well as understanding that claim costs do not improve with time.

Workers' compensation is a long-tail line of insurance with losses developing over many years. Large claims can take several years to emerge, with only a small percentage of large claims recognized at the first report of injury/illness (Walls, 2019). Resolving and/or closing claims requires proactive case identification strategies to ensure claims are resolved at the first opportunity. If a claim is litigated, a proactive settlement and litigation management strategy should focus as early as possible on dispute resolution to achieve claim closure as quickly and economically as possible. Claim resolution is also beneficial to injured workers. "The psychological aspect of being an injured worker versus being a productive worker is significant" (Zachry, 2023). There are several studies that indicate injured workers are best served and recover faster if they are not artificially tethered to the workers' compensation system. "Full recovery is primarily an attitude which usually does not include thinking of themselves as an injured worker." Claim resolution and/or full and final settlement allows injured workers to go on with their lives rather than remain in the workers' compensation system (Zachry, 2023).

The top core competencies are intrinsically linked. Proactive medical management impacts the quality of care an injured worker receives, as well as timely return-to-work and ultimate claim resolution. One of the most important factors in successful resolution of claims is timely return-to-work. According to a RAND study on effective return-to-work programs, employers with a formal return-to-work program in place experience a notable difference in disability durations, with a 38 percent reduction in lost time days (McLaren, Revelle, & Seabury, 2010).

Measuring best practices within core competencies

Figure 5 Survey Question: *Does your organization measure best practices/ performance within core competencies?*



Note: The 2022 study year did not include answer option "Unknown"
\ Not an answer option in this study year

Most organizations use metrics to measure financial and operational performance; however, the emphasis tends to be on quantitative measures as opposed to qualitative or outcome-based measures of performance. A key study focus is benchmarking *how* organizations structure performance measures to expand on standard metrics. The 2022 results show 79 percent of respondents report measuring best practices within core competencies, an increase from 71 percent in the 2017 study as well as all prior study years (see Figure 5).

The results indicate higher performing organizations are much more likely to measure best practices within core competencies than lower performing peers (see Appendix B-2 for results segmented by claims closure ratio).

Aligning best practices and key performance indicators

The 2022 results indicate that, on average, 61 percent of participants measure performance in the top three (3) areas ranked most critical to claim outcomes (see Table 13), a decline from 71 percent in the 2017 study, indicating an opportunity for the industry. Higher performing organizations are much more likely to measure performance in these top three (3) areas, as well as all other core competencies (see Appendix B-2 for results segmented by claims closure ratio).

Most organizations fail in the execution of a strategy if there is a lack of alignment with daily operational efforts and the organization's strategic objectives. For companies seeking to become high performance organizations, aligning metrics and desired outcomes is often the first step. Key performance indicators (KPIs) are critical indicators that provide evidence of the degree to which the defined objectives are achieved (Kenny, 2020). Successful organizations have well-defined KPIs for all important functions of the organization. Organizations should align metrics with KPI statistics that reliably reveal cause and effect (i.e., resulting in consistent outcomes of a given action over time) and *predict* a causal relationship between the action the statistic measures and the desired outcome (Galvan & Patel, 2023).

Measuring Best Practices in the Top 3 Core Competencies Ranked Most Critical to Claim Outcomes

Disability/RTW Management
60% measure best practices

Medical Management
60% measure best practices

Claim Resolution
64% measure best practices

There are several factors that may influence an organization's ability to measure best practices. The 2022 study examines the limitations for organizations that report *not* measuring best practices and performance within core competencies. The primary reason, surprisingly, is that measuring best practices is not a business priority (see Table 14). Lower performance organizations are much more likely to indicate that measuring best practices is not a business priority. This is a call to action for claims organizations. Claim costs represent approximately 70 to 80 percent of most claim organizations' expenses. Not measuring best practices in an operational area with such a significant impact on the business is a recipe for failure.

Table 13 Survey Question: *Does your organization measure best practices/performance within core competencies in any of the following areas? Select all that apply.*

2022 Responses Sorted by Specific Core Competency Measurement

Answer	count	%
No / Not Applicable	81	21%
Claim Resolution	250	64%
Disability / RTW Management	232	60%
Medical Management	231	60%
Case Reserving	226	58%
Litigation Management	195	50%
Compensability Investigations	191	49%
Bill Review	174	45%
Oversight Governance / Supervisory Oversight	171	44%
Fraud & Abuse Detection	115	30%
Vocational Rehabilitation	66	17%
total count	388	

Note: Participants were able to select more than one answer for this question

Table 14 Survey Question: *What is the primary limitation/ reason for not measuring best practices/ performance within core competencies? (Conditional Question for participants who answered "No / Not Applicable" in Table 13).*

	% of Sub-Sample Responses		
Answer	2014*	2017*	2022
count	112	140	81
Not a business priority	37%	31%	36%
Data / system limitations	37%	35%	26%
Unsure how to operationalize	33%	30%	24%
Financial limitations	11%	5%	4%
Other	15%	16%	10%

* Study years **2014** and **2017**, the answer option was **"select all that apply"**

Using systems to drive best practices

Analytics can help claims organizations target and proactively apply resources to higher risk claims from the outset, improving resource efficiencies and claim outcomes. Organizations use tools such as predictive modeling and prescriptive analytics to find patterns and outliers in data, as well as to recommend the optimal next steps/interventions to manage claims. "Predictive modeling helps put the right claim into the right process and assign the right resources at the right time—enabling claims teams to deliver the attention that complex claims require and minimizes over management of routine claims" (The Hartford, 2022).

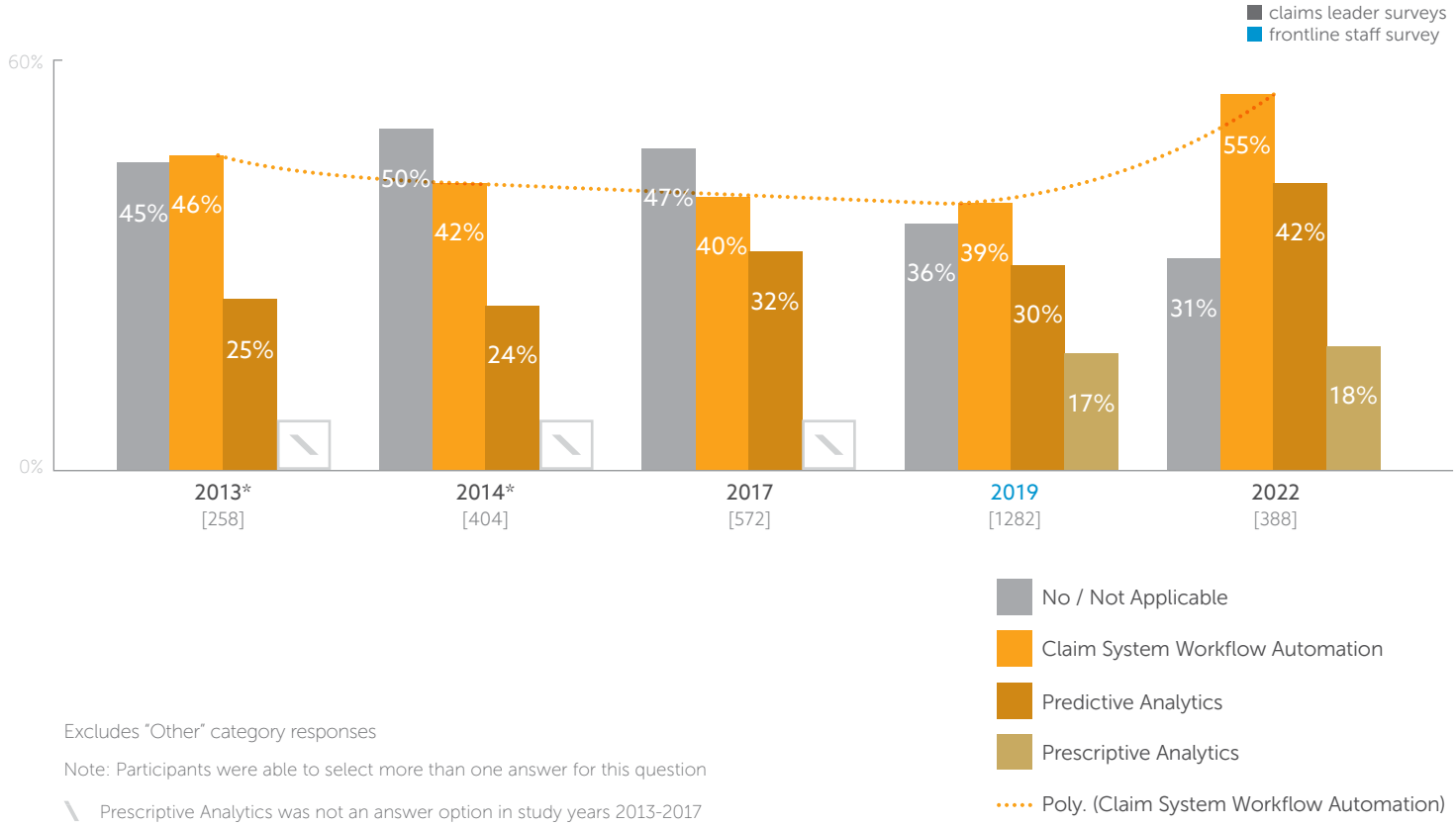
Workflow automation leverages predictive tools and claims data to ensure consistency in execution and to drive desired outcomes. Workers' compensation claims are affected by numerous indicators, including jurisdictional differences, injured worker demographics, socioeconomic factors, employment, medical conditions, as well as current and prior injuries. These various factors, including structured and unstructured data from internal and external sources, coupled with claim and medical transaction data, are the baseline for predictive modeling tools.

Predictive and prescriptive technologies have become increasingly important as key decision support tools in the management of workers' compensation claim outcomes. Using these tools allows organizations to quickly identify and strategically intervene in claims with a probability to incur high claim costs, litigation, and other key drivers of claim severity.

The 2022 study results demonstrate 69 percent of organizations are utilizing systems to direct and manage best practices, a notable improvement from prior study results (see Figure 6).

Higher performing organizations are much more likely to utilize workflow automation, predictive analytics, and prescriptive analytics than lower performing peers (see Appendix B-3 for results segmented by claims closure ratio).

Figure 6 Survey Question: *Does your organization utilize any of the following systems to direct or manage tasks within best practices?*



Excludes "Other" category responses

Note: Participants were able to select more than one answer for this question

\ Prescriptive Analytics was not an answer option in study years 2013-2017

Connecting claim outcomes with performance metrics

The 2022 results reveal that claims leaders are more focused on financial metrics as a measure of claims management effectiveness compared to the 2020 results. Prior study results indicate a greater focus on outcomes that support patient/injured worker functional recovery (e.g., percentage of claims that return-to-work at or below industry benchmarks, percentage of claims that return to the same or better pre-injury functional capabilities) (see Tables 15 and 16).

The 2022 results show that, on average, 85 percent of participants are utilizing the performance metrics they identify as most important to determine claims management effectiveness (see Table 17). The 2022 results show higher performing organizations are more likely to align claim outcome and performance metrics. Additionally, a major differentiator, higher performers are much more likely to utilize and measure injured worker satisfaction as a key metric of claims management effectiveness.

Financial results are a significant indicator for any organization/business. However, what *actually* drives claim results—including lower claim costs and more favorable claims resolution ratio—are holistic measures of claims management effectiveness, such as return-to-work below industry benchmarks, litigation rate, and injured worker satisfaction. A cross-sectional study of workers' compensation claims practices involving over 10,000 injured workers identifies a strong association between worker experience in the claims process and return-to-work outcomes. Having a positive claims experience is strongly associated with return-to-work after accounting for injury, worker, claim, and employer factors (Collie, Sheehan, Lane, Gray, & Grant, 2019).

Table 15 & 16

Survey Question: *Considering the following performance metrics, please identify the top three measures of claims management effectiveness, with 1 being the "most effective" and 3 being "less effective." (Rank 1 through 3)*

Rank	2020	2022
1	% of claims that Return to Work at or below industry benchmarks	Total claim costs
2	Total claim costs	Average claim costs
3	% of claims that return to the same or better pre-injury functional capabilities	Claims resolution ratio

Note: Participants selected the top 3 metrics from a list of 11 options

2022 Responses

Answer	Overall Rank	Weighted Score
count	— 388 —	
Total claim costs	1	406
Average claim costs	2	389
Claims resolution ratio	3	353
Average Temporary Total Disability (TTD) time loss days per claim	4	261
Employer or end customer satisfaction	5	240
Percentage of claims that Return to Work at or below industry benchmarks	6	159
Litigation rate	7	154
Injured worker satisfaction	8	148
Indemnity claims ratio	9	101
Percentage of claims that return to the same or better pre-injury functional capabilities	10	92
Claims reopening ratio	11	25

Table 17 Survey Question: *Based on your prior response, does your organization utilize the following performance metrics to measure claims management effectiveness? (Conditional Question based on the top three performance metrics participants selected in Table 16).*

2022 Responses Sorted by the Utilization of Performance Metrics

Answer	Overall Rank	Yes	No
count		— 388 —	
Claims resolution ratio	3	88%	12%
Litigation rate	7	88%	12%
Average claim costs	2	85%	15%
Average Temporary Total Disability (TTD) time loss days per claim	4	85%	15%
Total claim costs	1	83%	17%
Percentage of claims that Return to Work at or below industry benchmarks	6	79%	21%
Percentage of claims that return to the same or better pre-injury functional capabilities	10	77%	23%
Employer or end customer satisfaction	5	75%	25%
Indemnity claims ratio	9	71%	29%
Injured worker satisfaction	8	69%	31%
Claims reopening ratio	11	64%	36%

Leveraging risk/reward strategies to improve outcomes

In many industries, incentives and penalties play an important role in service contracts. Using the same approach with staff has some limitations, not the least of which is understanding how to influence human behavior effectively. Although the staff approach may differ, the concept is the same. Performance-based strategies with staff and vendor partners should provide significant incentives (rewards and penalties) tied to achieving desired outcomes. Rewards and penalties are two sides of the same coin. Both can influence behavior and create a powerful incentive to improve performance. Performance-based strategies must be balanced. Incentives without the threat of penalties can lead to complacency, while penalties without rewards can lead to frustration and disengagement. Incentives and penalties should affect daily behavior and focus on near-term goals and objectives. They should be transparent and objective, clearly communicating that achieving the desired outcome results in an incentive/payout—exceeding the outcome results in a more significant payout (Fotsch & Case, 2018).

The 2022 results show that, on average, 50 percent of respondents are using risk/reward strategies with staff, a slight increase from the 2017 results. Organizations are much more likely to use risk/reward incentives with staff compared to vendor partners, representing a considerable opportunity for claims organizations (see Tables 18 through 21). With the outsourcing of many key claim activities, harnessing well-defined service level expectations and associated performance-based strategies with vendor partners is more critical than ever. The results show that higher performing organizations are much more likely to harness performance-based strategies with staff, as well as with vendor partners (see Appendices B-5 through B-8 for results segmented by claims closure ratio).

Use of Incentives

50% use incentives for **staff**

34% use incentives for **vendor partners**

Use of Penalties

51% use penalties for **staff**

43% use penalties for **vendor partners**

claims leader surveys frontline staff survey

Table 18 Survey Question: *Does your organization utilize incentives for staff to achieve best practices/ performance measures? Select all that apply.*

Answer	2013	2014	2017	2019	2022
count	258	404	572	1282	388
No / Not Applicable	49%	51%	52%	43%	50%
Formal Recognition	29%	26%	29%	17%	31%
Bonus Structure	31%	29%	26%	38%	29%
Increased Pay or Salary	26%	20%	21%	26%	23%
Other	1%	<1%	4%	2%	4%

Note: Participants were able to select more than one answer for this question

Table 19 Survey Question: *Does your organization utilize penalties for staff when best practices/performance measures are not met? Select all that apply.*

Answer	2013	2014	2017	2019	2022
count	258	404	572	1282	388
No / Not Applicable	48%	50%	53%	43%	49%
Performance Improvement Review	47%	43%	41%	47%	45%
Decreased or No Bonus	23%	20%	17%	22%	16%
Decreased Salary	1%	2%	1%	2%	1%
Other	<1%	1%	3%	2%	3%

Note: Participants were able to select more than one answer for this question

Table 20 Survey Question: *Does your organization utilize incentives for vendor partners to achieve best practices/ performance measures? Select all that apply.*

Answer	2013	2014	2017	2022
count	258	404	572	388
No / Not Applicable	71%	71%	69%	66%
Increased Business or Referrals	21%	19%	19%	22%
Bonus or Increased Reimbursement	8%	8%	6%	10%
Fast Track Payments	6%	4%	7%	8%
Limited or No Utilization Review	2%	4%	4%	7%
Limited or No Technical Bill Review	2%	3%	2%	5%
Other	<1%	1%	2%	1%

Note: Participants were able to select more than one answer for this question

Table 21 Survey Question: *Does your organization utilize penalties for vendor partners when best practices/ performance measures are not met? Select all that apply.*

Answer	2013	2014	2017	2022
count	258	404	572	388
No / Not Applicable	65%	61%	59%	57%
Limited or Decreased Business or Referrals	28%	26%	28%	32%
Penalty Fees	7%	9%	10%	11%
Decreased Reimbursement	7%	7%	5%	5%
Other	1%	4%	5%	2%

Note: Participants were able to select more than one answer for this question

Knowledge of advocacy-based, worker-centric claims model

The workers' compensation industry continues to promote the value of advocacy-based, worker-centric claims models, defined by the study as an "employee-centric, customer service claims model that focuses on employee engagement during the injury recovery process, removes adversarial obstacles, makes access to benefits simple, builds trust, and holds organizations accountable to metrics that go beyond cost containment" (Algire, 2017).

The claims process and injured worker experience can have a material impact on claim outcomes (Collie, Sheehan, Lane, Gray, & Grant, 2019). Advocacy-based, worker-centric claims models put the injured workers' needs first—understanding that not only are they recovering from an injury, but they must also navigate through the complex workers' compensation claims process.

The study initially examined the use of advocacy-based claims models in 2016. To better understand frontline claims professionals' awareness of advocacy models, the 2019 study examined their perspective.

To gain a better understanding of the industry's awareness of advocacy-based models, the study examines if participants know what an advocacy-based claims model is. This survey question is independent of other questions to reduce bias. The 2022 results reflect a modest decline in claims leaders' knowledge of advocacy-based claims models from the 2020 survey, with 73 percent reporting awareness (see Figure 7).

The 2022 results show higher performing claims organizations are much more likely to be aware of advocacy models, with 88 percent reporting knowledge compared to lower performing peers with 69 percent reporting awareness (see Appendix B-9 for results segmented by claims closure ratio).

Advocacy-Based, Worker-Centric Claims Model

An employee-centric customer service claims model that focuses on employee engagement during the injury recovery process, removes adversarial obstacles, makes access to benefits simple, builds trust, and holds organizations accountable to metrics that go beyond cost containment.

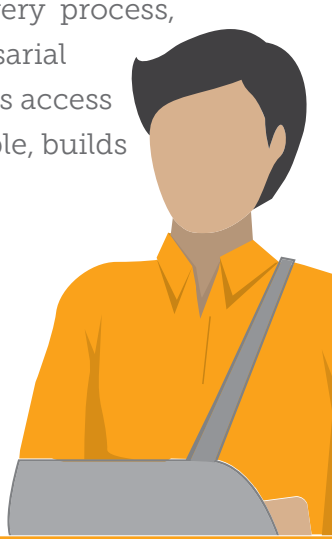
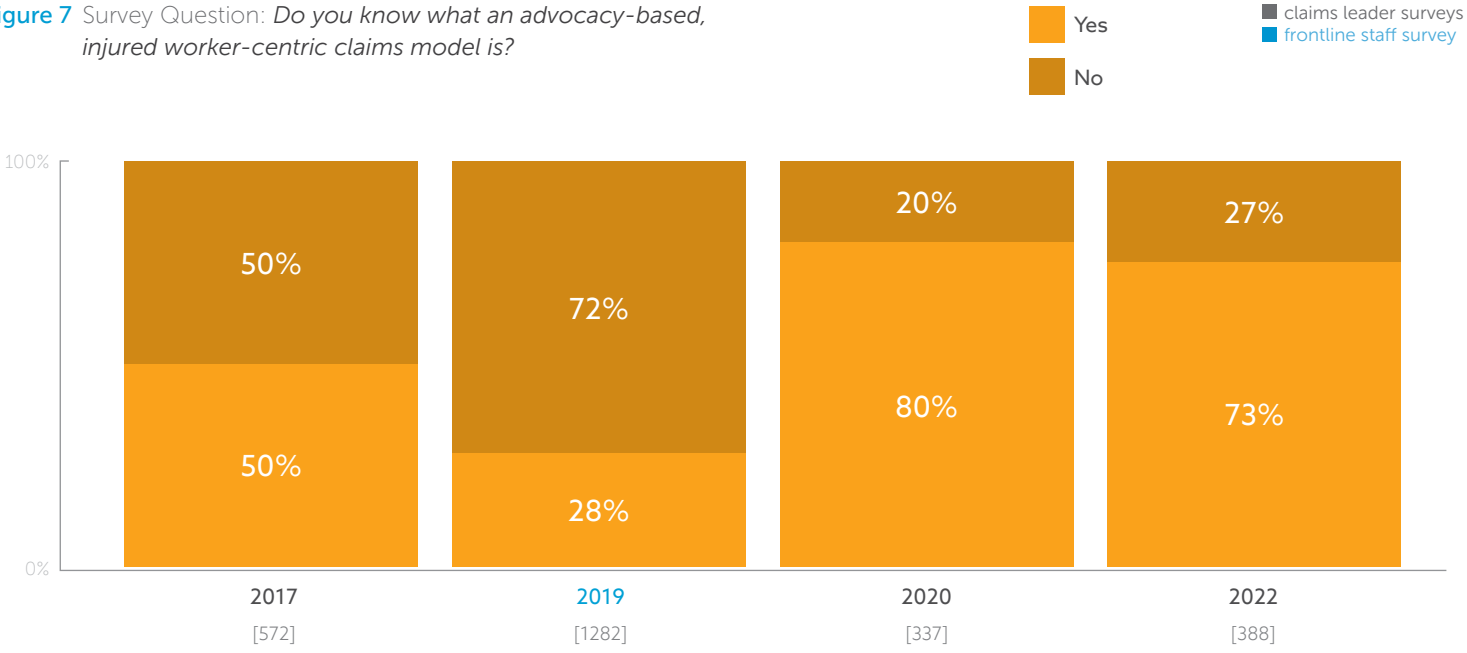


Figure 7 Survey Question: *Do you know what an advocacy-based, injured worker-centric claims model is?*



Leveraging advocacy-based, worker-centric claims models

The results reveal 47 percent of participants have already implemented an advocacy-based, worker-centric claims model, a notable increase from prior study results (see Table 22). Prior study research and industry publications indicate leading claims organizations are proponents of advocacy-based, employee-centric claims models. The 2022 results show higher performing claims organizations are much more likely to leverage advocacy models, with 60 percent reporting they have already implemented an advocacy-based claims model (see Appendix B-10 for results segmented by claims closure ratio).

Table 22 Survey Question: *Has your organization considered implementing/adopting an advocacy-based, injured worker-centric claims model?*

claims leader surveys
frontline staff survey

Answer	2017	2019	2022
count	572	1282	388
Yes, already implemented	28%	18%	47%
Yes, will likely implement within the next 1 to 3 years	9%	3%	10%
Considering, but no specific implementation plans	19%	3%	13%
No, not considering	24%	4%	15%
Unknown	20%	72%	15%

Implementing advocacy model initiatives

For organizations that report implementing an advocacy-based, worker-centric claims model, the study examines *what* specific strategies are implemented and *how* claims organizations measure the impact of advocacy programs. The historical data shows an increase across multiple strategies from prior study years, including revamping injured worker communications, focused claims professional training on empathy, as well as organizational culture shift supporting advocacy models (see Table 23).

Higher performing organizations are much more likely to implement multiple initiatives, including a major differentiator, claims professional training on empathy and other soft skills (see Appendix B-10.1 for results segmented by claims closure ratio).

Table 23 Survey Question: *What advocacy-based, injured worker-centric claims model initiatives have you implemented? Select all that apply. (Conditional Question for participants who answered "Yes, already implemented" in Table 22).*

claims leader surveys
frontline staff survey

	% of Sub-Sample Responses		
Answer	2017	2019	2022
count	159	233	181
Revamped injured worker communications including education about the claims process	64%	46%	77%
Focused claims adjuster training on empathy and / or other soft skills	57%	50%	74%
Cultural shift within your organization supporting an advocacy model including leadership buy in	51%	39%	65%
Emphasis on WC as a benefit delivery system versus a claims adjudication system	62%	47%	61%
Implemented technology tools or apps			50%
Dedicated injured worker advocates in addition to the claims examiner	52%	37%	39%
Other	10%	5%	8%

Note: Participants were able to select more than one answer for this question

Not an answer option in this study year

Key metrics for advocacy models

The 2022 results show the most common metrics used to measure the effectiveness of advocacy models is litigation rate, claim costs, and claim duration, a slight difference from the 2017 results which includes injured worker satisfaction as one of the top three (3) metrics (see Table 24). Higher performing organizations are much more likely to use key claims management practice metrics, including speed to claims decision and litigation rate than lower performance peers (see Appendix B-10.2 for results segmented by claims closure ratio).

Table 24 Survey Question: *What measures are you using to determine the effectiveness of your advocacy-based, injured worker-centric claims model? Select all that apply. (Conditional Question for participants who answered "Yes, already implemented" in Table 22).*

	% of Sub-Sample Responses	
Answer	2017	2022
count	159	181
Litigation rate	62%	63%
Claim costs	68%	59%
Claim duration	68%	56%
Injured worker satisfaction	62%	52%
Employer or end customer satisfaction		39%
Speed to claims decisions or number of days to reach a decision versus statutory requirements	25%	36%
Claims talent employee retention	30%	23%
Other	11%	8%

Note: Participants were able to select more than one answer for this question

Not an answer option in this study year

Connecting advocacy-based, worker-centric claims models and employee engagement—key talent strategy

The 2022 results show participants value advocacy-based claims models as a key claims talent strategy. Participants continue to rank employee engagement as the greatest potential impact on claims talent retention, followed by connecting claims talent strategy to organizational mission and customer service model (see Table 25). Employee engagement, a leading indicator of job satisfaction, should be a strategic business objective. Engaged employees lead to higher performance and organizational success, as well as higher employee retention. "When employees see and appreciate how their individual work helps advance organizational goals they support and find meaningful, they will be more engaged, motivated, and perform at a high level to drive organizational performance" (Mazor, 2021).

Table 25 Survey Question: *Considering an advocacy-based, injured worker-centric claims model, how could it most impact claims talent development and retention strategies? Please rank the strategies in the order of greatest potential impact, with 1 being the "greatest impact" and 5 being the "lower impact."*

claims leader surveys
frontline staff survey

	Rank		
Answer	2017	2019	2022
count	572	1282	388
Employee engagement	1	1	1
Connect claims talent strategy to organizational mission or customer service model	2	5	2
Elevate the social factors and meaningful work of claims professionals	4	4	3
Improve organizational reputation and / or social image	5	3	4
Transform the image of the claims profession	3	2	5

Appendix B Index – Prioritizing Core Competencies

For more information on all survey question results and additional benchmark analyses related to this focus area, please refer to the below tables and figures in **Appendix B**.

Operational Challenge

Talent Development & Retention

The talent gap—the industry's greatest threat

Workers' compensation organizations continue to be challenged by a talent supply and demand imbalance. The talent gap—clearly evident before the pandemic—and the "great resignation" is arguably the industry's greatest threat to innovation, growth, and profitability. Talent is critical to an organization's success; yet, according to a recent report from The Jacobson Group and Ward, the ability to hire talent is significantly more difficult compared to prior years, with the greatest challenges in technology, claims, and underwriting roles (The Jacobson Group and Ward, 2023).

Organizations are facing multiple talent retention and recruitment challenges. Ongoing studies and labor market data forecast a significant shortfall of talent to fill the need. A key driver of the talent gap is the age of the industry workforce. According to the U.S. Bureau of Labor Statistics, the percentage of insurance professionals 55 and older increased 74 percent over the last 10 years (U.S. Bureau Of Labor Statistics, 2022). Another challenge is attracting potential Millennial and Gen Z candidates to the industry. Both are digital natives and prioritize working for organizations that are innovative, diverse, and philanthropic—none of which the insurance industry is well known for (PwC, 2018). By 2025, Millennials are projected to account for an overwhelming majority of the labor force with Gen Z close behind. "The combined influence of Millennials and Gen Z will dramatically transform the workplace" (Timmes, 2022). Leaders that examine their company's talent value proposition and actually incorporate the needs of these two (2) generations will have a clear competitive advantage.

This area of the study provides an opportunity for organizations to benchmark *how* industry peers invest in talent development and retention. The 2022 study examines the similarities and/or differences from prior survey research with claims leaders from 2013 through 2022 and frontline claims professionals in 2019, as well as *what* strategies are identified as *high performance differentiators*, with varying degrees of distinction amongst peer organizations.

Key Considerations

How has the COVID-19 pandemic influenced talent management strategies, including operational models with remote work options?

What strategies are organizations leveraging to attract and retain talent?

Are organizations investing in training for new hire and senior claims professionals?

How do organizations address the challenge of knowledge transfer from senior-level staff to less experienced staff members?

KEY

Data Trend:

- Increase
- Decrease
- Consistent
- Mixed Results
- New Question / No Trend

Level of Differentiation between High Performers & Lower Performers:

- Modest
- Moderate
- Major

See **Appendix C** for all results related to this section

Post-pandemic, claims operational models

Traditionally, physical presence at the workplace is perceived as a measure of productivity. The COVID-19 pandemic transformed that perception, with most organizations realizing employees can be productive working remotely. In the 2019 study, claims professionals identify remote work options as one of the most valued benefits that could influence current and/or future employment considerations. According to a recent Harvard Business Review case study, the next generation of the workforce demands it all: flexible schedules, diversity, engagement, autonomy, and a meaningful connection with employers as well as the company purpose (Mankins, Garton, & Schwartz, 2021).

The 2022 study examines what operational model organizations will leverage after the pandemic. The results show 77 percent of claims leaders report changing their operational design as a result of employee sentiment (see Figure 8). Long-term, 72 percent anticipant some percentage of claims staff will permanently work remotely (see Figure 9). Of those participants who do not envision long-term remote work for their claims staff, a third anticipates returning to a traditional office model, with employees working from regional or corporate offices (see Figure 10).

Higher performing organizations are much more likely to offer greater flexibility compared to lower performing peers (see Table 26).

Figure 8 Survey Question: *Has your organization changed its operational model (i.e., in office, hybrid or remote work) as a result of employee sentiment?*

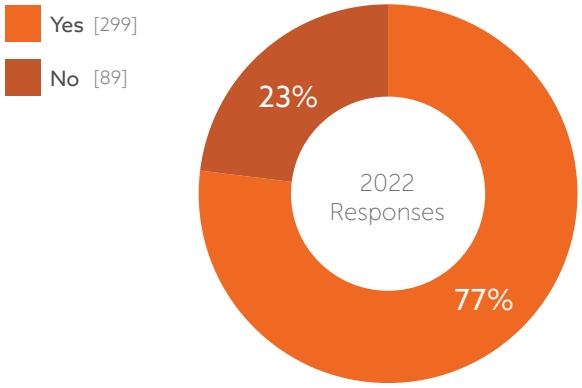


Figure 9 Survey Question: *As a result of COVID-19, what percentage of your claims team do you anticipate will permanently work remotely on a full-time basis?*

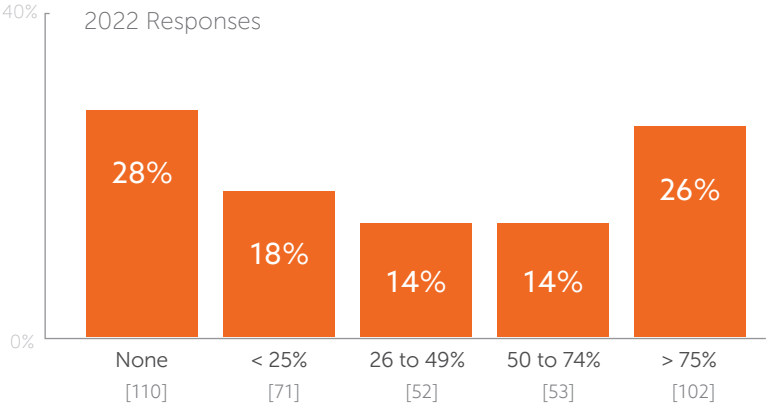
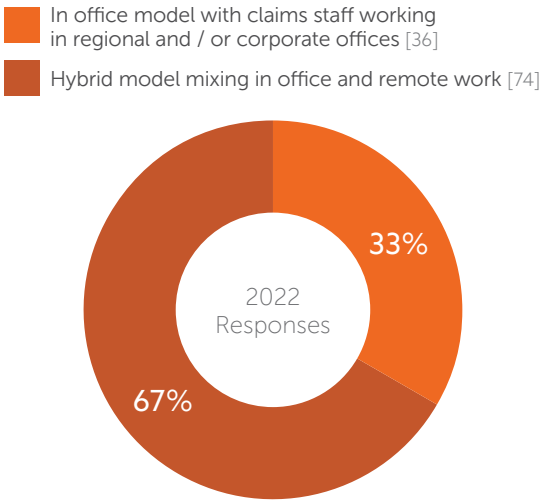


Figure 10 & Table 26 Survey Question: *What operational model do you anticipate your organization will follow after the pandemic? (Conditional Question for participants who answered "None" in Figure 9)*



Note: Percentages are based on the sub-sample

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)
count	65	27
In office model with claims staff working in regional and / or corporate offices	40%	19%
Hybrid model mixing in office and remote work	60%	81%

Excludes "Unknown" category responses

Note: Percentages are based on the sub-sample

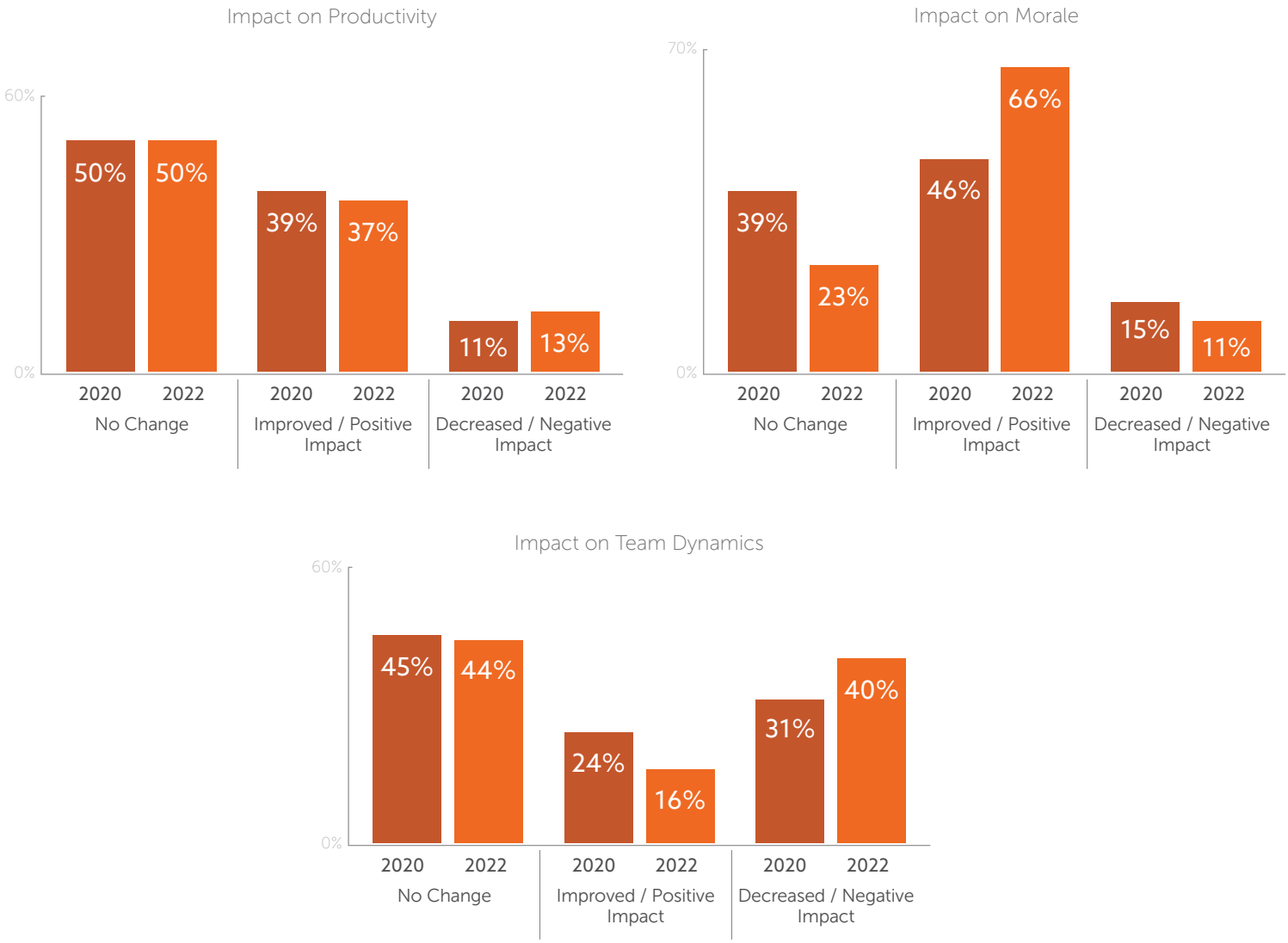
Impact of remote work on productivity, morale, and team dynamics

Overall, participants report remote work does not negatively impact productivity, with 87 percent reporting either no impact or improved productivity, a slight decline from the 2020 results. Similarly, 89 percent report either no impact or improved impact on employee morale. However, a finding claims leaders should examine further—40 percent indicate a negative impact on team dynamics, an increase from the 2020 results (Figure 13). Higher performing organizations are more likely to recognize and report a negative impact of remote work on team dynamics.

According to an *Insurance Journal* article with multiple industry executive interviews, organizations saw increasing productivity with remote work; however, companies are experiencing a "negative impact on innovation—everything that requires teamwork and brainstorming" (Howard, 2022).

A largescale study of more than 60,000 U.S. employees at Microsoft over the first six months of 2020 shows that company-wide remote work causes collaboration to become more static, siloed, and less interconnected (Yang, et al., 2022). The study notes a decrease in synchronous communication and an increase in asynchronous communication, which may make it more difficult for employees to acquire and share new information across the organization. The future state should consider the impact of operational models on team dynamics. The most effective implementation of hybrid work includes deliberately minimizing the impact on employees that are not working remotely; "for example, organizations should consider implementation of hybrid work in which certain teams come into the office on certain days, or in which most or all workers come into the office on specified days and work remotely otherwise" (Yang, et al., 2022).

Figure 11-13 Survey Question: *How has remote work from home impacted the claims operation productivity, morale, and team dynamics?*



Incentivizing frontline claims professionals

In the 2019 study, frontline claims professionals identify bonus/profit sharing as one of the most valued benefits that could influence current and/or future employment decisions. Organizations should consider implementing an incentive plan that allows all employees to share in the company's financial success, which results in employees taking a stronger interest in overall organizational health, as well as helping retain talent long-term. Well-designed incentives align the interests of the company and employees towards productive and profitable goals. "Effective incentive plans involve employees in establishing team goals and focus on goals that are directly related to the business' financial performance, creating a win-win—employees get paid if they meet the target, and the company's finances improve" (Fotsch & Case, 2018).

The 2022 results show 43 percent of participants offer bonus/profit sharing for frontline claims staff, a slight increase from the prior study (see Figure 14). Higher performing organizations are much more likely to offer incentives—representing a competitive advantage for those that do (see Appendix C-4 for results segmented by claims closure ratio). Additionally, the data shows a significant variation by organization type, with insurance companies much more likely to offer financial incentives to frontline claims professionals (see Appendix C-4 for results segmented by organization type).

Figure 14 Survey Question: *Does your organization offer bonus/profit sharing for frontline claims professionals?*

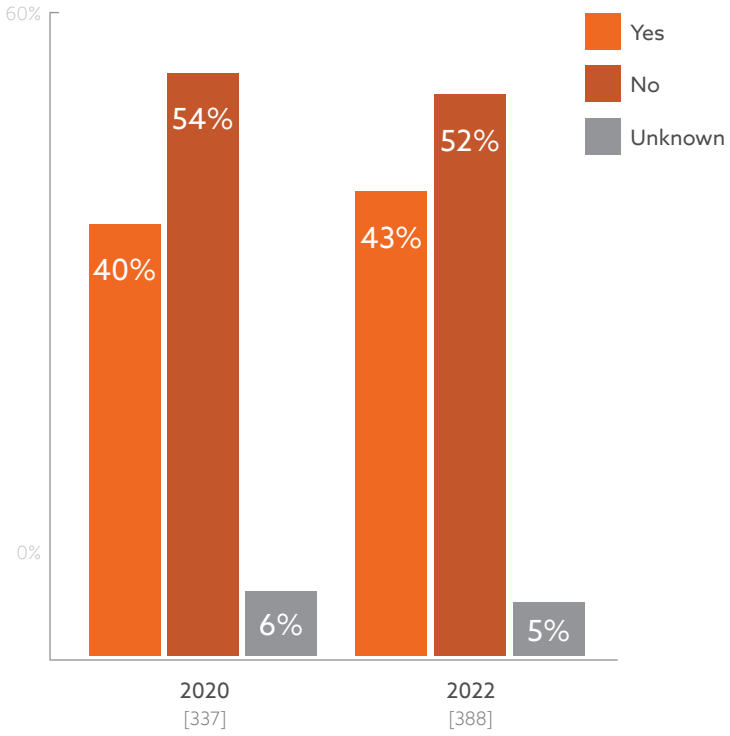


Table 27 Survey Question: *How often does your organization benchmark salary or benefits for claims professionals?*

Answer	2020	2022
count	337	388
None / Not Applicable	15%	19%
Annually	28%	34%
Every 2 years	12%	8%
Every 3 years	3%	5%
No set timeline, completed when needed and / or based on staff attrition rate	19%	21%
Unknown	23%	13%

Benchmarking salary and benefits for claims staff

Given the significant challenges with the available talent pool, benchmarking salary and benefits gives claims organizations an impartial and accurate idea of competitive pay information to make informed decisions. Organizations should make decisions based on in-depth market research and analysis rather than anecdotal data from a handful of companies to assess competitive pay, both within and outside the organization. According to Bureau Of Labor Statistics data, insurance sector employees are not experiencing wage growth to the same extent as employees in the broader economy, which presents continued talent recruitment and retention challenges (U.S. Bureau Of Labor Statistics, 2022).

Study results show 81 percent of 2022 participants are benchmarking salary and benefits for frontline claims staff, a slight decline from 2020 results (see Table 27). Insurance companies, reinsurance or excess insurance companies, and third party administrators are more likely to benchmark overall, and report more frequent assessment of salary and benefits. Governmental and insured employer entities are least likely, and report benchmarking less frequently (see Appendix C-5 for results segmented by organization type).

Higher performing organizations are more likely to benchmark salary and benefits for frontline claims professionals (see Appendix C-5 for results segmented by claims closure ratio).

Defined career path for claims professionals

The workers' compensation sector needs to change the perception of the industry and build awareness of its multidisciplinary opportunities. Developing career paths provides claims organizations the opportunity to strategically promote the profession, as well as ensure long-term talent commitment. From the employee perspective, a career path provides a structure to enhance their skills and knowledge that can lead to mastery of their current role, as well as promotions to new or different positions. According to the Society of Human Resource Management, implementing career paths can also impact the entire organization by improving morale, career satisfaction, motivation, as well as company financial results and productivity (Society of Human Resource Management, 2021).

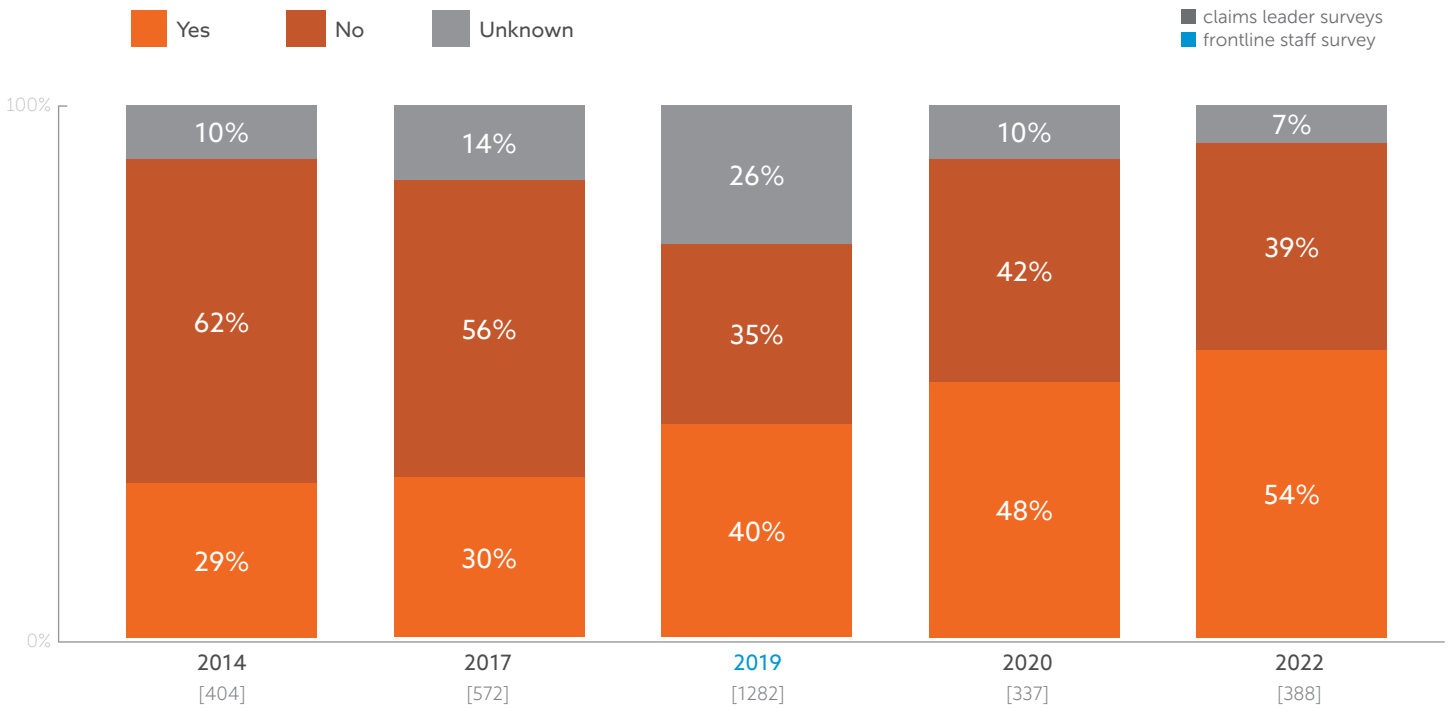
In a global insurance industry report, McKinsey & Company outlines that organizations can attract new talent by refining their employee value proposition by emphasizing employees' ability to gain exposure to a diverse set of roles, industries, geographies, and functional areas by allowing for cross-functional career paths (Ebert, et al., 2023). This is particularly important as organizations are shifting toward cross-functional teams (including claims, risk management, sales, and portfolio managers) to address the changing risk landscape. Organizations need to expand their talent pools beyond the industry, targeting nontraditional profiles, such as those with deep technology expertise or a science and health background (Ebert, et al., 2023).

> Organizations can attract new talent by refining their employee value proposition by emphasizing employees' ability to gain exposure to a diverse set of roles, industries, geographies, and functional areas by allowing for cross-functional career paths.
>
> (Ebert, et al., 2023).

The 2022 results show 54 percent of participants offer a career path with growth opportunities for claims staff, an improvement from 2020 results (see Figure 15). Historical study results show an upward trend from the 2014 survey, indicating organizations are prioritizing career paths as an important talent strategy. However, there is still work to be done, with almost half not offering career paths.

A major differentiator—higher performing organizations are much more likely to offer career paths, representing a clear competitive advantage for those that do (see Appendix C-6 for results segmented by claims closure ratio).

Figure 15 Survey Question: *Does your organization offer a formal career path program with growth opportunities for claims staff?*



Claims staff attrition rate

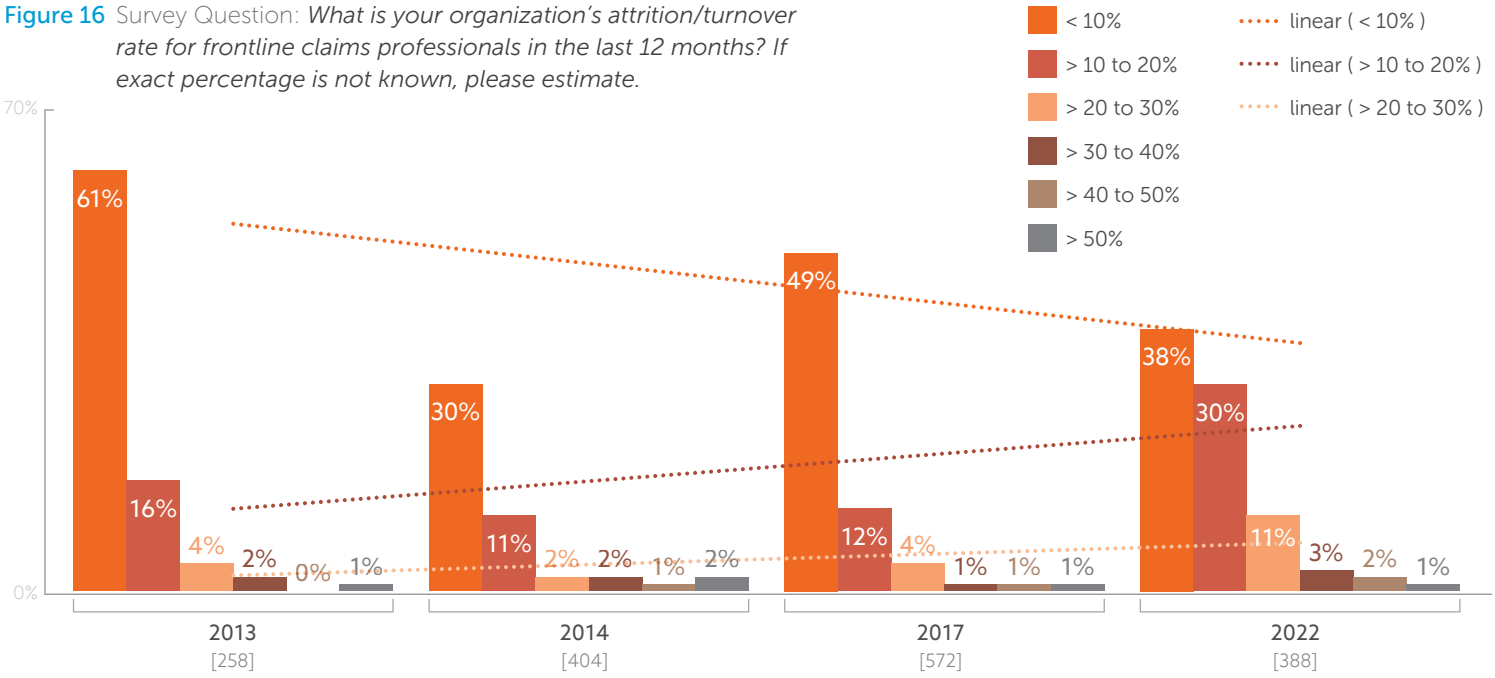
Turnover at the frontline claims professional level has a significant impact on customers (employers), injured workers, and claims organizations. There are lost opportunities in every claim file when there is turnover, resulting in higher claim costs and reserve adequacy issues (DeStefano & Barbagallo, 2016). "It typically takes at least 90 days to recruit and hire a claims professional, once systems and procedures training is complete, it usually takes another 90 days to cycle through the claims inventory—resulting in a potential six-month lag on any given file" (DeStefano & Barbagallo, 2016). To turn the tide, organizations need to truly value the role of claims professionals. This requires leadership's acknowledgment of claims as *essential* to customer-centric models as well as *strategic* to achieving profitability goals.

The historical results show that attrition at the frontline claims professional level is increasing (see Figure 16). The 2022 data shows that 30 percent of participants report attrition greater than 10 to 20 percent and 11 percent report attrition greater than 20 to 30 percent, a notable increase from prior study results.

Higher performing organizations report overall lower attrition rates (see Appendix C-7 for results segmented by claims closure ratio).

Organizations need to truly value the role of claims professionals. This requires leadership's acknowledgement of claims as **essential** to customer-centric models as well as **strategic** to achieving profitability goals.

Figure 16 Survey Question: *What is your organization's attrition/turnover rate for frontline claims professionals in the last 12 months? If exact percentage is not known, please estimate.*



Investing in new hire training

The 2022 results reflect 55 percent of participants provide training for new hire claims staff with minimal to no experience, a notable increase from the 2017 results (see Figure 17). Additionally, historical results show organizations that have a new hire training program are investing more time in the training programs. The 2022 results show, of those organizations who do conduct new hire training, 34 percent report the program includes more than 100 hours of dedicated training (see Figure 18). Although the investment in training is improving, the results show 45 percent of participants do not have a new hire training program for inexperienced claims staff. Given the well-known industry talent shortage, which will only intensify, organizations without a training program should examine strategies to quickly deploy training options.

Higher performing organizations are more likely to offer new hire training for claims staff (see Appendix C-8 for results segmented by claims closure ratio).

Figure 17 Survey Question: *Does your organization have a formal training program for new hire claims staff with little to no experience?*

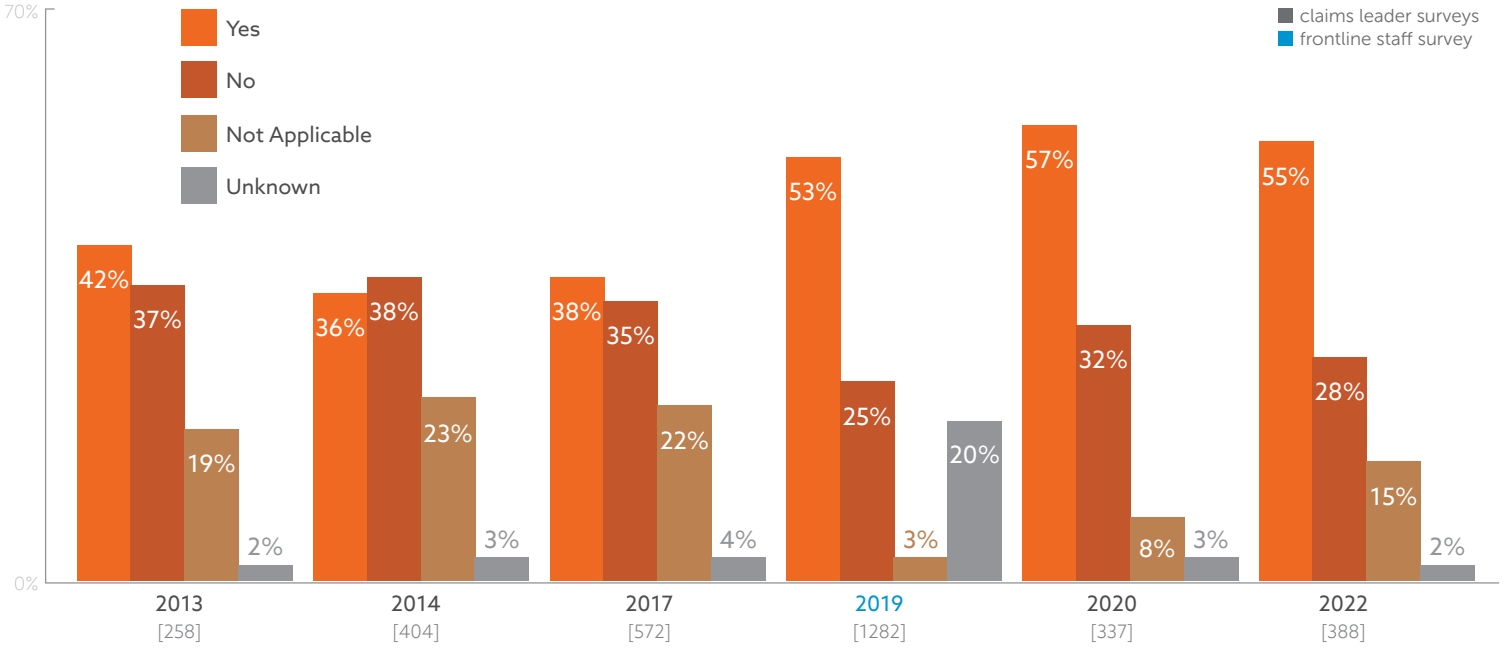
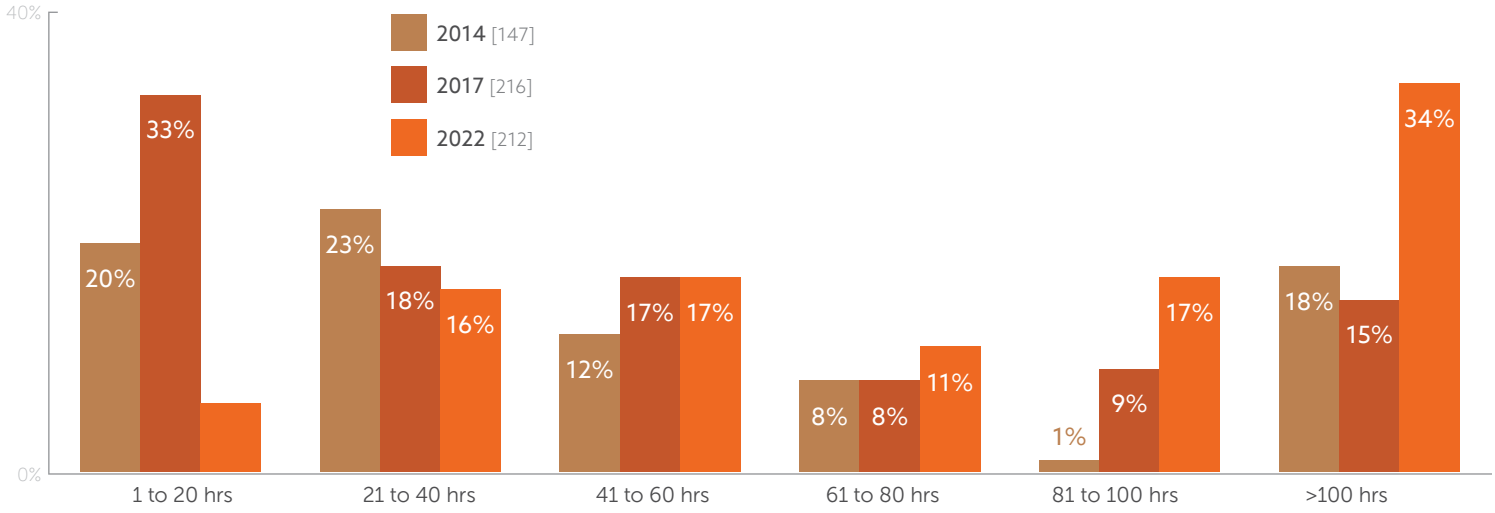


Figure 18 Survey Question: *Considering your new hire claims staff training program, how many hours of training are dedicated to the program? If exact number is not known, please estimate. (Conditional Question for participants who answered "Yes" in Figure 17)*



Note: Percentages are based on the sub-sample

Investing in senior claims staff training

The 2022 results show 62 percent of participants provide training for senior-level claims staff, an increase from 47 percent in the 2017 survey of claims leaders (see Figure 19). With the expanding skills gap and challenge attracting new entrants into the industry, organizations must be more diligent to retain the staff they have.

To provide greater insight into the primary reasons organizations *do not* provide senior-level claims staff training, the study identifies the driving factors. The results show 37 percent indicate no perceived need for training and 22 percent indicate staff are too busy managing claims to participate in training (see Table 28). This is a recipe for, at minimum, talent stagnation and, more alarmingly, a talent exodus—neither are desirable for organizations.

To remain competitive, organizations need to balance business needs and invest in continued training and development of senior-level claims staff. Training and development should be viewed as an investment rather than just an expense. Investing in continuing education allows staff to hone existing skills and develop new ones, as well as provide the organization with a talent pool of technically superior claims professionals, thus improving claim outcomes and financial results.

Higher performing organizations are much more likely to provide training for senior-level claims staff (see Appendix C-10 for results segmented by claims closure ratio).

Figure 19 Survey Question: *Does your organization provide skills training and development programs for senior-level claims adjusters?*

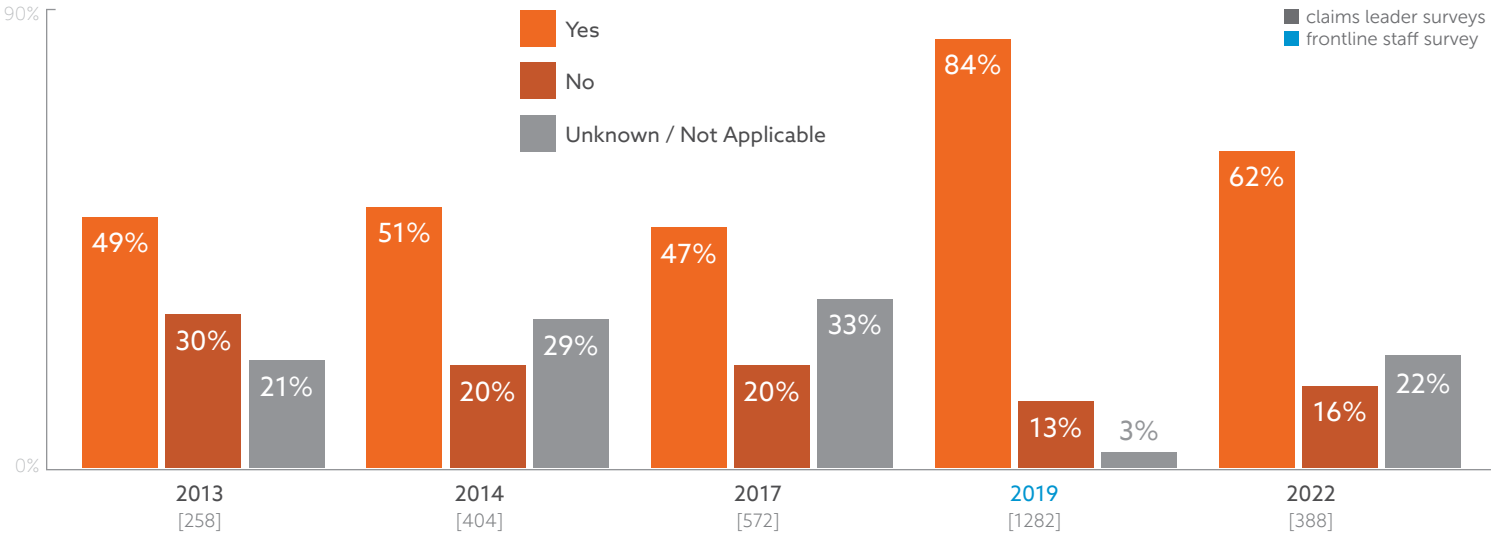


Table 28 Survey Question: *What is the primary reason/limitation for not providing skills training and development programs for senior-level claims adjusters? (Conditional Question for participants who answered "No" in Figure 19.)*

	% of Sub-Sample Responses		
Answer	2017	2019	2022
count	113	162	63
Not a perceived need	35%	30%	37%
Time constraints / too busy managing claims	19%	38%	22%
Budget limitations	17%	10%	14%
Other	28%	21%	27%

Table 29 Survey Question: *On average, how often do senior-level claims adjusters participate in skills training and development? (Conditional Question for participants who answered "Yes" in Figure 19.)*

	% of Sub-Sample Responses				
Answer	2013	2014	2017	2019	2022
count	127	204	268	1075	240
Monthly	25%	25%	18%	43%	12%
Quarterly	30%	30%	40%	37%	43%
Twice a year	20%	25%	21%	11%	18%
Annually	19%	16%	15%	6%	20%
Less than once per year	6%	4%	6%	3%	7%

Knowledge transfer, critical to long-term organizational success

Many organizations have limited resources or are in a constant state of flux with developing claim inventories. This environment typically results in a greater focus on essential operations and less on talent strategy and succession planning.

The lack of knowledge transfer initiatives is widespread and surprisingly pervasive across organizations and industries. In a case study, the *Harvard Business Review* describes losing business-critical, experience-based knowledge as "deep smarts," noting organizations often don't recognize the loss until after the professional leaves. The cost associated with such losses is projected to be 20 times more than the visible, tangible costs of recruitment and training (Leonard, Swap, & Barton, 2014). "You can never extract and transfer all the deep smarts that a professional accumulates, but it's important to identify what needs to be captured before it walks out the door" (Leonard, Swap, & Barton, 2014). In-depth succession planning and knowledge-sharing programs are imperative steps to minimize organizational risk.

The 2022 results indicate 65 percent of organizations have formal processes in place to ensure ongoing and effective knowledge transfer from senior-level staff to less experienced staff, similar to the 2017 study results (see Table 30). Given the significant hurdle the industry is facing with an aging demographic and limited talent pool, this represents a critical opportunity for organizations to formalize mentoring programs and succession planning.

Higher performing organizations are more likely to leverage knowledge transfer processes (see Appendix C-11 for results segmented by claims closure ratio).

Table 30 Survey Question: *Are formal processes in place to ensure knowledge transfer from senior-level staff to new/less experienced staff? Select all that apply.*

Answer	2013	2014	2017	2022
count	258	404	572	388
No / Not Applicable	35%	45%	38%	35%
Oversight governance or supervisory oversight	17%	37%	32%	35%
Cross training program	29%	25%	30%	34%
Regular multidisciplinary strategy or staffing sessions	31%	23%	27%	27%
Other	1%	–	6%	7%

Note: Participants were able to select more than one answer for this question

Leveraging strategic talent recruitment and retention strategies

Given that the talent gap is the most significant challenge claims organizations face, it is critical that companies assess non-traditional strategies to identify and attract talent. The 2022 results indicate 48 percent of participants are leveraging non-traditional recruitment strategies, a decline from the 2020 results (see Table 31). Third party administrators are more likely to leverage strategic recruitment strategies, including partnering with universities.

The 2022 results show higher performing organizations are more likely to utilize non-traditional talent recruitment and retention strategies than lower performing peers (see Appendix C-12 for results segmented by claims closure ratio).

Table 31 Survey Question: *What non-traditional methods has your organization utilized to identify/retain claims talent? Select all that apply.*

Answer	2020	2022
count	337	388
None / Not Applicable	36%	52%
Partner with Universities and or continuing education programs to identify or develop talent	17%	26%
Promote claims innovation to attract or retain tech savvy talent	15%	21%
Create a defined claims professional to senior leadership development track	16%	20%
Leverage predictive analytics to identify candidates and aptitude for the role	12%	10%
Other	3%	5%

Note: Participants were able to select more than one answer for this question

Soft skills training, critical to advancing worker-centric models

To be effective, claims professionals need more than traditional training focused on legal/regulatory compliance and financial controls. They must be skilled communicators and adaptable to cultural differences.

The study examines the soft skills claims professionals need to excel in their demanding role, such as communication skills, active listening, and empathy. Skillful communicators listen with full attention to concerns, adapt their communication based on each personality style, and manage conflict in a way that all parties experience a satisfactory outcome. Additionally, they understand multigenerational and cultural differences and adjust accordingly. According to a whitepaper published by Hi Marley, the level of empathy demonstrated by a claims team is the primary driver of customer retention and the largest difference in an organization's customer satisfaction rating (Snyder, Kim, & Patel, 2022).

The 2022 results indicate that 59 percent of organizations include soft skills training for frontline claims professionals, a slight improvement from prior study results. However, only a third receive training on empathy—a critical skill when assisting people who are injured (see Table 32).

Higher performing organizations are much more likely to leverage training across multiple soft skills, including customer service, active listening, communication skills, and empathy (see Appendix C-13 for results segmented by claims closure ratio).

Table 32 Survey Question: *Does your organization include any of the following skills and abilities testing/training for frontline claims professionals? Select all that apply.*

claims leader surveys
frontline staff survey

Answer	2017	2019	2022
count	572	1282	388
None / Not Applicable	45%	43%	41%
Customer service skills	43%	48%	48%
Communication skills	42%	43%	46%
Active listening skills	34%	32%	36%
Critical thinking	32%	34%	34%
Empathy	22%	25%	33%
Testing or assessment to determine ability in a particular skill or field of knowledge	14%	\	18%

Note: Participants were able to select more than one answer for this question
\ Not an answer option in this study year

Appendix C Index – Talent Development & Retention

For more information on all survey question results and additional benchmark analyses related to this focus area, please refer to the below tables and figures in **Appendix C**.

Operational Challenge

Impact of Technology & Data

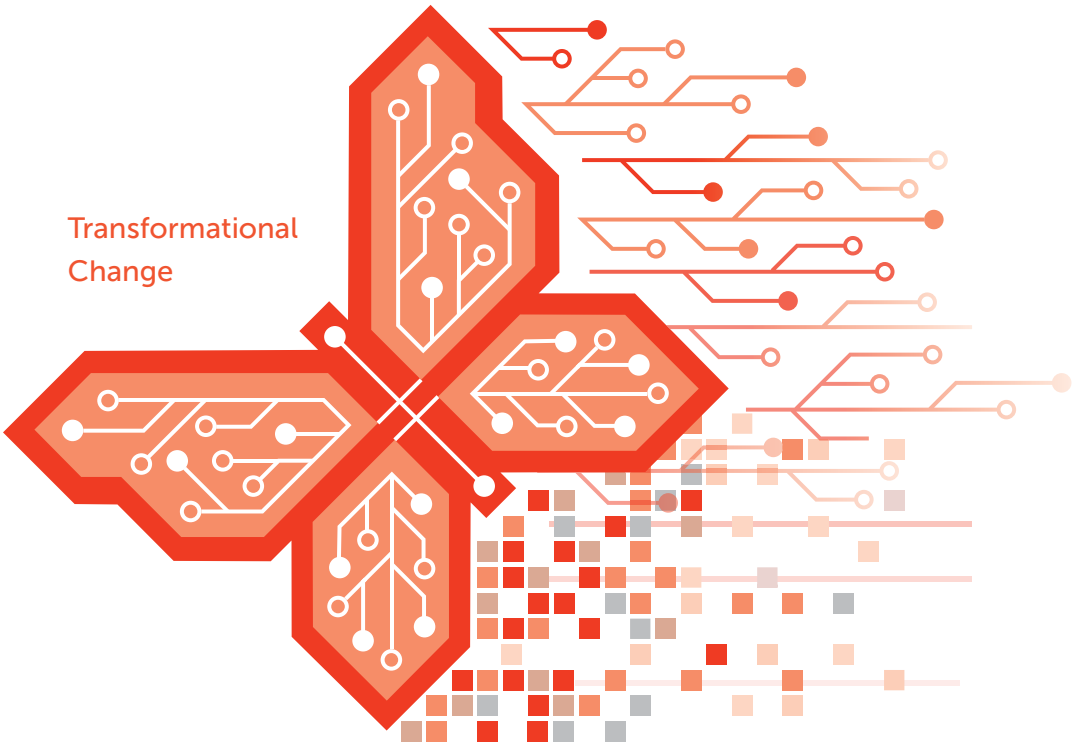
Investing in technology capabilities

Technology and data are fundamental to claims management operations. Yet, according to survey respondents, innovation is slow with minimal investment in technology and digital advancement. Organizational structure and inflexible legacy systems, as well as the lack of leadership's recognition of technology as a strategic advantage, are major contributors to the slow-moving pace of change in the industry. Regardless of operational model (i.e., insourced or outsourced IT resources, or a combination thereof), organizations need to recognize technology as a strategic partner and measure success through business results.

The COVID-19 pandemic forced organizations to stand up remote workforce solutions in a matter of days. However, manual workflows from multiple systems remain major challenges. Industry influencers socialize the perception of *transformation*—yet actual innovation is still a concept. Industry executive Rory Yates notes "despite all the talk of transformation, the inconvenient truth is much of what's been accomplished is nothing more than Band-Aids."

To achieve true transformation, organizations need to invest in an ecosystem future with new technology that will rapidly advance digitization and automation to support better customer service, reduce claims leakage, and leverage data to reduce risk (Yates, 2023). Organizations that invest now in technology capabilities with end-to-end digital experience for injured workers, customers, and other stakeholders will have a clear competitive advantage.

This area of the study focuses on *how* organizations use technology to enhance operations and impact claim outcomes. The 2022 study examines the similarities and/or differences from prior survey research with claims leaders from 2013 through 2022 and frontline claims professionals in 2019, as well as *what* strategies are identified as *high performance differentiators*, with varying degrees of distinction amongst peer organizations.



Key Considerations

How do organizations utilize data to impact and manage operations?

How are advanced analytics such as predictive and prescriptive models leveraged to enhance operations?

Are organizations using technology to measure and drive claims operational performance?

Do organizations utilize analytics to improve claims staff efficiency?

KEY

Data Trend:

- Increase
- Decrease
- Consistent
- Mixed Results
- New Question / No Trend

Level of Differentiation between High Performers & Lower Performers:

- Modest
- Moderate
- Major

See **Appendix D** for all results related to this section

Investing in strategies to improve claims professional efficiency

Claim outcomes are significantly impacted by activities that occur at the outset of the claim. Therefore, it is imperative for organizations to consider leveraging technology to enhance foundational claim activities. Managing claims efficiently at the earliest, most critical point following an injury can favorably impact outcomes and injured worker satisfaction. Workflow automation tools can streamline administrative tasks and improve decision making at each step of the claims process, allowing claims professionals to focus on tasks that require more technical acumen as well as communication with key stakeholders to maximize outcomes.

Table 33 Survey Question: *What initiatives/strategies is your organization undertaking to streamline/improve claims adjuster efficiency? Select all that apply.*

Answer	2014	2017	2022
count	404	572	388
None / Not Applicable	30%	32%	22%
Increased investment in IT resources to integrate systems	49%	45%	56%
Workflow Automation	48%	45%	55%
Administrative Support or Offload Admin Tasks	37%	37%	47%
Added Hardware or Tools for example additional computer monitors or mobile devices	32%	23%	39%
Increased Specialization	10%	13%	20%
Other	3%	2%	2%

Note: Participants were able to select more than one answer for this question

The 2022 results show that 78 percent of participants are leveraging one or more strategies to improve claims professional efficiency. More than half are investing in IT resources to integrate systems as well as leverage workflow automation, an increase from prior study results (see Table 33). In the 2019 survey of frontline claims professionals, 42 percent report utilizing more than five (5) to six (6) systems in the daily management of claims, clearly demonstrating the need for efficiency improvements.

Higher performing organizations are much more likely to invest in strategies to improve claim efficiencies, as well as to leverage multiple initiatives (see Appendix D-1 for results segmented by claims closure ratio).

Claims systems integration

To operate in an increasingly complex environment, claim systems must be agile, integrating with multiple systems. The 2022 results show that 78 percent of participants report some form of systems integration, an increase from prior study results (see Table 34). However, results show true systems integration is limited, with less than 50 percent reporting real-time systems integration. Across multiple systems/tools, many report a web-link or manual copy-and-paste of information as "integrated" (see Appendix D-2.1 for results).

Higher performing organizations are much more likely to integrate their claims system with multiple programs (see Appendix D-2 for results segmented by claims closure ratio).

Table 34 Survey Question: *Do any of the following systems or programs integrate with your claims system? Select all that apply.*

Answer	2014	2017	2022
count	404	572	388
No / Not Applicable	33%	31%	22%
Bill Review	50%	48%	56%
Nurse Case Management	40%	39%	50%
Pharmacy Benefit Manager	35%	35%	48%
Utilization Review	31%	31%	39%
Evidence Based Medicine Guidelines (e.g., ODG, ACOEM)	13%	15%	36%
Predictive Modeling	13%	22%	35%
Legal	17%	22%	27%
Provider Networks	19%	23%	26%
Safety or Loss Control	21%	23%	26%
Fraud and Abuse Detection Systems	15%	15%	22%
Provider or Hospital Electronic Health Records	9%	9%	10%

Note: Participants were able to select more than one answer for this question

Operationalizing analytics

Analytics can help manage claims resources more effectively, including pre-loss mitigation, as well as frequency and severity detection. Predictive models, for example, allow claims organizations to forecast what might happen in the future based on historical data, such as frequency and severity or other high-risk claim indicators.

While predictive modeling is an alerting mechanism, prescriptive analytics offer intelligence on the "next best action," ensuring timely execution of specialty resources (The Hartford, 2022). Analytics can provide multiple strategic insights for claims organizations; however, success is dependent on execution—*how* the systems and/or data are leveraged to manage claims. If analytics simply "alert" but don't drive operational action, they are nothing more than an annoyance or waste of valuable resources.

The 2022 data shows, overall, 65 percent of participants are using analytics to leverage claims resources more effectively, a decline from the prior study results (see Table 35). Less than a third report utilizing many fundamental analytics.

Organizations that integrate analytics into claims systems with real-time workflow automation and alerts for claims staff will see more favorable claim outcomes. The 2022 results show higher performing organizations are more likely to integrate analytics into claims systems and leverage multiple data detection methods (see Appendix D-3 for results segmented by claims closure ratio).

Table 35 Survey Question: *How does your organization integrate analytics into claims systems with alerts/workflow automation to leverage claims resources more effectively? Select all that apply.*

claims leader surveys
frontline staff survey

Answer	2019	2020	2022
count	1282	337	388
None / Not Applicable	35%	26%	35%
Frequency and severity prediction	37%	42%	35%
Reserving	\	37%	34%
Claims resource assignment	\	19%	26%
Benefit calculations	\	31%	26%
Detect return to work or disability durations outside of evidence based medicine benchmarks	41%	27%	25%
Detect medical treatment utilization outside of evidence based medicine	45%	31%	24%
Compliance activities	\	30%	22%
Litigation detection	19%	25%	22%
Fraud detection	25%	27%	15%
Subrogation detection	\	27%	13%

Note: Participants were able to select more than one answer for this question

\ Not an answer option in this study year

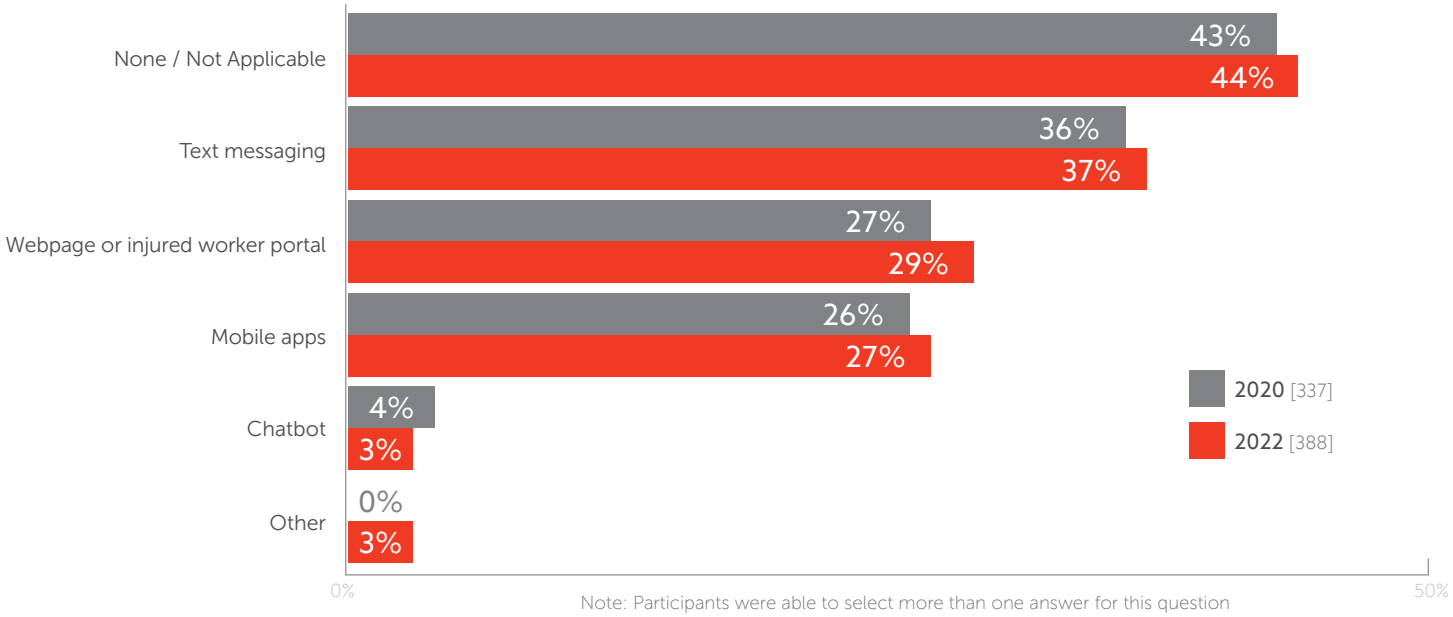
Leveraging tools to improve injured worker communications

Proactive, empathetic communication is linked to injured worker satisfaction, decreased litigation, and lower claim costs. In the 2019 survey, the majority of frontline claims professionals, 90 percent, indicate that one or more tools are needed to effectively do their jobs and over a third indicate they need better tools to communicate with injured workers. Equipping claims professionals with multiple communication tools to facilitate a more flexible customer experience strategy will improve both internal and external stakeholder satisfaction.

The survey assesses what tools organizations are utilizing to improve injured worker communication. The 2022 results show 56 percent are leveraging one or more strategies to improve communications. Similar to prior results, over a third, 37 percent, are leveraging text messaging, which is a more popular communication method for most consumers (see Figure 20).

The 2022 results show that higher performing organizations are more likely to utilize multiple tools, including text messaging and mobile apps to enhance injured worker communication options (see Appendix D-4 for results segmented by claims closure ratio).

Figure 20 Survey Question: *Has your organization implemented tools to improve injured worker communications? Select all that apply.*



Note: Participants were able to select more than one answer for this question

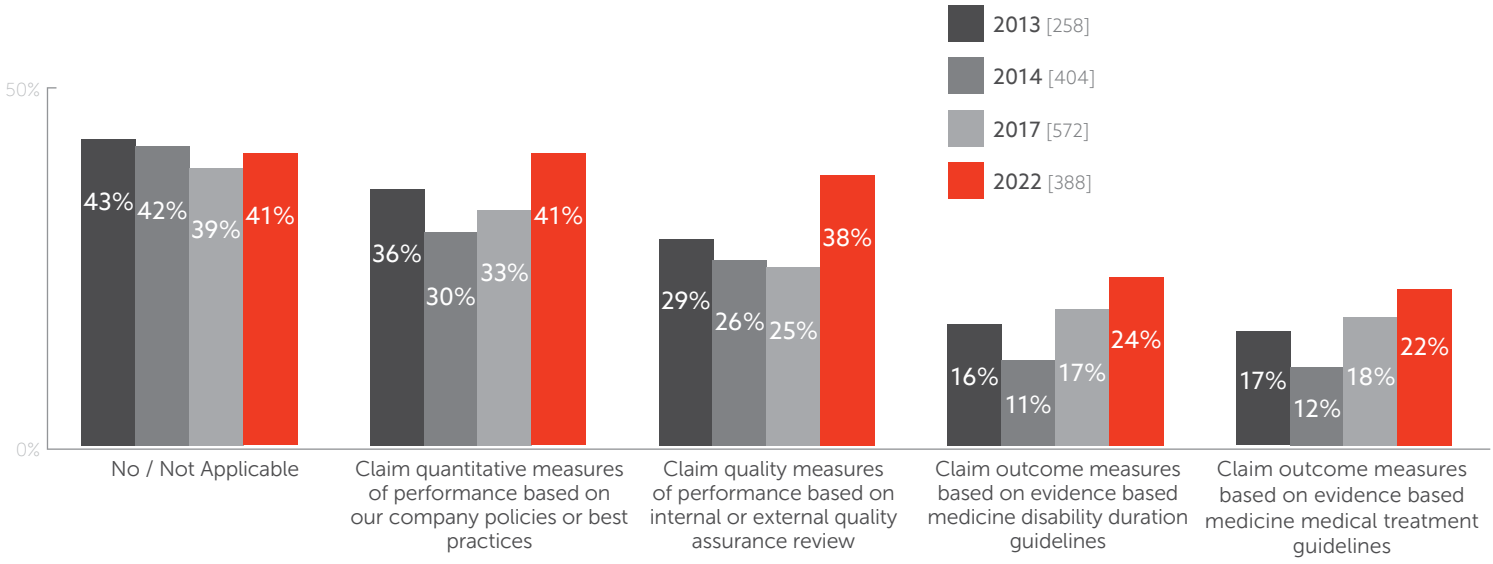
Utilizing outcome-based metrics to drive claims operational performance

Performance measurement is defined as regular measurement of outcomes and results which generate reliable data on the effectiveness and efficiency of programs. The core characteristics of a well-designed performance measurement system include collecting and analyzing both *quantitative* (closed-ended) and *qualitative* (open-ended) data. Performance measurement systems must be able to correlate cause and effect by providing an appropriate balance of quantitative *and* qualitative activity-based metrics, which represent the means to achieve desired goals or objectives (i.e., outcomes).

The 2022 results show 59 percent of organizations report using some form of outcome-based measures to manage performance, a slight decline from the 2017 study (see Figure 21).

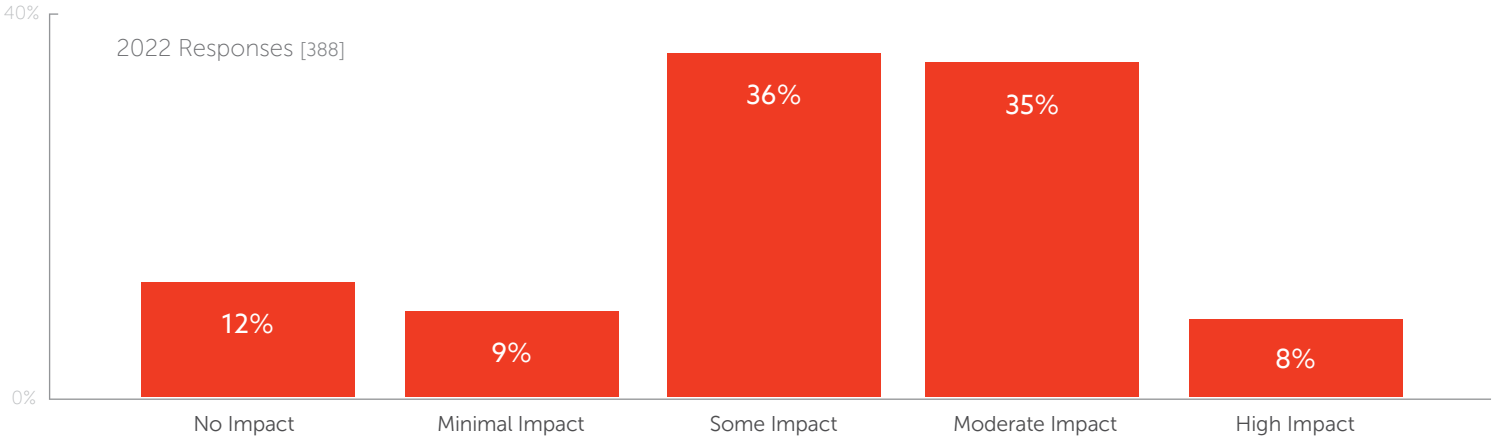
A major differentiator, higher performing organizations are much more likely to utilize outcome-based data across multiple metrics. Additionally, higher performers report higher confidence that metrics impact claim performance and outcomes (see Appendix D-5 and D-6 for results segmented by claims closure ratio).

Figure 21 Survey Question: *Does your company use any outcome-based data/metrics to manage claims operational performance? Select all that apply.*



Note: Participants were able to select more than one answer for this question

Figure 22 Survey Question: *In your opinion, what is the impact of your organization's overall metrics on claim performance/outcomes?*



Appendix D Index – Impact of Technology & Data

For more information on all survey question results and additional benchmark analyses related to this focus area, please refer to the below tables and figures in **Appendix D**.

Operational Challenge

Medical Performance Management

Medical performance management essential to long-term success

Since the study launched in 2013, claims leaders have ranked medical management as one of the top three (3) core competencies most critical to claim outcomes. Like claims leaders, frontline claims professionals in the 2019 study also ranked medical management in the top three (3) capabilities most critical to claim outcomes. The medical care an injured worker receives can be a significant driver and determinant of worker and claim outcomes. This consistent ranking reflects the convergence of two (2) primary factors: national healthcare and workers' compensation medical costs.

National health care spending, totaling 4.4 trillion dollars in 2022, remains a major cost driver for American businesses. National Health Expenditures (NHE) are projected to outpace average Gross Domestic Product (GDP) growth of 4.6 percent, resulting in an increase in the health spending share of GDP (Office of the Actuary CMS, 2022). Growth in national health spending is expected to accelerate to 5.1 percent in 2023 primarily as a result of increasing healthcare prices (Office of the Actuary CMS, 2022).

The substantially higher cost of healthcare in the U.S. does not result in better outcomes than other developed countries. The recently released report from Organisation for Economic Co-operation and Development (OECD) Health Statistics 2022 shows the U.S. performs worse than many other countries in common health metrics such as preventable mortality, defined as causes of death that can be avoided through effective public health and primary prevention interventions, infant mortality, and unmanaged diabetes (OECD, 2022). The cost and quality of healthcare in the U.S. is one of the most significant issues facing employers and consumers.

In the workers' compensation sector, NCCI estimates the average medical lost time claim severity for Accident Year (AY) 2022 will be five (5) percent higher than AY 2021, and notes there are potential challenges ahead as medical costs could experience inflationary pressure (NCCI, 2023).

There are many macroeconomic factors contributing to the escalating cost of healthcare. Key drivers are medical inflation, the aging workforce, and obesity. The U.S. obesity rate is higher than other developed countries, with two (2) out of three (3) adults classified as overweight *or* obese and one (1) out of three (3) classified obese (OECD, 2022).

Critical to overcoming these challenges is a more integrated, holistic focus on medical performance management. This includes examining internal resources and vendor partnerships to ensure a meaningful and intentional examination of healthcare quality.

This area of the study focuses on *how* organizations leverage medical management resources to enhance operations and impact claim outcomes. The 2022 study examines the similarities and/or differences from prior survey research with claims leaders from 2013 through 2022 and frontline claims professionals in 2019, as well as *what* strategies are identified as *high performance differentiators*, with varying degrees of distinction amongst peer organizations.

Key Considerations

How are organizations measuring provider outcomes?

Are return-to-work/patient functional outcomes utilized in quality outcome metrics?

Is the industry utilizing risk/reward contracting strategies with providers or vendor partners?

Are organizations aware of/ utilizing social determinants of health in claims operations?

How are organizations identifying and addressing behavioral health/mental health issues?

KEY

Data Trend:

- ↑ Increase
- ↓ Decrease
- ↔ Consistent
- ⇵ Mixed Results
- \+ New Question / No Trend

Level of Differentiation between High Performers & Lower Performers:

- Modest
- Moderate
- Major

See **Appendix E** for all results related to this section

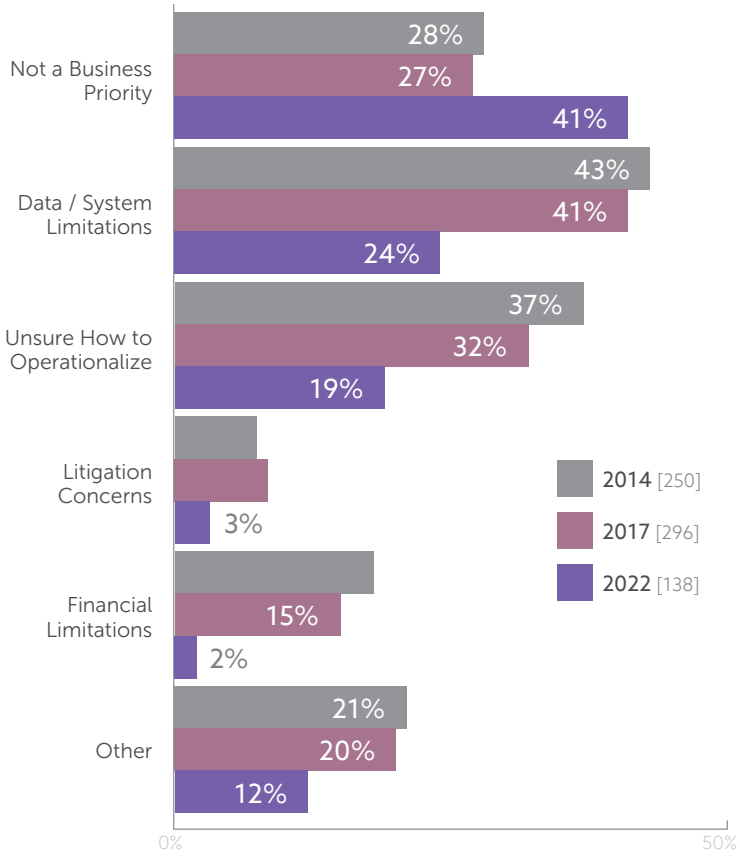
Measuring provider outcomes

Measuring provider performance and outcomes is fundamental to improving the value and quality of care for injured workers. The Institute of Medicine defines health care quality as "the degree to which health care services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge" (AHRQ and Institute of Medicine, 2022). Meaningful provider performance measures have the potential to significantly improve the quality of care and outcomes across the industry. The primary objective in assessing provider performance is to ensure the highest quality care for workers through transparency, accountability, and aligned incentives. This requires a coordinated strategy among stakeholders for defining, collecting, and analyzing performance data.

The 2022 results show 64 percent of organizations measure provider performance and outcomes, similar to the 2017 results and a slight improvement from prior study results. Less than half are using return-to-work outcomes and only a third utilize treatment within evidence based medicine, both key metrics in provider outcomes (see Table 36). The survey identifies the primary factors affecting the use of provider performance and outcome measures. The results show, alarmingly, that many do not consider measuring provider outcomes to be a business priority. Data and systems limitations, as well as a lack of understanding on how to operationalize provider performance measures are additional limitations (see Figure 23). This represents an opportunity to better leverage technology and vendor partners that offer provider outcome metric solutions.

Higher performing organizations are more likely to utilize provider performance and outcome measures (see Appendix E-1 for results segmented by claims closure ratio).

Figure 23 Survey Question: *What is the primary limitation/ reason for not using provider outcomes/performance measures? (Conditional Question for participants who answered "No/Not Applicable" in Table 36)*



Note: Percentages are based on the sub-sample

Table 36 Survey Question: *Does your organization use any of the following data points to measure provider outcomes/performance? Select all that apply.*

Answer	2013	2014	2017	2022
count	258	404	572	388
No / Not Applicable	41%	43%	35%	36%
RTW Outcomes	45%	41%	50%	47%
Total Claim Costs	45%	46%	52%	46%
Treatment within Evidence Based Guidelines	30%	23%	28%	33%
Quality and Timely Submission of Reports	24%	25%	25%	28%
Efficiency Measures such as Average Number of E&M Visits per Claim by Diagnosis Code	7%	6%	14%	13%
NCQA Cost of Care Measures	2%	3%	4%	5%
AHRQ Clinical Quality and Appropriate Care Measures	2%	2%	3%	4%
Other	1%	3%	1%	2%

Note: Participants were able to select more than one answer for this question

Leveraging risk/reward-based contracting strategies with medical providers

The intense focus on mounting medical severity and improving the quality of care in workers' compensation is driving stakeholders to consider alternative payment methods. Industry considerations include value-based payment or similar pay for quality initiatives as opposed to traditional fee-for-service models.

According to a WCRI study, while most organizations are still operating in a fee-for-service environment, many are expressing an interest in value-based care models (Lea, 2019). Value-based models can include pay for performance, risk/reward contract strategies, bundled payments, and/or outcome-based payment models.

According to a McKinsey & Company whitepaper, the time for workers' compensation organizations to act on value-based care models is now. The first step—organizations need to realize they are in the health care business. "Despite the role of workers' compensation in employee health, most workers' compensation leaders still believe they are in the insurance business rather than healthcare, portraying a reactive role versus a proactive one." Flipping the script to healthcare quality and outcomes provides advantages across all dimensions: health care cost savings, improved employee productivity, and greater employer satisfaction. (Baer, Huber, Larrea, & Prabha, 2022).

The 2022 results show that leveraging risk/reward-based contracting strategies, including value-based payment models, remains rare, with less than 10 percent using pay for performance methods. The results show a third are leveraging some form of risk/reward strategies, an improvement from prior study results; although, most are focusing on patient channeling as well as methods to decrease administrative burden, such as fast track payments and decreased utilization review requirements (see Table 37).

"Despite the role of workers' compensation in employee health, most workers' compensation leaders still believe they are in the insurance business rather than healthcare, portraying a reactive role versus a proactive one." Flipping the script to healthcare quality and outcomes, provides advantages across all dimensions: healthcare cost savings, improved employee productivity, and greater employer satisfaction.

(Baer, Huber, Larrea, & Prabha, 2022)

The 2022 results show higher performing organizations are much more likely to leverage risk/reward contracting strategies, including value-based payment models (see Appendix E-2 for results segmented by claims closure ratio).

Table 37 Survey Question: *Does your organization use any of the following risk/reward-based contracting strategies with medical providers? Select all that apply.*

Answer	2014*	2017*	2022
count	404	572	388
No / Not Applicable	85%	83%	67%
Referral or Patient Channeling	2%	3%	18%
Fast Track Payments	1%	2%	15%
Decreased or No Utilization Review	2%	2%	12%
Pay for Performance or Higher Reimbursement Rate	1%	3%	9%
Limited Bill Review	1%	1%	8%
Other	1%	–	1%

* **2014** and **2017** Study surveys presented this question in two parts with a dependent question which could impact results.

Note: Participants were able to select more than one answer for this question

Medical management programs most critical to claim outcomes

Since the study launched in 2013, claims leaders consistently rank nurse case management, return-to-work services, and nurse triage as the top three (3) medical management programs most critical to claim outcomes. Similarly, in the 2019 study, frontline claims professionals report nurse case management, return-to-work services, and utilization review as the top medical management capabilities most critical to claim outcomes (see Table 38).

The challenge of managing medical severity and disability durations in workers' compensation has been a catalyst for integrating medical management programs and resources within traditional claims models. During the 2018 study's qualitative research exercise, industry executives examined how organizations are leveraging medical management resources such as nurse case management, return-to-work services, and triage, as well as disruptive ways to deploy these programs. Industry executives report that utilizing nurse case management along with 24-hour nurse triage as a standard best practice, as well as leveraging clinical resources throughout the claim lifecycle has made a significant impact on claim outcomes.

Table 38 & 39 Survey Question: *Please rank in the order of impact the top three medical management programs you believe are most critical to claim outcomes, with 1 having the "greatest impact" and 3 having "less impact.*

claims leader surveys
frontline staff survey

Rank	2013*	2014*	2017*	2019†	2022†
1	Nurse Case Management	Nurse Case Management	Nurse Case Management	Nurse Case Management	Nurse Case Management
2	Return-To-Work Services	Return-To-Work Services	Return-To-Work Services	Return-To-Work Services	Return-To-Work Services
3	Nurse Claims Triage	Nurse Claims Triage	Nurse Claims Triage	Utilization Review	Nurse Claims Triage

* In Study years **2013**-**2017**, participants ranked 1-10 answer options.
† In Study years **2019** and **2022**, participants ranked 1-3 only.
All Study years included the same 10 answer options.

2022 Responses

Answer	Overall Rank	Weighted Score
count	— 388 —	
Nurse Case Management	1	640
Return-To-Work Services	2	434
Nurse Claims Triage	3	353
Bill Review	4	261
Utilization Review	5	177
Pharmacy Benefit Manager	6	156
Company Developed or Owned Provider Network	7	128
Physician Case Management	8	84
Outsourced or Leased Provider Network	9	68
Peer Review	10	27

Note: Participants selected the top 3 programs from a list of 10 options

The 2022 study examines the medical management programs leaders consider most critical to claim outcomes (see Table 39), as well as which programs are insourced or outsourced to vendor partners. The results show more than 90 percent of organizations utilize nurse case management and 78 percent, on average, leverage nurse triage and return-to work services (see Appendix E-3 for results).

Higher performing organizations are more likely to leverage resources across the medical management programs ranked most critical to claim outcomes.

Leveraging performance strategies with medical management vendor partners

The industry has clearly identified medical management as a top priority throughout the time period covered by the study. As more claims organizations outsource medical management functions to vendor partners, there is a growing need to leverage risk/reward performance strategies to ensure execution of best practices as well as desired outcomes. The 2022 results indicate 45 percent of organizations use some form of risk/reward strategies with medical management vendor partners, a slight improvement from prior study results. Only a third leverage service level agreements (SLAs) to incentivize quality and performance with vendor partners; still, it is an improvement from prior results (see Table 40). With the prevalence of medical management outsourcing, there is a significant industry opportunity to improve program effectiveness by implementing performance strategies with vendor partners. Higher performing organizations are more likely to leverage multiple risk/reward strategies with vendor partners, including SLAs (see Appendix E-5 for results segmented by claims closure ratio).

Table 40 Survey Question: *Does your organization use any of the following performance strategies to incentivize or hold medical management vendor partners accountable? Select all that apply.*

Answer	2014*	2017*	2022
count	404	572	388
None / Not Applicable	61%	58%	55%
Service Level Agreement with Performance Standards and Financial Commitments	13%	15%	30%
Increased Volume Based on Performance	13%	9%	16%
Fast Track Payments	4%	6%	14%
Decreased Volume Based on Performance	9%	7%	14%
Decreased UR Requirements	3%	3%	9%
Limited Bill Review	3%	3%	9%
Pay for Performance Measures	3%	3%	5%
Other	–	1%	1%

* **2014** and **2017** study surveys presented this question in two parts with a dependent question which could impact results

Note: Participants were able to select more than one answer for this question

Utilizing return-to-work/patient functional outcomes to assess provider outcomes

In an American College of Occupational and Environmental Medicine (ACOEM) joint guidance document, stakeholders outline that evaluating and optimizing patient function should be a central focus of all clinical encounters. "To improve the quality of patients' lives and well-being, there must be more focus on the use of functional outcome measurements including participation in work, home life, and society—all major elements of a patient-centered model" (Mueller, et al., 2020).

Table 41 Survey Question: *Prior Study research ranks return to work/patient functional outcomes as the most important measure of provider quality. How does your organization utilize return to work/patient functional outcomes to assess and impact provider outcomes? Select all that apply.*

Answer	2020	2022
count	337	388
None / Not Applicable	42%	48%
Removal from the provider network panel for not meeting quality or outcome metrics	28%	30%
Evaluate injured worker health status and function as a result of the care they receive	26%	27%
Impacts referrals or patient channeling	25%	22%
Measure medical provider disability management outcomes against national benchmark data	22%	21%
Higher reimbursement rate or bonus for meeting or exceeding quality outcome metrics	5%	5%
Lower reimbursement rate for not meeting quality or outcome metrics	2%	2%

Note: Participants were able to select more than one answer for this question

Most workers' compensation organizations do not leverage provider networks effectively, primarily due to a lack of sufficient data and/or expertise to adequately measure provider performance. The 2022 survey examines how organizations utilize return-to-work/patient functional outcomes to assess provider outcomes. The results show 52 percent of participants are using return-to-work/patient functional outcomes to some degree, a decline from prior results (see Table 41). Higher performing organizations are more likely to leverage return-to-work/patient functional outcomes across multiple metrics to assess provider outcomes (see Appendix E-6 for results segmented by claims closure ratio).

Identifying SDOH and leveraging resources for injured workers

According to the CDC, social determinants of health (SDOH) are the conditions in the environments where people are born, live, learn, work, play, worship, and age and they affect a wide range of health, functioning, and quality of life outcomes and risks (Office of Disease Prevention and Health Promotion, 2020). According to the U.S. Department of Health and Human Services, SDOH account for substantially more of the variation in health outcomes than medical care. Socioeconomic factors are responsible for approximately 40 percent of a patient's health, while 20 percent is attributable to medical care. SDOH contributes to wide health disparities and inequities. For example, people without access to healthy foods are less likely to have good nutrition, which increases the risk of heart disease, diabetes, and obesity and lowers life expectancy (Office of Disease Prevention and Health Promotion, 2020).

A study by the PwC Health Research Institute outlines five (5) key steps crucial for organizations to launch a successful SDOH approach and strategy. Key themes include harnessing the power of data analytics and the significance of collaboration within and across sectors, including employers, providers, payers, and technology solutions as well as community resources (PwC Health Research Institute, 2019).

The 5 Domains of SDOH

Source: Healthy People 2030, U.S. Department of Health and Human Services, Office of Disease Prevention and Health Promotion.[42]

In the prior 2021 qualitative research exercise, the study examined *how* organizations are implementing and using key strategies to identify SDOH factors and the impact on claims organizations. Industry executive participants presented an uncompromising, aligned vision that could be characterized as the workers' compensation industry's Triple Aim as well as a Total Worker Health® model. The focus group's alignment centered around three (3) common goals: identifying and investing in health outcomes, encouraging employee engagement/empowerment, and promoting population health and injury prevention to advance worker well-being. These goals build on the traditional worker safety approach through the recognition that one's work is a SDOH.

The 2022 study examines *what* strategies organizations utilize to equip claims professional to identify SDOH and leverage resources for injured workers with potential health disparities. The results show 30 percent of participants are equipping claims professionals to identify SDOH, an increase from the 2020 results (see Table 42). Given the potential impact of SDOH factors on injured worker outcomes, this remains a significant opportunity for claims organizations.

Additionally, the study examines the primary limitations for *not* implementing strategies to identify SDOH. The results show 38 percent report it's not a business priority, and 29 percent are unsure how to operationalize (see Appendix E-7.1 for results).

Higher performing organizations are more likely to leverage strategies to address SDOH (see Appendix E-7 for results segmented by claims closure ratio).

Table 42 Survey Question: *Has your organization implemented any strategies to equip claims professionals to identify SDOH and leverage resources for injured workers with potential health disparities? Select all that apply.*

Answer	2020	2022
count	337	388
None / Not Applicable	75%	70%
Training in culturally sensitive communication for claims staff that identifies barriers to recovery	13%	18%
Leverage data to identify SDOH risk factors	8%	14%
Promote health literacy through education based on injured worker needs	12%	11%
Resource guide for community based services to assist injured workers with access to social services	7%	7%
Other	1%	1%

Note: Participants were able to select more than one answer for this question

Utilizing resources to identify behavioral health/mental health issues

Over the last few years, there has been increasing awareness of the important role of mental health on global well-being. The pandemic significantly affected the mental health of adults and children across the U.S. and globally. The National Institutes of Health (NIH) outlines in a 2021 report that nearly half of Americans surveyed report recent symptoms of anxiety or depression, with the overall rate of anxiety, depression, and substance use disorders increasing significantly since the beginning of the pandemic (NIH, 2023). According to the World Health Organization (WHO), depression is one of the leading causes of disability, and suicide is the fourth leading cause of death among people aged 15-29. People with severe mental health conditions die as much as two (2) decades earlier than the general population due to preventable physical conditions (WHO, 2022).

One of the significant obstacles to identifying and addressing mental health issues in workers' compensation programs, and the general public, is the significant stigma of mental health conditions. WCRI recently published a primer on behavioral health care in workers' compensation. The report identifies the industry's behavioral health issues—which range from psychosocial factors affecting recovery and return-to-work, to psychological symptoms, and mental health diagnoses—as well as describes tools available for early screening for psychosocial factors and other mental health conditions (Thumula & Negrusa, 2022). The report also identifies the importance of early identification of psychosocial factors, such as fear of pain due to movement, catastrophizing, perceived injustice, job dissatisfaction, as well as lack of family or community support system that could impede recovery and protract disability durations (Thumula & Negrusa, 2022).

Psychosocial factors (barriers) to functional recovery, such as pain catastrophizing, fear avoidance, and perceived injustice, are not a diagnosis or mental health disease and are not work-related; however, they can have a significant impact on recovery and overall claim costs. Identifying and mitigating these risk factors can lead to better claim outcomes (Iglesias, 2018).

The 2022 study includes new research to examine *how* organizations are identifying and addressing behavioral/mental health issues in workers' compensation claims. The results show that 55 percent of organizations are leveraging programs or resources to identify behavioral/mental health issues, with questions used by claims or clinical resources to identify psychosocial risk factors as the most common strategy (see Table 43). Higher performing organizations are more likely to leverage tools and resources to identify behavioral/mental health issues (see Appendix E-8 for results segmented by claims closure ratio).

Table 43 Survey Question: *Has your organization implemented programs or resources to identify behavioral health/mental health issues in workers' compensation claims? Select all that apply.*

2022 Responses

Answer	count	%
None / Not Applicable	175	45%
Questions used by claims professionals or clinical resources to identify psychosocial risk factors	181	47%
Predictive analytics to identify or predict claims at risk due to behavioral health or mental health factors	64	16%
Screening or questionnaire for preexisting mental health conditions	62	16%
Screening tool for example the Orebro or Functional Recovery Questionnaire or similar tool to identify psychosocial risk factors	50	13%
Mining unstructured data for mental health issues or psychosocial barriers	31	8%
Other	5	1%
total count	388	

Note: Participants were able to select more than one answer for this question

Implementing programs to address behavioral health/mental health issues

The results show that 51 percent of organizations are leveraging programs or resources to address behavioral/mental health issues, with utilizing a behavioral health or mental health specialty provider network as the most common strategy, followed by use of telehealth for behavioral health services (see Table 44).

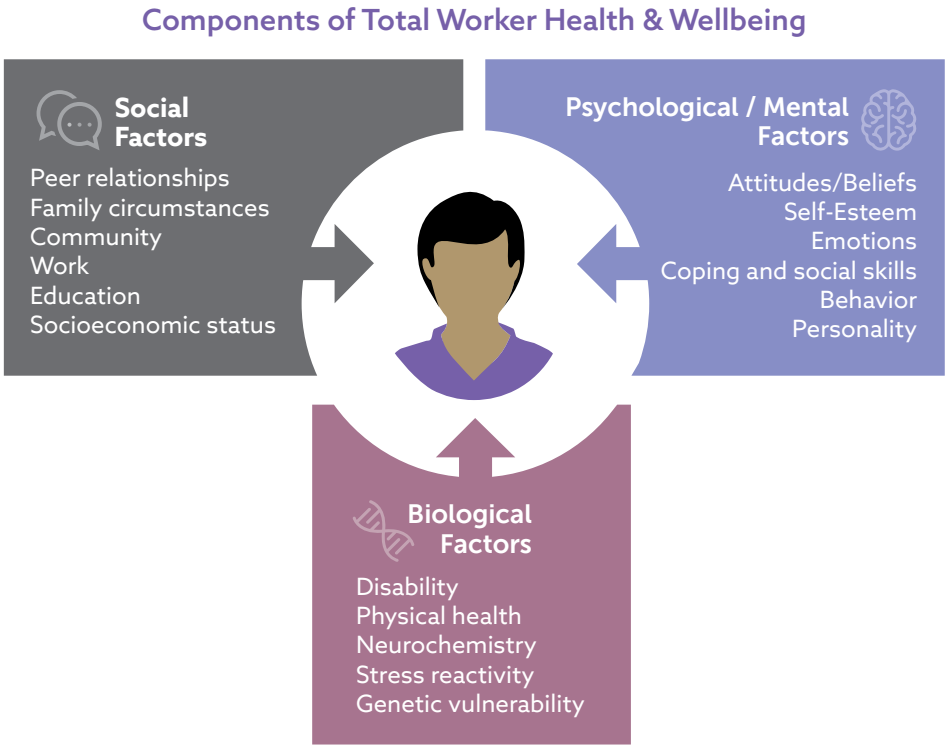
A major differentiator, higher performing organizations are much more likely to leverage multiple tools and resources to address behavioral/mental health issues (see Appendix E-9 for results segmented by claims closure ratio).

Table 44 Survey Question: *Has your organization implemented programs or resources to address behavioral health/mental health issues in workers' compensation claims? Select all that apply.*

2022 Responses

Answer	count	%
None / Not Applicable	192	49%
Behavioral health or mental health provider network	114	29%
Telehealth for behavioral health services	101	26%
Critical incident management program to address traumatic events or acute PTSD or similar conditions	82	21%
Cognitive Behavioral Therapy CBT or Progressive Goal Attainment PGAP program	61	16%
Wellness programs such as meditation or visualization or other preventative health resources	59	15%
Injured worker focused education about psychosocial risk factors or mental health awareness	44	11%
Technology tools such as online resources or apps focused on behavioral health or mental health awareness and education	44	11%
Digital Therapeutics such as Sleepio or ReSet or eMindful for example	8	2%
Other	9	2%
total count	388	

Note: Participants were able to select more than one answer for this question



Appendix E Index –Medical Performance Management

For more information on all survey question results and additional benchmark analyses related to this focus area, please refer to the below tables and figures in **Appendix E**.

E-1: Use of Medical Provider Outcomes / Performance Measures
Segmented by Claims Closure Ratio
Segmented by Organization Type

E-1.1: Primary Limitation / Reason for Not Using Provider Outcomes / Performance Measures

E-2: Use of Risk / Reward-Based Contracting with Medical Providers
Segmented by Claims Closure Ratio

E-3: Type of Model Used for Various Medical Management Programs – Insourced / Outsourced

E-4: Ranking of Medical Management Programs Most Critical to Claim Outcomes

E-5: Use of Performance Strategies with Medical Management Vendor Partners
Segmented by Claims Closure Ratio

E-6: Use of Return-to-Work / Patient Functional Outcomes to Measure Provider Performance
Segmented by Claims Closure Ratio

E-7: Prevalence of Strategies to Manage Claims Impacted by Social Determinants of Health (SDOH) Factors
Segmented by Claims Closure Ratio
Segmented by Organization Type

E-7.1: Primary Limitation / Reason for Not Implementing Strategies to Address SDOH Factors
Segmented by Organization Type

E-8: Use of Resources to Identify Behavioral Health / Mental Health Issues
Segmented by Claims Closure Ratio
Segmented by Organization Type

E-9: Use of Resources to Address Behavioral Health / Mental Health Issues
Segmented by Claims Closure Ratio
Segmented by Organization Type

Conclusion

Since its inception, the Workers' Compensation Benchmarking Study has conducted research for, *and with*, claims leaders and practitioners to provide organizations with a means for evaluating strategic aspects of their claim operations alongside industry peers.

From its initial identification of widespread claims challenges/opportunities in **2013** and **2014**, *to* the **2015** study's "solutions roadmap" for future advancement, *to* identifying how and what high performing claims organizations are doing differently than lower performing peers in **2016** and **2017**, *to* examining progressive medical management strategies in **2018**, *to* surveying frontline claims professionals for the first time in **2019**, *to* determining how claims leaders are responding to the perspectives of frontline claims professionals in **2020**, *to* investigating high priority industry challenges and operational transformation in **2021**, the annual Report continually reveals the cumulative intelligence of the workers' compensation claims community.

In **2022**, the study reprised survey questions used since the study's inaugural publication to reveal the trajectory of how claims management has (or has not) progressed over the past decade—ultimately delivering a 10-year industry report card.

Contact

We welcome your reaction to the 2022 Workers' Compensation Benchmarking Study. Please let us know if you find the study useful, have questions about the research, or would like to participate in future studies by contacting Rachel Fikes, Chief Experience Officer & Study Program Director, at Rising Medical Solutions: wcbenchmark@risingms.com.

To request copies of any of our prior years' reports, please go to:
https://www.risingms.com/research-knowledge/workers-compensation-benchmarking-study/request-report/

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Appendix A
Survey Participant Demographics

1 Role / Level of Responsibility:

Year-Over-Year Responses

claims leader surveys
frontline staff survey

Answer	2013	2014	2017	2019	2020	2022
count	258	404	572	1282	337	388
Manager	39%	46%	48%		44%	42%
Director	29%	24%	26%		27%	23%
Vice President	21%	18%	13%		18%	21%
C-Suite Executive	12%	11%	12%		11%	12%
Claims Professional who directly handles/adjudicates claims				88%		
Nurse Case Manager				12%		
Other	< 1%	1%	1%	< 1%	–	2%

Not an answer option in this study year

2 Organization Type:

Year-Over-Year Responses

claims leader surveys
frontline staff survey

Answer	2013	2014	2017	2019	2020	2022
count	258	404	572	1282	337	388
Insurance Company	30%	23%	19%	40%	32%	32%
Self-Insured Employer	24%	24%	30%	10%	23%	24%
Third Party Administrator	14%	19%	14%	40%	17%	12%
Insured Employer	12%	16%	16%	2%	10%	9%
Governmental Entity	10%	7%	10%	3%	8%	9%
State Fund / Mutual Fund	2%	2%	2%	4%	4%	5%
Risk Pool	4%	5%	4%	1%	4%	4%
Reinsurance or Excess Insurance Company	1%	1%	1%	–	1%	2%
Other	4%	3%	4%	< 1%	1%	4%

3 Organization Size - Total Annual Claims Dollars Paid: (if unknown, select "Unknown")

Year-Over-Year Responses

Answer	2013*	2014*	2017	2020	2022
count	258	404	572	337	388
< $25 Million	55%	45%	37%	25%	24%
> $25 Million to $100 Million			15%	20%	14%
> $100 Million to $350 Million	19%	15%	11%	13%	18%
> $350 Million to $750 Million	5%	7%	5%	9%	6%
> $750 Million	8%	11%	12%	12%	18%
Unknown	13%	22%	19%	21%	20%

* In Study years **2013** and **2014**, answer option was ≤ **$100** Million

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
< $25 Million	6%	17%	19%	44%	31%	64%	11%	24%	27%
> $25 Million to $100 Million	16%	17%	13%	9%	15%	29%	11%	26%	5%
> $100 Million to $350 Million	23%	49%	21%	9%	15%	7%	39%	18%	14%
> $350 Million to $750 Million	15%	17%	2%	3%	3%	–	–	3%	–
> $750 Million	18%	–	21%	19%	21%	–	39%	9%	9%
Unknown	22%	–	24%	16%	15%	–	–	20%	45%

4 Organization Size - Total Annual Premium: (if not applicable or unknown, select "Not Applicable" or "Unknown")

Year-Over-Year Responses

Answer	2013*	2014*	2017	2020	2022
count	258	404	572	337	388
< $25 Million	43%	28%	31%	20%	19%
> $25 Million to $100 Million			9%	9%	7%
> $100 Million to $350 Million	16%	7%	8%	12%	13%
> $350 Million to $750 Million	4%	8%	4%	7%	6%
> $750 Million	9%	11%	13%	12%	16%
Unknown	12%	22%	17%	20%	18%
Not Applicable	16%	24%	18%	19%	21%

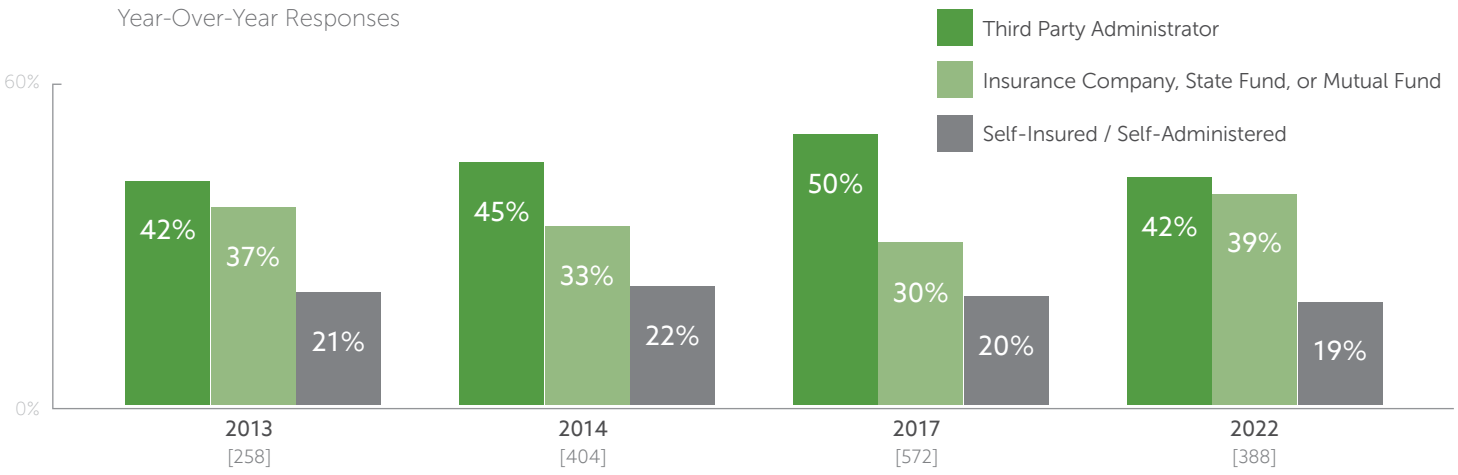
* In Study years **2013** and **2014**, answer option was ≤ **$100** Million

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
< $25 Million	4%	–	13%	35%	43%	50%	6%	12%	18%
> $25 Million to $100 Million	9%	17%	4%	4%	9%	29%	6%	6%	5%
> $100 Million to $350 Million	20%	33%	6%	4%	9%	21%	33%	9%	5%
> $350 Million to $750 Million	14%	–	2%	3%	6%	–	11%	–	–
> $750 Million	35%	50%	2%	1%	6%	–	22%	12%	23%
Unknown	17%	–	28%	18%	27%	–	17%	6%	23%
Not Applicable	1%	–	45%	35%	–	–	5%	55%	26%

5 My organization's workers' compensation claims are predominately managed by a(n):

Year-Over-Year Responses



6 What is your organization's average Lost Time caseload (indemnity claims) per Lost Time claims examiner? (if unknown, select "Unknown")

Year-Over-Year Responses

claims leader surveys
frontline staff survey

Answer (#of cases)	2014	2017	2019	2020	2022
count	404	572	1282	337	388
< 80	23%	26%	16%	21%	23%
80 to 100	10%	14%	12%	18%	16%
101 to 125	14%	19%	25%	26%	20%
126 to 150	25%	20%	22%	16%	17%
151 to 175	6%	4%	10%	4%	5%
176 to 200	3%	2%	4%	3%	2%
> 200	2%	3%	7%	6%	4%
Unknown	17%	12%	4%	6%	13%

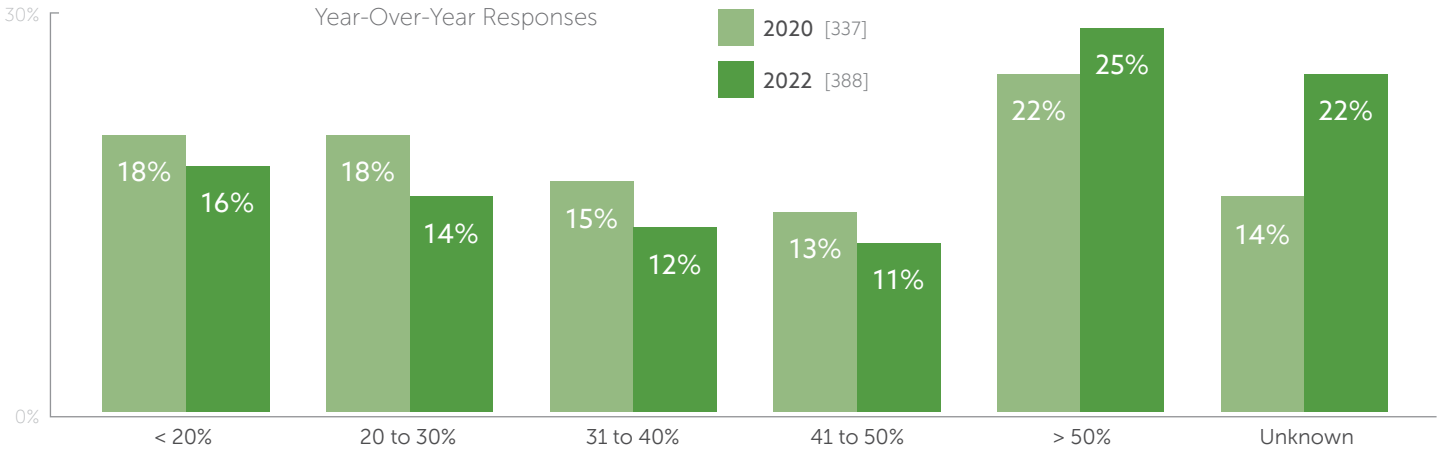
2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer (#of cases)	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
< 80	28%	22%	11%
80 to 100	18%	16%	11%
101 to 125	20%	27%	10%
126 to 150	16%	24%	11%
151 to 175	5%	4%	5%
176 to 200	1%	2%	1%
> 200	4%	2%	5%
Unknown	8%	3%	46%

2022 Responses Segmented by Organization Type

Answer (#of cases)	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
< 80	17%	–	17%	37%	36%	21%	11%	21%	14%
80 to 100	31%	17%	15%	8%	3%	7%	17%	15%	–
101 to 125	19%	17%	13%	20%	21%	43%	39%	18%	14%
126 to 150	15%	–	34%	18%	6%	21%	–	18%	23%
151 to 175	7%	17%	9%	4%	–	–	–	6%	–
176 to 200	1%	17%	2%	1%	–	–	11%	–	–
> 200	2%	–	–	3%	6%	–	17%	6%	9%
Unknown	8%	32%	10%	9%	28%	8%	5%	16%	40%

7 What percentage of your Lost Time caseload per Lost Time claims examiner are active indemnity claims (defined as claims receiving Temporary Total or Temporary Partial indemnity benefits)? (if unknown, select "Unknown")



2022 Responses Segmented by Average Lost Time Caseload

	# of cases							
Answer	< 80	80 to 100	101 to 125	126 to 150	151 to 175	176 to 200	> 200	Unknown
count	90	63	77	67	19	6	14	52
< 20%	40%	13%	6%	7%	–	–	–	13%
20 to 30%	23%	17%	9%	18%	5%	–	21%	2%
31 to 40%	4%	14%	19%	15%	16%	33%	7%	2%
41 to 50%	6%	10%	16%	13%	21%	33%	14%	2%
> 50%	16%	38%	32%	28%	21%	33%	36%	6%
Unknown	11%	8%	18%	19%	37%	1%	22%	75%

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
< 20%	3%	–	13%	34%	24%	14%	6%	24%	5%
20 to 30%	16%	–	17%	18%	9%	14%	6%	9%	14%
31 to 40%	14%	–	13%	10%	3%	21%	11%	12%	14%
41 to 50%	12%	33%	11%	10%	3%	29%	17%	–	9%
> 50%	36%	33%	32%	11%	27%	7%	22%	24%	14%
Unknown	19%	34%	14%	17%	34%	15%	38%	31%	44%

8 Claims Resolution - What is your total overall claims closure ratio for calendar year 2021? Claims closure ratio is defined as the number of claims closed divided by the number of claims received during a calendar year period. (if unknown, select "Unknown")

Year-Over-Year Responses

claims leader surveys
frontline staff survey

Answer	2014	2017	2019	2020	2022
count	404	572	1282	337	388
≤ 50%	3%	5%	3%	6%	6%
51 to 60%	2%	5%	2%	4%	3%
61 to 70%	3%	6%	2%	4%	4%
71 to 80%	4%	9%	2%	7%	6%
81 to 90%	8%	10%	4%	7%	6%
91 to 100%	17%	23%	17%	25%	26%
≥ 101%	24%	24%	13%	31%	30%
Unknown	39%	18%	57%	16%	19%

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
≤ 50%	3%	50%	4%	8%	3%	7%	6%	9%	–
51 to 60%	2%	–	2%	7%	12%	–	–	6%	–
61 to 70%	4%	–	6%	4%	–	–	6%	3%	14%
71 to 80%	2%	–	6%	9%	9%	–	6%	6%	9%
81 to 90%	7%	–	4%	5%	15%	7%	6%	6%	5%
91 to 100%	28%	33%	24%	22%	33%	29%	11%	26%	27%
≥ 101%	33%	17%	41%	31%	21%	36%	28%	18%	5%
Unknown	21%	–	13%	14%	7%	21%	37%	26%	40%

Appendix B
Prioritizing Core Competencies

1 Please identify the top three claims core competencies most critical to claim outcomes, with 1 being the "highest priority" and 3 being the "lower priority."

Year-Over-Year Responses

claims leader surveys
frontline staff survey

Rank	2013*	2014*	2017*	2019†	2022†
1	Disability / RTW Management	Medical Management	Medical Management	Compensability Investigations	Disability / RTW Management
2	Medical Management	Disability / RTW Management	Disability / RTW Management	Disability / RTW Management	Medical Management
3	Compensability Investigations	Compensability Investigations	Compensability Investigations	Medical Management	Claims Resolution

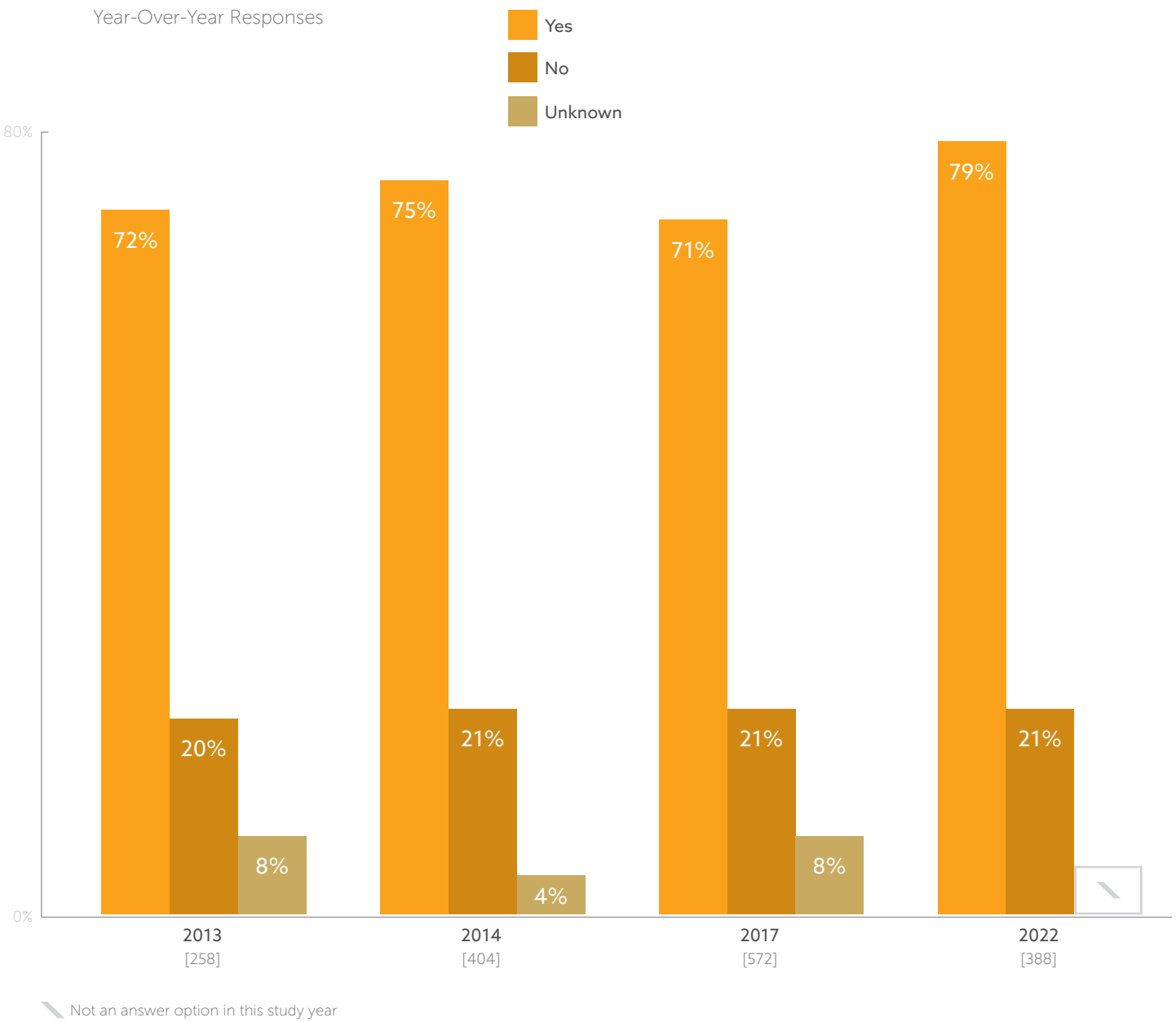
* In Study years **2013**-**2017**, participants ranked 1-10 answer options.
† In Study years **2019** and **2022**, participants ranked 1-3 only.
All Study years included the same 10 answer options.

2022 Responses

Answer	Overall Rank	Weighted Score
count	— 388 —	
Disability / RTW Management	1	638
Medical Management	2	563
Claim Resolution	3	350
Compensability Investigations	4	347
Case Reserving	5	147
Litigation Management	6	134
Oversight Governance / Supervisory Oversight	7	90
Fraud & Abuse Detection	8	27
Bill Review	9	17
Vocational Rehabilitation	10	15

Note: Participants selected the top 3 core competencies from a list of 10 options

2 Does your organization measure best practices / performance within core competencies in any of the following areas? Select all that apply. (if no, select "No / Not Applicable")



[2 con't] Does your organization measure best practices / performance within core competencies in any of the following areas? Select all that apply.

2022 Responses Sorted by Specific Core Competency Measurement

Answer	count	Overall Rank from Question 1	%
No / Not Applicable	81	-	21%
Claim Resolution	250	3	64%
Disability / RTW Management	232	1	60%
Medical Management	231	2	60%
Case Reserving	226	5	58%
Litigation Management	195	6	50%
Compensability Investigations	191	4	49%
Bill Review	174	9	45%
Oversight Governance / Supervisory Oversight	171	7	44%
Fraud & Abuse Detection	115	8	30%
Vocational Rehabilitation	66	10	17%
total count	388		

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
No / Not Applicable	21%	7%	42%
Claim Resolution	65%	79%	41%
Disability / RTW Management	55%	79%	42%
Medical Management	57%	73%	45%
Case Reserving	56%	74%	40%
Litigation Management	50%	65%	27%
Compensability Investigations	47%	61%	37%
Bill Review	45%	58%	26%
Oversight Governance / Supervisory Oversight	40%	60%	30%
Fraud & Abuse Detection	25%	45%	19%
Vocational Rehabilitation	12%	21%	25%

Note: Participants were able to select more than one answer for this question

Conditional Question based on the **core competency(s) participants indicated measuring** in Question 2

2.1 Based on your prior response, please indicate, on average, how often your organization measures best practices / performance within core competencies for each area?

2022 Responses

		% of Sub-Sample Responses						
Answer	count	Real-Time / Daily	Weekly	Monthly	Semi-Monthly	Quarterly	Biannually	Annually
Claim Resolution	250	17%	6%	48%	1%	20%	2%	5%
Disability / RTW Management	232	27%	10%	38%	2%	16%	2%	4%
Medical Management	231	21%	8%	41%	1%	21%	3%	4%
Case Reserving	226	23%	4%	41%	2%	19%	4%	8%
Litigation Management	195	16%	4%	41%	1%	31%	2%	6%
Compensability Investigations	191	35%	8%	30%	1%	19%	4%	4%
Bill Review	174	24%	5%	41%	1%	20%	3%	6%
Oversight Governance / Supervisory Oversight	171	24%	5%	37%	2%	23%	3%	6%
Fraud & Abuse Detection	115	22%	5%	35%	-	27%	3%	9%
Vocational Rehabilitation	66	14%	6%	47%	6%	18%	3%	6%
total count	307							

Note: Participants were able to select more than one answer for this question

Conditional Question for participants who answered "**No / Not Applicable**" in Question 2

2.2 What is the primary limitation / reason for not measuring best practices / performance within core competencies?

Year-Over-Year Responses

	% of Sub-Sample Responses		
Answer	2014*	2017*	2022
count	112	140	81
Not a business priority	37%	31%	36%
Data / system limitations	37%	35%	26%
Unsure how to operationalize	33%	30%	24%
Financial limitations	11%	5%	4%
Other	15%	16%	10%

* Study years **2014** and **2017**, the answer option was **"select all that apply"**

3 Does your organization utilize any of the following systems to direct or manage tasks within best practices? Select all that apply. (if no, select "No / Not Applicable")

Year-Over-Year Responses

claims leader surveys
frontline staff survey

Answer	2013	2014	2017	2019	2022
count	258	404	572	1282	388
No / Not Applicable	45%	50%	47%	36%	31%
Claim System Workflow Automation	46%	42%	40%	39%	55%
Predictive Analytics	25%	24%	32%	30%	42%
Prescriptive Analytics				17%	18%
Other	3%	2%	2%	1%	3%

Note: Participants were able to select more than one answer for this question

Not an answer option in this study year

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
No / Not Applicable	32%	16%	55%
Claim System Workflow Automation	56%	69%	33%
Predictive Analytics	40%	54%	32%
Prescriptive Analytics	15%	25%	15%
Other	3%	5%	–

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
No / Not Applicable	20%	–	21%	40%	55%	36%	17%	38%	59%
Claim System Workflow Automation	67%	100%	62%	52%	24%	50%	78%	50%	23%
Predictive Analytics	60%	50%	55%	26%	30%	29%	44%	24%	32%
Prescriptive Analytics	24%	17%	26%	14%	12%	21%	11%	12%	–
Other	3%	–	6%	3%	3%	–	–	–	9%

Note: Participants were able to select more than one answer for this question

4 Considering the following claim performance metrics, please identify the top three your organization uses to measure the effectiveness of claims management practices, with 1 being the "most effective" and 3 being "less effective." (Rank 1 through 3)

Year-Over-Year Responses

Rank	2020	2022
1	Percentage of claims that Return to Work at or below industry benchmarks	Total claim costs
2	Total claim costs	Average claim costs
3	Percentage of claims that return to the same or better pre-injury functional capabilities	Claims resolution ratio

Note: Participants selected the top 3 metrics from a list of 11 options

2022 Responses

Answer	Overall Rank	Weighted Score
count	— 388 —	
Total claim costs	1	406
Average claim costs	2	389
Claims resolution ratio	3	353
Average Temporary Total Disability (TTD) time loss days per claim	4	261
Employer or end customer satisfaction	5	240
Percentage of claims that Return to Work at or below industry benchmarks	6	159
Litigation rate	7	154
Injured worker satisfaction	8	148
Indemnity claims ratio	9	101
Percentage of claims that return to the same or better preinjury functional capabilities	10	92
Claims reopening ratio	11	25

Conditional Question based on the **top three performance metrics** participants selected in Question 4

4.1 Based on your prior response, does your organization utilize the following performance metrics to measure claims management effectiveness?

2022 Responses Sorted by the "Top Performance Metrics" Rank in Question 4

Answer	Overall Rank	Yes	No
count		— 388 —	
Total claim costs	1	83%	17%
Average claim costs	2	85%	15%
Claims resolution ratio	3	88%	12%
Average Temporary Total Disability (TTD) time loss days per claim	4	85%	15%
Employer or end customer satisfaction	5	75%	25%
Percentage of claims that Return to Work at or below industry benchmarks	6	79%	21%
Litigation rate	7	88%	12%
Injured worker satisfaction	8	69%	31%
Indemnity claims ratio	9	71%	29%
Percentage of claims that return to the same or better preinjury functional capabilities	10	77%	23%
Claims reopening ratio	11	64%	36%

2022 Responses Sorted by the Utilization of Performance Metrics

Answer	Overall Rank	Yes	No
count		— 388 —	
Claims resolution ratio	3	88%	12%
Litigation rate	7	88%	12%
Average claim costs	2	85%	15%
Average Temporary Total Disability (TTD) time loss days per claim	4	85%	15%
Total claim costs	1	83%	17%
Percentage of claims that Return to Work at or below industry benchmarks	6	79%	21%
Percentage of claims that return to the same or better preinjury functional capabilities	10	77%	23%
Employer or end customer satisfaction	5	75%	25%
Indemnity claims ratio	9	71%	29%
Injured worker satisfaction	8	69%	31%
Claims reopening ratio	11	64%	36%

5 Does your organization utilize incentives for staff to achieve best practices / performance measures? Select all that apply. (if no, select "No / Not Applicable")

claims leader surveys
frontline staff survey

Year-Over-Year Responses

Answer	2013	2014	2017	2019	2022
count	258	404	572	1282	388
No / Not Applicable	49%	51%	52%	43%	50%
Formal Recognition	29%	26%	29%	17%	31%
Bonus Structure	31%	29%	26%	38%	29%
Increased Pay or Salary	26%	20%	21%	26%	23%
Other	1%	<1%	4%	2%	4%

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
No / Not Applicable	53%	34%	67%
Formal Recognition	30%	42%	18%
Bonus Structure	27%	39%	18%
Increased Pay or Salary	17%	37%	18%
Other	5%	4%	–

Note: Participants were able to select more than one answer for this question

6 Does your organization utilize penalties for staff when best practices / performance measures are not met? Select all that apply. (if no, select "No / Not Applicable")

claims leader surveys
frontline staff survey

Year-Over-Year Responses

Answer	2013	2014	2017	2019	2022
count	258	404	572	1282	388
No / Not Applicable	48%	50%	53%	43%	49%
Performance Improvement Review	47%	43%	41%	47%	45%
Decreased or No Bonus	23%	20%	17%	22%	16%
Decreased Salary	1%	2%	1%	2%	1%
Other	<1%	1%	3%	2%	3%

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
No / Not Applicable	51%	35%	64%
Performance Improvement Review	41%	60%	34%
Decreased or No Bonus	16%	19%	10%
Decreased Salary	2%	1%	–
Other	2%	4%	1%

Note: Participants were able to select more than one answer for this question

7 Does your organization utilize incentives for vendor partners to achieve best practices / performance measures? Select all that apply. (if no, select "No / Not Applicable")

Year-Over-Year Responses

Answer	2013	2014	2017	2022
count	258	404	572	388
No / Not Applicable	71%	71%	69%	66%
Increased Business or Referrals	21%	19%	19%	22%
Bonus or Increased Reimbursement	8%	8%	6%	10%
Fast Track Payments	6%	4%	7%	8%
Limited or No Utilization Review	2%	4%	4%	7%
Limited or No Technical Bill Review	2%	3%	2%	5%
Other	<1%	1%	2%	1%

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
No / Not Applicable	67%	58%	75%
Increased Business or Referrals	20%	31%	12%
Bonus or Increased Reimbursement	9%	11%	10%
Fast Track Payments	7%	14%	3%
Limited or No Utilization Review	5%	12%	4%
Limited or No Technical Bill Review	5%	9%	1%
Other	–	–	1%

Note: Participants were able to select more than one answer for this question

8 Does your organization utilize penalties for vendor partners when best practices / performance measures are not met? Select all that apply. (if no, select "No / Not Applicable")

Year-Over-Year Responses

Answer	2013	2014	2017	2022
count	258	404	572	388
No / Not Applicable	65%	61%	59%	57%
Limited or Decreased Business or Referrals	28%	26%	28%	32%
Penalty Fees	7%	9%	10%	11%
Decreased Reimbursement	7%	7%	5%	5%
Other	1%	4%	5%	2%

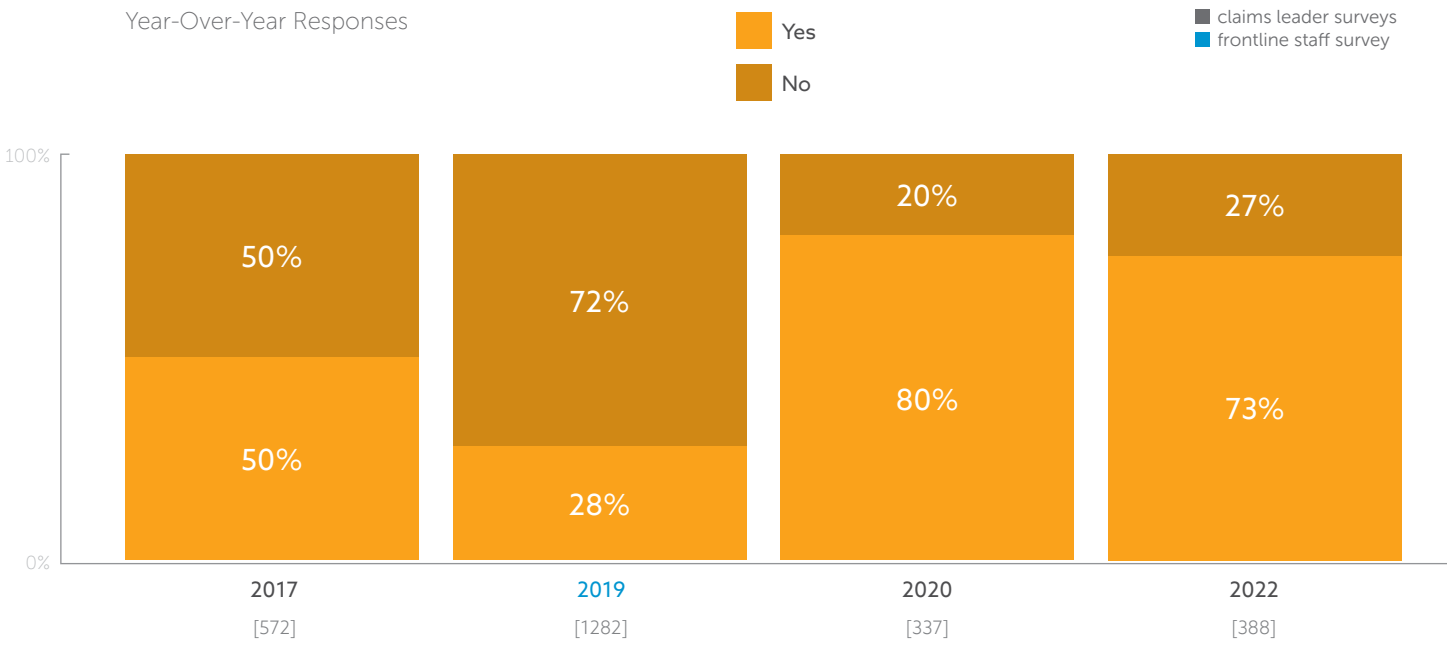
Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
No / Not Applicable	59%	43%	70%
Limited or Decreased Business or Referrals	29%	44%	21%
Penalty Fees	11%	16%	4%
Decreased Reimbursement	5%	4%	4%
Other	1%	3%	1%

Note: Participants were able to select more than one answer for this question

9 Do you know what an advocacy-based, injured worker-centric claims model is?



2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
Yes	69%	88%	59%
No	31%	12%	41%

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
Yes	79%	67%	74%	70%	76%	71%	72%	59%	64%
No	21%	33%	26%	30%	24%	29%	28%	41%	36%

10 Has your organization considered implementing / adopting an advocacy-based, injured worker-centric claims model?

Year-Over-Year Responses

claims leader surveys
frontline staff survey

Answer	2017	2019	2022
count	572	1282	388
Yes, already implemented	28%	18%	47%
Yes, will likely implement within the next 1 to 3 years	9%	3%	10%
Considering, but no specific implementation plans	19%	3%	13%
No, not considering	24%	4%	15%
Unknown	20%	72%	15%

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
Yes, already implemented	45%	60%	32%
Yes, will likely implement within the next 1 to 3 years	10%	9%	8%
Considering, but no specific implementation plans	10%	17%	15%
No, not considering	16%	9%	22%
Unknown	19%	5%	23%

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
Yes, already implemented	59%	33%	40%	48%	48%	43%	44%	26%	18%
Yes, will likely implement within the next 1 to 3 years	12%	–	6%	7%	9%	14%	17%	12%	5%
Considering, but no specific implementation plans	10%	17%	19%	10%	24%	–	11%	18%	18%
No, not considering	11%	17%	21%	16%	6%	14%	17%	24%	27%
Unknown	8%	33%	14%	19%	13%	29%	11%	20%	32%

Conditional Question for participants who answered "**Yes, already implemented**" in Question 10

10.1 What advocacy-based, injured worker-centric claims model initiatives have you implemented? Select all that apply.

Year-Over-Year Responses

claims leader surveys
frontline staff survey

Answer	% of Sub-Sample Responses 2017	2019	2022
count	159	233	181
Revamped injured worker communications including education about the claims process	64%	46%	77%
Focused claims adjuster training on empathy and / or other soft skills	57%	50%	74%
Cultural shift within your organization supporting an advocacy model including leadership buy in	51%	39%	65%
Emphasis on WC as a benefit delivery system versus a claims adjudication system	62%	47%	61%
Implemented technology tools or apps			50%
Dedicated injured worker advocates in addition to the claims examiner	52%	37%	39%
Other	10%	5%	8%

Note: Participants were able to select more than one answer for this question

Not an answer option in this study year

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	% of Sub-Sample Responses Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	90	68	23
Revamped injured worker communications including education about the claims process	73%	81%	78%
Focused claims adjuster training on empathy and / or other soft skills	63%	85%	83%
Cultural shift within your organization supporting an advocacy model including leadership buy in	62%	68%	65%
Emphasis on WC as a benefit delivery system versus a claims adjudication system	59%	68%	52%
Implemented technology tools or apps	42%	56%	61%
Dedicated injured worker advocates in addition to the claims examiner	46%	32%	35%
Other	14%	1%	–

Note: Participants were able to select more than one answer for this question

Conditional Question for participants who answered "**Yes, already implemented**" in Question 10

10.2 What measures are you using to determine the effectiveness of your advocacy-based, injured worker-centric claims model? Select all that apply.

Year-Over-Year Responses

	% of Sub-Sample Responses	
Answer	2017	2022
count	159	181
Litigation rate	62%	63%
Claim costs	68%	59%
Claim duration	68%	56%
Injured worker satisfaction	62%	52%
Employer or end customer satisfaction		39%
Speed to claims decisions or number of days to reach a decision versus statutory requirements	25%	36%
Claims talent employee retention	30%	23%
Other	11%	8%

Note: Participants were able to select more than one answer for this question

Not an answer option in this study year

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

	% of Sub-Sample Responses		
Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	90	68	23
Litigation rate	62%	75%	30%
Claim costs	59%	57%	61%
Claim duration	57%	53%	61%
Injured worker satisfaction	52%	51%	52%
Employer or end customer satisfaction	44%	31%	43%
Speed to claims decisions or number of days to reach a decision versus statutory requirements	34%	43%	22%
Claims talent employee retention	20%	25%	26%
Other	8%	9%	9%

Note: Participants were able to select more than one answer for this question

11 Considering an advocacy-based, injured worker-centric claims model, how could it most impact claims talent development and retention strategies? Please rank the top three strategies in the order of greatest potential impact, with 1 being the "greatest impact" and 3 being the "lower impact." (Note, rank three items only.)

Year-Over-Year Responses

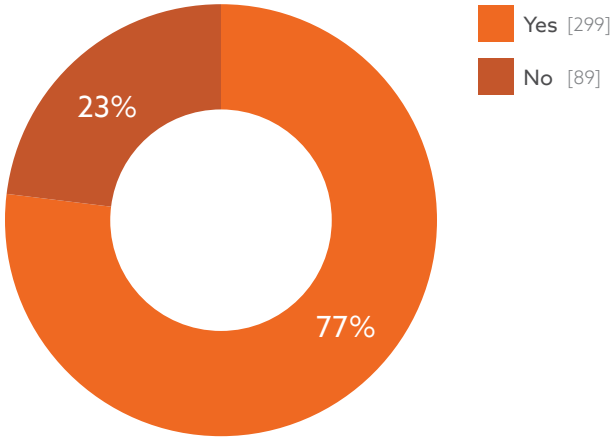
claims leader surveys
frontline staff survey

	Rank		
Answer	2017	2019	2022
count	572	1282	388
Employee engagement	1	1	1
Connect claims talent strategy to organizational mission or customer service model	2	5	2
Elevate the social factors and meaningful work of claims professionals	4	4	3
Improve organizational reputation and / or social image	5	3	4
Transform the image of the claims profession	3	2	5

Appendix C
Talent Development & Retention

1 Has your organization changed its operational model (i.e., in office, hybrid or remote work) as a result of employee sentiment?

2022 Responses



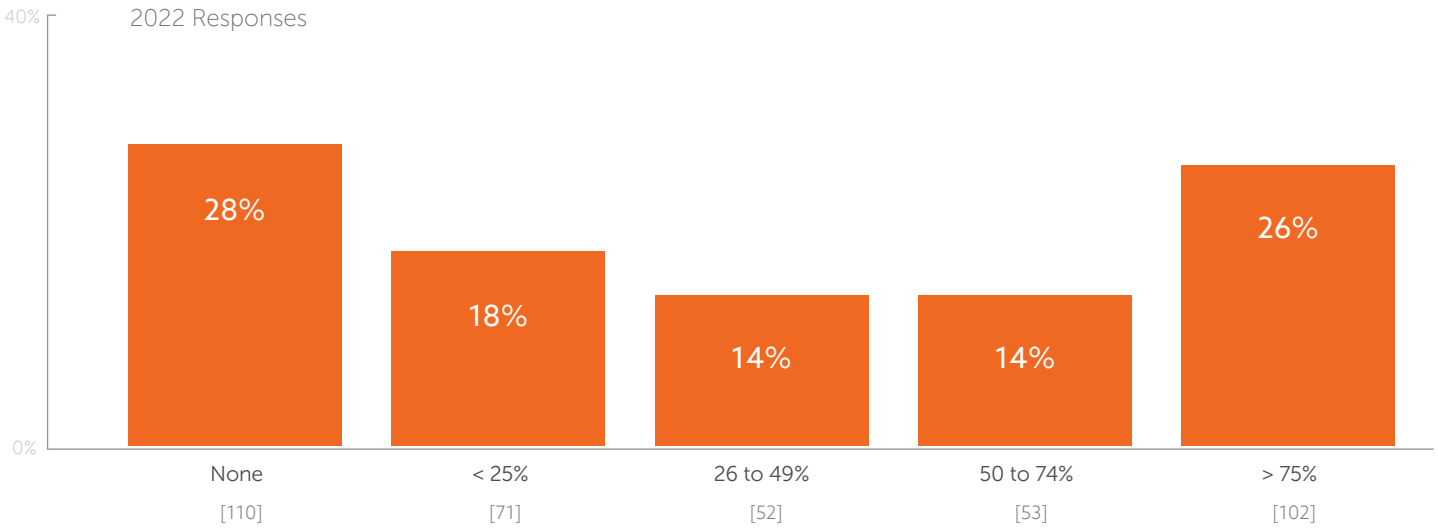
2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
Yes	75%	84%	73%
No	25%	16%	27%

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
Yes	84%	67%	81%	77%	58%	79%	89%	65%	73%
No	16%	33%	19%	23%	42%	21%	11%	35%	27%

2 As a result of COVID-19, what percentage of your claims team do you anticipate will permanently work remotely on a full-time basis?



2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
None	32%	24%	25%
< 25%	16%	23%	16%
26 to 49%	11%	14%	18%
50 to 74%	11%	12%	25%
> 75%	30%	27%	16%

2022 Responses Segmented by Organization Type

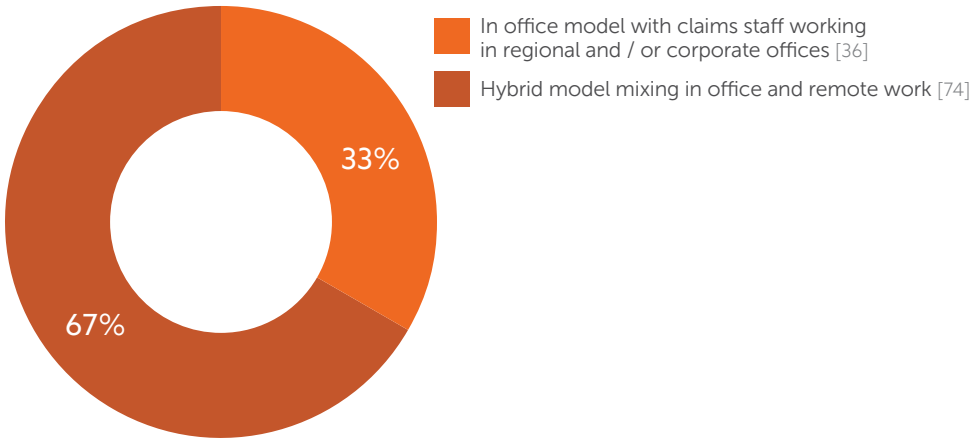
Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
None	18%	33%	15%	42%	40%	43%	28%	44%	9%
< 25%	24%	33%	15%	11%	3%	21%	28%	23%	23%
26 to 49%	22%	17%	19%	3%	6%	7%	11%	9%	18%
50 to 74%	14%	17%	21%	9%	18%	–	11%	12%	23%
> 75%	22%	–	30%	35%	33%	29%	22%	12%	27%

Conditional Question for participants who answered "**None**" in Question 2

2.1 What operational model do you anticipate your organization will follow after the pandemic?

2022 Responses

% of Sub-Sample Responses



2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

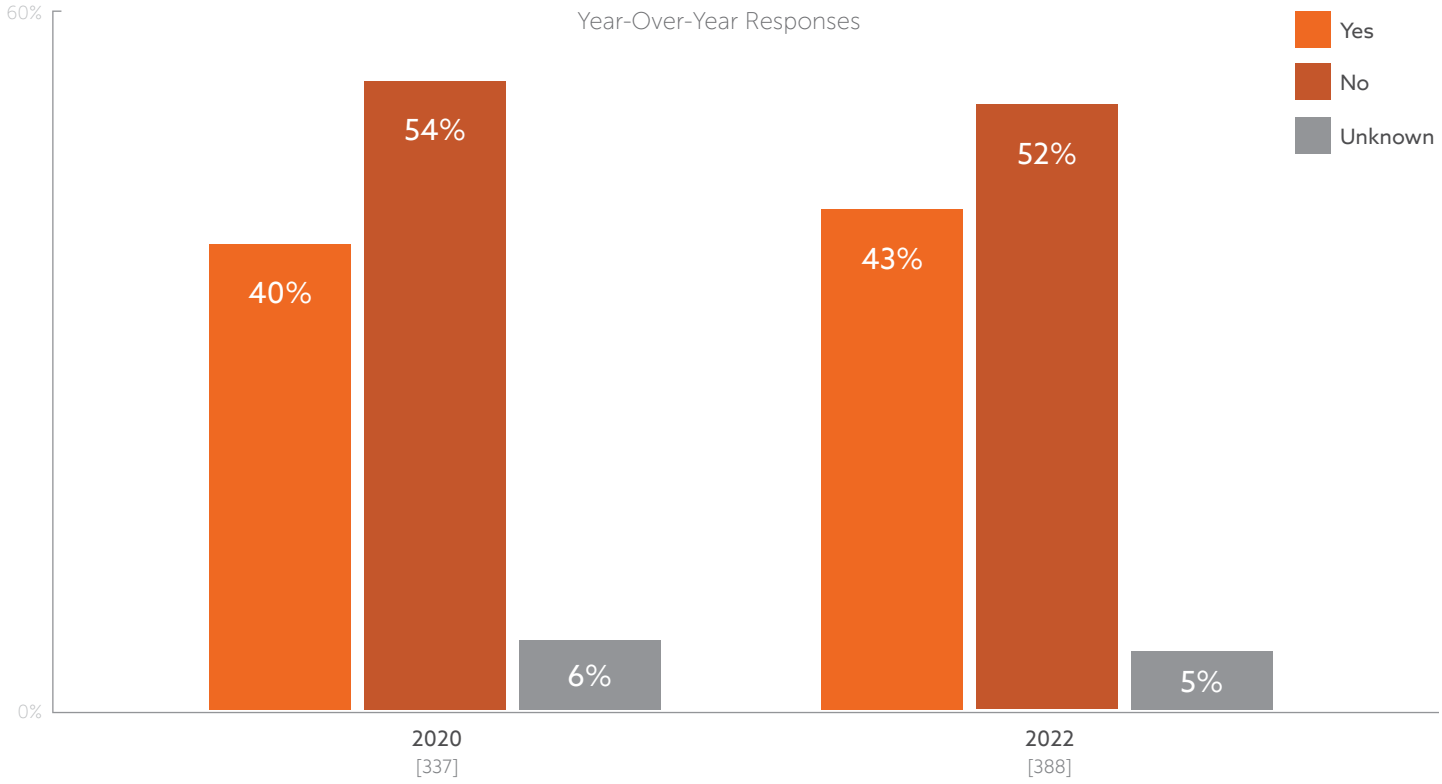
Answer	% of Sub-Sample Responses		
	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	65	27	18
In office model with claims staff working in regional and / or corporate offices	40%	19%	28%
Hybrid model mixing in office and remote work	60%	81%	72%

3 How has remote work from home impacted the claims operation productivity, morale, and team dynamics?

Year-Over-Year Responses

Answer	No Change				Improved / Positive Impact				Decreased / Negative Impact			
	2020		2022		2020		2022		2020		2022	
	count	%	count	%	count	%	count	%	count	%	count	%
Impact on Productivity	169	50%	192	50%	130	39%	145	37%	38	11%	51	13%
Impact on Morale	132	39%	88	23%	155	46%	256	66%	50	15%	44	11%
Impact on Team Dynamics	150	45%	172	44%	82	24%	61	16%	105	31%	155	40%

4 Does your organization offer bonus / profit sharing for frontline claims professionals?



2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
Yes	39%	56%	33%
No	56%	42%	53%
Unknown	5%	2%	14%

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
Yes	70%	67%	60%	24%	18%	14%	6%	12%	55%
No	24%	33%	36%	67%	70%	86%	94%	85%	41%
Unknown	6%	–	4%	9%	12%	–	–	3%	4%

5 How often does your organization benchmark salary or benefits for claims professionals? (if none, select "None / Not Applicable")

Year-Over-Year Responses

Answer	2020	2022
count	337	388
None / Not Applicable	15%	19%
Annually	28%	34%
Every 2 years	12%	8%
Every 3 years	3%	5%
No set timeline, completed when needed and / or based on staff attrition rate	19%	21%
Unknown	23%	13%

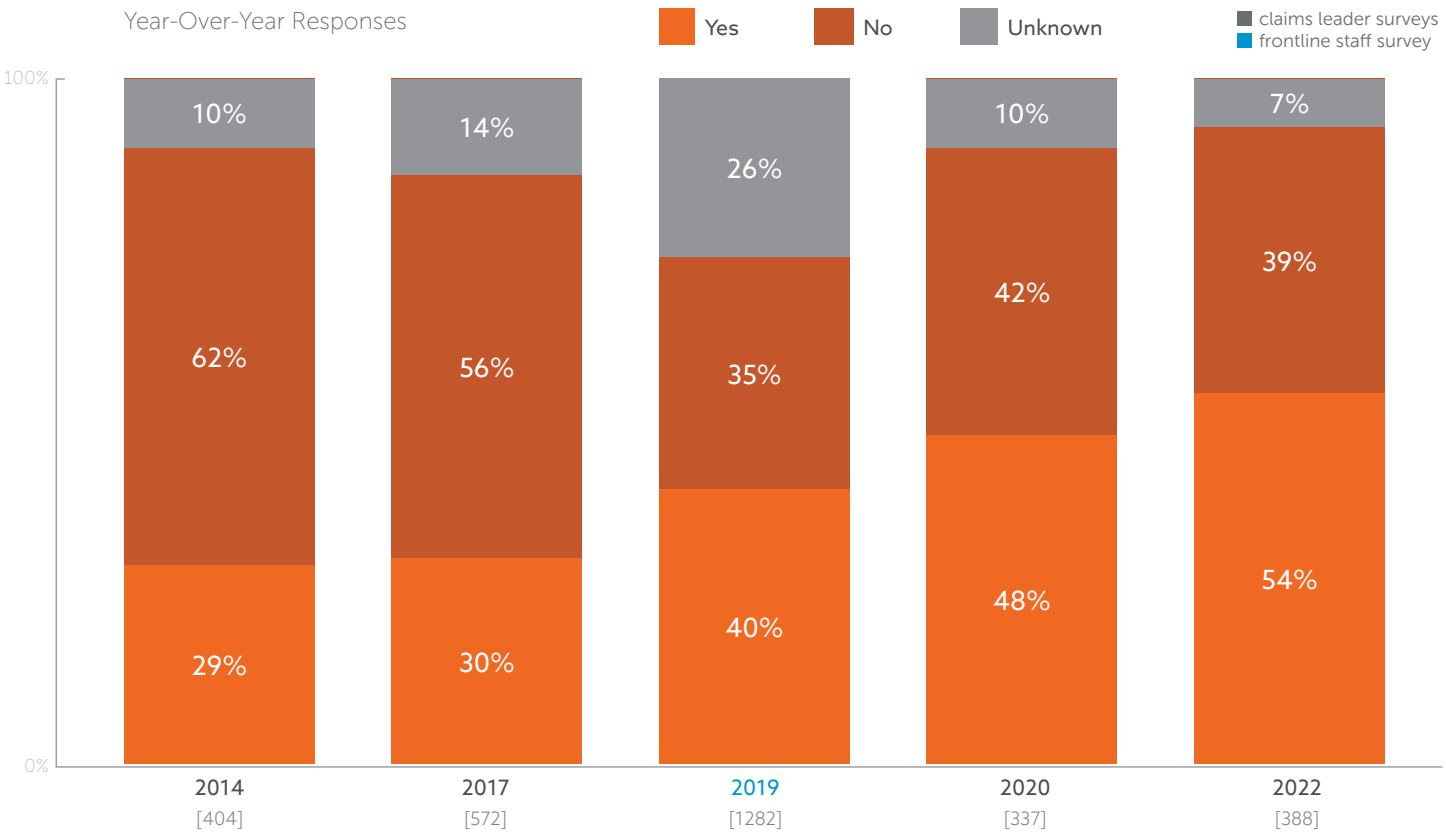
2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
None / Not Applicable	20%	12%	30%
Annually	36%	36%	26%
Every 2 years	9%	11%	1%
Every 3 years	5%	7%	-
No set timeline, completed when needed and / or based on staff attrition rate	19%	22%	25%
Unknown	11%	12%	18%

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
None / Not Applicable	3%	–	13%	26%	45%	21%	22%	47%	14%
Annually	46%	67%	47%	20%	24%	29%	39%	12%	41%
Every 2 years	15%	–	4%	5%	9%	7%	–	3%	5%
Every 3 years	5%	–	–	9%	–	–	6%	12%	–
No set timeline, completed when needed and / or based on staff attrition rate	19%	17%	21%	26%	6%	36%	22%	24%	23%
Unknown	12%	16%	15%	14%	16%	7%	11%	2%	17%

6 Does your organization offer a formal career path program with growth opportunities for claims staff?



2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
Yes	49%	68%	45%
No	45%	30%	38%
Unknown	6%	2%	17%

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
Yes	70%	50%	72%	44%	21%	43%	56%	44%	32%
No	28%	50%	23%	46%	61%	50%	44%	47%	50%
Unknown	2%	–	5%	10%	18%	7%	–	9%	18%

7 What is your organization's attrition / turnover rate for frontline claims professionals in the last 12 months? If exact percentage is not known, please estimate. (If not applicable, please select "Not Applicable")

Year-Over-Year Responses

Answer	2013	2014	2017	2022
count	258	404	572	388
< 10%	61%	30%	49%	38%
> 10 to 20%	16%	11%	12%	30%
> 20 to 30%	4%	2%	4%	11%
> 30 to 40%	2%	2%	1%	3%
> 40 to 50%	-	1%	1%	2%
> 50%	1%	2%	1%	1%
Unknown	17%	52%	32%	15%

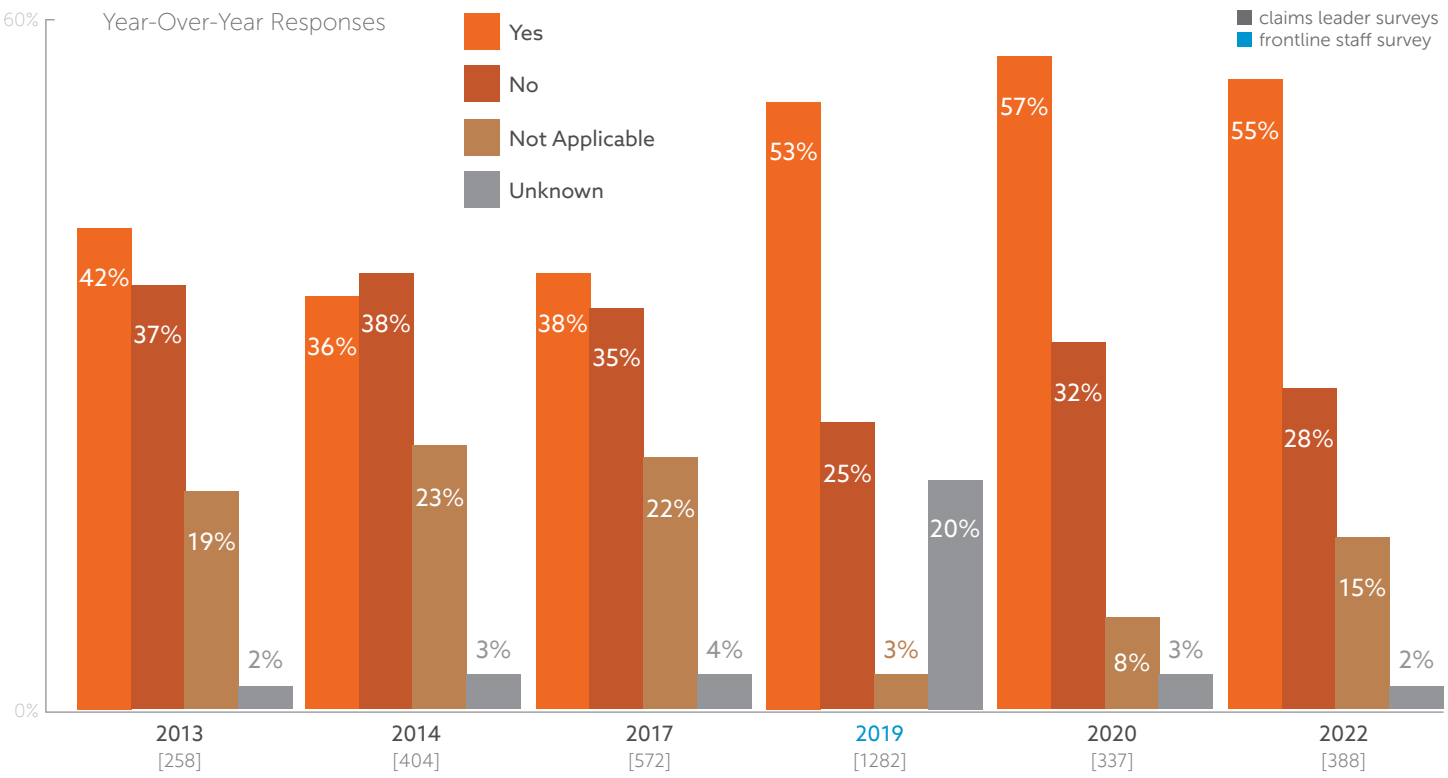
2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
< 10%	40%	44%	23%
> 10 to 20%	28%	35%	30%
> 20 to 30%	11%	10%	12%
> 30 to 40%	3%	2%	4%
> 40 to 50%	2%	1%	–
> 50%	1%	2%	1%
Unknown	15%	6%	30%

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
< 10%	33%	67%	45%	49%	33%	36%	17%	26%	45%
> 10 to 20%	41%	33%	42%	19%	6%	22%	39%	35%	18%
> 20 to 30%	15%	–	11%	6%	6%	7%	22%	12%	9%
> 30 to 40%	2%	–	2%	2%	–	7%	11%	6%	5%
> 40 to 50%	2%	–	–	3%	3%	–	–	–	–
> 50%	–	–	–	1%	–	14%	–	6%	–
Unknown	7%	–	–	20%	52%	14%	11%	15%	23%

8 Does your organization have a formal training program for new hire claims staff with minimal to no experience?



2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
Yes	51%	61%	55%
No	32%	27%	21%
Not Applicable	16%	8%	23%
Unknown	1%	4%	1%

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
Yes	74%	50%	50%	37%	24%	29%	89%	38%	38%
No	22%	33%	33%	40%	21%	50%	6%	35%	35%
Not Applicable	2%	17%	17%	21%	52%	21%	5%	24%	24%
Unknown	2%	–	–	2%	3%	–	–	3%	3%

Conditional Question for participants who answered "**Yes**" in Question 8

8.1 Considering your new hire claims staff training program, how many hours of training are dedicated to the program? If exact number is not known, please estimate.

Year-Over-Year Responses

	% of Sub-Sample Responses		
Answer	2014	2017	2022
count	147	216	212
1 to 20 hours	20%	33%	6%
21 to 40 hours	23%	18%	16%
41 to 60 hours	12%	17%	17%
61 to 80 hours	8%	8%	11%
81 to 100 hours	1%	9%	17%
More than 100 hours	18%	15%	34%

Conditional Question for participants who answered "**Yes**" in Question 8

8.2 Overall, do you believe completion of the new hire training program prepares new claims staff to carry a caseload?

Year-Over-Year Responses

claims leader surveys
frontline staff survey

	% of Sub-Sample Responses				
Answer	2013	2014	2017	2019	2022
count	108	147	216	678	212
Yes	65%	69%	70%	55%	71%
No/Unsure	35%	31%	30%	45%	29%

Conditional Question for participants who answered "**Yes**" in Question 8

8.3 What do you consider a reasonable return on investment (ROI) for training provided to new hire claims staff?

Year-Over-Year Responses

	% of Sub-Sample Responses			
Answer	2013	2014	2017	2022
count	108	147	216	212
5 years of employment	16%	19%	21%	22%
3 to 4 years of employment	44%	43%	47%	45%
1 to 2 years of employment	32%	24%	23%	23%
No Expectations	\	\	\	9%
Unknown	8%	14%	9%	\

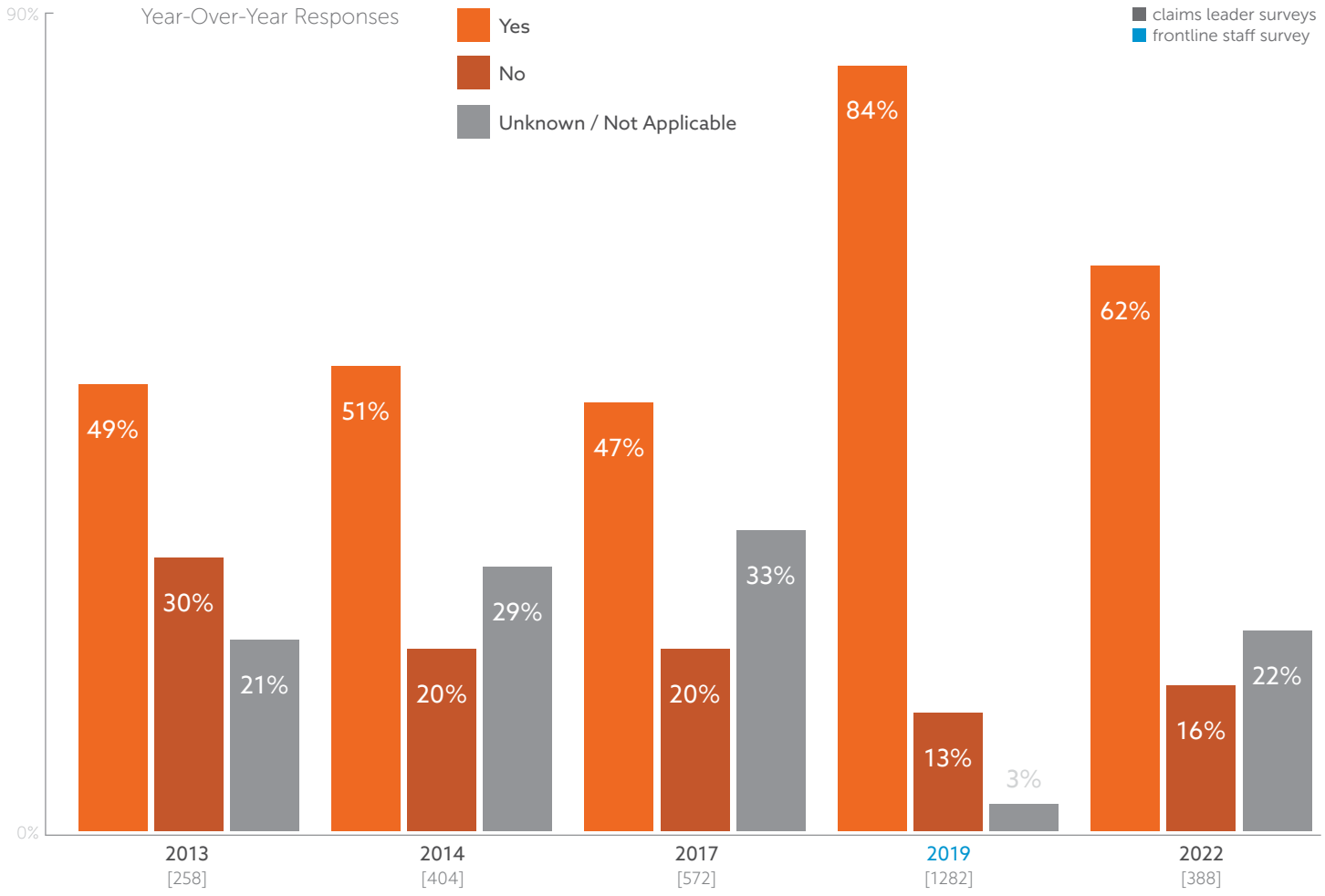
\ Not an answer option in this study year

9 When do you assign claims to new hire claims staff with no experience to minimal experience?

Year-Over-Year Responses

Answer	2014	2017	2022
count	404	572	388
Within two weeks of date of hire	12%	10%	14%
Four to six weeks after date of hire	18%	23%	33%
Three to four months after date of hire	12%	15%	12%
Five or more months after date of hire	7%	7%	9%
Unknown	6%	7%	5%
Not Applicable	45%	38%	27%

10 Does your organization provide skills training and development programs for senior-level claims adjusters?



[10 con't] Does your organization provide skills training and development programs for senior-level claims adjusters?

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
Yes	56%	75%	58%
No	21%	10%	14%
Unknown/Not Applicable	23%	15%	28%

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
Yes	78%	67%	79%	49%	27%	64%	72%	47%	50%
No	14%	33%	13%	20%	9%	14%	22%	15%	27%
Unknown/Not Applicable	8%	–	8%	31%	64%	22%	6%	38%	23%

Conditional Question for participants who answered "**Yes**" in Question 10

10.1 On average, how often do senior-level claims adjusters participate in skills training and development?

Year-Over-Year Responses

claims leader surveys
frontline staff survey

% of Sub-Sample Responses

Answer	2013	2014	2017	2019	2022
count	127	204	268	1075	240
Monthly	25%	25%	18%	43%	12%
Quarterly	30%	30%	40%	37%	43%
Twice a year	20%	25%	21%	11%	18%
Annually	19%	16%	15%	6%	20%
Less than once per year	6%	4%	6%	3%	7%

Conditional Question for participants who answered "**No**" in Question 10

10.2 What is the primary reason / limitation for not providing skills training and development programs for senior-level claims adjusters?

Year-Over-Year Responses

claims leader surveys
frontline staff survey

	% of Sub-Sample Responses		
Answer	2017	2019	2022
count	113	162	63
Not a perceived need	35%	30%	37%
Time constraints / too busy managing claims	19%	38%	22%
Budget limitations	17%	10%	14%
Other	28%	21%	27%

11 Are formal processes in place to ensure knowledge transfer from senior-level staff to new / less experienced staff? Select all that apply. (If no, select "No / Not Applicable")

Year-Over-Year Responses

Answer	2013	2014	2017	2022
count	258	404	572	388
No / Not Applicable	35%	45%	38%	35%
Oversight governance or supervisory oversight	17%	37%	32%	35%
Cross training program	29%	25%	30%	34%
Regular multidisciplinary strategy or staffing sessions	31%	23%	27%	27%
Other	1%	–	6%	7%

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
No / Not Applicable	35%	29%	45%
Oversight governance or supervisory oversight	32%	45%	29%
Cross training program	32%	40%	32%
Regular multidisciplinary strategy or staffing sessions	29%	28%	21%
Other	6%	12%	3%

Note: Participants were able to select more than one answer for this question

12 What non-traditional methods has your organization utilized to identify / retain claims talent? Select all that apply. (If none, select "None / Not Applicable")

Year-Over-Year Responses

Answer	2020	2022
count	337	388
None / Not Applicable	36%	52%
Partner with Universities and or continuing education programs to identify or develop talent	17%	26%
Promote claims innovation to attract or retain tech savvy talent	15%	21%
Create a defined claims professional to senior leadership development track	16%	20%
Leverage predictive analytics to identify candidates and aptitude for the role	12%	10%
Other	3%	5%

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
None / Not Applicable	50%	48%	63%
Partner with Universities and or continuing education programs to identify or develop talent	25%	34%	16%
Promote claims innovation to attract or retain tech savvy talent	22%	20%	21%
Create a defined claims professional to senior leadership development track	21%	22%	15%
Leverage predictive analytics to identify candidates and aptitude for the role	8%	13%	10%
Other	6%	5%	1%

Note: Participants were able to select more than one answer for this question

13 Does your organization include any of the following skills and abilities testing / training for frontline claims professionals? Select all that apply. (If none, select "None / Not Applicable")

Year-Over-Year Responses

claims leader surveys
frontline staff survey

Answer	2017	2019	2022
count	572	1282	388
None / Not Applicable	45%	43%	41%
Customer service skills	43%	48%	48%
Communication skills	42%	43%	46%
Active listening skills	34%	32%	36%
Critical thinking	32%	34%	34%
Empathy	22%	25%	33%
Testing or assessment to determine ability in a particular skill or field of knowledge	14%		18%

Note: Participants were able to select more than one answer for this question

Not an answer option in this study year

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
None / Not Applicable	44%	33%	48%
Customer service skills	43%	59%	47%
Communication skills	43%	57%	37%
Active listening skills	32%	42%	34%
Critical thinking	31%	37%	36%
Empathy	30%	43%	27%
Testing or assessment to determine ability in a particular skill or field of knowledge	18%	14%	21%

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
None / Not Applicable	28%	17%	34%	55%	61%	57%	22%	44%	59%
Customer service skills	62%	50%	53%	40%	27%	36%	50%	53%	32%
Communication skills	62%	50%	53%	35%	27%	43%	44%	41%	23%
Active listening skills	47%	50%	34%	33%	24%	21%	28%	29%	23%
Critical thinking	46%	50%	38%	20%	21%	21%	39%	32%	32%
Empathy	51%	33%	38%	24%	18%	36%	28%	18%	9%
Testing or assessment to determine ability in a particular skill or field of knowledge	21%	50%	15%	10%	15%	21%	33%	24%	5%

Note: Participants were able to select more than one answer for this question

Appendix D
Impact of Technology & Data

1 What initiatives / strategies is your organization undertaking to streamline / improve claims adjuster efficiency? Select all that apply. (If none, select "None / Not Applicable")

Year-Over-Year Responses

Answer	2014	2017	2022
count	404	572	388
None / Not Applicable	30%	32%	22%
Increased investment in IT resources to integrate systems	49%	45%	56%
Workflow Automation	48%	45%	55%
Administrative Support or Offload Admin Tasks	37%	37%	47%
Added Hardware or Tools for example additional computer monitors or mobile devices	32%	23%	39%
Increased Specialization	10%	13%	20%
Other	3%	2%	2%

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
None / Not Applicable	25%	11%	34%
Increased investment in IT resources to integrate systems	53%	65%	51%
Workflow Automation	50%	70%	45%
Administrative Support or Offload Admin Tasks	43%	61%	38%
Added Hardware or Tools for example additional computer monitors or mobile devices	40%	42%	33%
Increased Specialization	17%	26%	18%
Other	1%	3%	–

Note: Participants were able to select more than one answer for this question

[1 con't] What initiatives / strategies is your organization undertaking to streamline / improve claims adjuster efficiency? Select all that apply.

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
None / Not Applicable	7%	–	6%	37%	39%	29%	17%	35%	41%
Increased investment in IT resources to integrate systems	71%	100%	64%	43%	33%	64%	50%	44%	50%
Workflow Automation	63%	83%	72%	47%	36%	64%	61%	41%	32%
Administrative Support or Offload Admin Tasks	63%	67%	72%	34%	27%	57%	44%	26%	14%
Added Hardware or Tools for example additional computer monitors or mobile devices	50%	50%	43%	33%	21%	43%	39%	41%	14%
Increased Specialization	33%	50%	30%	9%	6%	7%	39%	3%	–
Other	2%	–	2%	2%	–	–	6%	–	–

Note: Participants were able to select more than one answer for this question

2 Do any of the following systems or programs integrate with your claims system? Select all that apply. (If no systems are integrated, select "No / Not Applicable")

Year-Over-Year Responses

Answer	2014	2017	2022
count	404	572	388
No / Not Applicable	33%	31%	22%
Bill Review	50%	48%	56%
Nurse Case Management	40%	39%	50%
Pharmacy Benefit Manager	35%	35%	48%
Utilization Review	31%	31%	39%
Evidence Based Medicine Guidelines (e.g., ODG, ACOEM)	13%	15%	36%
Predictive Modeling	13%	22%	35%
Legal	17%	22%	27%
Provider Networks	19%	23%	26%
Safety or Loss Control	21%	23%	26%
Fraud and Abuse Detection Systems	15%	15%	22%
Provider or Hospital Electronic Health Records	9%	9%	10%

Note: Participants were able to select more than one answer for this question

[2 con't] Do any of the following systems or programs integrate with your claims system? Select all that apply.

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
No / Not Applicable	23%	11%	37%
Bill Review	52%	75%	40%
Nurse Case Management	49%	60%	38%
Pharmacy Benefit Manager	45%	62%	34%
Utilization Review	35%	50%	33%
Evidence Based Medicine Guidelines (e.g., ODG, ACOEM)	32%	51%	23%
Predictive Modeling	32%	48%	25%
Legal	30%	27%	21%
Provider Networks	27%	32%	16%
Safety or Loss Control	25%	34%	15%
Fraud and Abuse Detection Systems	23%	27%	12%
Provider or Hospital Electronic Health Records	11%	11%	7%

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
No / Not Applicable	15%	17%	11%	25%	39%	7%	22%	24%	55%
Bill Review	67%	17%	83%	55%	27%	57%	72%	38%	18%
Nurse Case Management	56%	50%	62%	46%	30%	64%	61%	47%	23%
Pharmacy Benefit Manager	54%	17%	68%	42%	27%	79%	33%	53%	14%
Utilization Review	42%	–	57%	41%	24%	36%	28%	50%	5%
Evidence Based Medicine Guidelines (e.g., ODG, ACOEM)	45%	17%	53%	29%	27%	50%	11%	35%	9%
Predictive Modeling	48%	67%	47%	24%	24%	14%	33%	24%	27%
Legal	36%	17%	32%	19%	27%	21%	17%	35%	5%
Provider Networks	27%	–	40%	24%	21%	29%	17%	32%	14%
Safety or Loss Control	20%	–	23%	31%	36%	36%	22%	32%	18%
Fraud and Abuse Detection Systems	32%	–	38%	16%	3%	14%	11%	26%	–
Provider or Hospital Electronic Health Records	11%	–	13%	11%	6%	7%	22%	9%	–

Note: Participants were able to select more than one answer for this question

Conditional Question for participants who **selected a system(s) or program(s)** in Question 2

2.1 Utilizing the drop down list, indicate how each selected system or program integrates with your claims system.

2022 Responses

Answer	count	% of Sub-Sample Responses: The system contains a web link to the claims system	Staff manually copies and pastes data into the claims system	Data populates the claims system through a scheduled file upload or flat file transfer	Data populates the claims system in real time	Health Level 7 or HL7 integration commonly used for healthcare systems	Other
Bill Review	219	14%	4%	49%	29%	–	4%
Nurse Case Management	194	11%	21%	16%	44%	–	8%
Pharmacy Benefit Manager	185	18%	6%	43%	28%	–	4%
Utilization Review	152	15%	14%	24%	38%	–	9%
Evidence Based Medicine Guidelines (e.g., ODG, ACOEM)	139	34%	9%	11%	37%	1%	9%
Predictive Modeling	137	10%	4%	31%	50%	–	6%
Legal	105	18%	27%	26%	19%	–	10%
Provider Networks	102	33%	8%	29%	20%	1%	9%
Safety or Loss Control	99	14%	23%	15%	34%	–	13%
Fraud and Abuse Detection Systems	86	14%	9%	26%	40%	–	12%
Provider or Hospital Electronic Health Records	40	15%	18%	38%	10%	8%	13%
total count	303						

Note: Participants were able to select more than one answer for this question

3 How does your organization integrate analytics into claims systems with alerts / workflow automation to leverage claims resources more effectively? Select all that apply. (If none, select "None / Not Applicable")

Year-Over-Year Responses

claims leader surveys
frontline staff survey

Answer	2019	2020	2022
count	1282	337	388
None / Not Applicable	35%	26%	35%
Frequency and severity prediction	37%	42%	35%
Reserving	╲	37%	34%
Claims resource assignment	╲	19%	26%
Benefit calculations	╲	31%	26%
Detect return to work or disability durations outside of evidence based medicine benchmarks	41%	27%	25%
Detect medical treatment utilization outside of evidence based medicine	45%	31%	24%
Compliance activities	╲	30%	22%
Litigation detection	19%	25%	22%
Fraud detection	25%	27%	15%
Subrogation detection	╲	27%	13%

Note: Participants were able to select more than one answer for this question

╲ Not an answer option in this study year

[3 con't] How does your organization integrate analytics into claims systems with alerts / workflow automation to leverage claims resources more effectively? Select all that apply.

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
None / Not Applicable	35%	24%	52%
Frequency and severity prediction	33%	48%	22%
Reserving	33%	43%	22%
Claims resource assignment	23%	35%	22%
Benefit calculations	21%	38%	21%
Detect return to work or disability durations outside of evidence based medicine benchmarks	22%	33%	21%
Detect medical treatment utilization outside of evidence based medicine	22%	31%	19%
Compliance activities	20%	32%	14%
Litigation detection	21%	27%	19%
Fraud detection	13%	20%	12%
Subrogation detection	12%	17%	12%

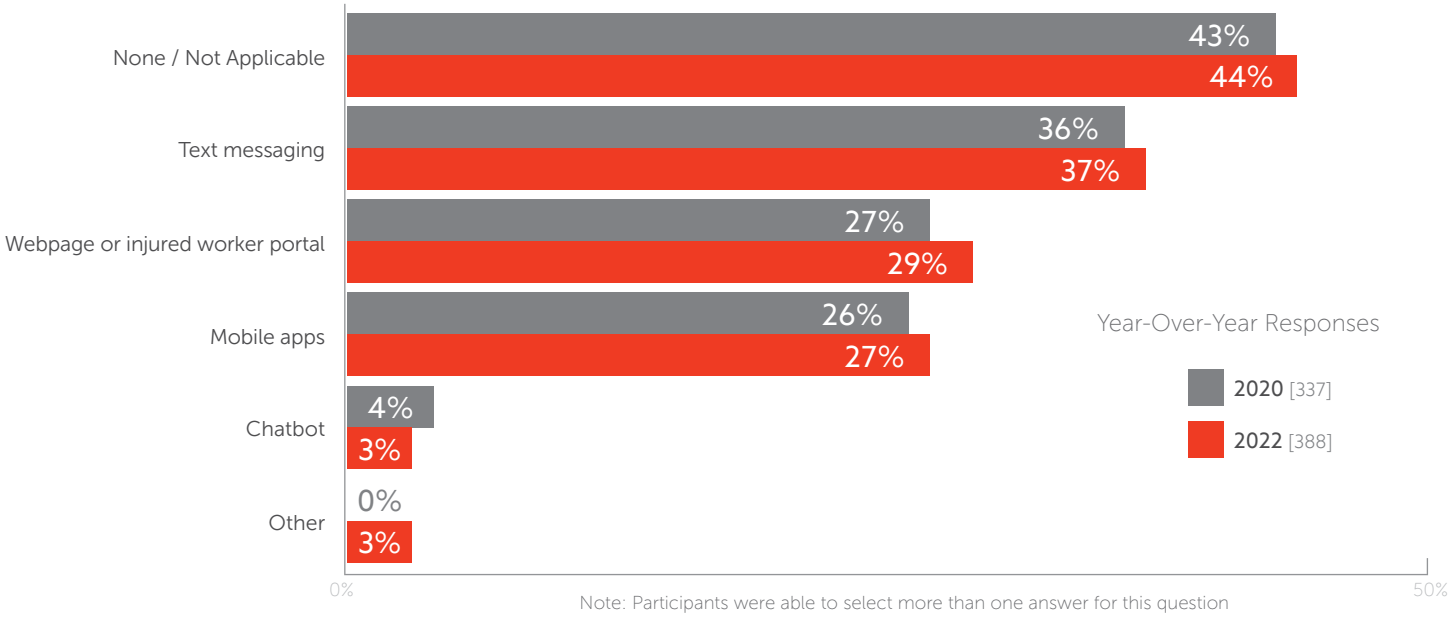
Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
None / Not Applicable	21%	-	26%	44%	55%	36%	39%	44%	59%
Frequency and severity prediction	50%	50%	34%	29%	18%	21%	33%	21%	36%
Reserving	31%	33%	53%	37%	21%	50%	33%	24%	18%
Claims resource assignment	28%	17%	34%	22%	27%	29%	28%	24%	14%
Benefit calculations	25%	–	45%	21%	15%	43%	39%	29%	5%
Detect return to work or disability durations outside of evidence based medicine benchmarks	34%	17%	38%	23%	18%	14%	11%	15%	–
Detect medical treatment utilization outside of evidence based medicine	32%	33%	32%	22%	12%	29%	11%	15%	9%
Compliance activities	28%	33%	32%	19%	12%	36%	6%	18%	9%
Litigation detection	28%	17%	36%	22%	15%	50%	6%	3%	–
Fraud detection	26%	–	21%	10%	9%	14%	–	6%	5%
Subrogation detection	20%	–	19%	12%	6%	14%	6%	3%	9%

Note: Participants were able to select more than one answer for this question

4 Has your organization implemented tools to improve injured worker communications? Select all that apply. (If none, select "None / Not Applicable")



Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
None / Not Applicable	45%	32%	58%
Text messaging	36%	46%	25%
Webpage or injured worker portal	26%	35%	26%
Mobile apps	21%	40%	21%
Chatbot	2%	5%	4%
Other	5%	2%	–

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
None / Not Applicable	37%	83%	23%	44%	45%	57%	67%	53%	64%
Text messaging	51%	–	51%	34%	36%	14%	11%	21%	9%
Webpage or injured worker portal	28%	17%	38%	29%	15%	36%	28%	38%	14%
Mobile apps	25%	–	47%	27%	33%	7%	11%	18%	23%
Chatbot	7%	–	2%	2%	3%	–	6%	–	–
Other	2%	–	6%	5%	3%	–	–	–	–

Note: Participants were able to select more than one answer for this question

5 Does your company use any outcome-based data / metrics to manage claims operational performance? Select all that apply. (If no, select "No / Not Applicable")

Year-Over-Year Responses

Answer	2013	2014	2017	2022
count	258	404	572	388
No / Not Applicable	43%	42%	39%	41%
Claim quantitative measures of performance based on our company policies or best practices	36%	30%	33%	41%
Claim quality measures of performance based on internal or external quality assurance review	29%	26%	25%	38%
Claim outcome measures based on evidence based medicine disability duration guidelines	16%	11%	17%	24%
Claim outcome measures based on evidence based medicine medical treatment guidelines	17%	12%	18%	22%
Other	4%	–	–	1%

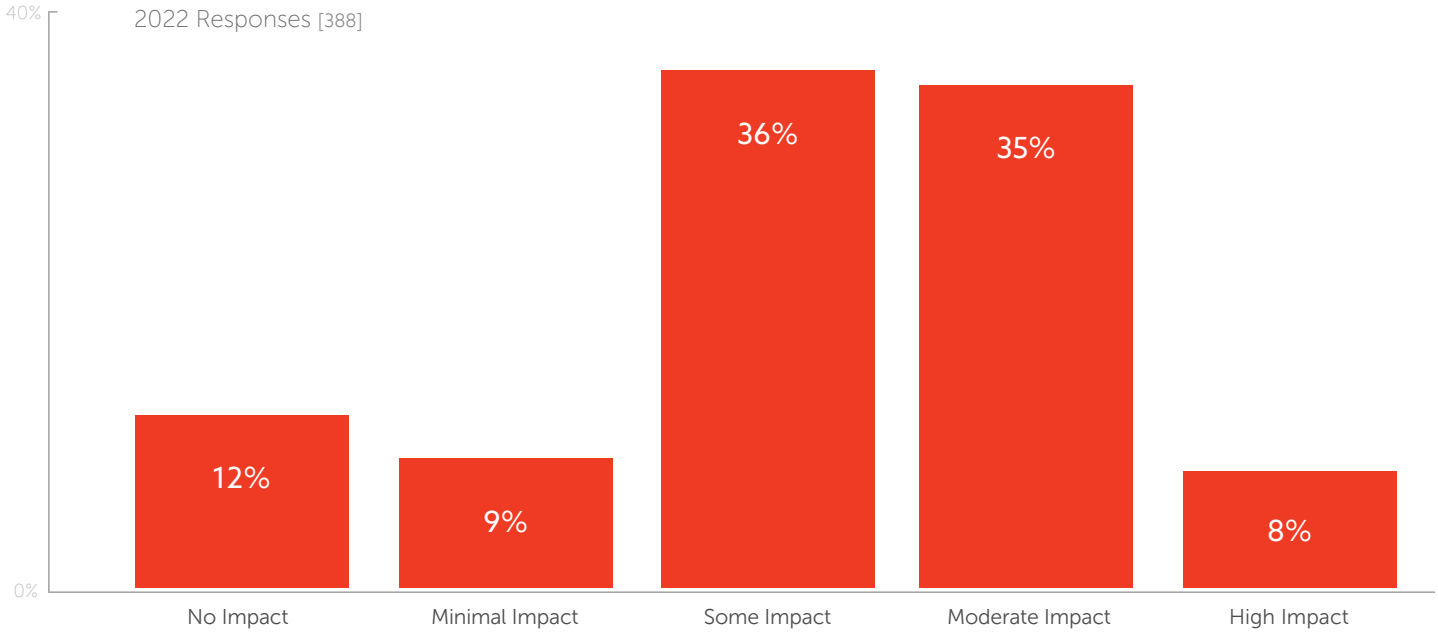
Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
No / Not Applicable	46%	21%	59%
Claim quantitative measures of performance based on our company policies or best practices	38%	56%	29%
Claim quality measures of performance based on internal or external quality assurance review	34%	52%	29%
Claim outcome measures based on evidence based medicine disability duration guidelines	22%	30%	22%
Claim outcome measures based on evidence based medicine medical treatment guidelines	19%	29%	19%
Other	1%	1%	–

Note: Participants were able to select more than one answer for this question

6 In your opinion, what is the impact of your organization's overall metrics on claim performance / outcomes?



2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
No Impact	12%	5%	25%
Minimal Impact	10%	9%	7%
Some Impact	35%	30%	47%
Moderate Impact	35%	44%	20%
High Impact	8%	12%	1%

Appendix E
Medical Performance Management

1 Does your organization use any of the following data points to measure provider outcomes / performance? Select all that apply. (If no, select "No / Not Applicable")

Year-Over-Year Responses

Answer	2013	2014	2017	2022
count	258	404	572	388
No / Not Applicable	41%	43%	35%	36%
RTW Outcomes	45%	41%	50%	47%
Total Claim Costs	45%	46%	52%	46%
Treatment within Evidence Based Guidelines	30%	23%	28%	33%
Quality and Timely Submission of Reports	24%	25%	25%	28%
Efficiency Measures such as Average Number of E&M Visits per Claim by Diagnosis Code	7%	6%	14%	13%
NCQA Cost of Care Measures	2%	3%	4%	5%
AHRQ Clinical Quality and Appropriate Care Measures	2%	2%	3%	4%
Other	1%	3%	1%	2%

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
No / Not Applicable	35%	24%	56%
RTW Outcomes	50%	52%	33%
Total Claim Costs	46%	59%	27%
Treatment within Evidence Based Guidelines	29%	47%	23%
Quality and Timely Submission of Reports	24%	42%	18%
Efficiency Measures such as Average Number of E&M Visits per Claim by Diagnosis Code	12%	19%	7%
NCQA Cost of Care Measures	3%	10%	3%
AHRQ Clinical Quality and Appropriate Care Measures	3%	6%	–
Other	3%	2%	–

Note: Participants were able to select more than one answer for this question

[1con't] Does your organization use any of the following data points to measure provider outcomes / performance? Select all that apply.

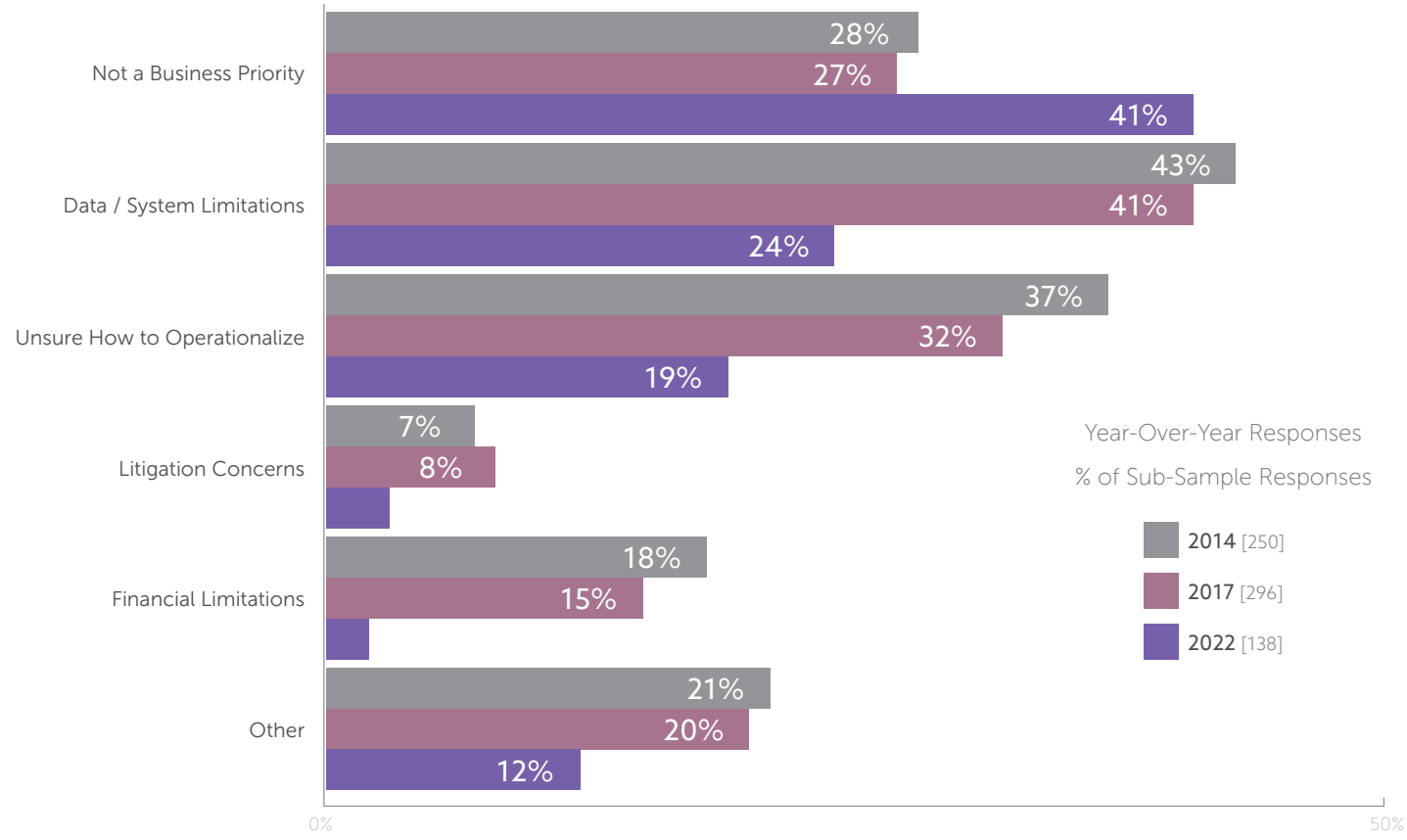
2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
No / Not Applicable	33%	50%	30%	32%	33%	29%	56%	47%	45%
RTW Outcomes	51%	17%	49%	55%	45%	29%	33%	41%	36%
Total Claim Costs	49%	33%	51%	49%	61%	29%	22%	32%	45%
Treatment within Evidence Based Guidelines	40%	–	43%	37%	21%	36%	22%	26%	5%
Quality and Timely Submission of Reports	20%	33%	36%	35%	21%	43%	33%	32%	14%
Efficiency Measures such as Average Number of E&M Visits per Claim by Diagnosis Code	14%	–	15%	15%	9%	14%	6%	15%	9%
NCQA Cost of Care Measures	3%	–	11%	4%	3%	7%	6%	6%	9%
AHRQ Clinical Quality and Appropriate Care Measures	3%	–	4%	7%	–	7%	–	–	5%
Other	4%	–	–	1%	–	7%	6%	–	–

Note: Participants were able to select more than one answer for this question

Conditional Question for participants who answered "**No / Not Applicable**" in Question 1

1.1 What is the primary limitation / reason for not using provider outcomes / performance measures?



2 Does your organization use any of the following risk / reward-based contracting strategies with medical providers? Select all that apply. (If no, select "No / Not Applicable")

Year-Over-Year Responses

Answer	2014*	2017*	2022
count	404	572	388
No / Not Applicable	85%	83%	67%
Referral or Patient Channeling	2%	3%	18%
Fast Track Payments	1%	2%	15%
Decreased or No Utilization Review	2%	2%	12%
Pay for Performance or Higher Reimbursement Rate	1%	3%	9%
Limited Bill Review	1%	1%	8%
Other	1%	–	1%

* **2014** and **2017** Study surveys presented this question in two parts with a dependent question which could impact results.

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
No / Not Applicable	71%	52%	79%
Referral or Patient Channeling	12%	32%	12%
Fast Track Payments	14%	25%	4%
Decreased or No Utilization Review	6%	24%	7%
Pay for Performance or Higher Reimbursement Rate	6%	16%	4%
Limited Bill Review	6%	17%	1%
Other	1%	–	1%

Note: Participants were able to select more than one answer for this question

3 Using the drop down list, indicate if any of the following programs are currently in place and if they are insourced or outsourced. (If not currently in place, select "Not Applicable")

2022 Responses

Answer	count	Not Applicable	Insourced	Outsourced	Combination Insourced & Outsourced	Unknown
Nurse Claims Triage	388	21%	22%	44%	12%	2%
Nurse Case Management		6%	21%	45%	27%	1%
Return-To-Work Services		20%	37%	20%	21%	1%
Utilization Review		14%	17%	53%	14%	1%
Bill Review		7%	19%	61%	12%	1%
Company Developed or Owned Provider Network		46%	15%	26%	10%	4%
Outsourced or Leased Provider Network		36%	4%	47%	10%	4%
Pharmacy Benefit Manager		11%	7%	76%	5%	2%
Physician Case Management		43%	10%	34%	9%	4%
Peer Review		22%	11%	53%	11%	3%

4 Please rank in the order of impact the top three medical management programs you believe are most critical to claim outcomes, with 1 having the "greatest impact" and 3 having "less impact."

Year-Over-Year Responses

claims leader surveys
frontline staff survey

Rank	2013*	2014*	2017*	2019†	2022†
1	Nurse Case Management	Nurse Case Management	Nurse Case Management	Nurse Case Management	Nurse Case Management
2	Return-To-Work Services	Return-To-Work Services	Return-To-Work Services	Return-To-Work Services	Return-To-Work Services
3	Nurse Claims Triage	Nurse Claims Triage	Nurse Claims Triage	Utilization Review	Nurse Claims Triage

* In Study years **2013**-**2017**, participants ranked 1-10 answer options.
† In Study years **2019** and **2022**, participants ranked 1-3 only.
All Study years included the same 10 answer options.

2022 Responses

Answer	Overall Rank	Weighted Score
count	— 388 —	
Nurse Case Management	1	640
Return-To-Work Services	2	434
Nurse Claims Triage	3	353
Bill Review	4	261
Utilization Review	5	177
Pharmacy Benefit Manager	6	156
Company Developed or Owned Provider Network	7	128
Physician Case Management	8	84
Outsourced or Leased Provider Network	9	68
Peer Review	10	27

Note: Participants selected the top 3 programs from a list of 10 options

5 Does your organization use any of the following performance strategies to incentivize or hold medical management vendor partners accountable? Select all that apply. (If none, select "None / Not Applicable")

Year-Over-Year Responses

Answer	2014*	2017*	2022
count	404	572	388
None / Not Applicable	61%	58%	55%
Service Level Agreement with Performance Standards and Financial Commitments	13%	15%	30%
Increased Volume Based on Performance	13%	9%	16%
Fast Track Payments	4%	6%	14%
Decreased Volume Based on Performance	9%	7%	14%
Decreased UR Requirements	3%	3%	9%
Limited Bill Review	3%	3%	9%
Pay for Performance Measures	3%	3%	5%
Other	–	1%	1%

* **2014** and **2017** Study surveys presented this question in two parts with a dependent question which could impact results.

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
None / Not Applicable	57%	43%	67%
Service Level Agreement with Performance Standards and Financial Commitments	29%	36%	23%
Increased Volume Based on Performance	15%	25%	5%
Fast Track Payments	11%	25%	7%
Decreased Volume Based on Performance	11%	23%	8%
Decreased UR Requirements	4%	18%	8%
Limited Bill Review	5%	18%	3%
Pay for Performance Measures	5%	7%	3%
Other	1%	1%	–

Note: Participants were able to select more than one answer for this question

6 Prior Study research ranks return to work / patient functional outcomes as the most important measure of provider quality. How does your organization utilize return to work / patient functional outcomes to assess and impact provider outcomes? Select all that apply. (If none, select "None / Not Applicable")

Year-Over-Year Responses

Answer	2020	2022
count	337	388
None / Not Applicable	42%	48%
Removal from the provider network panel for not meeting quality or outcome metrics	28%	30%
Evaluate injured worker health status and function as a result of the care they receive	26%	27%
Impacts referrals or patient channeling	25%	22%
Measure medical provider disability management outcomes against national benchmark data	22%	21%
Higher reimbursement rate or bonus for meeting or exceeding quality outcome metrics	5%	5%
Lower reimbursement rate for not meeting quality or outcome metrics	2%	2%

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
None / Not Applicable	50%	38%	58%
Removal from the provider network panel for not meeting quality or outcome metrics	26%	42%	22%
Evaluate injured worker health status and function as a result of the care they receive	28%	26%	26%
Impacts referrals or patient channeling	20%	33%	11%
Measure medical provider disability management outcomes against national benchmark data	18%	29%	18%
Higher reimbursement rate or bonus for meeting or exceeding quality outcome metrics	4%	5%	7%
Lower reimbursement rate for not meeting quality or outcome metrics	2%	1%	4%

Note: Participants were able to select more than one answer for this question

7 Has your organization implemented any strategies to equip claims professionals to identify social determinants of health (SDOH) and leverage resources for injured workers with potential health disparities? Select all that apply. (If none, select "None / Not Applicable")

Year-Over-Year Responses

Answer	2020	2022
count	337	388
None / Not Applicable	75%	70%
Training in culturally sensitive communication for claims staff that identifies barriers to recovery	13%	18%
Leverage data to identify SDOH risk factors	8%	14%
Promote health literacy through education based on injured worker needs	12%	11%
Resource guide for community based services to assist injured workers with access to social services	7%	7%
Other	1%	1%

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
None / Not Applicable	73%	62%	75%
Training in culturally sensitive communication for claims staff that identifies barriers to recovery	16%	23%	16%
Leverage data to identify SDOH risk factors	13%	18%	10%
Promote health literacy through education based on injured worker needs	11%	12%	11%
Resource guide for community based services to assist injured workers with access to social services	7%	6%	8%
Other	–	2%	–

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
None / Not Applicable	60%	67%	70%	76%	88%	79%	61%	71%	82%
Training in culturally sensitive communication for claims staff that identifies barriers to recovery	27%	–	21%	14%	6%	21%	22%	15%	5%
Leverage data to identify SDOH risk factors	24%	17%	13%	8%	6%	14%	17%	6%	9%
Promote health literacy through education based on injured worker needs	13%	17%	11%	7%	6%	21%	17%	15%	14%
Resource guide for community based services to assist injured workers with access to social services	8%	–	6%	5%	3%	7%	6%	12%	14%
Other	2%	–	–	1%	–	–	–	–	–

Note: Participants were able to select more than one answer for this question

Conditional Question for participants who answered "**None / Not Applicable**" in Question 7

7.1 What is the primary limitation / reason for not implementing strategies to equip claims professionals to identify social determinants of health (SDOH) and leverage resources for injured workers?

2022 Responses

Answer	count	% of Sub-Sample Responses
Not a Business Priority	104	38%
Unsure How to Operationalize	78	29%
Data / System Limitations	35	13%
Other	28	10%
Litigation or privacy concerns	16	6%
Not an issue WC should be concerned with	12	4%
total count	273	

8 Has your organization implemented programs or resources to identify behavioral health / mental health issues in workers' compensation claims? Select all that apply. (If none, select "None / Not Applicable")

2022 Responses

Answer	count	%
None / Not Applicable	175	45%
Questions used by claims professionals or clinical resources to identify psychosocial risk factors	181	47%
Predictive analytics to identify or predict claims at risk due to behavioral health or mental health factors	64	16%
Screening or questionnaire for preexisting mental health conditions	62	16%
Screening tool for example the Orebro or Functional Recovery Questionnaire or similar tool to identify psychosocial risk factors	50	13%
Mining unstructured data for mental health issues or psychosocial barriers	31	8%
Other	5	1%
total count	388	

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
None / Not Applicable	50%	32%	52%
Questions used by claims professionals or clinical resources to identify psychosocial risk factors	41%	59%	44%
Predictive analytics to identify or predict claims at risk due to behavioral health or mental health factors	16%	20%	12%
Screening or questionnaire for preexisting mental health conditions	17%	16%	12%
Screening tool for example the Orebro or Functional Recovery Questionnaire or similar tool to identify psychosocial risk factors	8%	18%	18%
Mining unstructured data for mental health issues or psychosocial barriers	8%	10%	5%
Other	1%	2%	1%

Note: Participants were able to select more than one answer for this question

[8 con't] Has your organization implemented programs or resources to identify behavioral health / mental health issues in work comp claims? Select all that apply.

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
None / Not Applicable	29%	50%	43%	59%	48%	50%	33%	53%	68%
Questions used by claims professionals or clinical resources to identify psychosocial risk factors	58%	17%	53%	36%	39%	50%	61%	41%	27%
Predictive analytics to identify or predict claims at risk due to behavioral health or mental health factors	27%	17%	13%	9%	12%	7%	11%	18%	14%
Screening or questionnaire for preexisting mental health conditions	24%	17%	15%	10%	6%	14%	17%	24%	5%
Screening tool for example the Orebro or Functional Recovery Questionnaire or similar tool to identify psychosocial risk factors	15%	–	4%	19%	9%	–	33%	12%	–
Mining unstructured data for mental health issues or psychosocial barriers	12%	–	6%	7%	15%	–	–	3%	5%
Other	1%	–	–	2%	3%	7%	–	–	–

Note: Participants were able to select more than one answer for this question

9 Has your organization implemented programs or resources to address behavioral health / mental health issues in workers' compensation claims? Select all that apply. (If none, select "None / Not Applicable")

2022 Responses

Answer	count	%
None / Not Applicable	192	49%
Behavioral health or mental health provider network	114	29%
Telehealth for behavioral health services	101	26%
Critical incident management program to address traumatic events or acute PTSD or similar conditions	82	21%
Cognitive Behavioral Therapy (CBT) or Progressive Goal Attainment (PGAP) program	61	16%
Wellness programs such as meditation or visualization or other preventative health resources	59	15%
Injured worker focused education about psychosocial risk factors or mental health awareness	44	11%
Technology tools such as online resources or apps focused on behavioral health or mental health awareness and education	44	11%
Digital Therapeutics such as Sleepio or ReSet or eMindful for example	8	2%
Other	9	2%
total count	388	

Note: Participants were able to select more than one answer for this question

[9 con't] Has your organization implemented programs or resources to address behavioral health / mental health issues in work comp claims? Select all that apply.

2022 Responses Segmented by Claims Closure Ratio / Claims Resolution

Answer	Lower Performance (≤ 100%)	Higher Performance (≥101%)	Unknown
count	202	113	73
None / Not Applicable	55%	33%	60%
Behavioral health or mental health provider network	24%	46%	18%
Telehealth for behavioral health services	22%	39%	18%
Critical incident management program to address traumatic events or acute PTSD or similar conditions	18%	28%	19%
Cognitive Behavioral Therapy (CBT) or Progressive Goal Attainment (PGAP) program	10%	27%	15%
Wellness programs such as meditation or visualization or other preventative health resources	17%	16%	8%
Injured worker focused education about psychosocial risk factors or mental health awareness	10%	13%	11%
Technology tools such as online resources or apps focused on behavioral health or mental health awareness and education	9%	15%	11%
Digital Therapeutics such as Sleepio or ReSet or eMindful for example	1%	3%	3%
Other	2%	2%	3%

Note: Participants were able to select more than one answer for this question

2022 Responses Segmented by Organization Type

Answer	Insurance Company	Reinsurance / Excess Insurance Company	Third Party Administrator	Self-Insured Employer	Insured Employer	Risk Pool	State Fund / Mutual Fund	Gov't Entity	Other
count	123	6	47	91	33	14	18	34	22
None / Not Applicable	48%	50%	55%	44%	45%	50%	39%	53%	77%
Behavioral health or mental health provider network	32%	–	26%	38%	30%	14%	11%	32%	14%
Telehealth for behavioral health services	17%	33%	28%	35%	30%	29%	39%	29%	9%
Critical incident management program to address traumatic events or acute PTSD or similar conditions	18%	17%	23%	24%	21%	36%	28%	18%	14%
Cognitive Behavioral Therapy (CBT) or Progressive Goal Attainment (PGAP) program	16%	33%	13%	18%	6%	14%	39%	18%	–
Wellness programs such as meditation or visualization or other preventative health resources	11%	–	9%	30%	18%	7%	6%	21%	–
Injured worker focused education about psychosocial risk factors or mental health awareness	17%	–	11%	8%	6%	7%	11%	12%	9%
Technology tools such as online resources or apps focused on behavioral health or mental health awareness and education	10%	17%	9%	16%	18%	–	6%	12%	5%
Digital Therapeutics such as Sleepio or ReSet or eMindful for example	3%	–	–	3%	–	–	–	3%	–
Other	1%	–	2%	4%	3%	7%	–	3%	–

Note: Participants were able to select more than one answer for this question

2022 WORKERS' COMPENSATION BENCHMARKING STUDY

CLAIMS MANAGEMENT OPERATIONAL STUDY

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