

# Ten years' experience using an integrated workers' compensation management system to control workers' compensation costs.

[Bernacki EJ](#), [Tsai SP](#).

## Source

Division of Occupational and Environmental Medicine, Department of Medicine, Johns Hopkins School of Medicine, 600 North Wolfe Street, Billings Administration 129, Baltimore, MD 21287-1629, USA. [bernacki@jhmi.edu](mailto:bernacki@jhmi.edu)

## Abstract

This work presents 10 years of experience using an Integrated Workers' Compensation Claims Management System that allows safety professionals, adjusters, and selected medical and nursing providers to collaborate in a process of preventing accidents and expeditiously assessing, treating, and returning individuals to productive work. The hallmarks of the program involve patient advocacy and customer service, steering of injured employees to a small network of physicians, close follow-up, and the continuous dialogue between parties regarding claims management. The integrated claims management system was instituted in fiscal year 1992 servicing a population of approximately 21,000 individuals. The system was periodically refined and by the 2002 fiscal year, 39,000 individuals were managed under this paradigm. The frequency of lost-time and medical claims rate decreased 73% (from 22 per 1000 employees to 6) and 61% (from 155 per 1000 employees to 61), respectively, between fiscal year 1992 and fiscal year 2002. The number of temporary/total days paid per 100 insureds decreased from 163 in fiscal year 1992 to 37 in fiscal year 2002, or 77%. Total workers' compensation expenses including all medical, indemnity and administrative, decreased from \$0.81 per \$100 of payroll in fiscal year 1992 to \$0.37 per \$100 of payroll in fiscal year 2002, a 54% decrease. More specifically, medical costs per \$100 of payroll decreased 44% (from \$0.27 to \$0.15), temporary/total, 61% (from \$0.18 to \$0.07), permanent/partial, 63% (from \$0.19 to \$0.07) and administrative costs, 48% (\$0.16 to \$0.09). These data suggests that workers' compensation costs can be reduced over a multi-year period by using a small network of clinically skilled health care providers who address an individual workers' psychological, as well as physical needs and where communication between all parties (e.g., medical care providers, supervisors, and injured employees) is constantly maintained. Furthermore, these results can be obtained in an environment in which the employer pays the full cost of medical care and the claimant has free choice of medical provider at all times.