

The INNOVATOR

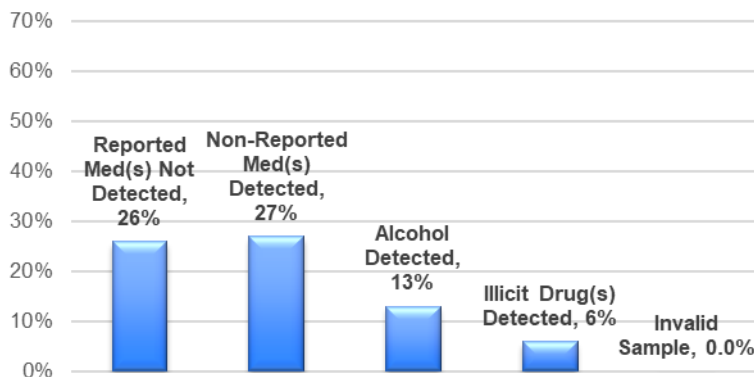
Fiscal Year 2022 SUCCESSES & RESULTS

Year-end has come and gone and now its time for a look back at the results of our collective effort!

Key Program Successes:

- ◆ **Pharmacy Benefit Management (PBM)** - The program’s new pharmacy benefit manager, Alius Health, helped the program reduce overall pharmacy spend by just over \$1M compared to the prior year’s PBM. Other key pharmacy results include:
 - ◆ The number of opioid scripts reduced by 9.7% from FY21.
 - ◆ Over 5,200 requests for authorization (non-preferred/non-formulary medications) were routed to our benefit coordinators for approval/rejection resulting in an approval rate of 72.8%. The 1,433 authorizations not approved resulted in cost avoidance of \$301,209.
 - ◆ It is estimated that eRx (electronic connectivity through the prescriber’s electronic medical records system) resulted in additional estimated cost avoidance of \$615,094. These savings are the result of prescriber messaging suggesting preferred medications which impact cost and injured worker safety.
- ◆ **Medication monitoring** - Team partner FourStone Health, previously Cordant Health Solutions, continues to provide the program’s medication monitoring (drug testing) services. Injured workers are identified for testing through the analysis of pharmacy spend. This program improves savings and our benefit coordinators are provided with clinical insight into the injured worker’s compliance with prescription medications. 204 injured workers were tested and roughly 43% of the tests indicated some sort of inconsistency from what was expected. The chart below provides a breakdown of the inconsistent results.

Breakdown of Inconsistencies



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Compliance is up 17% from FY21. Continued medication monitoring gains greater compliance and ultimately less monthly testing.

There are, oftentimes, reasonable explanations for a reported medication not being detected or a non-reported medication being detected. For example, the prescribing doctor may now allow for the taking of the medication(s) on an as-needed basis. It is the benefit coordinator’s job to review the inconsistent reports against the claim file to determine the appropriate course of action.

- ◆ **Medical Director** - Our team continues to utilize the expertise of our Medical Director, Dr. Scioscia. He is available to review medical information, provide consultation to the claim staff, provide claim staff training and participate in peer-to-peer discussions with physicians treating injured workers. Cost avoidance as a result of this service remained relatively flat at \$338,007.
- ◆ **Direct Deposit** - Enrollment for direct deposit remained flat, at 62.7% of eligible employees, when compared to last fiscal year. However, it has grown significantly since the first year of implementing when we ended at around 31%. We also continue to solicit medical providers to enroll in direct deposit.
- ◆ **Subrogation Recoveries** - Subrogation recoveries were up almost 29% compared to FY21. We recovered \$624,609.
- ◆ **Mail Order Program** - MCI continues to see growth of the mail order program which offers a financial incentive to injured workers to switch from retail to mail order. The growth over the past 12 months has resulted in cost savings totaling \$966,783 which is an increase of 9.3%. This is the highest savings the Commonwealth has seen since the program was rolled out in 2016.
- ◆ **Managed Care Savings** - See the chart below for a breakdown of managed care savings for the most recent two fiscal years.

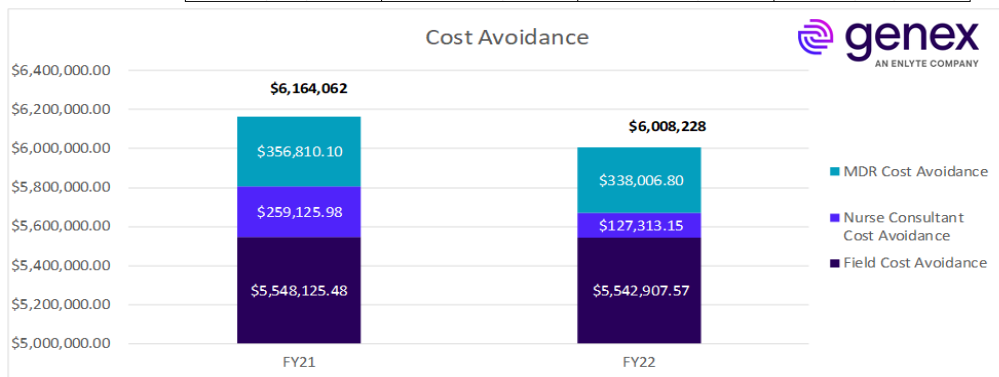
**Direct
Deposit holds
steady just
under 63%**

**Subrogation
Recoveries
\$624,609**

**Mail Order
Pharmacy Savings
\$966,783**

**Case Management
Savings of over
\$6M**

	Field Cost Avoidance	Nurse Consultant Cost Avoidance	MDR Cost Avoidance	Total Cost Avoidance
FY 21	\$ 5,548,125.48	\$ 259,125.98	\$ 356,810.10	\$ 6,164,061.56
FY 22	\$ 5,542,907.57	\$ 127,313.15	\$ 338,006.80	\$ 6,008,227.52



Key Metrics:

Compensability Decision Turnaround Time - On average it took 12 days for benefit coordinators to make compensability decisions on submitted claims. Your active participation working with the benefit coordinators on any required information is instrumental in making timely decisions.

Medical Bill Payment Turnaround Time - The average payment lag time on 44,398 checks was 8 days, compared to 7 days in FY21 and 9 days in FY20. Only .5% of medical checks issued were more than 30 days from the date of receiving a complete and proper bill.

**Compensability
TAT = 12 days**

**Medical bill pay-
ment TAT = 8
days**



(FY22 Results *continued from page 2*)

Medical Bill Adjudication - Our medical bill adjudication partner recommended medical payments totaling \$22,290,000 which is a decrease of \$2,035,000 compared to FY21. Medical bill adjudication resulted in a savings of \$13,560,000 or 37.83%. Having effective medical cost containment strategies is important since roughly 60% of the total yearly spend is for medical services.

Customer Satisfaction Survey - The Office of Workers' Compensation released its annual customer satisfaction survey to our agency contacts at the end of the fiscal year. 93% of those responding rated MCI as 6 or better on a 10-point scale versus a result of 92% for FY21. Thanks for your time in completing the survey and providing us with actionable comments.

Return-to-Work - The program continued to emphasize return-to-work and reducing lost work days. This year's 99% result marks the thirteenth consecutive year with RTW rates of either 98 or 99 percent. Our average disability duration per claim decreased from 34.39 days in FY21 to 33.3 days in FY22. The program's initial benchmark for this metric was 43.72 days. The reduction of almost 24% is not achieved without significant partnerships between claims, case management, vocational services and our agency partners!

Cost Avoidance - Since FY09, the program has tracked cost avoidance experienced under the outsourced program by comparing spend against actuarial projections. Cost avoidance for FY22 totaled \$13,814,086 as compared to \$26,080,959 in FY21. The program has achieved cost avoidance over actuarial projections in this model from FY09 through FY22 totaling \$108,558,870.

Risk Management Team Highlights

As we start this new fiscal year, exciting things are happening with our Risk Management Team.

They constantly strive to look for new ways to assist all agencies with reducing workplace injuries. We wanted to take a second to highlight a couple of them.

Last year they started to bring "Special Emphasis" to common claim types and developed flyers, videos and walked thru several agency locations focusing on prevention techniques. The first quarter of FY23 will be no different. The Risk Management Team will be distributing flyers to bring awareness to and remove material handling hazards to reduce claims and the cost associated with those claims. More importantly, it keeps our employees safe by preventing accidents and injuries resulting from those hazards.

The team is coordinating the "Special Emphasis" event with the DOLI's "Safe + Sound Campaign for Safety and Health Programs." Safe + Sound Week is a nationwide event held each August that recognizes the successes of workplace health and safety programs and offers information and ideas on how to keep America's workers safe.

Furthermore, a Basic Safety Officer Certification course (BSOC) is under development. This course was designed for entry-level employees who have been assigned safety responsibilities.

They are currently finishing up a pilot BSOC course with our partners at the Virginia State Police and Virginia ABC Authority. They have found that this course is not only good for entry-level employees but also for Managers, Supervisors, and experienced Safety Professionals as continuing education.

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**Customer Satisfaction =
93%**

**Average disability duration
= 33.3 days**

Cost avoidance = \$13.81M



(Risk Management Highlights *continued from page 3*)

If you would like any more information on any of the above items, training, or a Safety Walk, please email our team at dhrmriskmanagement@dhrm.virginia.gov.

Also, we are facilitating four Safety Officer Network Meetings in the first quarter, for which the time and locations are listed below:

Wytheville Community College

1000 E. Main Street
Wytheville, VA 24382
Carroll Hall—Room 225
September 13, 2022
9:00 am – 12: noon

University of Virginia

104 Midmont Lane
Charlottesville, VA 22903
Zehmer Hall Conference Center— Lounge
September 20, 2022
9:00 am – 12: noon

DEQ-Tidewater Regional Office

5636 Southern Blvd
Virginia Beach, VA 23462
September 15, 2022
9:00 am – 12: noon

Virginia Public Safety Training Center

7093 Broad Neck Road
Hanover, VA 23069
Smyth Hall Room 401
September 22, 2022
9:00 am – 12: noon



Penny Gough, President
Phone: 804.775.0702
E-mail:
pgough@mcinnovations.com

Beat the Heat

Our body typically regulates its temperature by sweating until it encounters more heat than it can handle. Heat-related illnesses can rapidly develop in hot environments in a matter of minutes. According to the National Safety Council Injury Facts, if left untreated, heat exhaustion and heat stroke can result in mental confusion, organ damage, and possibly death. <https://injuryfacts.nsc.org/home-and-community/safety-topics/weather-related-deaths-and-injuries/data-details/>. From 2014-2020, there were 8939 heat-related events, 2063 injuries, and 950 deaths.

Who is most at risk for heat-related illness?

- Infants, toddlers, young children, and pets being left unattended in hot vehicles
- Folks who work outside in the heat
- Folks 65 and older
- Folks with chronic health conditions or taking certain medications
- Folks who are overweight

Here are some steps to take to reduce or eliminate the risk of being the victim of a heat-related illness:

- Change work schedules to shift activities to cooler periods of the day
- Reduce work shifts until employees have acclimated to the heat
- Hydrate before thirst presents itself
- Take frequent breaks to rest and cool down

Recognizing the symptoms and the correct response to these illnesses can save a life.

Heat Exhaustion

Heat exhaustion can occur when you sweat heavily, and your body loses excessive salt and water. According to the [NSC](#), signs and symptoms include:

- Pale, ashen, or moist skin
- Muscle cramps (especially for those working or exercising outdoors in high temperatures)
- Fatigue, weakness, or exhaustion
- Headache, dizziness, or fainting

(Beat the Heat *continued from page 4*)

- Nausea or vomiting
- Rapid heart rate

Uncontrolled heat exhaustion can evolve into heat stroke, so make sure to **treat victims quickly**:

- Move victims to a shaded or air-conditioned area
- Give water or other cool, nonalcoholic beverages
- Apply wet towels, or have victims take a cool shower

Heat Stroke

Heat Stroke typically occurs when a person is exposed to the sun or heat for an extended period. Seek EMS help immediately if you think someone is suffering from heat stroke. In this situation, the body loses its ability to cool down, and dehydration from sweating results in the central nervous system not being able to function correctly. Brain and organ damage can happen, and in the worst-case situation, death can occur.

Signs include:

- Irrational or aggressive behavior
- Headache, dizziness, confusion, or other symptoms of an altered mental status
- Rapid breathing
- Skin that is flushed, dry, and hot to the touch; sweating has usually stopped
- A body temperature above 103 degrees
- Convulsions or unresponsiveness

Immediately take action

- Call 911
- Move the victim to a cool place
- Remove unnecessary clothing
- Immediately cool the victim, preferably by immersing up to the neck in cold water (with the help of a second rescuer)
- If immersion in cold water is not possible, place the victim in a cold shower or move to a cool area and cover as much of the body as possible with cold, wet towels
- Keep cooling until the body temperature drops to 101 degrees
- Monitor the victim's breathing and be ready to give CPR if needed

DO NOT:

- Force the victim to drink liquids
- Apply rubbing alcohol to the skin
- Allow victims to take pain relievers or salt tablets

The best way to avoid a heat-related illness is to limit exposure outdoors on hot days. According to the Centers for Disease Control and Prevention:

- Air conditioning is the best way to cool off
- Drink fluids, even if you don't feel thirsty, and avoid alcohol
- Wear loose, lightweight clothing and a hat
- Replace salt lost from sweating by drinking fruit juice or sports drinks
- Avoid spending time outdoors during the hottest part of the day, from 11 a.m. to 3 p.m.
- Wear sunscreen; sunburn affects the body's ability to cool itself
- Pace yourself when you run or otherwise exert your body

Look out for each other.

Check on your neighbors who are elderly, homebound, or may be hesitant to ask for help. Invite them to enjoy the air-conditioned comfort of your home or car on hot days, offer to drive them to a local cooling center, or call relatives or local social services to assist in arranging for them to stay cool.

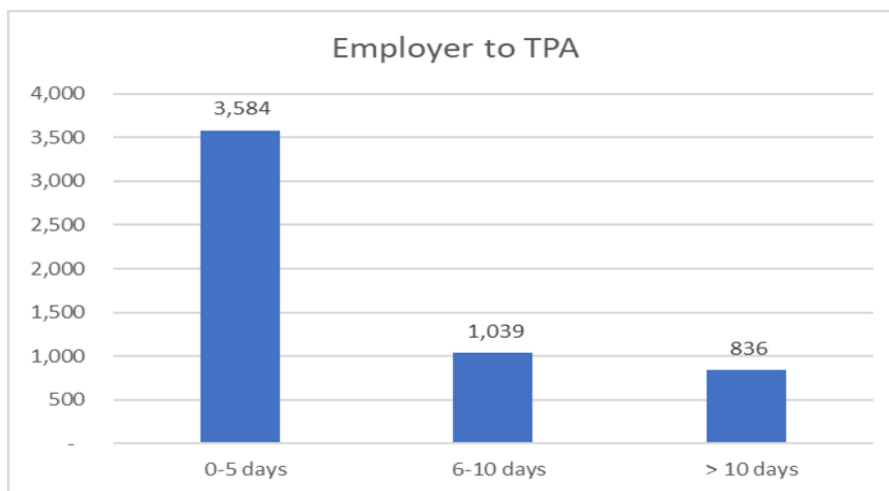
Don't forget your pets. Outside pets need access to shade and plenty of fresh, clean, cool water. Bring them in on hot days. Be aware of burning your pets' feet when walking your pet. Avoid sidewalks, roads, or any other hot surfaces. Carry or stay in grassy areas or dirt paths if possible.

Ref:

<https://injuryfacts.nsc.org/home-and-community/safety-topics/weather-related-deaths-and-injuries/data-details/>
<https://www.nsc.org/home-safety/tools-resources/seasonal-safety/summer/heat>

Timely Claim Reporting

As most of you are aware Executive Order 109 (10) mandates that the First Report of Injury is submitted within 10 days of the injury. In FY22 we received 82% of all reported claims within 10 days of the date of injury. 836 claims or 15.3% were received more than 10 days following the date of injury. See the table below for the number of claims reported within 5 days; between 6-10 days and more than 10 days.



We would love to see more claims reported within 2 days of the injury. In FY22 the program received just under 41% within 2 days. Better outcomes are achieved when the employee and agency *report claims immediately*. Failing to report claims immediately will most likely increase the cost of the claim and damage the employer-employee relationship. Below are possible, if not likely, issues experienced when claims are not reported immediately:

1. Delayed medical treatment which may result in increased lost time from work.
2. Inadequate or incomplete claim investigations that could cause MCI to either accept a claim that wasn't compensable or deny a claim that was compensable.
3. Loss of opportunity to adequately address and investigate subrogation opportunities.
4. Loss of ability to offer a panel of physicians.
5. Delayed assignment of a nurse case manager.
6. Limited ability to use other MCI cost containment partners.
7. Your injured employee may not feel valued. Trust may be eroded.
8. The injured employee may become disgruntled and lack motivation to return to work.
9. Co-workers may become disenfranchised when they hear a co-worker's claim isn't getting attention, especially when their workload may be increased as a result of the co-worker's absence. This may impact a team or department's productivity.
10. It may create an environment in which the injured employee feels it necessary to obtain an attorney.
11. It may cause the employee to have concern and anxiety over financial security.

Insurance studies consistently support that claim costs increase when claims are reported late.

Introducing MCI Video Training

Learn more about:

- Panel of Physicians
- General Post Accident Checklist
- Slip/Trip/Fall Accident Checklist

More videos coming soon!

Find training videos here:

<https://covwc.com/resources/training-videos/>



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