

The INNOVATOR

Fiscal Year 2023 Key Program Results

It feels like the fiscal year started and was over in the blink of an eye! Much of the year was consumed with planning for and implementing the new claim system and medical bill review platforms. Our program is unique, and the systems that support us require considerable customization. Even with the added challenge of a system migration, we are happy to report that our program continued to perform at a high level, while also acknowledging there were some bumps encountered along the way. We thank you for your partnership this year and celebrate all that we accomplished together.

Key Program Successes:

System Migration - This year can best be characterized as one of **transition**. MCI has been a partner of Commonwealth of Virginia for over two decades, and while this continuity was a significant component to the successes we experienced this year, critical components of the program experienced change. First, the medical bill adjudication team partner’s platform was changed. Medical bill adjudication is a significant component of the workers’ compensation program with over 44,000 bills presented annually. This change required the implementation of new software and new procedures to support the solution. Second, the claim service provider, Sedgwick, who had purchased York Claims Service a few years ago, caused us to migrate off the legacy York system to Sedgwick’s enterprise system, JURIS.

Our migration project plan required us to begin operations in Sedgwick’s shell environment on February 1 with full implementation to production by the end of February. Below are some statistics that reflect the size and scope of the migration:

- ⇒ 378,647 claims
- ⇒ Approximately 5.725M images added to the document management system or image archive on demand
- ⇒ Approximately 13M file notes
- ⇒ Payments/reserves/incurred value
 - ◆ Payments - \$1,529,962,451
 - ◆ Reserves - \$353,532,265
 - ◆ Incurred - \$1,883,494,716

- ◆ **Medication monitoring** - Team partner FourStone Health 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. 369 injured workers were tested and roughly 63% of the tests indicated some sort of inconsistency from what was expected. The chart on the next page offers information on the inconsistent results.



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**Medical
Director Review
Savings
increased
\$110,000**

**Subrogation
Recoveries
\$461,510**

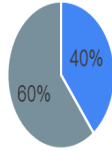
**Mail Order
Pharmacy Savings
\$1.2M**

**Case Management
Savings increased
by \$858,000**

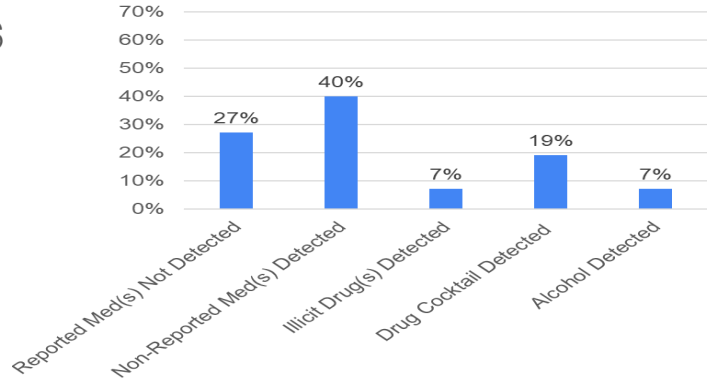
**Customer
Satisfaction
87% & Cost
Avoidance over
\$11M**

**CONSISTENT VS
INCONSISTENT RESULTS**

■ Consistent ■ Inconsistent



Breakdown of Inconsistencies



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. His services resulted in cost avoidance of \$448,307, an increase of over \$110,000 compared to last FY.
- ◆ **Direct Deposit** - Enrollment for direct deposit remains flat, at 62% 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 for FY23 totaled \$461,510, down from \$624,609 in FY22. The reduction is due largely to our overall new claim volume declining and fewer third-party auto accidents.
- ◆ **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 \$1.208M, an increase of 25% from FY22. This is the highest savings the Commonwealth has seen since the program was rolled out in 2016. 2,432 scripts are filled through mail order which is an increase of over 46% over FY22 and is significantly higher than industry standards.
- ◆ **Click to Refer** - Improved the process for benefit coordinators to make referrals to specialty and ancillary service providers. Now they are able to refer from within the claim system which captures all the claim demographic information, thus improving efficiency and accuracy. Referrals are autogenerated to the appropriate MCI team partner. Since implementing this in March benefit coordinators made 93 referrals through click to refer.
- ◆ **Pharmacy Spend** - Overall drug spend is down 3.2% and the program realized savings of \$4.735M. In addition to the drug cost savings, our benefit coordinators saved an additional \$360,803 by carefully analyzing whether a medication that required a prior authorization should be approved. The program’s generic dispensing ratio improved to 88.83%. Approved opioid scripts decreased by 5.68% with a corresponding 4.40% reduction in opioid spend. The program continues to reduce the Morphine Equivalent Dose (MED) which is down 4.4% from



(FY23 Key Program Results *continued from page 2*)

last year to 56.03, which is well below an acceptable threshold.

- ◆ **Case Management Savings** - \$6.86M which is an increase of \$858,000 when compared to FY22.
- ◆ **Audit Results** - The claim service provider's claim compliance audit scores for FY23 were 96.9%.
- ◆ **mySedgwick** - Injured workers with a compensable claim may access mySedgwick, a secure online self-service tool through their smart phone, tablet, laptop or other web-enabled devices. Through mySedgwick, injured workers are able to review claim payment information, securely upload documents, provide medical authorization, and submit a return-to-work date. Injured workers are able to communicate with their assigned benefit coordinator and will have access to a learning center with videos, FAQs, links and more. Adoption of this tool on newly submitted claims has been strong with 276 injured workers utilizing mySedgwick 1,370 times.

Key Metrics:

Compensability Decision Turnaround Time - On average it took 10.75 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 38,433 checks was 12 days compared to 7 days in FY22. While the turnaround time increased as a result of system migration, overall results are still well below industry standards.

Medical Bill Adjudication - Our medical bill adjudication partner recommended medical payments totaling \$23,709,000 which is a decrease of \$1,419,000 compared to FY22. Medical bill adjudication resulted in a savings of \$15,542,000 or 39.60%. 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. Participation in the survey has continued to decline and this year only 78 of the 380 recipients of the survey participated. 87% of those responding rated MCI as 6 or better on a 10-point scale.

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 33.30 days in FY22 to 32.14 days in FY23. The team of benefit coordinators and nurse case managers continues to positively impact lost work days! The program's initial benchmark for this metric was 43.72 days. The reduction of over 26% is not achieved without significant partnerships between claims, case management, vocational services, agency relations representatives 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 FY23 totaled \$11,186,347 or 19.8%. The program has achieved 10-year total cost avoidance over actuarial projections totaling \$105,634,743.

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**Annual Compliance Audit
Score - 96.9%**

**Compensability Decision
TAT - 10.75 days**

**Medical Bill Savings -
39.6%**

**Reduced Average Disability
Duration by 1.16 days**

Don't let your summer travel become unraveled

Let's face it. Our world is filled with unsavory individuals who would like nothing more than to separate you from your wallet, purse, jewelry, and any other items of value they can if given the right opportunity.

Unfortunately, popular vacation spots are a magnet for such individuals. Be aware of a false sense of security with car alarms, unique door passes, and so-called security guards. People will hold doors open for strangers who may or may not be guests; teenagers will block open locked exits to quickly access their hotel or condo after hours.

Facility staff may not be the best of the best, and the list goes on and on.

It is difficult, almost impossible, to become scam, theft, and assault proof. However, you can make yourself resistant to these issues.

Following a few simple tips, you can protect yourself from common safety concerns while traveling.

Keep your trip private

Don't post your vacation plans on social media. Criminals monitor social media to find out when people are away from home. A vacant home is a prime target for burglary. Wait until you get home to show off your trip.

Make digital copies of important documents

When traveling, your passport may be the most valuable thing you carry. In the event of a stolen passport, having a digital copy will help make the process of getting a replacement easier.

Know the phone number for EMS

Be sure to look up the emergency services number for your destination. If traveling abroad, before you leave, have the number for your country's nearest embassy. Write them down and save them on your phone so you can quickly access them in an emergency.

Don't wear expensive, flashy jewelry

Wearing expensive, flashy jewelry is the one guaranteed way to make yourself a clear target for a mugging or robbery, especially if you plan to travel to overcrowded areas. Leave it at home.

Never openly place valuables locked in your car or trunk

If you are going to leave your wallet, purse or valuables in your vehicle or trunk, do it before you get out of your car in a public place. Do not let anyone see you placing valuables inside your vehicle or trunk. Criminals will watch parking lots for this type of tourist behavior and swoop in after you are out of sight and steal your belongings.

Select the right travel bag

Cross-body bags are safer than shoulder or handbags, preventing people from grabbing your bag as they run or drive by. These bags are made specifically for travelers with RFID blockers, locking zippers, and slash-proof straps. Invest in a good quality bag that will keep your belongings safe and secure.

Buy good travel locks and use them

You can save money by having your own lock if you plan to stay in a hotel. Even if you're not staying in a hotel, having a travel lock that can secure your bag to your seat or chair while in transit or dining will help keep your valuables safe from theft.

Use reputable, well-known transportation companies

Research which taxi companies are reputable before you arrive at your destination and use only those. If you're using a ride-sharing app like Lift or Uber, confirm your driver's vehicle information and verify their name before you get in the car with them.

Ask locals for advice

When you check in at a hotel or home, ask which areas or neighborhoods are safe and which are not, and mark places to avoid on your map.

Be a Chameleon

Criminals assume that tourists carry larger amounts of cash and valuables and are more vulnerable



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



(Don't Let your Summer Travel become Unraveled *continued from page 4*)

to scams. Blend in trying to avoid being an obvious tourist. Dress as the locals do. Don't stop in the middle of busy streets to take photos; even when lost, try not to make it apparent. If you need to ask for directions or consult a map, step inside a shop or cafe to do so.

Drink responsibly

The most crucial safety tip for travelers is to drink responsibly. There's nothing wrong with exploring the local night-life and having fun while vacationing, but remember that drinking responsibly is even more critical than ever. If you're intoxicated, you could easily get lost or end up in an unsafe neighborhood, and being obviously drunk makes you an easy target for scammers, robbers, or worse. Also, always remember the golden rule of safe drinking in public: always watch your drink!

Be smart with your money

While on vacation, carrying large sums of cash is never a good idea. Instead, use a credit card that you can use at local ATMs. If you absolutely must withdraw large amounts of cash at once, leave most of it locked up safely in your hotel safe and carry only what you'll need for the day. When selecting an ATM, try to use only those that are attached to banks, as these are less likely to have been tampered with by scammers. Keep your cash and credit cards in two or three locations so you aren't left empty-handed if one of your stashes is stolen. Have electronic photocopies of your credit cards that you can access. If they are lost or stolen, you can quickly call the bank or credit card company with the credit card account numbers using the customer service numbers on the back of the cards.

Be aware of popular scams

Before traveling to a new location, it's advisable to research and gather information about the local scams in the area. From RFID scanners to schemes involving children seeking sympathy, being aware of these scams beforehand can help you avoid falling prey to them. One way to do this is by checking Google for any relevant information.

Check-in with friends and family often

Before you leave, let someone know your itinerary and update them on any plan changes. Check-in with a close friend or family member back home at the end of each day. Checking in can seem like an aggravation, but it's better to be safe than sorry. If something severe or unexpected happens, you'll get help faster if someone knows where you are supposed to be and when you are supposed to get back.

Use safety travel apps for emergency alerts

There are many apps out there aimed at providing safe travel information and helping travelers be safe. [Sitata](#) is a great app that alerts users to potential dangers or disruptions to travel in real time. It also includes tips for avoiding the latest scams and helps users locate nearby hospitals. [Smart Traveler](#) is the official U.S. State Department app for travelers. It has many valuable features, including notifications for travel advisories and alerts and locations of U.S. embassies. Also, try Google searches for other available travel apps online.

Be aware of your surroundings

Always pay attention to what's happening around you, whether you are in a crowded tourist spot or walking down an empty street or parking lot. Criminals seek out people who are distracted, carrying small children or packages, or disengaged from their surroundings to target. This is particularly important for solo travelers, especially [solo female travelers](#).

Trust your instincts

If someone or someplace is making you feel uncomfortable, there's likely a reason. Often our subconscious picks up on things we aren't consciously aware of, and that's where our "gut feelings" come from. Listen to those feelings. They will help you stay safe.

Enjoy your trips!!!!

REF:

<https://www.sitata.com/en/>

<https://apps.apple.com/app/smart-traveler/id442693988>

<https://www.worldpackers.com/articles/top-tips-for-solo-female-travelers>

Injury Analysis FY23

The best accident is the one that doesn't happen! Loss control consultants analyze injury statistics every year to see if there are any trends and to help in developing prevention strategies. We thought it might be helpful to share this year's analysis with everyone to highlight some of the more persistent causes of injuries.

Below are the types of injury causes for claims reported in FY23, ranked by total incurred:

# Incidents	Total Incurred	Top Causes	# Incidents	% of Total	Total Incurred	% of Total
		Struck/Injured By Fellow Worker, Patient	947	19.31%	\$4,046,961.65	17.75%
		Struck/Injured By Motor Vehicle	24	0.49%	\$3,887,259.65	17.05%
		Fall On the Same Level	459	9.36%	\$2,274,708.20	9.98%
		Lifting	205	4.18%	\$1,758,051.82	7.71%
4904	\$22,799,998.02	Collision with Another Vehicle	110	2.24%	\$1,177,537.60	5.16%
		Fall, Slip or Trip, NOC	166	3.38%	\$948,144.62	4.16%
		Person in Act of Crime	167	3.41%	\$892,054.10	3.91%
		Strain or Injury By, NOC	138	2.81%	\$877,491.82	3.85%
		Twisting	131	2.67%	\$753,598.79	3.31%
		Pushing or Pulling	52	1.06%	\$594,757.84	2.61%

Would your agency benefit from any coaching, technical advice, training, data analysis or other loss control services in support of reducing workplace hazards? What are your most costly causes of accidents? Are you reviewing and analyzing your annual Industrial Claims Report? How do your losses compare to that of the entire Commonwealth of Virginia workers' compensation program? If you feel your agency would benefit from these services please reach out to your designated Agency Relations Representative.

Medicare and Workers' Compensation

As an HR specialist, you may receive a call from an injured worker who received a letter of denial on a medical bill or a provider will tell them that Medicare is denying their medical bill because they have a workers' compensation claim. An open or a closed claim with lifetime medical benefits can create this conflict of medical coverage. The injured worker may not have treated for the injury for years or not know they have a claim with lifetime benefits. In the meantime they may be denied medical care for an unrelated illness or injury. This issue can be confusing and frustrating both for the injured worker and for you. Who on earth do you contact?

Stacy Fleming, Unit Supervisor with MC Innovations, can help. Stacy and her team regularly communicate with Medicare and can assist in getting out of this exasperating loop. You can contact Stacy directly at 804.775.0783 or stacy.fleming@sedgwick.com. We're here to help with all of your workers – both current employees and retirees.