The N Factor: How Nurses Add Value to Workers Compensation Claims
By 2019, some insurance experts predict that medical care will make up two-thirds of workers compensation claim costs. Comorbid conditions such as obesity and diabetes, along with growing prescriptions for opioids can further complicate WC claims. We will see more instances of shifting WC costs due to healthcare’s higher deductibles, limited choices, and reduced reimbursements. And no matter how effective your safety and loss prevention programs are, the truth is, your workers will sustain injuries on the job.

When these injuries occur, however, the way a claim is managed, from the day of the injury to the day the claim is closed, can impact whether the injured employee quickly recovers and returns to work or requires treatment for months, even years.

By gaining a thorough understanding of the value nurses deliver, knowing which claims will benefit most from a nurse’s involvement, and learning which skills a nurse really needs to make that involvement count, we can achieve better outcomes for our customers.

Measuring the Impact

Intuitively, insurance carriers and third-party administrators (TPAs) understand the connection between a nurse’s involvement in a claim and a favorable claim outcome. But we wanted to quantify that impact and calculate the N Factor.

First, our data analytics team conducted an internal study and identified claims with a common profile for a one-to-one comparison. This allowed us to measure the impact of a nurse’s involvement by comparing the costs of claims with nurse involvement to the costs of claims without their involvement.

We looked at medical billing and claims data for 42,000 claims across four categories. We were able to leverage a claimant’s behavioral or psychosocial characteristics, which are captured as part of a claim screening function. Nurses record information such as the claimant’s expectations, experience with injuries, and attitudes toward work and rehabilitation, all of which play a role in better outcomes.

Sample data points included:

<table>
<thead>
<tr>
<th>Injury-related characteristics</th>
<th>Patient characteristics</th>
<th>Diagnostic and medical treatment</th>
<th>Claimant behavioral characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary body parts</td>
<td>Employment status</td>
<td>Opioid treatment</td>
<td>Employer/employee relationship</td>
</tr>
<tr>
<td>Secondary body parts</td>
<td>Weight</td>
<td>Surgical treatment</td>
<td>RTW expectations</td>
</tr>
<tr>
<td>The age of a claim</td>
<td>Gender</td>
<td>Hospitalization</td>
<td>Level of pain</td>
</tr>
<tr>
<td>Initial treatment</td>
<td>Age</td>
<td>Obesity</td>
<td>Complications</td>
</tr>
<tr>
<td>Primary diagnosis indicator</td>
<td>Prior injury</td>
<td>Diabetes</td>
<td>Daily living function</td>
</tr>
</tbody>
</table>

We culled 42,000 claims into a subset of 4,000 homogeneous claims, half of which had nurse involvement. Our findings based on this internal study: Injured employees return to work faster once a nurse gets involved.

<table>
<thead>
<tr>
<th>16% Lower</th>
<th>15% Lower</th>
<th>12% Faster</th>
</tr>
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<tbody>
<tr>
<td>Future medical costs</td>
<td>Overall costs</td>
<td>Claims resolutions</td>
</tr>
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</table>

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The N Factor

In Figure 1, our analysis showed that nurses deliver a number of significant benefits when involved on a claim. Medical and total loss dollars were reduced by double-digit percentages and injured employees returned to work sooner, which contributes to significant cost savings, increased productivity, and improvements in morale.

Why Not Put a Nurse on Every Claim?

With such clear benefits, why wouldn’t we put a nurse on every claim? When we analyzed a homogeneous set of claims, we saw that a nurse’s involvement made a difference in the claim cost as well as returning the injured employee to work sooner. But that doesn’t mean that involving a nurse in the treatment of every type of claim is going to produce the same results. Consider the case of an injured employee with no comorbid conditions and a positive relationship with his or her employer. This individual was getting the appropriate, evidence-based medical treatment for the diagnosis and was back at work performing transitional duty. Adding a nurse to the claim would not have a significant impact on the outcome, and would just increase the overall claim cost.

When a Nurse Can Make the Most Impact

Having quantified the N Factor, we wanted to know when to involve a nurse on a claim. Leveraging research from the previous study, we created a decision-support model. This model leverages 25 to 30 data variables within our claims system. When a nurse’s involvement may have a beneficial impact on a claim, the model sends an alert to our claims adjusters.

Our model looks at claim characteristics such as:

- Body part
- Claimant’s motivation to return to work
- Bill payments for comorbid conditions
- Above-average use of narcotics

Once a potential claim has been identified, a case handler checks reserves, reviews the treatment to ensure it is evidence based, and determines what additional resources, which may include a nurse, would likely help achieve a better claim outcome.

Confident in knowing when to involve a nurse, we’re able to apply this knowledge to a specific subset of claims. We recently conducted a proprietary study for a customer, a national retailer with more than 50,000 employees. We compared their shoulder surgery claims with nurses to shoulder surgery claims from 31 other companies that did not include a nurse. Claims with a nurse had 57 percent fewer disability days. While there could be other variables that led to this outcome, nurses clearly played an important role.

It’s Not All About the Medicine

Newly hired staff nurses undergo extensive training. But there’s more to being an effective nurse case manager than medical and technical training.

- 70 percent of our nurses hold additional certifications
- Average tenure of our nurse team: 7.5 years
- 91 percent retention
- Ongoing training on emerging trends and evidence-based medicine with our regional medical directors

The Hard Facts About Soft Skills

The skills and attributes that are rated highest by return to work (RTW) coordinators in focus groups and on surveys conducted by the Liberty Mutual Research Institute for Safety are:

- Respecting and maintaining confidentiality
- Listening
- Communicating well in person and in writing
- Relating well to a wide range of personalities
- Effective problem solving

A nurse case manager with excellent communication skills will have in-depth discussions with both the employer and the injured employee that can uncover potential obstacles to getting the claimant back to work. What’s the relationship like between the employee and his or her supervisor? How does the employee feel about the work? What does the employee think about the rehabilitation that will allow him or her to return?

Asking such questions in an open-ended, rather than a yes or no format, is also the mark of a good communicator and helps get to the heart of the matter. Equipped with the answers, the nurse can build a strategy to overcome any obstacles.

The ability to empathize with the injured employee has also proved invaluable to nurses’ effectiveness. An individual who feels that a nurse is relating to what he or she is going through is going to be much more open to the nurse’s advice and guidance than if the individual views the nurse as someone simply going down a checklist, asking yes or no questions.
Collaboration is another soft skill that contributes to better outcomes. Each nurse case manager acts as a liaison between the employee and the multitude of parties that may be involved in a claim, including the employer, primary care physician, surgeon, chiropractor, physical therapist, and even other family members. To succeed, it takes someone who’s comfortable working with a wide range of personalities and is a conversant with many different subjects.

CASE STUDY: Soft Skills in Action

A 51-year-old sustained an injury at work that required spinal fusion surgery. Nurses know that spinal fusion surgery can be unsuccessful when the patient, like this individual, is a smoker.

The nurse discussed these findings with the surgeon, who agreed to delay the surgery until the patient could either stop smoking altogether or cut down significantly. Because she carefully built a relationship of open communication and trust with the patient, the nurse was able to explain risks associated with smoking and the surgery’s success. In the end, we convinced the patient to delay surgery, enter a smoking cessation program, and perform transitional duty at work while completing the program. Eliminating or reducing a comorbid condition — smoking — greatly improved the surgical results and, ultimately, the claim outcome.

Hiring the Right Nurses

Liberty Mutual Research Institute for Safety findings on the importance of soft skills helped us adjust our hiring practices to identify nurses who possess such skills. You can teach a nurse about workers compensation, orthopedic care, and insurance regulations, but it’s more difficult to instill attributes such as listening, communication, and empathy if one doesn’t already possess them.

To find nurses with these qualities, we adjusted our interview and selection process. We know more about how each candidate thinks, solves problems, communicates, and manages a variety of situations he or she might well encounter.

Identifying the necessary soft skills and hiring for them has improved nurse retention; turnover within the first year of hire decreased to just 5 percent. That tells us we’re hiring nurses who not only have the proper medical qualifications, but who also possess the skills they’re actually called on to use each day.

Liberty Mutual Research Institute for Safety

Liberty Mutual Research Institute for Safety studies and research play an important role in how we manage claims:

- High doses of opioids associated with low back injuries delay return to work (RTW) by an average of 69 days. helmsmanpa.com/narcotics
- Early MRIs can lead to a cascade of unnecessary medical services in the six months following the MRI. helmsmanpa.com/mri
- RTW coordinators who can listen, relate well to different personalities, and are problem solvers will be most successful. helmsmanpa.com/listen
- Obesity is associated with a 25 percent higher risk of work-related injury, potentially translating into higher employee absence, disability, and WC-related claims. helmsmanpa.com/bmi

The Art and Science

Data helps us know when to add a nurse to a claim. But it is our nurses’ talent, skills, and resourcefulness that drive benefits in terms of faster return to work at a lower total cost.

We continue to analyze claims data to uncover new connections between resources, claims characteristics, and outcomes. These connections help facilitate innovation and guide decisions. Those decisions are what help drive faster return to work for your injured employees, better claims outcomes, and stronger business results.

3. Internal study based on claims results from Jan. 1, 2011, through Dec. 31, 2011, where the primary diagnosis involved a shoulder injury and surgery.

To learn more about Helmsman Management Services and the N Factor, contact your Helmsman account executive, visit helmsmanpa.com, or email info@helmsmanpa.com.