



The Cost Conundrum: How Medical Utilization Shapes Future Costs

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Managing workers compensation experience requires understanding the levers of medical utilization and associated costs. Raji unraveled the changes in medical practices and reviewed the potential impact on future experience.

Key Takeaways

- Medical utilization in workers compensation is a function of the following key components:
 - The mix of claims and corresponding medical conditions treated,
 - The rate of major surgery per medical condition and where the surgery takes place, and
 - The intensity of physical therapy.
- One in eight injured workers underwent a major surgery. These claims make up more than half the utilization or cost of workers compensation claims.
- For Accident Years 2016 to 2022, trends reflected more severe medical conditions, offset by a decreased surgery rate and a shift in site of care that moderated the rising medical cost.
- Utilization of physical medicine is up across all medical conditions, with and without major surgery.



If Not Opioids, Then What?

Jon Sinclair, FCAS, MAAA

Effectively managing pain is essential to helping injured workers recover and return to work. In the wake of significant declines in opioid prescribing, alternative drugs, physical therapy, and surgery all play a role in addressing pain management needs. In this session, NCCI experts revealed the evolution of pain management in workers compensation and the implications on medical cost.

Key Takeaways

- As of 2023, the cost of pain management accounts for about 30% of annual medical cost in workers compensation.
- Despite opioid use in workers compensation declining nearly 75% since 2012, pain management cost per claim has been relatively flat. Changes in pain management have shifted the timing of services to earlier in the life of a claim, driven by:
 - Reduced use of opioids
 - Increased use of topicals
 - Increased utilization of physical therapy
 - Increased surgery prices
- These changes have varying impacts on individual claims based on the role each treatment plays for a given medical condition.
- Future changes will depend on how new advancements fit into the pain management framework in workers compensation.



Data and Technology: Transforming Claims Management

Moderator:

Damian D. England, ARM, Executive Director—Affiliate Services, NCCI

Panelists:

Debra Kane, CNA Vice President Workers' Compensation Claims

Neil DeBlock, Vice President—Head of Workers Compensation Claims, Zurich North America

Jill Rosenthal, MD, MPH, MA, FACOEM, SVP and Chief Medical Officer, Zenith Insurance, a Fairfax Financial Company

Our panel of experts examined the latest advancements in data and technology, including AI, that are transforming the claims management process from pre-injury planning through post-injury data analysis and return to work.

Key Takeaways

- As of 2023, the cost of pain management accounts for about 30% of annual medical cost in workers compensation.
- The potential impact that data, technology, and AI may have on claims management and medical management in the future is growing rapidly.
 - Technologies that address process efficiencies can play a big part in resource allocation and use of staff time.
 - Technologies that assist with claim triage may allow for prompt and appropriate assignments, which helps achieve the “right care at the right time.”
- The speed and quality of data are critical for performing timely analytics.
- Keeping a “Human in the Loop” remains a top priority when using or considering the implementation of technologies and AI.