Workers’ comp payers need to develop their own tipping points when seemingly routine claims escalate to high-cost levels. That’s among the strategies suggested in a new white paper.

Genex, a managed care firm, analyzed 46,000 claims over 12 months to identify characteristics that may signal a rapid escalation into excessive costs. While admitting there is no magic formula, the company says there are indications that a claim may be one of the estimated 5 percent that will turn into long-term, chronic cases that may cost millions of dollars. Among them are:

- Poor initial physician diagnosis
- Doctor hopping (e.g., three or more specialty physicians)
- Lack of modified work duty options
- Poor employee/employer relationships
- Psycho-social factors, including poor family support
- Preexisting conditions
- Alcohol or drug dependence

“One of the most important steps employers and carriers can take is to analyze claims and to engage telephonic case management for even routine injuries when two or more red flags are identified,” said Pat Chavanu, senior vice president at Genex. “As an industry we have to move away from setting arbitrary dollar figures for when to bring in case management; we need to utilize it earlier when it can make a difference in terms of costs, outcomes and the well-being of the worker.”

According to the analysis, delaying case management for a year can decrease the likelihood of the injured worker returning to work by nearly 20 percent. Claims that use case management in the first nine months are two times more likely to have a successful RTW as those referred three years after the incident.

“This does not mean, however, using case management for all claims,” the paper said. “Benchmarks, data, organizational culture and goals must be defined and incorporated into employer tipping point criteria.”

The company advises payers to hold case management programs accountable. “Look at their costs, how quickly they return employees to work, and whether they help to reduce litigation,” the paper said. “Does the organization also tell you when case management is not necessary? Ask claimants about their experience. Is it positive, negative?”

Payers should develop criteria based on the organization’s RTW goals, the paper advised. Also, they should make sure injured workers have access to a network of savvy workers’ comp providers, and give adjusters tools and resources to identify red flag claim characteristics.

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