Bridging the Gap
Building an Effective
Workers' Compensation Program

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Manager, Corporate Risk and Insurance

Goals for this Presentation

Panoramic view of a Workers' Compensation Program

Fresh approach to the connections within a program

Tools to begin to build a program with stakeholders

Who Are We?

Patricia Hostine

Manager, Risk and Insurance

Workers' Compensation 30+ Years

Workers' Recovery Professional

SHRM-Senior Consultant

Associate in Risk Management

Certified Rehabilitation Consultant-Retired

Stakeholders

- Internal
  - Risk Management
  - Legal
  - Environment, Health and Safety (EHS)
  - Fleet
  - Human Resources
  - Payroll
  - Shared Services (HR)
  - Others?

- External
  - Broker
  - Insurance
  - Claim Consultants
  - TPA
  - Adjusters
  - Case Managers
  - Lawyers

Workers' Compensation Metrics

EFFECTIVE

"successful in producing a desired or <u>intended result</u>"

Measuring Effectiveness-Internal

Risk Management
- Insurance Cost
- Reserves (Loss Triangle)

Safety
- OSHA-Lost and Restricted days
- Safety Observations

Human Resources
- Employee Turnover
- Employee Disciplinary Actions

Measuring Effectiveness-External

Insurance
- Customer Retention/Book of business
- Profitability

Case Manager
- Return to Work
- Billable hours/New Cases

Lawyer
- Win/Loss Ratio
- Client Rapport/insurance panels

Reaching Consensus on Metrics

Does it Really Matter?

What I Report vs What I Measure

- General Consumption
    - Lag Time
    - Network Penetration
- Internal Metrics
    - Actuary Fluctuation/Change
    - TPA Audits
    - OSHA lost time/restricted days
    - Claims Costs
    - Ancillary Costs
    - Consultant Costs
    - Litigation use and costs
    - Claim Duration
    - Claim Repeaters

Where To Start

Building From the Ground Up

SWOT ANALYSIS

The Basics
- ❑ Analysis by SWOT
- ❑ Each Block
- ❑ Each Step

	Helpful to achieving the objective	**Harmful** to achieving the objective
Internal origin (attributes of the organization)	**S** Strengths	**W** Weaknesses
External origin (attributes of the environment)	**O** Opportunities	**T** Threats

Stakeholder Management- Building Blocks

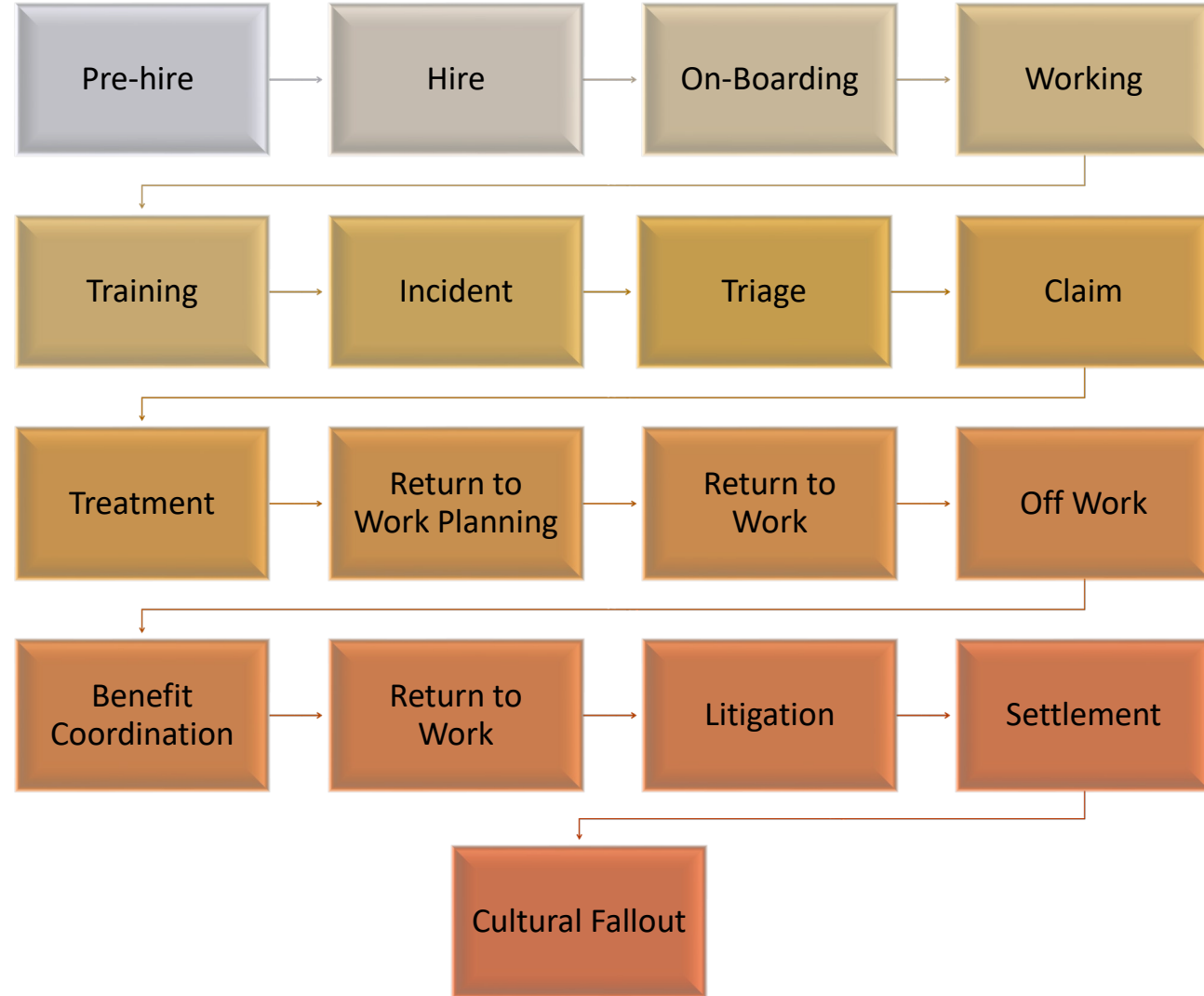| Insurance	Risk (broker)	Safety
Human Resources	Workers' Compensation	Claims
Case Management	Medical	Legal

What does this look like- Stakeholders

- Evaluate each partner within the SWOT
  - Strengths
    - What do they offer that no one else offers?
    - Are you using every single asset they offer?
  - Weakness
    - What are they not doing well?
    - What are they not communicating?
  - Opportunities
    - What does someone else offer that they do not?
  - Threats
    - What are they doing that is not advancing your program?
    - Are they the best fit?
    - Are they in network- sometimes it is that basic?

Experiences Within the Claim Process

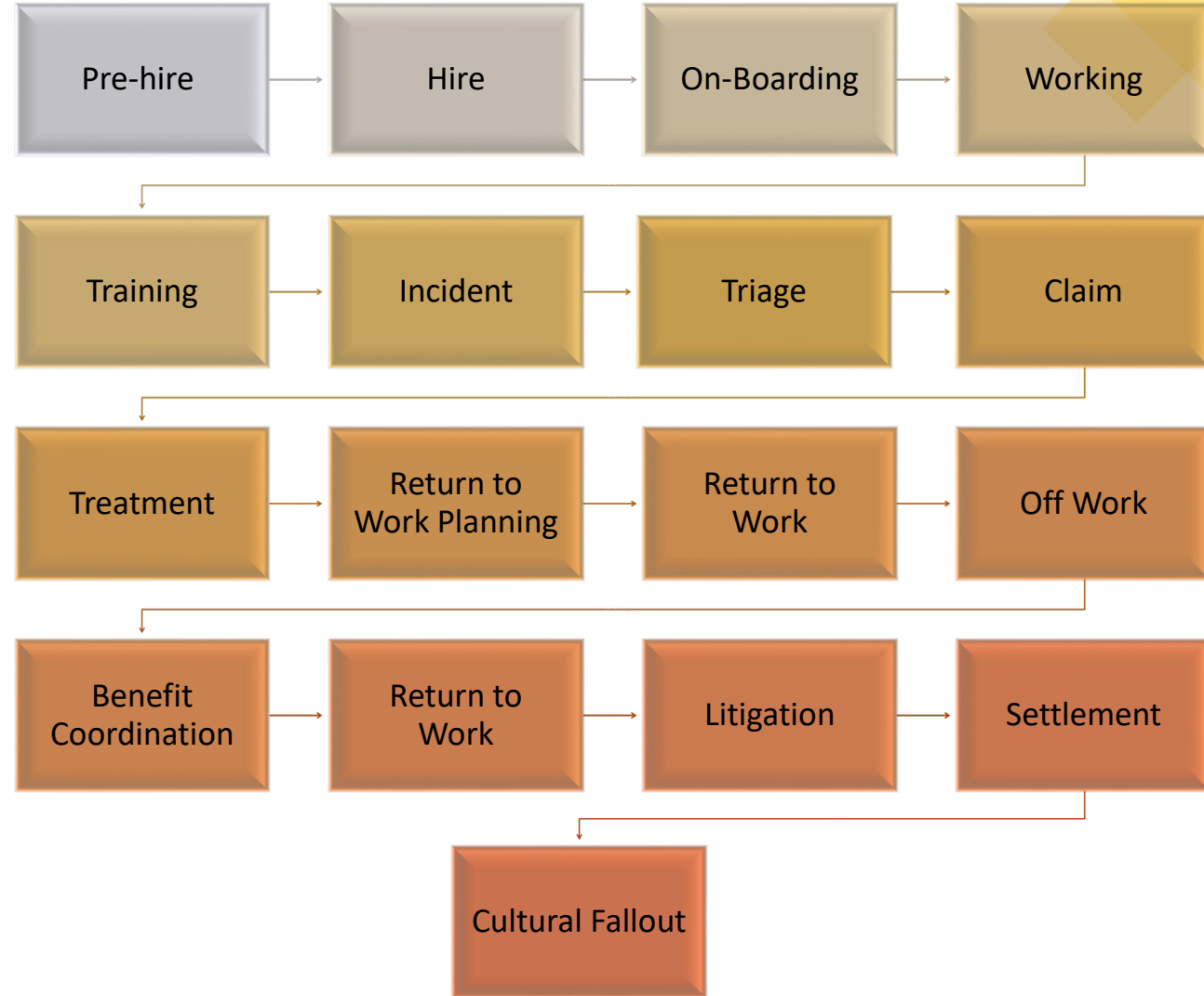|			
Pre-hire	Hire	On-Boarding	Working
Training	Incident	Triage	Claim
Treatment	Return to Work Planning	Return to Work	Off Work
Benefit Coordination	Return to Work	Litigation	Settlement

Cultural Fallout

Evaluate Each Step in the Process- Triage

- Evaluate each step within the SWOT
  - Strengths
    - What goes right in the triage?
    - What is the measurement?
  - Weakness
    - What goes wrong in the triage call?
    - What is the measurement?
  - Opportunities
    - What could we do better in the triage call?
  - Threats
    - What if they do not speak the language?
    - What if they are in a remote area?
    - Network dead zones?

Experiences Within the Claim Process

Pre-hire → Hire → On-Boarding → Working

Training → Incident → Triage → Claim

Treatment → Return to Work Planning → Return to Work → Off Work

Benefit Coordination → Return to Work → Litigation → Settlement

Cultural Fallout

Evaluate Each Step in the Process- NEXT

- Evaluate each step within the SWOT
  - Strengths
    - What goes right in the ?
  - Weakness
    - What goes wrong ?
  - Opportunities
    - What could we do better ?
  - Threats
    - What if ?
    - What if ?

Building the Program is a Slow Process

- Start with a Goal in Mind
- Build with Small Incremental Wins
- Go Step by Step Evaluating Each Step
- Evaluate Each Partner
- Bring in Each Stakeholder
- Teardown Silos
- Broadcast Metrics
- Broadcast Wins
- YOU WILL FIND NEW ISSUES
- There will be setbacks

Develop your Philosophy

Through this process you will learn who you are as a team

How you work together as a team

How your company culture translates into the fabric of the program

How it synthesizes into the network of your selected stakeholders and vendors

QUESTIONS?

Thank you!

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MSIA 2024

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