RESEARCH NOTE
IMPROVING ENGAGEMENT OF INJURED EMPLOYEES

The Right – and Smart – Path to Improving Claim Outcomes

It makes intuitive sense that better engagement and establishing and sustaining a personal connection with injured employees would improve claim outcomes. But by how much? And which specific engagement tactics work?
The aftermath of a workplace injury is a confusing, sometimes frightening, time. Employees whose injuries result in lost time are under significant stress, worried about their physical recovery and the potential financial and employment implications of their time away. In fact, research found that a work injury has the potential to trigger eight of the top 20 ‘life stressors’. Employers may also be caught off guard, and while many managers intend to maintain connection and express concern and sympathy to an injured colleague, that doesn’t always happen and represents a missed opportunity to help colleagues in need, and, as it turns out, the bottom line.

We go beyond expectations in the continuous pursuit of a better way.
Hypothesis and Research Summary

These realities led Gallagher Bassett to ask what we can do to help risk and claims managers relieve the stress and confusion that might keep injured employees from focusing on the important task of recovery. Gallagher Bassett has been in the claims management business for over 50 years, and we handle tens of thousands of workers’ compensation claims every year. Our interest in pursuing a better way of delivering superior outcomes is not a theoretical exercise: it is why we exist. Our hypothesis – generated from analyzing the outcomes in hundreds of thousands of claims of similar complexity across many programs – was that improved engagement with injured workers in the post-injury and rehabilitation phases was a key driver of outcomes, and that the reliability and quality of engagement has a measurable, positive impact.

To test this, we asked two key questions related to employee engagement in a recent survey of client service teams (see sidebar, About the Research):

1: After the report of a work injury, does (client) have a documented formal process to follow-up and maintain contact with the injured employee throughout the process, in addition to what GB does in managing the claim?

2: Does the client’s claim management strategy include a ‘claim liaison’ role, defined as a person or team focused on understanding the emotional needs or mindsets of injured employees during their recovery period?

Primary Findings

Responses from 250 of GB’s largest clients reveal that about one-third of the companies surveyed has a formal process or deploy a claim liaison (or similar role). More specifically, as shown in Figure 1:

1. 37.3% of the respondents have a formal follow-up process.
2. 30.1% of respondents use a claim liaison or similar role.

Figure 1:
Use of Enhanced Engagement Tactics (% of 250 respondents)

Formal Follow-up Process
- Formal follow-up process exists
- Post loss management left to TPA
Risk and claims managers wondering if they should formalize engagement processes and roles as part of their claims management strategy should definitely consider doing so because our analysis shows a strong correlation between using enhanced engagement techniques and superior claims outcomes.

These results show a genuine split in claims management approach, at least in terms of engagement strategy. While nearly 1 in 3 organizations see the value of enhanced engagement tactics, a larger group is not deploying them right now. A portion of the remaining respondents seem to believe informal / voluntary engagement occurs, but cannot confirm that it does.

Risk and claims managers wondering if they should formalize engagement processes and roles as part of their claims management strategy should definitely consider doing so. Our analysis shows a strong correlation between using enhanced engagement techniques and superior claims outcomes.

3. Based upon analysis of 294,346 claims, organizations that had a formal follow-up process enjoyed a reduction of average total cost incurred of over 14.16% vs. those who did not. On average this resulted in reducing costs by more than $1,550 per claim.

4. Similarly, based upon analysis of the same claims, companies that utilized a claim liaison or similar role also showed reductions in average total costs incurred of 12.56%, which translated to savings of approximately $1,350 per claim. (Figure 2)

Figure 2: Impact of Liaison Role on Average Total Costs Incurred (USD)
Analysis and Implications

The reduction in average total costs incurred is significant, both on a per claim basis and more impressive still on a program basis. As described in the next section, the average reductions in total costs incurred reflect underlying improvement in claim duration, lost work days, and even closure rates.

Beyond these substantial financial gains, enhanced engagement tactics such as having a clear follow-up process or worker engagement liaison would be the right thing to do to build good will with an organization’s most valued asset – its people. Indeed, a risk manager at a prominent retailer believes the liaison role allows the team and “stores, distribution management and HR partners to understand better what they need and what we need…it helps us all have a common goal of keeping the associates engaged in the business and continuing to heal.”

Secondary Findings

The reduction in average total costs incurred is an aggregate result derived from several underlying factors. Those underlying factors contributing to lower total costs were:

- Reduction in claim duration. With a formal follow-up process, duration was reduced by 2.57%, which equates to almost 5 days on average. The improvement with a claim liaison was also positive with duration slightly reduced.
- Reduction in lost work days. With a formal follow-up process, lost work days were reduced by 3.08 days, which is a 15.27% reduction; with a liaison the reduction was 2.26 fewer days, a 11.53% improvement. (Figure 3)
- Higher closure rates. With a formal follow-up process, closure rates improved nearly 1.41%; and with a liaison closure rates also increased, but by a more modest 0.67%.

Figure 3:
Impact of Improved Engagement on Average Lost Work Days

<table>
<thead>
<tr>
<th>IDENTIFIED LIAISON ROLE</th>
<th>REDUCTION OF 2.62 DAYS, OR 11.53%</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>FORMAL FOLLOW-UP PROCESS</td>
<td></td>
</tr>
</tbody>
</table>
Claims involving a formal follow-up process also saw significantly less litigation (16.39% less than the group without employee follow-up). Our study reached no conclusions about whether using a claim liaison reduced litigation.

In summary, formal, enhanced engagement efforts result in a rare ‘win/win’, with the injured employee benefiting with a quicker recovery and return to work and the employer benefiting from lower cost.

**Action Steps to Consider**

Our research indicates that enhanced engagement of injured employees is correlated closely with improved claim outcomes. Yet, the majority of programs analyzed have neither a formal follow-up process nor a clearly defined liaison role. How should a risk management team go about embedding new processes and roles in its claims management strategy? Formalizing and documenting these enhancements are critical to repositioning engagement of injured employees from a ‘nice to have’ voluntary action to a strategic activity. Taking a hard look at claims processes, roles, tools, and content from the perspective of the injured employee are all required to make enhanced engagement a reality and capture the benefits possible.

**Processes and Roles**

- Increase the frequency and velocity of contacts over the course of claim – perhaps setting floors and ceilings for number of contacts – so injured employees do not have to chase down answers to questions or to get the status of payments.
- Allow, but do not require, injured employees to listen in on team calls or provide updates to them so they feel part of the organization.
- Invite family members to initial discussions about the claims process to understand the employee’s environment and address the questions of people who can influence the trajectory of a claim.
- Conduct post-resolution surveys of injured workers to identify strengths and weaknesses of the claim management process, and close any gaps.

**Tools**

- Implement a ‘Help Desk’ to provide answers to basic questions where the resolution manager on the claim isn’t available.
- Make a free mobile app available so employees can check claim status. The GBGO app allows employees to update personal information, check payment status, and schedule appointments.
- Produce a short ‘on demand’ video (as well as pamphlets) that gives an overview of the claims process and the benefits of programs like Employee Liaisons and Nurse Case Managers.
RESEARCH NOTE: IMPROVING ENGAGEMENT OF INJURED EMPLOYEES

Content

• Revise standard communications (Acknowledgement letter, check and EFT transmittals) to incorporate more empathetic, personal language to set a positive tone for the resolution process.
• Assure employees (and attorneys, HCPs and others) that legitimate claims will be paid promptly.
• Encourage colleagues to reach out to injured workers with personal mailings such as “Get Well” cards or short email and text messages.

This list is not exhaustive; forward-thinking risk managers could adopt a ‘test and learn’ approach to see which tactics move the needle on outcomes.

Particularly in the digital age when so much communication is done via email and text, the effort to reach and engage on a personal level is appreciated by most everyone, and especially by injured employees who may be under stress. Injured employees are just like people everywhere – they want to know they are missed, valued, and that their employer cares about them. Our research indicates that enhanced engagement of injured employees improves claim outcomes significantly, and is a cost-effective yet untapped opportunity. Adopting proven tactics not only strengthens the bottom line, it strengthens organizational culture and employee relations. It helps the company, the injured employee, and risk managers.

The Right Word, at the Right Time

Some words pack more of an emotional wallop – both positive and negative – than others. In the context of Workers’ Compensation claims, the word “claimant” has a negative connotation that can create distance and put injured employees on the defensive. Substituting ‘employee’ or ‘colleague’ instead is not only accurate, it is more personal and warm. Similarly, ‘employee advocate’ may be a better phrase than ‘claim liaison’ – after all, people liaise with other people, not impersonal ‘claims’, and who wouldn’t want an advocate in their corner?

WHO TO CONTACT AT GB

We invite you to connect with us about this research, as well as other initiatives. For more information on our Continuous Pursuit research, and the employee engagement project, contact Tim_Colli@gbtpa.com – SVP, Account Management.

For more information about GB Analytics, contact Joseph_Powell@gbtpa.com.
We **GUIDE** those suffering a loss to the best outcomes for their health and financial wellbeing.

We **GUARD** our clients’ assets as the trusted stewards of their claims and risk management programs.

We **GO BEYOND** expectations in the continuous pursuit of a better way.