

Trends, Issues, and Challenges in Workers' Compensation Case Management

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Abstract

Workers' compensation case management is a dynamic field that has evolved significantly in response to changing workplace environments, legal landscapes, and healthcare advancements. Key trends include the integration of technology and the impact of regulatory changes. Critical issues include managing mental health claims, navigating complex medical treatments, and ensuring timely return-to-work strategies. Challenges in this field are multifaceted, including balancing cost containment with quality of care, overcoming barriers to communication among stakeholders, and managing the rising costs of health care. There is a need for continuous adaptation to comply with new laws, standards, and technology. This presentation will explore the latest trends, critical issues, and emerging challenges faced by professionals in workers' compensation case management including strategies to improve outcomes for injured workers while maintaining compliance and cost-effectiveness.

Objectives

- ▶ 1. Identify and analyze the latest trends in workers' compensation case management.
- ▶ 2. Explore the implications of critical issues on case management practices and outcomes for injured workers.
- ▶ 3. Discuss the multifaceted challenges faced by case managers, including cost containment, quality care, communication barriers, and rising health care costs.
- ▶ 4. Recognize bias in the treatment of injured workers.

Current Issues in Workers' Compensation

•Mental Health and Behavioral Health Claims:

- Increased incidence of stress, anxiety, and depression in the workplace.
- Challenges in managing subjective conditions and varying treatment outcomes.

•Opioid Use and Pain Management:

- Ongoing opioid crisis with risks of dependency.
- Shift towards non-opioid alternatives (e.g., physical therapy, behavioral therapy).

•Telehealth and Virtual Care:

- Expanded use post-COVID-19 for faster, cost-effective care.
- Concerns about privacy, data security, and equitable access.

Rising Medical Costs:

- Healthcare inflation driving up treatment costs.
- Strategies for cost containment while ensuring quality care.

Return-to-Work (RTW) Challenges:

- Delays due to complex injuries or lack of transitional work.
- Compliance with ADA and need for workplace accommodations.

Regulatory and Legislative Changes:

- Variability in workers' comp laws across states.
- Adapting to new regulations, including those related to telehealth and COVID-19.

Pandemic-Related Issues:

Managing long COVID as a compensable condition.

New challenges around workplace safety and vaccination policies.

•Aging Workforce:

- Higher risk of musculoskeletal injuries in older workers.
- Need for workplace modifications and preventive measures.

•Fraud and Abuse:

- Advancements in detecting and preventing fraudulent claims.
- Balancing fraud prevention with fair processing of legitimate claims.

•Technological Integration:

- Increasing use of data analytics and AI in decision-making.
- Push for electronic health records (EHR) and system interoperability.

Legalization of marijuana

- ▶ created complex challenges and evolving impacts
- ▶ issues related to employee safety, drug testing, coverage for medical marijuana, and workplace liability
- ▶ pre-Employment and Post-Injury Drug Testing (how to handle positive test results)
- ▶ marijuana can remain detectable in a person's system long after use
- ▶ some states prohibit employers from taking adverse actions (e.g., firing or not hiring) based solely on a positive marijuana test unless the employee is impaired on the job.
- ▶ other states allow employers to maintain zero-tolerance policies, especially for safety-sensitive positions.
- ▶ marijuana in an employee's system following an accident may lead to disputes about whether the worker was impaired, whether the accident was preventable, and whether the claim should be denied.

Medical Marijuana as Treatment in Workers' Compensation

- ▶ may or may not be covered
- ▶ medical marijuana could potentially reduce opioid use and its associated risks of addiction and overdose
- ▶ medical efficacy of marijuana in treating chronic pain remains a subject of debate
- ▶ if an employee tests positive for marijuana after an accident, the employer may argue that the injury occurred due to the employee's impairment, thereby disqualifying them from receiving benefits
- ▶ proving impairment from marijuana at the time of the incident is challenging
- ▶ the burden of proving that marijuana use directly contributed to the accident is often on the employer or insurer
- ▶ federal employees and employees working for federal contractors are generally subject to zero-tolerance policies for drug use, as federal law supersedes state laws on marijuana.
- ▶ CHALLENGE: how to handle positive test results since marijuana can be detected long after use.

Increasing incidence of workplace violence

physical assaults, shootings, and verbal threats

according to data from the U.S. Bureau of Labor Statistics (BLS), workplace violence is the third-leading cause of work-related fatalities in the U.S., with a significant number of non-fatal injuries and illnesses stemming from violent encounters

high risk industries: healthcare, retail, service industry, teachers, firefighters, police officers, school staff

pandemic lead to an increase in violent altercations R/T high stress, frustration, economic instability)

may be physical or psychological injuries (PTSD)

workers' compensation systems have traditionally been slow to recognize psychological claims,



Current Trends In Workers' Compensation



Mental health and psychological injuries (stress, anxiety, depression and PTSD especially in high-pressure environments)



Remote Work and Telecommuting (how to handle injuries that happen at home)



Independent contractors/temporary employees (usually fall outside of traditional WC coverage)



Increased health care/medication costs








Cost containment strategies (telemedicine, pharmacy management programs)



Fraud (fraudulent claims by IW exaggerating or falsifying injuries; fraud by providers inflating bills or providing unnecessary services)

- Occupational diseases (repetitive stress injuries, carpal tunnel syndrome, chronic illness for exposure to harmful substances in the workplace)
- COVID-19 claims
- Opioid crisis (dependence on opioids prescribed for work-related injuries)
- Aging workforce (more susceptible to certain types of injuries, take longer to recover)
- Exclusive remedy (prevents IW's from suing employers is being debated)
- Changing nature of work (fewer manual labor injuries, more injuries related to technology)
- Employee privacy (invasion of privacy when employers tracking workers movements)
- Delay in benefits (delays healthcare, causes financial hardships)







Integration of technology (AI)

-  -used to prevent and manage occupational injuries.
-  -can streamline claims management
-  -can monitor employees in real-time
-  -reduce claim expenses
-  -enhance case management efficiency

AI

- initial triage of claims
- categorizing claims based on severity and urgency
- leads to quick decision making
- ensures critical cases receive immediate attention
- can provide evidence-based recommendations for treatment plans
- increase efficiency
- enhance quality of care
- identifies trends
- helps with coding
- reduces administrative burden
- handle routine inquires
- schedule appointments
- provide claim updates

Predictive analytics to identify high-risk claims

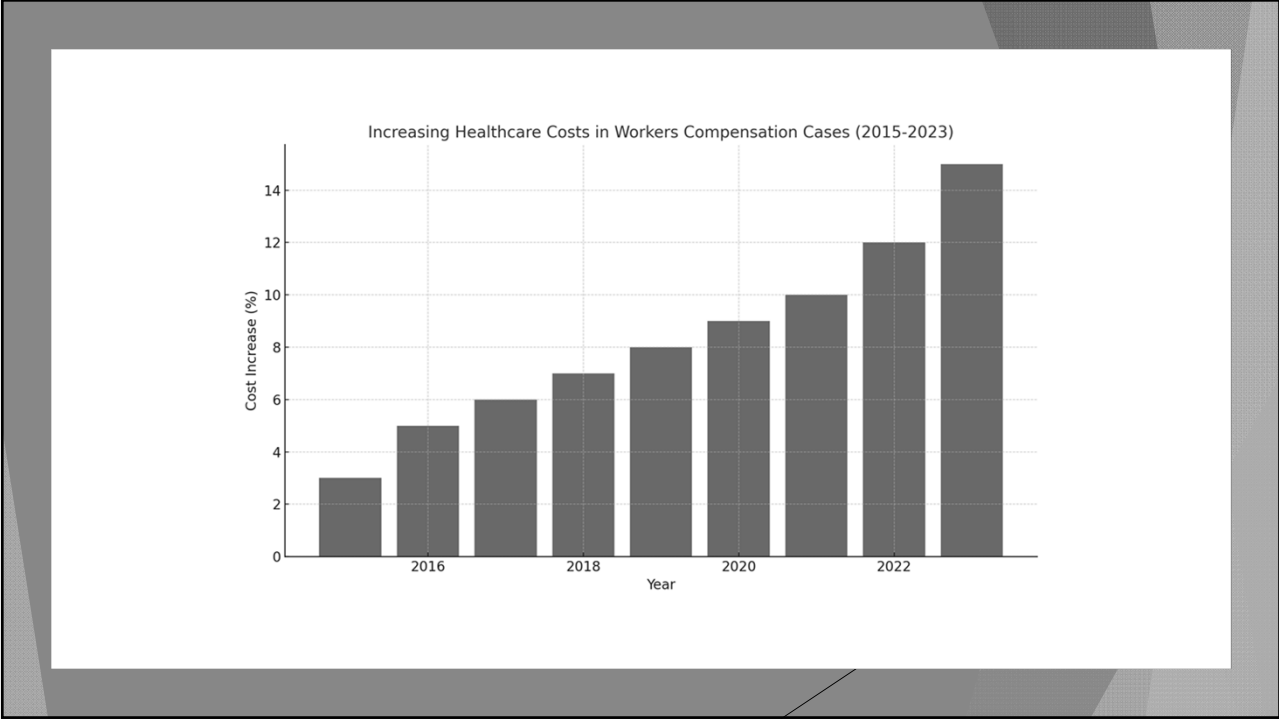
-  -used to identify patterns and predict which cases are likely to become complex or costly.
-  -identify high-risk claims
-  -use AI systems
-  -WC case managers can prioritize resources and interventions
-  -prevent complications
-  -reduce costs

Increasing focus on mental health

-can have a significant impact on recovery and return-to-work outcomes

Case managers provide support through coaching, education, listening, and self-help resources

-need to address psychosocial barriers that may hinder recovery



Detection of Fraud



AL can detect anomalies and patterns for fraudulent activity



Reducing fraud saves money and ensure legitimate claims are processed efficiently






Workers' compensation laws vary by state, leading to disparities in how claims are handled, and benefits are distributed.


Ever changing laws affecting WC claims


- changes to improve efficiency and transparency
- electronic filing
- tighter opioid regulations
- expanded coverage for medical marijuana where it is legal

State vs. Federal Workers' Compensation Laws

-  **State Systems:** each state has its own set of laws re: eligibility, benefits
-  **Federal Programs:** covers certain workers (federal employees, longshoremen, and railroad workers)
-  **Black Lung Benefits:** covers coal miners suffering from black lung disease.

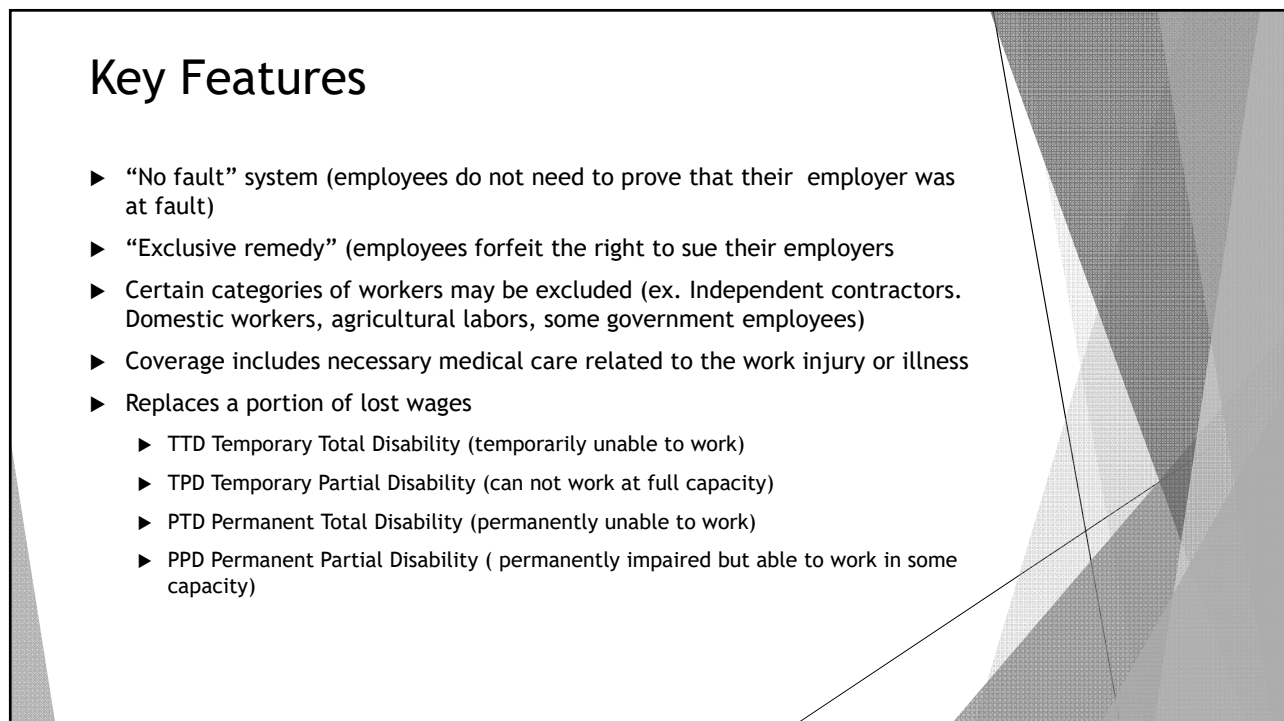
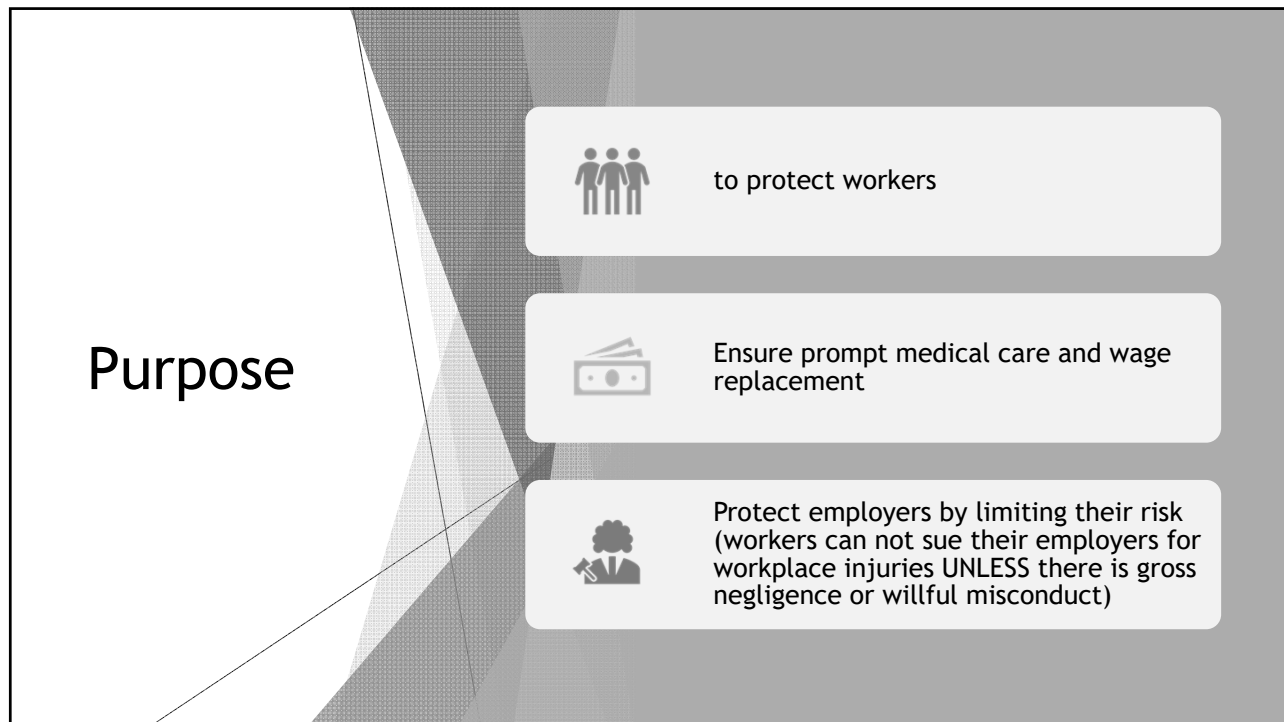
Laws/regulations that now include PTSD and certain cancers as WC claims

 **Mental Health and PTSD:** In some states, laws have been updated to include mental health conditions, such as PTSD for first responders, within the scope of workers' compensation.

 **COVID-19:** During the pandemic, many jurisdictions enacted temporary changes to workers' compensation laws to cover COVID-19 as a work-related illness, particularly for healthcare workers and first responders.

GOAL

Fundamental goal is to provide financial support and medical benefits for employees who are injured on the job or become ill on the job while limiting liability for employers.



Other Benefits

Vocational Rehabilitation
(training to re-enter the workplace in a different capacity)

Death Benefit (compensation for surviving family members, funeral expenses, portion of deceased workers income)

Employer Responsibilities

- ▶ Must have workers compensation insurance
- ▶ Must report work-related injuries and illnesses
- ▶ Should have a return-to-work program (modified or light duty)

Employers who fail to provide workers' compensation coverage can face serious penalties, including fines, criminal charges, and potential civil liability for injured employees.

Employee Responsibilities

- ▶ Report injuries within 30 days
- ▶ Follow prescribed medical treatment plan (non-compliance can result in suspension/reduction of benefits)

Employees who attempt to defraud the system, such as by falsifying injuries, can also face legal consequences, including criminal charges and loss of benefits.

Dispute Resolution



Disputed Claims (by employer, injured worker, insurance provider)



Administrative Hearings (Workers Compensation Board or commission)



Appeals Process (state court)

Certifications

1. **Certified Case Manager (CCM):** Offered by the Commission for Case Manager Certification (CCMC), this certification is recognized as the gold standard in case management. It demonstrates competence across various domains, including psychosocial aspects, healthcare management, rehabilitation, and more.
2. **Certified Disability Management Specialist (CDMS):** Administered by the Certification of Disability Management Specialists Commission (CDMSC), this certification is geared towards professionals involved in disability management and vocational rehabilitation. It emphasizes strategies for facilitating return-to-work processes and promoting employee health and productivity.
3. **Certified Rehabilitation Counselor (CRC):** Offered by the Commission on Rehabilitation Counselor Certification (CRCC), the CRC certification is for professionals who focus on helping people with disabilities achieve their personal, career, and independent living goals through a counseling process.
4. **Certified Workers' Compensation Professional (CWCP):** Offered by The Michigan State University School of Human Resources & Labor Relations, the CWCP is ideal for case managers who work in the workers' compensation field. It covers topics such as claims management, disability management, and return-to-work strategies. **Certified Life Care Planner (CLCP):** Offered by the International Commission on Health Care Certification (ICHCC), this certification is for professionals who develop life care plans for individuals with catastrophic injuries or chronic health conditions, focusing on long-term care needs.
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Common WC Injuries

- ▶ Muscle sprains/strains from lifting heavy objects
- ▶ Back injuries from improper lifting techniques
- ▶ Shoulder injuries from overuse or repetitive motion
- ▶ Sprained ankles/wrists
- ▶ Broken bones head injuries
- ▶ Being hit by a falling object
- ▶ Accidents with forklifts or heavy machinery
- ▶ Repetitive stress/strain (carpal tunnel, tendonitis, bursitis, tennis elbow)
- ▶ Machinery/equipment accidents (amputation, crush injuries, entanglement in equipment, lacerations)
- ▶ Vehicle accidents
- ▶ Physical assault
- ▶ Psychological injuries
- ▶ Burns
- ▶ Respiratory illnesses
- ▶ Hearing loss
- ▶ Chronic back pain
- ▶ Joint pain or arthritis
- ▶ Occupational illnesses (asbestosis, asthma, skin conditions)

Bias in Workers Compensation



Definitions:



Bias in workers' compensation refers to the unconscious or conscious prejudices that influence how injury claims are handled.



Bias can affect treatment decisions, recovery outcomes, and the fairness of case management interventions.



Types of Bias: Implicit bias, confirmation bias, cultural and language bias, socioeconomic bias, gender bias, occupational bias, and disability bias,

Socioeconomic, Gender, Occupational, Disability Bias

SOCIOECONOMIC BIAS: Assumptions about workers based on their socioeconomic status. **EXAMPLE:** Assuming lower-income workers are less motivated to return to work.

GENDER BIAS: Stereotypes or assumptions based on a worker's gender. **EXAMPLE:** Assuming female workers have less physical strength, leading to different treatment plans.

OCCUPATIONAL BIAS: Assumptions based on the worker's job role or industry. **EXAMPLE:** Believing office injuries are less severe than those in physical labor jobs.

DISABILITY BIAS: Prejudices about workers with pre-existing disabilities. **EXAMPLE:** Assuming workers with disabilities are less capable of recovering.


ADDITIONAL BIAS

Bias in Interventions: Return-to-Work: Pressure to push workers to return to work too soon.

Bias in Medical Treatment Recommendations: Recommending cost-effective treatments over the most beneficial.

Bias Against Psychological Injuries: Mental health conditions like PTSD or anxiety may be undervalued.

Bias Favoring Employer Interests: Subtle pressure to prioritize employer financial interests over worker recovery.



Bias in workers' compensation can lead to unequal treatment and affect the injured worker's recovery.

The image features a grey icon of a pair of scales of justice on the left side, set against a white background. To the right of the scales, there is a dark grey rectangular area containing the text "Bias in workers' compensation can lead to unequal treatment and affect the injured worker's recovery." The background of the entire slide is a dark grey with a subtle geometric pattern.

Ethics in Workers Compensation Case Management

▶ Case managers are entrusted with the responsibility of advocating for the best interests of injured workers while maintaining a balance with employer and insurance requirements.

▶ CCMC Ethical Principles:

Respect for Client Autonomy (honor IW's rights)

Beneficence (interventions are in the best interest if the IW)

Non-Maleficence (avoid undue stress or harm)

Justice (fairness and equality)

Fidelity (trustworthy and loyal to all parties)

Veracity (truthful, accurate, transparent at all times)

Advocacy (ensure appropriate care, benefits, and support)

Aim to foster trust, fairness, and positive outcomes in the workers' compensation system, ensuring that our work reflects the core values of dignity, respect, and integrity for all involved.

▶ Thank you!