CALCULATING HARD-DOLLAR RETURNS ON RETURN-TO-WORK CASE MANAGEMENT

In today's competitive business climate, a managed care company must provide empirical data that supports its ability to control costs, increase efficiency, and increase the quality of care. The key metrics that the company can focus on are Return-to-Work (RTW) savings and related hard and soft savings. These metrics show how effective case management is and quantifies the savings achieved by returning the employee to work more quickly.

THE CHALLENGES OF MANAGING RETURN TO WORK

The Reed Group® has amassed a detailed database on millions of disability cases that cover thousands of medical topics. The data is the result of rigorous statistical analysis. It reveals some interesting information about workers who are off the job due to illness or injury:

- A very small percentage of cases have an outsized impact on the cost of workers' compensation.
- The longer an individual is off of work, the less likely they are to return.

With this knowledge, the challenge becomes how best to manage recovery from an injury or disability and return to work. How to control a variety of costs to achieve an optimal outcome. How to identify cases with the potential to go on too long. How to measure the costs and benefits of managing these cases more aggressively to reduce the length of absence. How to calculate the return on the investment of actively managing these cases.

HOW TO MEASURE SAVINGS

There are a number of quantifiable metrics that measure the savings in returning a disabled employee to work more quickly. Perhaps the largest component is the RTW savings, measuring these against guidelines from organizations like Reed Group, ODG, and ACOEM can provide case managers with a benchmark for their case. Using Reed Group's MDGuidelines and based on the injury, demographics, and co-morbidities; case managers can set a predicted disability duration (PDD) for each injured worker. Improving return-to-work times against these benchmarks becomes the goal of the case manager.

Additional savings can be measured as hard or soft savings:

- Hard savings can include reduced use of pain medication or lower in-network treatment costs
- Soft savings could be a lower number of treatments needed or trimming the time a worker waits for surgery

Enclosed is a simple spreadsheet that shows how to calculate the RTW savings as well as the ROI. We used AWW in the RTW calculation but if there is Total Disability (TD) cap, it should be used instead. Also remember that the savings must account for the case management and intervention cost. Putting in your own numbers will allow you to see the value of case management for your business.

This table shows the calculation for RTW savings.

Predicted Disability Duration (PDD)	Days returned to work prior to the PDD	Average Weekly Wage (AWW)	RTW Savings
98 days	64 days	$ 955	$ 8,731

RTW Savings = (Days returned to work prior to PDD / 7) x (AWW)

By getting the injured worker back to work 64 days before the Predicted Disability Duration, the employer (payer) avoided paying TD of $ 8,731.

This table calculates Net Savings and Return on Investment.

RTW Savings	Hard Savings	Soft Savings	Intervention Cost	Net Savings	ROI
$ 8,731	$ 800	$ 300	$ 1,800	$ 8,031	4.46

Net Savings = RTW + Hard + Soft – Cost   ROI = Net Savings / Cost

The total net savings of $ 8,031 brings to a Return on Investment of 4.46 which means that for every US$ 1 spent, you saved US$ 4.46.

DATACARE FOR MORE EFFECTIVE CASE MANAGEMENT

DataCare web-based workers' compensation case management software integrates standard guidelines from organizations like Reed Group, ODG, and ACOEM. Reed Group's MDGuidelines provide statistical analysis of disability cases to create predicted disability duration (PDD) benchmarks based on a robust data set for managing disabilities including definitions, diagnosis and prognosis, rehabilitation, disability durations, and restrictions and accommodations for the top disabling conditions.

Case managers can use Reed Group's MDGuidelines to set the predicted disability duration when they start a case, and DataCare will manage the return-to-work status throughout the life of the case. DataCare's case management software stores all crucial data points such as key demographic information, ICD-9 codes including co-morbidities, temporary disability duration rate, and return-to-work status. Case managers can seamlessly integrate the most recently updated versions of disability durations, predictive recommendations, and referential content into their workflow.

For more information on DataCare case management software with integrated return-to-work guidelines, visit http://www.datacare.com/products/claims-management-software.html.

DATACARE OFFERS TECHNOLOGY SOLUTION

DataCare offers a sophisticated suite of software applications to streamline workers' compensation operations.

- Medical Case Management software saves 20% to 25% of case managers' time and facilitates better medical treatment and faster return to work.
- Utilization Review software facilitates faster turnaround times and captures treatment codes in a database format that facilitates computerized identification of medical overpayments.
- UR Enforcer augments traditional bill review services by verifying that treatment decisions made in utilization review and during pre-authorizations are enforced when bills are paid.
- Express Adjudication treatment approval software enables trained triage personnel or claims adjusters to quickly approve 80% to 90% of treatment requests while documenting treatment authorizations in a database.
- The Claims Assistant works with claims system to implement an electronic, paperless office.

For more information on DataCare technology solutions, please visit www.datacare.com.

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Ahshay® refers to the entire suite of DataCare software solutions. In Portuguese, Ahshay means "I have found it!".