



sedgwick®

13 FOR 2013

EMERGING ISSUES

As we approach a new year, it's important to reflect on the issues we faced in 2013 and consider the implications for the year ahead. In early 2013, Sedgwick advised clients of the top trends expected to impact employers this year. Looking back, all of these emerging issues had an impact – some more than others. Additional issues also emerged throughout the year that affected employers and the economy as a whole, including the government shutdown and sequestration.

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THE AFFORDABLE CARE ACT : *a change in the healthcare delivery model*

As anticipated, the Affordable Care Act (ACA) has prompted intense debate; Sedgwick's leadership team remained at the forefront, participating in discussions surrounding the ACA's potential effect on our industry. At the annual Workers' Compensation Educational Conference Sedgwick president and CEO Dave North discussed how the ACA could impact access to care, the possible consolidation of providers and facilities, and the projected use of accountable care organizations (ACO). Our senior healthcare advisor Kimberly George explained the differences between public and private exchanges, and the shifting of employer-based health benefits to healthcare exchanges. To help our clients, Sedgwick recently published a white paper detailing how ACOs, consolidation of healthcare providers, and a healthcare advocacy model will impact the industry. [Click here to read more >](#)

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AN UPSWING IN GOVERNMENT REGULATION : *compliance in an increasingly complex environment*

In 2013, Sedgwick continued to monitor reforms impacting our industry, and our team helped employers prepare for changes in several key areas, such as: state reforms in Oklahoma, New York, Florida, and California; the Strengthening Medicare and Repaying Tax Payers (SMART) Act signed into law in January 2013; the U.S. Department of Labor's January 2013 letter providing guidance on taking leave to care for adult children with disabilities; compliance efforts related to the new ICD-10 codes effective October 1, 2014; and the new OSHA rule requiring employers with over 250 employees to file electronic injury and illness reports quarterly. [Click here to read more >](#)

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COST DRIVERS : *lost productivity and medical severity challenges*

With injury severity and related medical costs continuing to rise, it is important for employers to understand the key drivers so they can develop targeted programs to improve their employees' safety and their company's bottom line. Throughout 2013, Sedgwick has provided information and guidance for employers and the industry as a whole, tackling cost drivers through targeted guidance on topics from narcotic management and provider benchmarking to settlements and legislative reforms. We share the knowledge we have gained through our experience and create customized, integrated solutions to help employers see results. [Click here to read more >](#)

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PERFORMANCE MATTERS : *changing the conversation about quality*

Sedgwick felt so strongly about the need for an outcomes-based approach to quality that we completely redesigned our quality program and introduced Performance 360 in 2013. This industry-leading program focuses on performance metrics while ensuring basic compliance requirements are met. Performance 360 features a continuous review cycle with audits scheduled earlier in the claims lifecycle, as close as possible to when the work is performed, maximizing opportunities to impact results for clients. "With modifications in our compliance activities and an increased focus on ultimate claim outcomes, we can improve the overall experience for our clients and their employees," said Darrell Brown, chief performance officer. [Click here to read more >](#)

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THE RISING TIDE OF LITIGATION : *a growing need for avoidance and brand protection strategies*

Obvious but effective, the best way to control litigated claim costs is to avoid litigation altogether. As noted in a recent Sedgwick blog post, we begin with the end in mind – contacting injured workers quickly and setting clear expectations for the claim process and return to work goals, rather than setting the stage for litigation. We utilize controls to mitigate unnecessary legal costs and attorney scorecards help us assign the best-suited defense counsel when necessary. Through a comprehensive, team-focused approach, collaborating closely with clients and their partners, we can achieve timely evaluation of the claim and a realistic resolution aligned with the client's philosophy. [Click here to read more >](#)

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INTEGRATED DISABILITY MANAGEMENT : *re-defined and enhanced time tracking options*

Sedgwick has long been an innovator in the field of integrated disability management (IDM). We have designed industry-leading productivity management programs for some of the most complex employers in the U.S. The demand for customized IDM solutions that address both risk management and employee benefits needs continued to increase in 2013. Sedgwick is leveraging our vast occupational and non-occupational claims experience to ensure our technology solutions meet the challenging needs of employers today. [Click here to read more >](#)

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DRUG ABUSE OR MISUSE : *a systemic American problem*

To help employers manage challenges associated with rising drug costs, Sedgwick enhanced our pharmacy benefit management program in 2013 to include complex pharmacy reviews handled by a nurse team with physician oversight. We also focused on provider education in drug safety. With proprietary provider benchmarking and clinical consultation solutions, we've helped guide injured employees to the best medical treatment. Our clients continue to see results from our innovative cost containment strategies emphasizing quality care and targeted clinical intervention. [Click here to read more >](#)

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BIG DATA : *how it can be used to improve outcomes*

The big data concept continued to spark dialogue in 2013. As our experts noted, big data is about more than numbers; it's about utilizing all available information to make meaningful decisions. Sedgwick is utilizing big data to identify opportunities within client programs and leveraging them to better manage risks and improve efficiency. We look for underlying patterns that typical reporting or benchmarking won't recognize and use them to target intervention and better outcomes. Moving into 2014 and beyond, we believe big data will redefine the claims management process, enabling us to re-think how various sub-types of claims can benefit from different types of management. [Click here to read more >](#)

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EMBEDDED TECHNOLOGY SOLUTIONS : *no longer a separate discussion*

Sedgwick has leveraged emerging technology in new ways this year, enhancing our offerings to bridge the gap between customers and claims information with our mobile application and push technology options. With OSHA and ACA government regulations requiring additional compliance measures, we have also utilized technology – including an updated version of our viaOne® OSHA solution – to help employers manage reporting and recordkeeping. In 2014, Sedgwick will continue leading our industry in action and discussion regarding embedded technology solutions, evolving our offerings to streamline the compliance process for clients. [Click here to read more >](#)

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EMPLOYEE ENGAGEMENT : *communication with injured and ill workers is key*

With our viaOne® express mobile application and push technology options introduced in 2013, Sedgwick is the first third party administrator in the industry to provide such a high level of automated, personalized communications to help keep injured workers engaged throughout the claims process. Additionally as the workforce ages, our experts have recommended ways to adapt work environments for changing abilities, including how to develop appropriate return-to-work programs and keep mature workers engaged throughout a disability leave or a work-related injury. [Click here to read more >](#)

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PART-TIME AND TEMPORARY WORKERS : *new challenges of a changing workforce*

The shift toward hiring more part-time employees to relieve economic pressure continued in 2013. Growth projections remain steady for both part-time and temporary staffing into 2014, not only due to economic conditions, but also in response to ACA health coverage mandates on the horizon for full-time employees. Our experts will continue to evaluate and advise our clients on the impact of the ACA in the coming year. [Click here to read more >](#)

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HEALTH ADVOCACY : *24/7 access to medical assistance*

Health advocacy continues as a hot topic in 2013. With the drive to improve access, quality, and reimbursement under health reform, our experts have identified some key changes to expect. These include case management projects focused on health advocacy; more organizations creating private ACOs; and preparations for projected demand increase with more insureds entering the system when doctors are in short supply. We have talked about ways employers can help injured workers and their providers communicate and make informed decisions across the healthcare delivery system to achieve a higher level of engagement and improve overall claims results. While the system will rely more on physician assistants and registered nurses for routine visits in the future, injured workers will look to employers' health advocacy services to assist them with better access to health and recovery information and timely responses to treatment questions. [Click here to read more >](#)

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ECONOMIC AND MARKET FORCES : *how they will drive employer actions*

With the economy's growth happening slowly in 2013, risk managers and human resource personnel continued to face challenges related to economic and market forces. Sedgwick advised on cost control strategies to help make a positive impact on the bottom line, and also provided recommendations on how to address risk exposures driven by the current landscape, including supply chain risk, fraud and potential chances for system security breaches, underinvestment in business continuity/disaster recovery planning, increasing regulatory compliance failures due to workload pressures, workforce degradation, and more. [Click here to read more >](#)

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WHAT WASN'T PREDICTED? : *the impact of political gridlock*

The political gridlock caused by the recent sequestration and ensuing 16-day partial government shutdown reverberated across the national and global economy. Budget and debt limit talks are scheduled in January and February so it's fair to speculate there may be more political gridlock ahead. The public's ability to tolerate the status quo versus the initiative to change leaves the political landscape in question after the 2014 House and Senate elections, and business must plan and respond accordingly.