

PARADOXICAL INCENTIVE POINTS

- I. Treatment providers compensated for care versus outcomes
- II. Attorneys compensated by enlarging benefit receipt
 - i. Is the only way counsel is paid dependent upon the settlement
- III. Disproportionate vendor reward to system/worker gain
- IV. There are some attorneys who urge RTW and others that do not
 - i. There is a perception once an attorney is involved RTW is off the table
- V. What is the role of the requirement of resignation as condition of settlement
 - i. Jurisdictions have tried to prohibit
 - ii. It happens every day.
- VI. Is the goal of the system to get back to work
 - i. The question raised is whether with a compromise and release the person is adequately taken care of – did the employer do enough?
- VII. Is the employer obligated to do “enough” or to do what the law requires
- VIII. Industry and Regulator interest in over-service
 - i. Doctors may seek more service for payment
 - ii. UR company may force multiple requests for multiple billings
- IX. Dr. releases to RTW and is measured as beneficial due to that
 - i. When patient is fired for inability to work or suffers new injury the outcome is undesired
- X. Services or products that add cost without adding value
 - i. Duplicity exists in the market
 - ii. Drobot
 - a. Hundreds of millions of dollars, one carrier has \$100 million.
 - b. Doctors will not police doctors
 - iii. Will any profession self-police?
- XI. System design impacted labor relations outside the workers’ comp system
 - i. Disability management and HR
 - ii. The effect on this claim and the next
 - iii. Comp is a subset of the employer and employee relationship
 - iv. Effects outlook of employers
 - v. Effects the perceptions and expectations of employees
 - vi. Human put back into human resources
 - vii. Health of company might be measured attendance, absenteeism, injury rate and workers comp
 - viii. There is a value to having employees engaged in the environment
 - ix. If engaged in day to day, then more likely engaged after an event
 - x. Employer sets the tone and can engage that element completely
 - xi. Management has a stake in these claims
 - a. Unless there are conflicting incentives in management engagement
 - xii. Poor management and poor education is a troublesome issue

- xiii. Collaboration in management/labor could be increased

- ix. There are the “A” students, and the issue may be getting more “A” students in the marketplace

- XII. How do we raise the level of the conversation and the volume of the conversation?
- XIII. The opt-out entities are convinced of a need for alternative b/c system is so broken
 - i. We can agree system is faulted in some ways
 - ii. The challenge is identifying what is broken.
- XIV. Friction in the system is a big deal
 - i. We have to find a better way to deal with conflicts and resolve issues
 - ii. Trying so hard to prove disabled that they have no time to focus on getting better
 - iii. Disability becomes part of who we are.
- XV. Challenge for business
 - i. Long term employees, aging bodies
 - ii. Placement can become difficult
 - iii. Lifetime medical and the comorbidities that come with it.
- XVI. Interaction with/similarities federal systems
 - i. SSDI success rates are dropping from perhaps 90% to more like 60%
 - ii. Disability systems hard to maintain
 - 1. Costs
 - 2. Perceptions