

THE FORUM

Controlling medical costs

MODERATOR



Richard Lenkov, capital member, Bryce Downey & Lenkov L.L.C.

Mr. Lenkov's practice areas include insurance litigation and workers compensation, among others. With nearly 20 years of experience, he serves as co-chair of the Claims and Litigation Management Alliance's Workers Compensation Committee.

What is the No. 1 reason for increased medical costs?

JEFF A. KADIS: The lack of immediate/proactive involvement in and oversight of the employee's medical treatment. If you don't get involved until three or six months after treatment has started, the ship has sailed.

BARRY M. WILSON: I believe it's a combination of increased utilization in specialty testing and medical inflation.

NATASHA L. SUMTER: An aging society post years of subpar Food and Drug Administration regulations, which has led to an increase of chronic illnesses.

EDWARD C. LAWHEAD: Advancements in new medical-related technology has led to an increase in the cost of surgical procedures and diagnostic testing.

Opioid abuse continues to be a major cost driver. How are you dealing with this growing issue?

KADIS: We communicate with the initial authorized treating physician about the proposed course of treatment as soon as possible. If opioid/narcotic pain management is acutely prescribed, intervention protocols need to be put in place before the next prescription is written.

WILSON: Communication. When the medical professionals, associate, nurse case manager and employer communicate, you are in a proactive position to mitigate abuse.

SUMTER: We are looking for drug-seeking behaviors as early as the initial contact until conclusion of treatment. We consider formulary plans and require physician justification for continuance. Thereafter, we obtain second opinions, utilization reviews and/or independent medical examinations, as respectively applicable and enforceable.

LAWHEAD: Medical providers should limit the duration of use of opioids and encourage the use of nonaddictive alternatives. Obviously, the longer someone takes these drugs, the more dependent they become, which leads to a downward spiral into abuse. Cutting off the duration of use before the addictive tendencies manifest themselves is one solution.

How do you balance the benefits of hiring experts with the goal of reducing overall costs?

KADIS: Each case is different. A standard cost-benefit analysis is called for in every unique claim situation.

WILSON: If the expert makes

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Barry Wilson, Phillips Edison and Co.

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a difference for the associate, getting them to maximum medical improvement and putting them in a better position to return to work, then the benefit outweighs the costs.

SUMTER: We have all seen tens of thousands of dollars spent over months and years on an out-of-control claim. The few thousand on experts can reduce future medical costs by reducing treatment times and severity of meds. Detox facilities are becoming more used as a direct result of allowing meds with addictive traits to be consumed for extended periods of time.

Do you have any success stories where you turned an expensive claim around with regard to medical?

KADIS: Several — and most of them involve a fresh set of eyes looking at a longstanding claim that had fallen into a pay-for-the-same-old-ongoing-medical-treatment-regimen-without-any-periodic-review rut.

WILSON: Yes, working with a case management firm that had the expertise to handle catastrophic/complex claims.

Do you agree that giving employers more control over medical care reduces overall costs?

KADIS: Yes, but not to the exclusion of a good working partnership with involved medical providers.

WILSON: No, but I do believe that the employers need to stay engaged with the injured worker. It would assist with getting better outcomes.

SUMTER: I do not. I support the checks and balances. I do support an independent, unbiased medical expert controlling medical. Giving employers more control leaves room

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Natasha Sumter, BerkleyNet Underwriters L.L.C.

LAWHEAD: Practically speaking, probably “yes,” but that is because in my experience as a plaintiffs injury attorney, I encounter very often where the employer/insurance carrier will look for the “cheap” way out of a claim and deny a great deal of the recommended treatment such as testing, therapy and injections. Consequently, costs are certain to go down if more and more treatment continues to be denied, but unfortunately it is the injured worker who is paying the ultimate price in terms of delayed recovery.

What are some tools that our readers can employ in their practice to keep medical costs under control?

KADIS: Regular claim reviews — possibly every 30 to 60 days — which specifically focus on an employee’s ongoing medical treatment regimen would help ensure that these potentially problematic claims don’t get out of control.

WILSON: Nurse triage and/or case management at the beginning of a claim.

SUMTER: The most important tool is an effective network. Work with nurses, attorneys and trusted physicians to tailor your network. A pharmacy benefits manager that alerts of extended drug use and require physician justification for extended use at each fill post-formulary expectation. A team of nurses with local experience and networks.

MEET THE PANEL



Jeff Kadis is a Charlotte, North Carolina-based partner at Hedrick Gardner Kincheloe & Garofalo L.L.P. where he serves

as the chair of the firm’s workers compensation practice group. He focuses his practice on workers compensation, with an emphasis on defending occupational disease and chemical exposure claims.



Natasha Sumter is a claims director at BerkleyNet Underwriters L.L.C., a W.R. Berkley Company. Ms. Sumter, who is

based in Manassas, Virginia, was a recent law school graduate when she began her career in workers compensation with BerkleyNet as a claim representative 6½ years ago.



Edward C. Lawhead is a partner at Malloy, Etzler & Lawhead P.C. based in Highland, Indiana. He has been a plaintiffs injury and disability attorney for over 10 years and enjoys



Barry Wilson is director of risk management for Phillips Edison & Co. in Cincinnati. He has been with PECO since 2016.

Mr. Wilson oversees enterprise risk management, insurance and claims.

6/14/2018

for heightened litigation based on
allegations of personal, tilted bias.

Workers Compensation (WC) Summer 2018

advocating for his clients' rights.

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