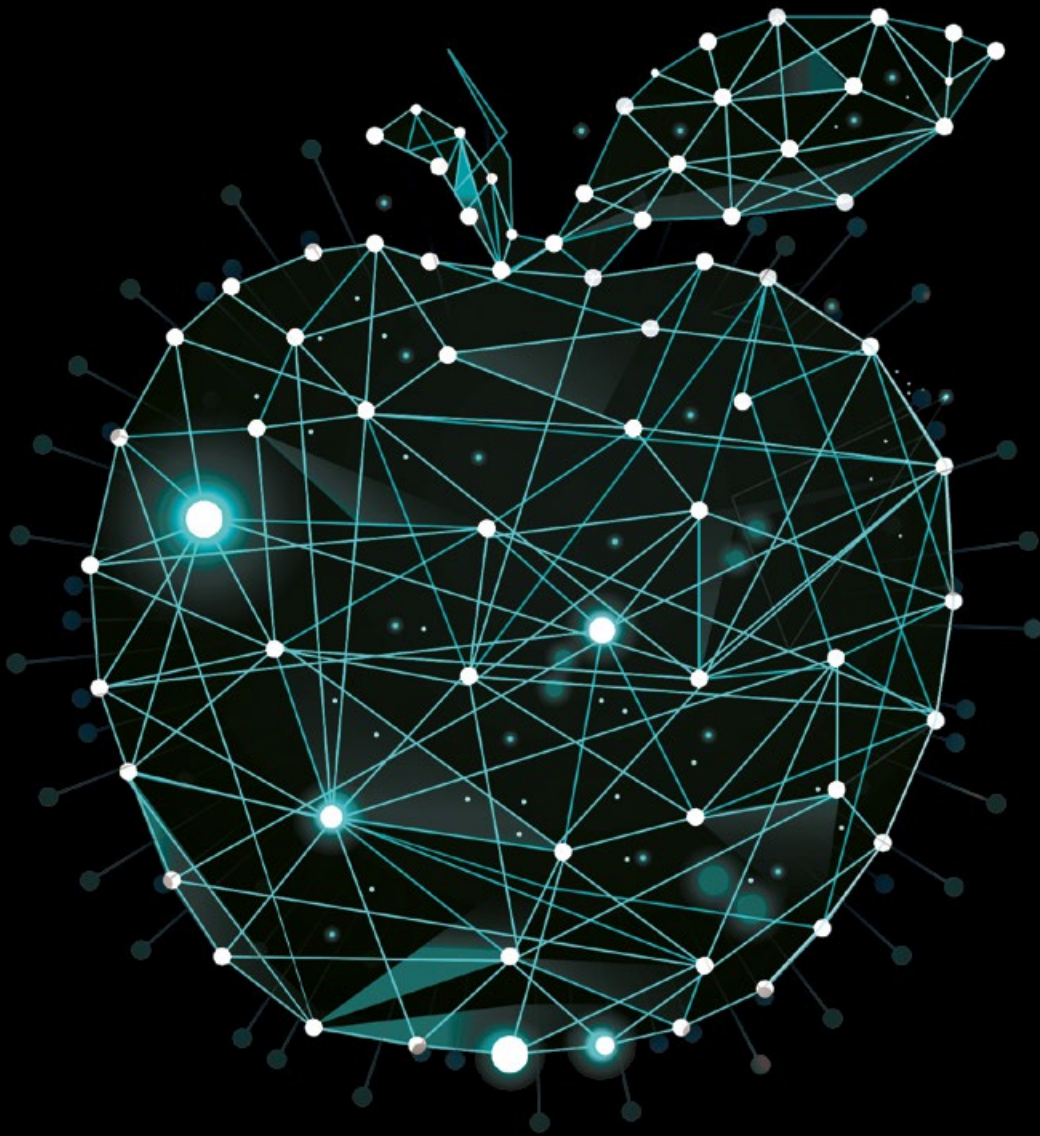


**Deloitte.**



## The future of workers' compensation

**How workers' compensation organizations are improving return-to-work outcomes**





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# Executive summary

Return to work is the foremost priority for workers' compensation organizations (WCOs) globally, which support the health and wellness of injured workers. Externally, WCOs are facing increasing pressures, including rising customer expectations, a shift in the nature of work, and changing economic, socio-cultural, and political landscapes. These factors are requiring WCOs to reevaluate their approach to empowering injured workers and improving their return-to-work (RTW) outcomes in a highly dynamic market.

Based on an international survey of 18 WCOs across Canada, Australia, and the United States, WCOs are prioritizing a number of actions that can be broadly classified under five levers. These levers enable improvements both to recovery and RTW outcomes, and to the experiences of injured workers. Additionally, WCOs can achieve a number of internal business benefits, including reductions in manual segmentation and triaging, internal handoffs, and data entry, and deflection of the majority of customer calls resulting in greater capacity to serve injured workers.



## Risk-based segmentation

This is the adoption of a more holistic approach to case classification, centred on the level of risk there is of an injured worker failing to return to work. By segmenting claims (also commonly called triaging) with a consideration of factors beyond injury severity and length of lost time, WCOs can ensure that the right resources and level of interaction are provided to injured workers to meet their unique needs.



## Standardized plans

The use of consistent, proven, pre-defined recovery and RTW plans as "blueprints" to support the management of lower-risk cases enables automation, reduced time spent on developing customized plans, and greater consistency in supporting injured workers. As a result, injured workers will have a better understanding of what others have done to resolve similar workplace injuries, and can receive proactive support and intervention if they deviate from the pre-defined boundaries.



## Case management team structures

This refers to the case management organizational structure evolving to tailor the composition and skillset of case management teams to the distinct needs of each risk-based segment. Designing team structures against each risk level ensures that WCOs are organized to efficiently deploy the right skillsets to support the needs of the case. More capacity to focus on specialty cases will also reduce the typical response time in case management.



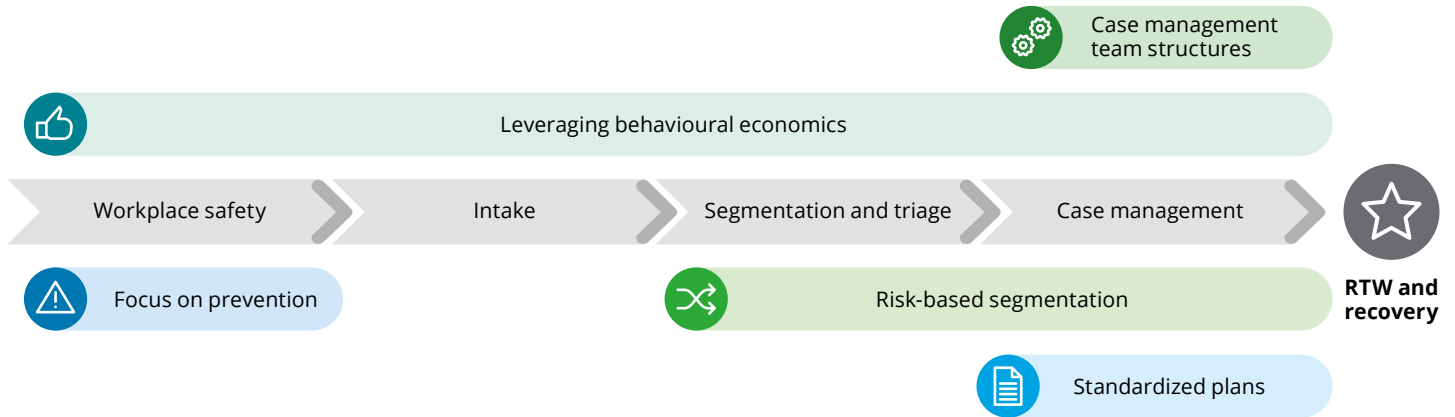
## Focus on prevention

Proactive prevention efforts aim to reduce the risk of workplace injuries and their resulting health and financial impacts. Prevention will provide an opportunity for WCOs to develop and expand partnerships with employers, healthcare providers, and other stakeholders to improve the health and safety of workplaces.

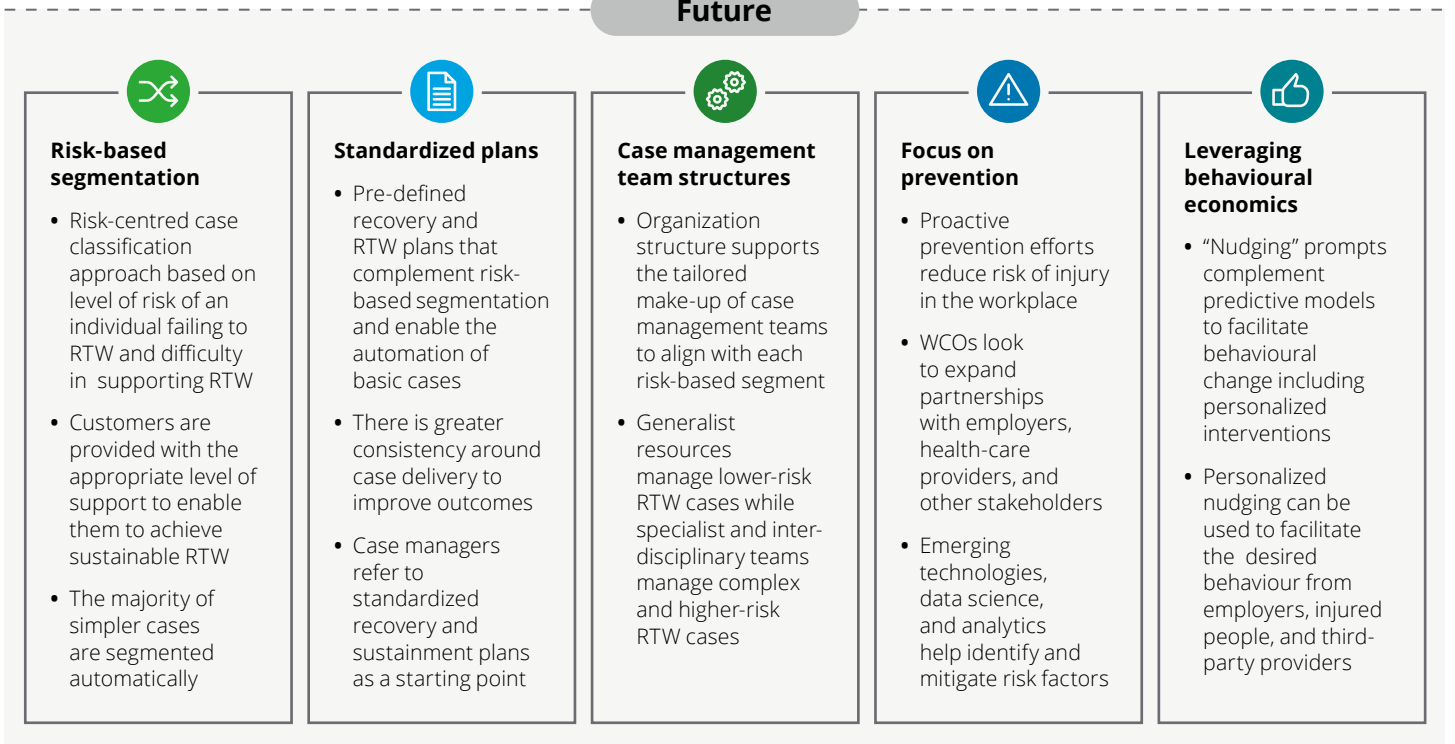


## Leveraging behavioural economics

Targeted behavioural prompts through techniques such as "nudging" can help influence the behaviours of employers, injured workers, healthcare providers and other stakeholders in order to support RTW objectives. Organizations are transitioning from taking broad, population-wide actions to support RTW to personalized, targeted interventions.



**Future**



# The changing landscape of workers' compensation

The core objective of WCOs around the world is to improve RTW outcomes by getting injured workers back to the workplace as quickly and sustainably as possible. For WCOs, a number of external pressures are making it more challenging to achieve their core objective. These pressures include:

## **Rising customer expectations**

The rise of customer-centric digital experiences, and the promise of instant, automated interactions offered by leading technology companies (e.g., Facebook, Amazon) has resulted in an expectation of the same level of speed, and digital service from WCOs.

## **Shift in the nature of work**

The creation of new types of roles (e.g., driven by the gig economy), an increase in the number of small and medium-sized enterprises (SMEs), and a rise in increasingly complex injury types (e.g., rise in mental health claims) is forcing WCOs to adapt in support employers and workers.

## **Changing global and national economic, socio-cultural, and political landscape**

WCOs are being impacted by many external factors out of their control, such as an aging workforce and access to talent, risk of an economic slowdown, reduced stigma of mental illness, and changing legislations. These factors will force them to make strategic investments at a time of greater uncertainty than in past decades.















# Improving RTW outcomes: Levers for success

To develop a perspective on how WCOs are improving their RTW outcomes and achieving cost savings in this time of change, Deloitte surveyed and interviewed industry experts and leading WCOs to assess the levers necessary to lead WCOs into the future.

The following section outlines five key levers for success that WCOs can use to improve their RTW outcomes. Each of the levers includes an overview of leading practice, and the capabilities and investments needed to achieve the future state.



## Lever for Success #1: Risk-based segmentation

In recent years, there has been increased focus on adopting a holistic approach to segmentation that incorporates multiple variables that can affect injured workers. Leading organizations are transitioning towards the use of risk-based segmentation, which determines the complexity of a case by understanding the risk of an injured worker failing to achieve sustainable RTW and the amount of support required to achieve it.

WCOs are assessing risk-based segmentation by focusing on a broad range of variables, including the injury, length of lost time, other health factors such as obesity or depression, and occupation (which may affect the ability of workers to recover and return to work). Additionally, employee, lifestyle, and behavioural variables, including past interactions with their WCO, help organizations understand how to best engage with injured workers during their recovery to maximize their likelihood of returning to work.

Of surveyed organizations, 94 percent indicated that a multi-variable triaging model considering factors beyond injury type is their top segmentation priority.

As the risk profile of claims changes, segmentation shifts from low complexity, primarily automated segments towards higher complexity, higher touch segments. Across WCOs, these segments are defined differently, but show consistency in how they take into account the varying skillsets and interaction types required at each level of risk. With this method, around 70 percent to 80 percent of cases are expected to be highly automated, freeing up capacity for cases needing a greater degree of support. Segmentation will occur automatically upon initial registration, and will be monitored and adjusted throughout the claim to make sure that segmentation is based on the identified level of RTW risk. This ensures that injured workers receive the appropriate care.

Of surveyed organizations, 67 percent indicated that in the future they expect that more than 80 percent of claims will be automatically segmented, triaged, and assigned with no manual intervention.

**Exhibit 1: Risk-based segmentation complexity**

	Low complexity	Medium complexity	High complexity
<b>Guiding principle</b>	<b>Basic cases</b> that can be automated or require minimal manual intervention	More complicated cases, where <b>recovery and RTW outcomes can be achieved</b>	Cases where <b>recovery and RTW potential may be limited</b> , but which still require care and support from the WCO
<b>Recovery</b>	Expected, with minimal recovery guidance	Expected, but requiring close health-care	Not expected, with high intervention required if recovery is possible
<b>Return to work (RTW)</b>	Expected, with minimal RTW guidance	Expected, but requiring close RTW guidance	Not expected, with high intervention required if RTW is possible
<b>Expected case duration</b>	0-14 days	14+ days	Longer term
<b>Example injuries</b>	<ul style="list-style-type: none"> <li>• Sprains</li> <li>• Strains</li> <li>• Bruises</li> </ul>	<ul style="list-style-type: none"> <li>• Shoulder injuries</li> <li>• Lower-back injuries</li> <li>• Fractures</li> </ul>	<ul style="list-style-type: none"> <li>• Terminal cancer</li> <li>• Traumatic mental stress</li> <li>• Fatalities</li> </ul>
<b>Expected case distribution</b>	70-80% (55-65% fully automated)	10-20%	5-10%

 **Achieving the future state**

WCOs should develop the following key capabilities:

Workforce	Operations	Data and technology
<p><b>Enhance staff skillsets to support the development and management of risk-based segmentation models. Restructure the operating model and processes to support automated segmentation</b></p> <p><i>Talent retention and attraction programs:</i> Recruit technical talent skilled in data and analytics in order to build and manage segmentation models, while shifting staff in existing manual claims segmentation roles to higher-value tasks</p> <p><i>Training:</i> Upskill existing resources and equip them with the necessary tools and education required to deliver on their new or updated responsibilities</p>	<p><b>Restructure the operating model and processes to support automated segmentation</b></p> <p><i>Business model design:</i> Design the future- state operating model to support a risk-based segmentation approach</p> <p><i>Process design:</i> (Re) design processes to support automated segmentation, ongoing re-segmentation, and other required process changes (e.g., connecting with data from third-party healthcare providers)</p>	<p><b>Develop the predictive models to support automated segmentation and triage</b></p> <p><i>Access to data:</i> To support segmentation, ensure access to a breadth of internal and third-party health data (e.g., healthcare assessments, claims history), behavioural data (e.g., psychosocial factors, motivation to RTW), and fraud data (e.g., inconsistencies between healthcare provider and employer claims reports)</p> <p><i>Advanced analytics capabilities:</i> Invest in the requisite analytical models to successfully predict RTW risk, both upon claims intake and on an ongoing basis</p>





## Lever for Success #2: Standardized plans

Many WCOs currently develop their recovery and RTW plans on an ad hoc basis, tailoring treatment, RTW activities, and timelines to each injured worker. While this can support a high quality of plan design, it comes at the cost of greater time requirements and a lack of consistency. These constraints can result in multiple negative impacts, including lower rates of following best practices (e.g., due to lack of sufficient time to develop the required plans) and delayed access to treatment, ultimately harming recovery and RTW outcomes.

Of survey respondents, 83 percent indicated that today, each case is reviewed individually and a bespoke case treatment plan is created by a specialized case agent.

Leading WCOs are now shifting towards the use of standardized plans - pre-defined recovery and RTW plans. Standardized plans follow a set of best practice recommendations for the recovery and RTW of specific injuries, with some tailored recovery and RTW considerations (e.g., the number of medical appointments) based on analytics and / or other provided information. This information includes injury type, employment type, claims history, and co-morbidity variables such as obesity and depression. For example, the treatment and RTW for a sprained ankle would follow a standardized set of best-practices recommendations, which may be tailored based on unique aspects of the case. A knee injury coupled with obesity would require a modified level of treatment compared with a knee injury of an individual with no additional health concerns.

Following segmentation, cases would be automatically assessed to determine the appropriate standardized recovery and RTW plans for an injured worker's situation. While the majority of cases would not require additional manual modification beyond the initial standardized plans, case managers would still maintain the ability to modify plans and customize as needed, guided by a set of best-practices recommendations and pre-defined aspects. Standardized plans would not remove the ability for case management staff to respond to claims based on the facts of each case. Based on a Deloitte estimate, approximately 80 percent to 95 percent of cases would leverage standardized plans—with some requiring a degree of manual modification—and the development of fully customized recovery and RTW plans will be required only for the most complex of claims (e.g., post-traumatic stress disorder).

By using standardized plans as guidelines for the case manager and injured worker, WCOs gain multiple benefits. Injured workers can be provided with access to recovery and RTW recommendations sooner, improving RTW outcomes. WCOs are given a basis to monitor injured workers' actual recovery and RTW against planned timelines and outcomes, allowing for proactive remediation and continuous refinement of their plans. WCOs can ensure all plans are developed in a consistent manner, leveraging best practices, and remove the time pressure on staff to create a large number of plans by giving them a best-practices foundation. Finally, a high level of transparency can be provided to injured workers, employers and healthcare providers by providing clear visibility into upcoming timelines.

Standardized plans do not remove the need for case management staff to understand the unique attributes of each case. They enable the staff to shift efforts away from manually developing plans toward higher-value relationship-based activities.

The number of WCOs planning to leverage pre-defined best-practices case plans are expected to grow over three times in the next five years, increasing from 11 percent today to 39 percent of organizations.

 **Achieving the future state**

WCOs should develop the following key capabilities:

Workforce	Operations	Data and technology
<p><b>Prepare staff to support recovery and RTW, leveraging a standardized plan approach to case management</b></p>	<p><b>Develop the required segmentation models, plans, and internal processes</b></p>	<p><b>Support the ongoing refinement of standardized plans and delivery of plans, and the systems to support seamless case management</b></p>
<p><i>Training:</i> Revise case manager training to reflect the use of standardized templates and technology-enabled tools. Enhance engagement-based training (including motivational interactions that focus on the injured workers) to improve the quality of plan delivery and increase buy-in from injured workers</p>	<p><i>Risk-based segmentation:</i> Understand what claims will benefit from standardized plans and where customization is required</p> <p><i>Recovery and RTW best practices:</i> Understand best practices in case management to enable recovery and RTW, and input these into the plans</p> <p><i>Digital case management processes:</i> Design workflows to support digital self-service and monitoring against standardized plans</p>	<p><i>Data and analytics:</i> Leverage recovery and RTW data to develop, refine, and recommend standardized plans. Alternatively, purchase preliminary plans from external providers</p> <p><i>Technology systems / platforms:</i> Enable pre-population of data and automated assignment of standardized plans, and support staff in engaging with injured workers and tracking the progress of recovery and RTW against plans</p> <p><i>Document digitization:</i> Enhance digital document management to simplify the storing and retrieving of claims-related documents for case management staff</p> <p><i>Access channels:</i> Enable staff, injured workers, employers, and other third parties to access the plans through the necessary channels</p>







**Lever for Success #3: Case management team structures**

With the changing environment and increased use of technology-based solutions, there is an opportunity for WCOs to review skillsets of operating teams and the way they are structured. Team size, structure, and skillset will be designed around risk-based segmentation, with differing team structures based on the complexity of the claim.

For **low complexity** claims, with the increased use of automation and self-service there is a reduced focus on active case management and an increased use of customer service support. For the majority of claims, full automation will reduce the need for manual human intervention. Standardized plans will be leveraged to guide the recovery and RTW process, supported by automated digital prompts and self-service interactions with injured workers, employers, and healthcare providers (e.g., appointment reminders).

For low complexity claims with an identified need for manual intervention (e.g., risk of deviation from the recovery or RTW plan), case managers would take on a customer service role. For this type of claim, WCOs will shift to the use of multidisciplinary resource

pools (i.e., staff with broad service skillsets) to deliver faster issue resolution, following the pre-defined case management plans. As a large majority of interactions will focus on outbound communication to support plan adherence, the need for dedicated case ownership will be reduced as staff gain the ability to pick up any case management task, guided by system-generated activity assignments. The system-generated prompts provide WCOs with the ability to assign activities to the next available staff member. Staff will leverage digital case files with a high degree of accuracy and simplicity to enable them to easily understand the relevant case information and deliver the required activity (e.g., following up on missed appointments) without requiring end-to-end ownership of claims. WCO resources will act similarly to contact centre staff, providing injured workers with both proactive and reactive support when human intervention is required to shift claims back to the automated, pre-defined case management path.

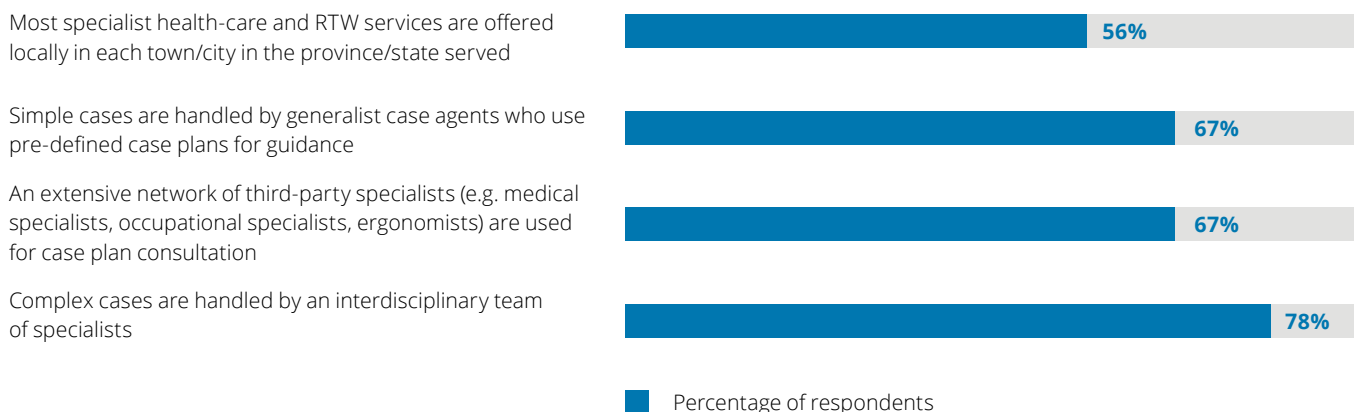
In the **medium complexity** segment, case management will shift to a model that entails the interdisciplinary support of healthcare and RTW roles. Because the claims are more complex, more specialized resources and case management experience will be required. Resources within the

interdisciplinary team, such as RTW staff, would be engaged as needed to complete the necessary tasks to support recovery and RTW (e.g., customization of a RTW plan). Specialized staff would work collaboratively when prompted by the system, in an interdisciplinary working style, to resolve case management activities.

Within the medium complexity segment, case ownership models will vary based on each organization's needs. The potential exists for WCOs to shift to a fully queued resourcing model, enabling any resource with a given skillset to complete the required case management activities. By reducing individual ownership of claims, this model will enable a faster level of service but it may not be suitable for all organizations. Overall, interdisciplinary teams enable a shift to a higher degree of specialization and collaboration while still leveraging a consistent resourcing structure.

For the **high complexity** segment of claims facing WCOs, a shift to a mission-based team model will be required. Highly skilled and specialized resources will be pulled together to create customized teams whose collective skillsets are aligned to the needs of specific case types (e.g., occupational disease, mental health). These mission-based teams would include

**How do WCOs expect case management teams to operate in the future state?**



**Exhibit 2: Case management team structures**

	Low complexity	Medium complexity	High complexity
<b>Guiding principle</b>	<b>Basic cases</b> that can be automated or require minimal manual intervention	More complicated cases, in which <b>recovery and RTW outcomes can be achieved</b>	Cases in which <b>recovery and RTW potential may be limited</b> , but which still require care and support from the WCO
<b>Example case distribution</b>	70-80% (55-65% fully automated)	10-20%	5-10%
<b>Key roles</b>	Multidisciplinary resource pools (for non-fully automated claims)	Interdisciplinary teams, including a case manager, recovery expert, and return-to-work expert	Mission-based teams, with specialized resources based on specific case needs
<b>Case ownership</b>	No individual case ownership	Best practices varied by organizations' needs; potential for no individual case ownership	Shared ownership within pod
<b>Key skillsets</b>	<ul style="list-style-type: none"> <li>Customer service capability focus (e.g., empathy, flexibility)</li> </ul>	<ul style="list-style-type: none"> <li>Healthcare and/or RTW expertise</li> <li>Case management experience</li> <li>Potential industry focus</li> <li>Highly collaborative, within consistent team structure</li> </ul>	<ul style="list-style-type: none"> <li>Deep healthcare and/or RTW specialization</li> <li>Case management experience</li> <li>Likely industry focus</li> <li>Highly collaborative, within flexible team structure</li> </ul>

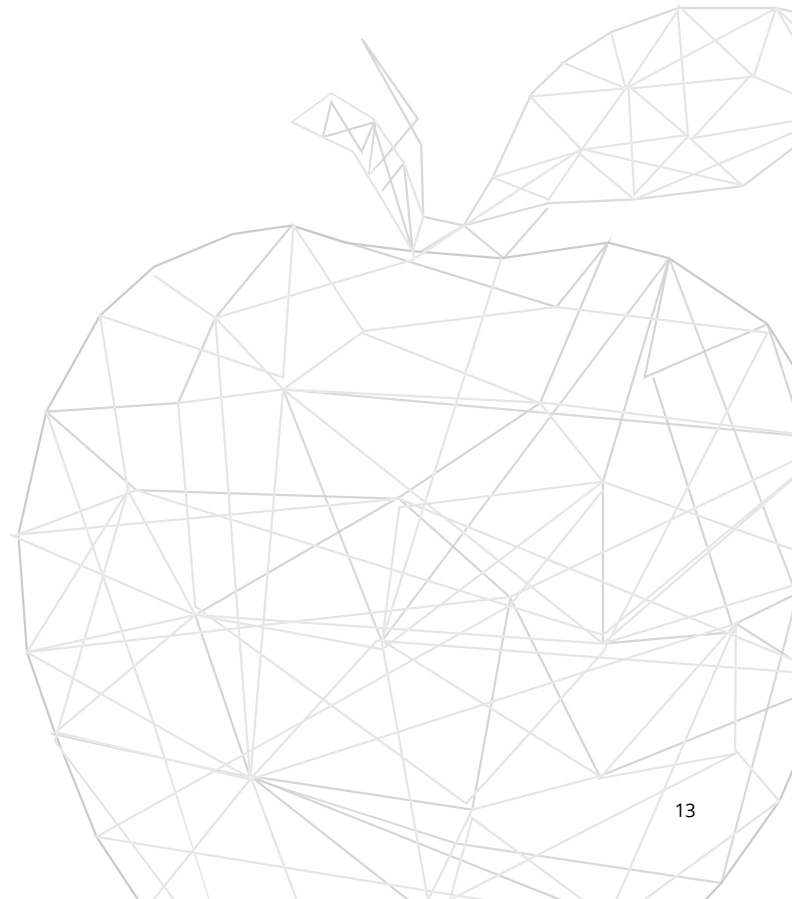
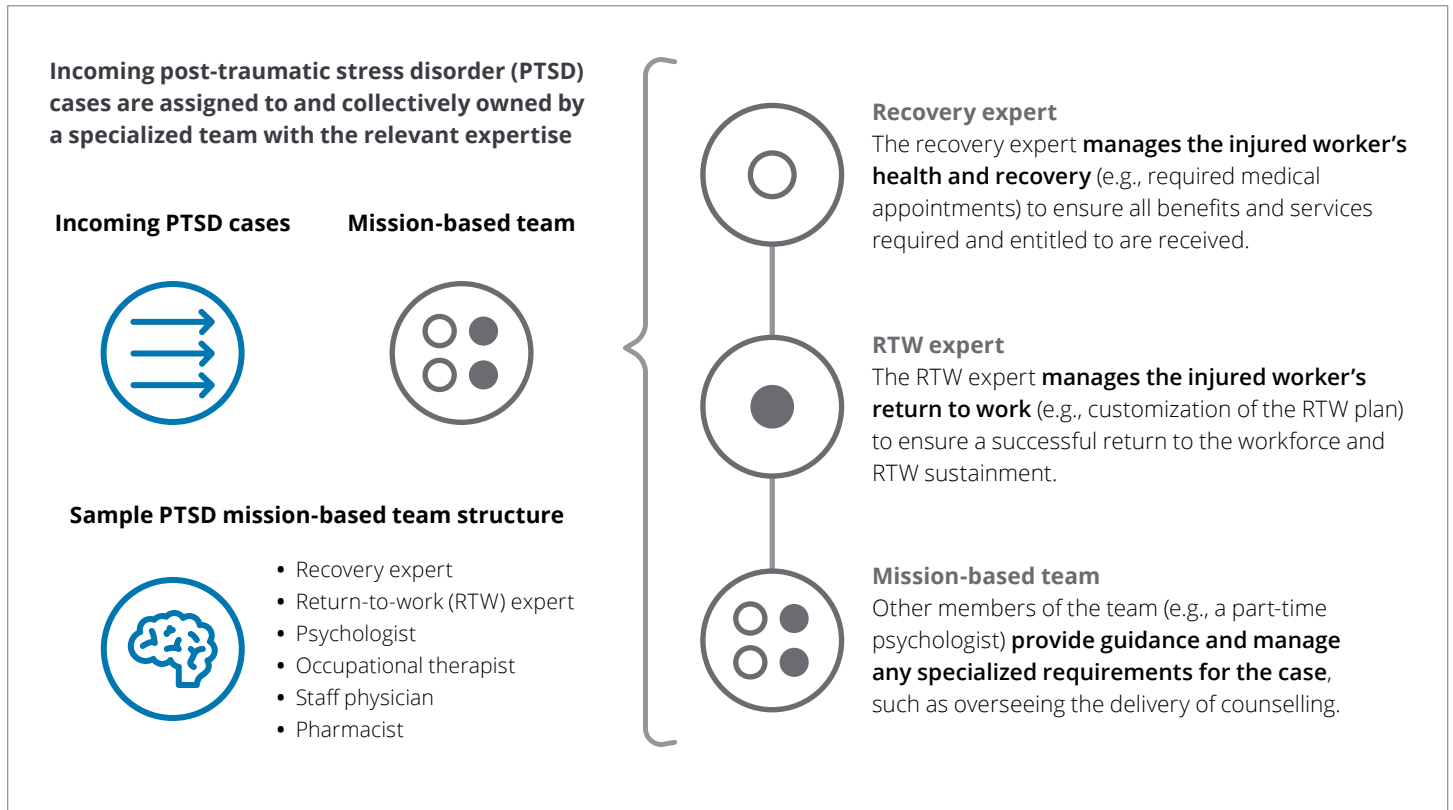
all necessary roles to meet an injured worker's claims needs, from RTW experts to psychologists to occupational therapists, with some part-time resources working across teams based on their required time commitment for each case (e.g., physicians). To successfully collaborate, cases would shift to a shared ownership model, where the mission-based team would be collectively responsible for delivering on RTW outcomes, and staff would be individually responsible for the completion of their specialized tasks, such as entitlement decisions.

As WCOs change the way they structure their case management teams, RTW outcomes will improve. Injured workers, employers, and healthcare providers would have the ability to contact all of the key team members supporting them, and would be directed to and engage with the most impactful WCO resources at the right time. WCOs will be able to deliver faster service thanks to the shift away from individual case ownership, and have higher quality decision-making due to the more frequent and earlier engagement of specialists on complex claims.

About 78 percent of survey respondents indicated that complex cases will be handled by an interdisciplinary team of specialists, while 67 percent indicated that simple cases will be handled by multidisciplinary case agents who use pre-defined case plans for guidance.



Exhibit 3: Illustrative mission-based team interaction scenario



 **Achieving the future state**

WCOs should develop the following key capabilities:

Workforce	Operations	Data and technology
<p><b>Redesign and enable operational and leadership roles and organizational structure to support a risk-based segmentation model</b></p>	<p><b>Enhance the operating model and processes to enable self-service, automation, and new interaction models within teams</b></p>	<p><b>Enable the predictive models and systems to drive decision-making, automated activity assignment, and digital self-service</b></p>
<p><i>New roles:</i> Realign roles to support a risk-based segmentation model, including leadership for new case complexity divisions and the launch of mission-based teams for high complexity claims</p> <p><i>Talent attraction and retention:</i> Focus on hiring and retaining new talent with the right skillsets, such as adaptability, teamwork, and the ability to learn</p> <p><i>Training:</i> Provide opportunities for upskilling of existing staff for new roles, responsibilities, and organizational structures. These include improved customer service skillsets, focusing on empathy and conflict management, and training to identify mental health signals</p> <p><i>Change management:</i> Support staff at operational and leadership levels to mitigate the business impact, incent collaborative behaviours, and sustain new behaviours</p>	<p><i>Operating model design:</i> Restructure the operating model, including an understanding of where automation occurs and where manual support is required to deliver on the necessary team structure</p> <p><i>Process design:</i> (Re)design processes to enable a greater degree of self-service and automation, and support realigned roles and new interaction models between teams (e.g., clear processes and escalation pathways within each complexity segment)</p>	<p><i>Data-driven decision-making:</i> Develop and leverage analytical models to automatically provide case management resources with the relevant claims data required to drive decision-making, such as when manual intervention is required for automated cases</p> <p><i>Technology systems:</i> Ensure the supporting technology is in place to enable new case management models that support both a shared and a lack of ownership of claims, the ability to automate system-generated activity assignments to the relevant case management team members, and enablement of digital self-service and automation</p>





**Lever for Success #4:  
Focus on prevention**

A prevention-focused transformation is underpinned by a strong focus on the injured worker, engagement of the community, and the use of emerging technologies (e.g., big data, AI) in order to enable simpler and more connected ways of working. While health and safety mandates for WCOs differ across jurisdictions, prevention efforts can support all WCOs in realizing sustained reductions in claims volumes and costs, higher safety literacy rates, and communal ownership of prevention.

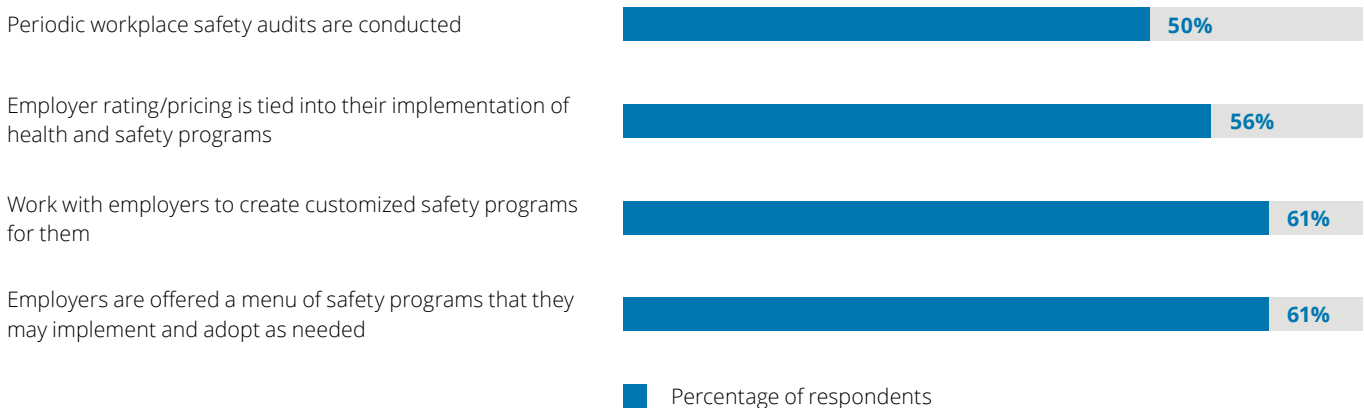
An important enabler for prevention is workplace safety monitoring and surveillance. Anticipating risks by leveraging workplace data and analytics can help to manage risks and establish proactive responses. Additionally, it is critical to ensure there is an effective escalation process for emergencies across employers, community organizations, and WCOs. It is important to approach prevention with an interdisciplinary lens to create productive dialogue between WCOs' legal, workplace design, technology, and human resources teams.

Encouraging employers to take proactive measures to improve health and safety will also be essential to support prevention. For example, tying employers' rates to their implementation of health and safety initiatives and reduction of claims will encourage employers to invest in their own prevention efforts. John Deere is an example of one such employer proactively investing in their workers' safety. John Deere is currently using Virtual Reality (VR) headsets to conduct ergonomic and safety assessments of new machine designs in order to identify and correct high-risk processes.

The use of connected devices in the workplace is another key driver of safer workplace environments. Connected sensors (e.g., attached to tools and uniforms) have the ability to detect potential threat to safety. A connected ecosystem generates large volumes of data that can be analyzed to tailor programs of care, deliver proactive intervention, reduce claims costs, and ensure adherence and effective implementation of workplace prevention programs. This approach aligns the behaviours of WCOs, employers, employees, and the broader community to prioritize and actively manage workplace safety and awareness.

With the rise of new prevention techniques, such as providing a menu of safety options and partnering with community organizations, the percentage WCOs relying on traditional prevention methods, such as workplace audits, is expected to decline from 76 percent to 53 percent.

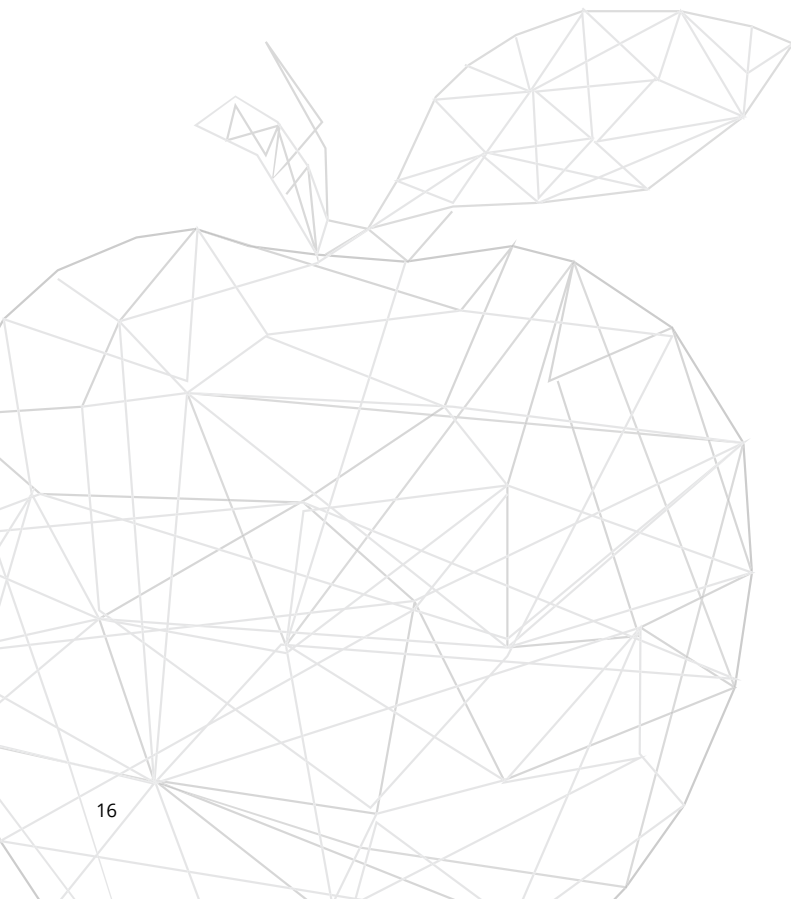
**How do WCOs expect to support prevention in the future state?**



 **Achieving the future state**

WCOs should develop the following key capabilities:

Workforce	Operations	Data and technology
<p><b>Transform the culture, internally and externally, to focus on health and safety</b></p>	<p><b>Expand collaboration with third parties to enable safety programs that encourage employers to actively prevent workplace injuries</b></p>	<p><b>Develop the analytical capabilities to identify opportunities to support employers and workers before injuries occur</b></p>
<p><i>Third-party partnerships and initiatives:</i> Engage with third-party organizations such as health and safety groups to ensure collaboration across communities</p>	<p><i>Customized safety programs:</i> Expand collaboration with employers and third-party organizations to develop tailored prevention programs</p>	<p><i>Predictive analytics:</i> Employ analytics to identify claims patterns across industries and organizations and to proactively support high-risk employers and workers</p>
<p><i>Talent:</i> Recruit technical talent skilled in data and analytics to build and manage prevention models, and enable insights into potential health and safety risks</p>	<p><i>Regulations and guidelines:</i> Collaborate with government organizations to inform the development of health and safety regulations, and promote regulatory standards to encourage a culture of embracing innovation and technology for prevention</p>	<p><i>Connected workplaces:</i> Collaborate with employers to encourage the use of connected devices to gather data and support prevention efforts</p>
<p><i>Culture change:</i> Shift the mindset of staff to ensure all decisions and actions are conducted in a way that prioritizes prevention</p>		



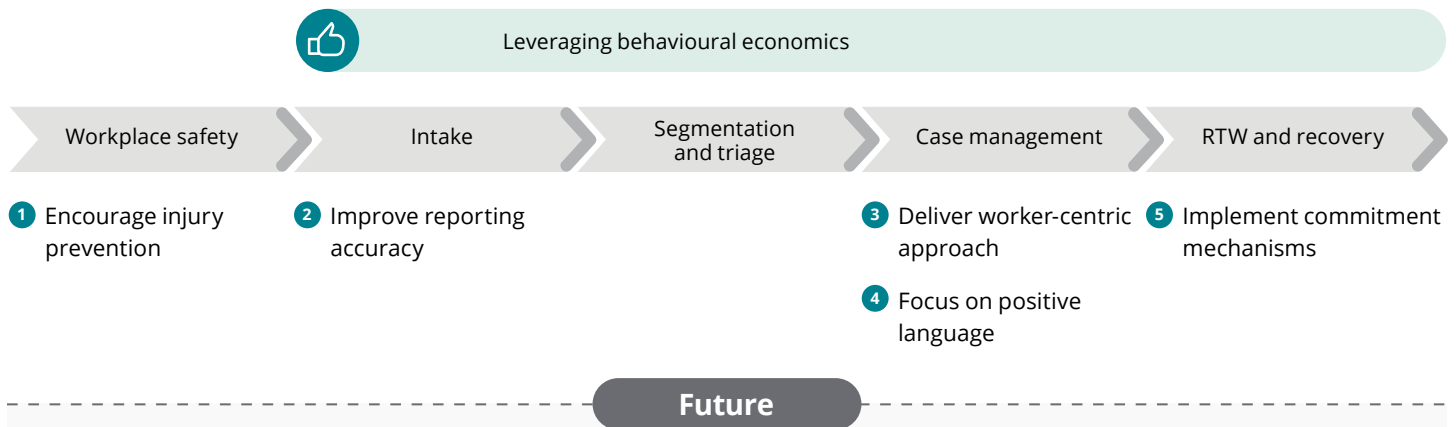
**Lever for Success #5: Leveraging behavioural economics**

A compelling case exists for WCOs to expand their use of behavioural economics to influence decision-making. Behavioural economics—the use of nudging, heuristics, and mental shortcuts to drive an intended set of actions—can be used across interactions with injured workers, employers, and healthcare providers. Behavioural economics can be extremely impactful throughout the RTW process. They provide injured workers with rationale for key RTW steps, which increases the likelihood of responses for additional injury documentation, and they encourage injured workers to actively commit to following their recovery plans, which drives improved plan adherence.

Nudging encourages injured workers to follow their recovery and RTW plans. Examples of nudging include simple, low-cost prompts that influence behaviour; for example, positive reinforcement and indirect suggestions. It has significant applications, such as using consistent language around recovery versus “injury management”. Likewise, personalized RTW goal-setting, highlighting social norms to incentivize commitment, and sending daily reminders will encourage injured workers to follow their recovery and RTW plans. Strategic nudging will not only accelerate case management but will give workers greater ownership over their RTW process. Significant improvements can be made to an injured worker’s experience through creating feelings of empowerment and control over their own recovery and RTW, and by ensuring they feel strongly supported by their WCO and employer.

The use of behavioural insights methodologies is still in its infancy, with WCOs surveyed highlighting limited future plans. However, a range of potential applications exists for WCOs.

**Exhibit 4: Sample behavioural economics applications**



**Examples of behavioural economics in the RTW process**

- 1 **Publishing employer injury rates online** and offering awards or public recognition to those with lower rates
- 2 Using key callouts on a **weekly online declaration form** to improve reporting accuracy through statistics or social proof (e.g., 99 out of 100 respondents in your city report their earnings accurately)
- 3 Training case managers to use **affective and cognitive reassurance** to take a **worker-centric approach** to RTW
- 4 Incorporating language that entails messaging focused on **recovery and RTW** for injured workers rather than “injury management”
- 5 Implementing **commitment mechanisms** to encourage RTW by having injured workers articulate **specific goals** or objectives, leading workers to commit to take charge of their own recovery and RTW



## Allianz case study

An example of the successful use of behavioural economics in RTW is an Australian study between Allianz, the New South Wales Department of Education, and the New South Wales Cabinet Behavioural Insights Unit (BIU). A new approach was built to personalize support for workers and encourage them to actively participate in the

recovery process. Practices included reducing the volume and detail of communications, reframing messaging to focus on recovery and RTW rather than on injuries, and having case managers provide more personalized support that was targeted to workers as individuals.

The results showed that workers receiving an approach leveraging behavioural economics returned to full health 27 percent faster than a control group in the first 90 days. Additionally, employees were almost three times more likely to have resolved their claims within 30 days.

### Achieving the future state

WCOs should develop the following key capabilities:

Workforce	Operations	Data and technology
<p><b>Deliver staff training and education to change the culture and processes to actively include behavioural insights methodology</b></p>	<p><b>Enhance the case management operating model to drive stakeholder engagement and enable processes that provide better support for workers</b></p>	<p><b>Enable advanced analytics to support both recommendation-driven and automated behavioural interventions, including nudges, throughout case management</b></p>
<p><i>Training:</i> Ensure staff are trained in behavioural insights methodology principles and are applying them throughout the case management process</p> <p><i>Cultural change:</i> Support an embedded culture focused on worker recovery rather than injury management</p>	<p><i>Worker engagement model:</i> Support a case management model that requires meaningful commitments from workers (e.g., verbal, written, interactive) to increase worker engagement in their recovery and RTW</p> <p><i>Personalized interactions:</i> Design processes to help workers feel a more personalized degree of support (e.g., tailoring self-serve portals to provide only the relevant content for injuries)</p>	<p><i>Data and analytics:</i> Leverage insights into common behaviours and interactions with injured workers to enhance the use of behavioural interventions</p> <p><i>Automation:</i> Enable automated nudging of employees, employers, and healthcare providers to drive efficiency gains</p>

# Prepare for the future

WCOs must take action today to shape the future of RTW, which hinges on improving injured workers' experiences, reducing lost-time days and ensuring sustainable return to work. However, the changes required to get to the future state will not come easily or quickly. To achieve this vision of improved RTW and the associated business benefits, the path forward requires reassessing current organizational priorities and initiatives.

WCOs must prepare themselves to become an organization of the future by hiring and upskilling for the necessary skills to fit into a new operating model, and through making the right technology investments. They must actively choose to invest in technology and automation, and incorporate digital engagement and analytics into their daily interactions with injured workers. Subsequent changes to roles, responsibilities, and performance

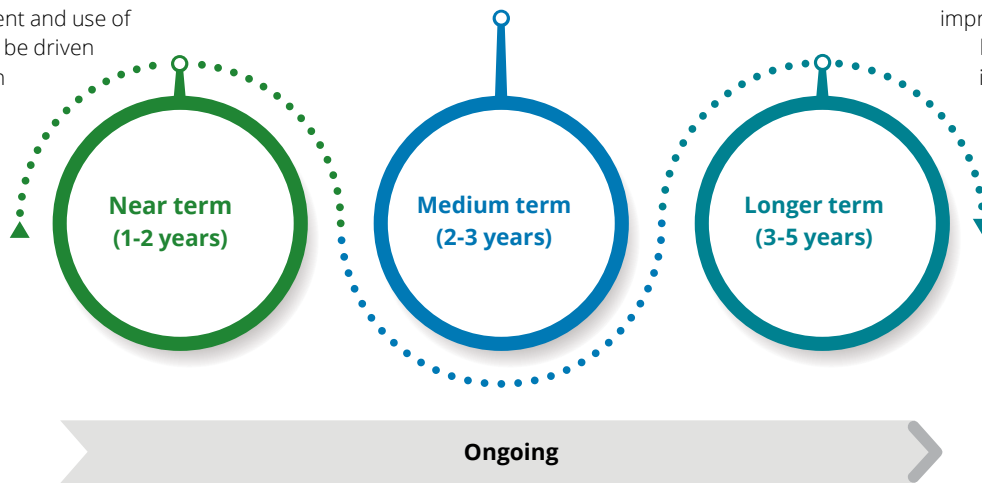
expectations will need to be delivered through leadership and stakeholder engagement, communication, and training.

## Delivery of the five key levers for success can best be achieved through a phased implementation approach:

WCOs must create the foundation for their claims transformation efforts by developing a risk-based segmentation model. In parallel, the development and use of standardized plans will be driven across the organization to improve quality and drive efficiency.

The subsequent priority is the optimization of case management team structures in order to achieve full benefit of the use of risk-based segmentation and standardized plans.

Begin to leverage behavioural insights methodologies, such as nudging, to continue to drive incremental improvements in desirable behaviour as well as to improve the efficacy of the previous levers.



The mandate for prevention will continue to be both an immediate and a long-term priority, with WCOs working alongside employers and other partners in order enhance proactive risk assessment and response capabilities and drive a culture of safety in their communities.

The future of RTW is quickly approaching. WCOs must act now if they are to meet the needs of injured workers in an increasingly complex environment.

# Endnotes

## Sources

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## Organizations surveyed:

Eighteen organizations operating in the workers' compensation area across three continents responded to the survey:

Organization Type	Australia	United States	Canada	Total
Workers' compensation scheme / board	2	1	7	10
Third-party administrator / agent	2	1	-	3
Private insurer	3	1	-	4
Other	1	-	-	1
<b>Total</b>	<b>8</b>	<b>3</b>	<b>7</b>	<b>18</b>



# Contact and acknowledgements

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***This report is dedicated to the memory of Nerses Sanassian.***



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