

- Bureau of Workers' Compensation Field Operations Division
- Additional Allowance Process

IN BRIEF: Improvements to a key BWC process will get diagnoses (additional allowances) evaluated and determined more quickly. This will allow Ohio's injured workers to get necessary treatment more quickly, resulting in a faster return to work.

FASTER RETURN: The team estimates that when all improvements are implemented, injured workers currently off work who are served by the enhanced process could return to work an average of 4 days faster.

FINANCIAL IMPLICATIONS: If only 15 percent of the injured workers return to work 4 days sooner, there will be an estimated annual savings of about \$1.5 million in temporary total compensation.

BIG SAVINGS: As subsequent additional allowances are evaluated and determined more quickly, necessary medical treatment can be approved and received more quickly, thus reducing or eliminating the need for passive medical treatment. If each injured worker served in the enhanced process reduces the need for \$100 of passive medical treatment, an estimated \$5.2 million in medical costs will be saved annually.

TIME TO REDIRECT: The streamlined additional allowance process is expected to eliminate an hour of BWC processing time from each request, according to team estimates. Based on historic volume, that adds up to 51,791 saved hours per year that could be redirected to other BWC claims management responsibilities.

Injured workers will return to work faster thanks to Kaizen-powered improvements

DETAILS

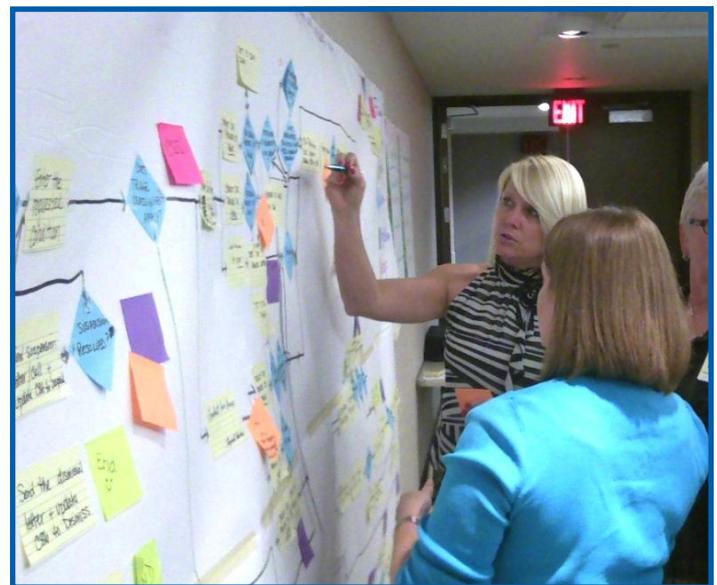
A package of improvements developed at a BWC Kaizen event will benefit thousands of Ohio's injured workers -- by evaluating and determining additional allowances more quickly, which will allow injured workers to get the medical treatment necessary to get back to work faster. The team estimates that when all the improvements are implemented, injured workers who are served by the enhanced process will return to work an average of four days faster.

That's good news for injured workers, their families, and employers -- and it's good for the bottom line. According to the team's calculations, if only 15 percent of the injured workers return to work four days sooner, there would be yearly savings of about \$1.5 million in temporary total compensation.

The process enhancements and projected savings apply to BWC's "additional and proactive allowance" process, which served as the team's focus during its week-long Kaizen event. The process begins with the receipt of a request for an additional allowance or identification of a new condition on a workers' compensation claim -- and ends when BWC renders a decision to approve the request or to refer it to the Industrial Commission for adjudication.

The Kaizen team refers to "passive" treatment as treatment an injured worker receives while awaiting completion of the additional allowance process. Examples of passive treatment can include physical therapy, pharmaceutical therapy, and additional office visits.

It's on this point that additional savings accrue. With necessary treatment to begin more quickly, there would be a resulting reduction in the time and money spent on passive treatment -- and it's big. The team's projections foresee an average savings of \$100 per "request for additional allowance." That adds up to anticipated annual savings of \$5.2 million from all the passive medical treatment that will no longer be needed.



With the current process fully mapped, the search begins for inefficiencies. Here, Jill Stevenson (front) and Daneen Kindt discuss several process decision points

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Team members knew that their current process was complicated. But as they worked together to map out the process in detail, with each person explaining their part of the work flow, they could see the sheer extent of the complexity. The process was bulked up with 156 separate steps, 54 handoffs, 48 decision points, and 18 delays.

But the team saw this complexity as a big opportunity for improvement. They went to work analyzing the inefficiencies, brainstorming better approaches, pinpointing possible changes that showed the greatest promise, and crafting three potential redesigns of the process.

Ultimately, team members reached consensus on a new design that represents a better way of doing business. Much better. The new process has 69% fewer steps. And 67% fewer decision points. And 76% fewer handoffs. And 72% fewer storage-related delays.

Driving these projections are some major enhancements that include streamlining due process, making better use of technology to strengthen communication between BWC and MCOs, adopting a single process for both subsequent allowance and proactive allowance (now known as Additional Allowance), updating key forms and correspondence, and more.

All of this -- the analysis, the idea generation, the planning -- unfolded during five straight days of work. So on the last day, after



the team presented its plans and projections, BWC Administrator Steve Buehrer was right on the mark when he told the audience, “Team members gave their blood, sweat, and tears to redesign this process in only one week.”

He noted how work plays a central role in many people’s lives -- and how the return to work for an injured worker can be more like a return to life.

“By helping injured workers get back to life sooner -- that says it all. The team brought MCOs, labor, legal, and our professionals together to get it done and change our workers’ compensation culture.”

Intense work for the team as they identify Value and Waste.

