

Managed Care vs. Managed Costs: Must We Choose?

Chairperson: Michael Kelley, AIC, ARM

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The Cost of Managing Care While Managing Cost

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Disclosures

None.

The Hidden Costs of Workers' Compensation Injuries

WHY HUMAN
IMPACT MUST
BE
CONSIDERED
IN MEDICAL
CASE
MANAGEMENT

Traditional View of Medical Management

What Is Usually Measured

Medical bills

Treatment utilization

Length of disability

Return-to-work date

Compliance with fee schedules

What's Missing

Emotional strain

Job security concerns

Workplace relationships

Psychological readiness to return

Injury Is Not Just a Medical Event

A Workplace Injury Is a Life Disruption

- Sudden loss of routine and purpose
- Fear about job security and income
- Stress navigating the claims process
- Shift in how coworkers and supervisors interact

Hidden Cost #1: Psychological & Emotional Impact

COMMON EMOTIONAL RESPONSES

- Anxiety about the future
- Depression during prolonged recovery
- Loss of identity tied to work
- Fear of reinjury or being seen as “damaged”

IMPACT ON MEDICAL MANAGEMENT

- Slower healing
- Reduced treatment engagement
- Increased pain perception
- Delayed return-to-work

Hidden Cost #2: Job Protection & Career Impact

WHAT INJURED WORKERS WORRY ABOUT

- Being replaced or sidelined
- Retaliation (even if legally prohibited)
- Loss of advancement opportunities
- Being labeled “high risk”

BEHAVIORAL CONSEQUENCES

- Returning to work too early
- Underreporting pain or symptoms
- Avoiding necessary accommodations

Hidden Cost #3: Workplace Relationships

CHANGES IN WORKPLACE DYNAMICS

- Coworker resentment or skepticism
- Reduced trust and belonging
- Supervisor strain and productivity pressure
- Stigma around workers' comp claims

RESULT

- Isolation
- Reduced morale
- Lower engagement after return

Hidden Cost #4: Financial Stress Beyond Medical Bills

EVEN WHEN CARE IS “COVERED”

- Partial wage replacement only
- Lost overtime, bonuses, or secondary income
- Out-of-pocket expenses:
 - Transportation
 - Childcare
 - Home modifications
- Delayed reimbursements

IMPACT

- Increased stress
- Family strain
- Pressure to rush recovery

Why This Matters to Medical Case Management

IGNORING HIDDEN COSTS LEADS TO

- Longer claim duration
- Increased utilization
- Higher total claim cost
- Poor return-to-work outcomes
- Higher turnover and retraining costs

ADDRESSING HIDDEN COSTS LEADS TO

- Faster, safer recovery
- Shorter claims
- Lower reinjury rates
- Stronger employee trust

What “Human-Centered” Medical Management Looks Like

Key Elements

- Early, empathetic communication
- Consistent messaging about job protection
- Coordination between medical providers and employer
- Psychosocial risk screening
- Gradual, meaningful return-to-work plans

The Business Case

Human Costs Are Financial Costs

- Stress delays healing
- Fear increases disability duration
- Poor reintegration increases turnover
- Distrust drives litigation and disputes

Proactive Human-Centered Management

- = Lower total cost of claim
- = Better medical outcomes
- = Stronger workforce stability

Key Takeaway

Medical Management Without Human Consideration Is Incomplete

Injured workers are not just patients — they are employees, parents, teammates

Addressing emotional, relational, and financial stress **improves recovery**

The lowest-cost claim is not the fastest one — it's the one that heals fully

Managing Care with Nurse Case Management

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When to Assign Nurse Case Management

Telephonic Nurse
Case Management

vs.

Field Nurse Case
Management

Nurse Case Management: A Claimant Benefit

- Considered a **medical benefit** to the claimant, serving as a liaison between the **claimant, carrier** and **provider**
- The role and purpose of the NCM differ from those of the **claim specialist**
- Paid as **Medical Loss** vs. Expense

Telephonic Nurse Case Management

When to assign:

- Support with establishing care
- Assistance obtaining referrals
- Assistance obtaining work-capacity documentation
- Claimant transferring care to a new state or receiving treatment out of state

Field Nurse Case Management

When to assign:

- Catastrophic injuries
- Long-term care needs
- Long-term disability anticipated
- Treatment beyond conservative care

Managing Costs

- Employer communication is managed by the claim specialist
- Limit emails outside of formal appointment updates
- Prioritize phone discussions over email when possible
- Be selective about which appointments require NCM attendance
- Close NCM when appropriate

Thank you!

Claimant's Attorney Perspective

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Disclosures

None

New Vermont law on Medical Case Management

Vermont claimants are now entitled to medical case management services if evidence reasonably supports that the employee's recovery would benefit from the services.

21 VSA sec 601(31)(C): "An injured employee shall be entitled to medical case management services if reasonably supported. Reasonable support includes a recommendation made by a health care provider or evidence demonstrating the injured employee's medical recovery would benefit from the services, or both."

New Vermont law on Medical Case Management

601(31)(A): “Medical case management may include medical case assessment, including a personal interview with the injured employee; assistance in developing, implementing, and coordinating a medical care plan with health care providers in consultation with the injured employee and the employee’s family; and an evaluation of treatment results. *The goal of medical case management is to provide the injured employee with reasonable treatment options to ensure the employee can make informed choices.*”

601(31)(B): “Medical case managers shall not provide medical care or adjust claims.”

New Vermont law on Medical Case Management



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Workers' Compensation Division
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Form P2 (Rev. 9/2025)

State File # _____

Ins. Co. File # _____

Date of Injury _____

Request for Preauthorization of Medical Case Management Services from Injured Worker or Medical Provider
(pursuant to 21 VSA §§ 601(31)(C) and 640b)

Patient/Injured Worker Information

Name: _____

Date of Birth: _____

Current Mailing Address: _____

Request for Preauthorization of Medical Case Management Services

- Requesting party is the Injured Worker
- Requesting party is the following Medical Provider:

Name of Provider: _____

License No.: _____

Address: _____

Signature of Injured Worker or Medical Provider

ATTACH Support for the Request: See 21 V.S.A. §601(31)(C)

- Recommendation of Health Care Provider, and/or
- Other Evidence that Injured Worker's Medical Recovery Would Benefit from the Services

Transmittal Information

New Vermont law on Medical Case Management

Query: Absent a health care provider's recommendation, what would "evidence demonstrating the injured employee's medical recovery would benefit from the services" be?

("Evidence that reasonably supports an action mean, for the purposes of section 643a and subsections 650(e) and 662(b) of this title, relevant evidence that a reasonable mind might accept as adequate to support a conclusion that must be based on the record as a whole, and take into account whatever in the record fairly detracts from its weight." 601(24).)

Pros and Cons of Medical Case Management

Pros:

Support to injured worker navigating health care system

Appointments scheduled more quickly

Treatment more likely to be approved, and approved more quickly

Help to injured worker understand medical issues

Another person supporting injured worker

Pros and Cons of Medical Case Management

Cons:

When the NCM puts the insurance company's interest ahead of the injured worker:

- Pushes doctor to place IW at medical end
- Pushes doctor to lift work restrictions
- Reports negative information about IW to adjuster
- Doesn't share information with Claimant's attorney

Thank you!