



HAYS COMPANIES | CASE STUDY

Workers' Compensation Consulting Results in Significant Savings



THE REQUEST

Develop a strategy for closing 60 litigated workers' compensation claims.

A Fortune 500 company asked Hays Companies to spearhead and assist in a claim closure project for a recently closed location. Hays was specifically hired to develop a strategy for closing 60 litigated workers' compensation claims.

The jurisdiction was challenging. For example:

- The medical community showed preference towards the employee despite the jurisdictional directive for the employer to direct care.
- The employer was recognized as having a heavy union influence in matters of workers' compensation.
- The plaintiff's bar had a handful of law firms that consistently represented the employees and were not opposed to taking the case to a hearing given favorable decisions from the division.

The matter became further complicated when two physicians, who were former employer-oriented physicians, turned into experts for the plaintiff's bar. They attempted to make it difficult to mount defenses since these doctors oftentimes used their history at the employer facility to their advantage, stating they had credibility with an inside view of all job positions.



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THE HAYS SOLUTION

Multi-pronged approach



Our multi-pronged approach to close the 60 litigated workers' compensations claims consisted of the following:

1. Client meetings to address **settlement versus litigation** mindset.
2. Claim reviews, including both defense counsel and the third-party claims administrator, with the goal of **developing an agreed-upon strategy for claims**, including aggressively negotiating settlements at the earliest opportune time.
3. Appointment of a **third defense firm** in addition to the two defense firms already in place, allowing us to spread 60 litigated cases across three defense firms versus two, helping to negotiate from a position of strength and allowing for a more assertive approach in our review of medical and past medical claims.
4. Organization of a **"Claims Settlement Day"** that consisted of the following:
 - Notifying several plaintiff firms that we were going to conduct a Claims Settlement Day, providing them 60 days to prepare their medical support, rating reports, case evaluation, and a demand.
 - Preparing defense cases with a negotiating plan representing both the pros and cons of the case along with evaluation recommendations.
 - Meeting plaintiffs' counsel at a defense firm's office in the jurisdiction and encouraging plaintiffs to be present with a readiness to settle.
 - Including employer and third-party claim administrative representatives at the meetings with full settlement authority.
 - Arranging for a judge to be on call at the division to provide immediate approval on agreed-upon settlements and issuing settlement checks within a day of this approval.

In addition, at the inception of this workers' compensation claim closure project, Hays emphasized that the need to close the workers' compensation cases would entail some concessions relative to settlement. The client adopted this approach since negotiating claim resolution can be a better outcome in lieu of continued legal/case management fees, and safer than risking the adverse decision that could result in an open award and lifetime medical benefits at a hearing.



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THE RESULTS

After 1 year, only 11 out of the original 60 open workers' compensation claims remained.

Hays recognized the only hard number by which to measure this project was the number of open litigated cases at the beginning of the project and the number of files closed at the end of the project. The project lasted for one year. **Only 11 open workers' compensation claims remained out of the original 60 litigated cases from 12 months prior.**

Of the 11 open claims, one consisted of a permanent and total disability award and another involved a unique causation situation alleging a cancer diagnosis as a result of exposure. The other nine cases that remained open included individuals who wanted to seek treatment and were awarded treatment by the compensation division, as well as a few cases where the demand was simply unrealistic.

The "Claims Settlement Day" was a success and resulted in:

23

claims that reached agreed-upon settlements

18

cases with pending offers as of the settlement day*

0

six-figure settlements

*those cases subsequently resolved in the next 7-10 days

During the last three months of the project, the client was especially pleased with Hays' efforts to close claims during a pandemic. COVID-19 impacted these cases as many elective procedures were placed on hold and the state's compensation division was operating at a limited capacity. Hearings that were initially postponed were later set as virtual meetings to keep the project moving forward.

The client appreciated the cost savings as a result of halting ongoing litigation expenses, limiting case management expenses, and eliminating additional medical and expense exposures. The client was deeply impressed and pleased with the exceptional outcome delivered by Hays Companies.

Contact

Visit us online or send us a message to learn more about the Hays Difference and our service offerings.

www.hayscompanies.com | info@hayscompanies.com



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