Advocacy and Its Impact on Your Claims

Laurie Frey, Esq., Kohl's Department Stores

Noreen Olson, RN, MN, COHN-S, ARM, Starbucks

9:30 am – 10:30 am Concurrent Sessions II

THURSDAY, JULY 13, 2017
Kohl’s Company Overview

To inspire and empower families to lead fulfilled lives

Our Purpose:
• To inspire and empower families to lead fulfilled lives

Who We Are:
• Approx. 1200 Store Locations
  • Stores include Off-aisle, smaller box, and FILA Outlet stores
• 9 Distribution Centers
• 5 E-fulfillment Centers
• 10 Corporate Buildings

Where We Are:
• Corporate Headquarters: Menomonee Falls, Wisconsin
• Corporate buildings in 4 states
• DC/EFC buildings in 10 states
• Stores in 49 states
Kohl’s Workers’ Compensation Program

- **Who:**
  - Laurie C. Frey, J.D. – Manager of Worker’s Compensation, Risk Management

- **What:**
  - Main initiative: Associate Advocacy

- **How:**
  - Early Intervention
  - Treat the whole person
  - Return to work

PREVENT ➔ PROTECT ➔ REACT ➔ RECOVER

Advocacy and Its Impact on WC Claims

**JULY 13, 2017**

Noreen Olson, RN, MN, COHN-S, ARM

manager, claims
Starbucks Risk Management
Starbucks Mission

To inspire and nurture the human spirit – one person, one cup and one neighborhood at a time.

- Our story began in 1971 as a Seattle roaster and retailer of whole bean and ground coffee, tea and spices.

- Today, we connect millions of customers with exceptional beverage and food products served by over 330,000 partners in more than 25,000 retail stores located in more than 75 countries.

- Our name is derived from the first mate in Herman Melville’s Moby Dick.

- Our logo is also inspired by the sea – featuring a twin-tailed siren from Greek mythology.
USA Company Profile,  
As of May 2017

- 16,056 Retail Stores – 9,176 company owned
  - Largest footprint = CA at 2,040 company owned stores
- Other large states = FL (921), IL (412), NY (538), TX (650), WA (452)
- Smallest footprints = AK (9), ND (9), SD (10), WV (13), VT (6), WY (11), RI (18), MS (16), MT (16),

- US Partners: 183,052
  - Retail Operations = 173,813
  - Manufacturing = 2,421
  - Nonretail/Admin = 6,818
  (nearly 5,000 are located in Seattle at the Starbucks Support Center)

Performance Driven Through the Lens of Humanity

1. Culture of warmth & belonging
   - Digital Experience
   - Starbucks Rewards & Partners
   - 4,965 community service YTD.
   - Starbucks Community

2. Courage to challenge the status quo
   - Wages & dress code & benefits
   - Paid parental leave (FYs18)
   - 22 million rust resistant trees
   - Farmer support centers
   - Inclusion Academies

3. Delivering our very best, being accountable
   - 100,000 Opportunities Initiative
   - Hire 25,000 veterans/spouses
   - Hire 10,000 refugees
   - College Achievement Plan – ASU, 100% tuition

4. Transparency, dignity, respect
   - Recognize me
   - Include me
   - Appreciate me
   - Support me
   - Delight me
Total Cost of Risk

FY16 TOTAL COST OF RISK = $86.1 MM

- FY16 WC Portion = $61.5 Million
- FY16 WC RETAIL Segment = $58.0 Million (2.54% of Payroll)

FY17 TOTAL COST OF RISK = $93.6 MM

- FY17 WC Portion = $68.6 Million
- FY17 WC RETAIL Segment = $65.3 Million (2.57% of Payroll)

INDEMNITY

1. Call Center/Smart Reporting
   - Voice to Voice or Digital – responsive designed
   - One stop – Leave or WC
   - 24 - 7 - 365 connectivity
   - Real time assistance with “find a provider” and RX first fill
   - Customized intake script and questions

2. Self-Reporting
   - Reduce claim reporting lag time
   - Partner’s own words
   - Educate & assist with WC process at time of intake
   - Guide to appropriate benefit bucket (i.e. Leave, STD, accommodations)
   - More Information >>> Less Fear >>> Less Litigation

3. Direct Deposit – Time Loss Wages
   - Sure and Secure
   - No chasing a paper check to an old address
   - Pay on day owed – no delay for mailing
   - Reduces cost and complexity

Blend high technology with a high touch approach
### INDEMNITY Continued

#### Personal Connects
- Examiner: voice and/or digital outreach all claims
- SBUX Specialist: voice and/or digital outreach all indemnity and accommodation claims
- Customized "hello" packet includes SBUX benefit reminders (i.e. EAP, CUP, benefits advocate)

#### Early RTW - Accommodation
- Partner uploads photo of work restrictions via smart phone
- Provider networks use single inbox
- PRSC – 2 day window for accommodation decision
- Successful Pilot FY16: Early RTW via local non-profit organizations

#### Early Settlement no Separation
- Rare
- Low value claims with minor disputes
- Partner in good standing and is committed to the organization
- Lens of humanity

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**Blend high technology with a high touch approach**

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### Indemnity

Our goal is to keep indemnity costs low with the proper programs in place to help our Associates

**Self-reporting**
- Associate is first point of contact following an injury
- Allows Associate to tell their story
- Creates ownership over the injury from the beginning

**Associate Outreach**
- Accident Packet to the outset to explain the process
- Letters throughout the course of the claim
- Communication with a Nurse Advocate at the beginning of the claim

**Return to Work**
- Accommodate ANY and ALL restrictions
- Alignment with personal health side
- Work with the location and HR for temporary and permanent restrictions

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PREVENT ➔ PROTECT ➔ REACT ➔ RECOVER
Indemnity, cont.

- Early Claim Intervention
- Aged Pending Closures
- External Placement

Medical

Medical costs continue to rise; how do we reconcile cost containment with the best results for our Associates?

**Nurse Triage Line**
- Available to all 140,000 Associates
- Available at the time of injury – 24 hours
- Immediate medical professional contact
- Direction of proper care

**Nurse Advocate**
- Dedicated to Kohl’s
- Eyes on every claim
- Embedded in Kohl’s team
- Specific triggers for full case management

**Dedicated Case Managers**
- TCM
  - Nurses for every jurisdiction
  - Dedicated to Kohl’s
- FCM
  - Accessibility to gain and give information
  - Kohl’s policies can be reinforced
- On-Site
  - Nurses in locations with our Associates
  - Help with initial treatment and direction of care
Medical, cont.

- Utilization Review
- Doctor Panels
- Pharmacy initiatives

PREVENT → PROTECT → REACT → RECOVER

MEDICAL

1. Nurses
   - Dedicated TCM model
   - Biopsychosocial (emotional) support, build resiliency and expectancy for recovery
   - Educate on diagnosis, self-care, timelines for healing

2. Nurses, Con’t
   - Connect with specialty providers to avoid delay in diagnosis
   - Translate medical speak
   - Explore alternative care modalities, esp. for pain management

3. Pharmacy
   - Formulary development for safety and cost control
   - Clinical pharmacist reviews for medication safety, drug interactions or contraindications
   - Opioid tapering schedule especially when benzodiazepines and/or muscle relaxants are also part of the treatment regimen

4. Provider Networks/UR
   - National network of clinics with board certified occupational medicine providers
   - Supports prompt evidence based care
   - Same day access to providers
   - Pre/Prior authorization
   - Provider performance measurement

Right care >> Right time >> Right provider >> Right Benefit Bucket
Expenses

Our expenses continue to grow as we work our claims. How do we keep the expenses from out-pacing the claim costs?

**Litigation Initiatives**
- Predictive Modeling
- Additional attorneys
- Hearing Reps
- Nurse Triage Line
- Customer Care Line

**On-Site Visits**
- Best advocates are in our locations
- If we prevent injuries, we save costs
- Safety messaging and initiatives
- Best practices addressed at each visit

**On-Site Wellness**
- Prevent injuries by promoting health
- Medical staff for injuries and personal health
- Lunch & Learn Health Initiatives
- Programming to improve Associates’ well-being

**Cost control >>> More ability to and enhance compensation packages**
Expenses, cont

• Benefits Explanations
• Awareness initiatives
  • Safety Captains
  • Risk Week
  • Safety Mascot

Technology
Leveraging Technology is the key to thriving in the industry

Online Reporting
• Reporting incidents into the system in real time
• Immediate investigations
• Easier to link photos, video, and documents
• Create easier reporting and dashboards

Tele-Health
• Direct contact with nurse or doctor
• Keeps the Associate at the location until treatment is needed
• Puts the Associate at ease speaking with a medical professional

Push Notifications
• What to do after an injury
• What to expect
• How Associates can help us help them heal and RTW
• Notifications throughout life of the claim
ADVOCACY

A process, grounded by the values of dignity, respect and transparency which coordinates activities to assist the injured worker effectively, promote expectancy and engagement in recovery, efficiently restores (and often improves upon) health and well-being, and resolves the experience in mutual satisfaction.

Program Aims

1. Integrated Delivery
   - Single point of intake for both Leave and WC
   - Customized approach forms, letters, service instructions
   - Simplify communications and use technology to enhance efficiency

2. Collaboration & Trust
   - De-emphasize vendor to vendor competition
   - Frequent phone connects including examiner, attorney, insurer, nurses, Starbucks
   - Maximize effectiveness by attention to role definition

3. Continuous Improvement
   - Critical Thinking & Empowerment
   - Team Approach
   - Spirit of Experimentation - guided by the goal of providing and exceptional partner experience.
   - Partner Satisfaction Surveys – “Ask and they will tell!”
Advocacy: Performance Thru the Lens of humanity

**Warmth/Belonging**
- Be available
- Keep promises
- Show compassion
- Share empathy
- Encourage positive self care actions

**Transparency**
- Honesty with partner, between vendors
- Set joint goals and share credit for results
- Learn from mistakes
- Commit to provide exceptional service

**Courage**
- Abandon dogma
- Embrace your wild ideas
- Permission to fail
- Champion the partner’s well-being

Advocacy At Kohl’s

- Care for the whole person
- Explain the process to the Associate
- Provide them with medical resources
- Quick return to work for the Associate’s benefit
- Ownership of the claim
- Integrated Absence Management

PREVENT ➔ PROTECT ➔ REACT ➔ RECOVER
Thank You!

Laurie Frey and Noreen Olson