



# Travelers Medical Advantage<sup>®</sup>

## INTEGRATED MEDICAL COST-MANAGEMENT SOLUTIONS

Medical is the largest portion of casualty loss costs. Travelers' investments in industry-leading medical management capabilities and expertise have contributed to workers compensation results that, on average, outperformed the industry average by 11 points, on a calendar year basis over the past five years.<sup>1</sup> Our medical management capabilities can help you lower your total cost of risk.

### The U.S. – A healthcare nation

Healthcare costs make up a major portion of the expenditures in the U.S. economy, and the aging population is driving up long-term medical loss trends. Healthcare costs make up nearly 1/5 of all the expenditures in the U.S. economy.<sup>2</sup>

- More than 10,000 people per day will turn 65 over the next 15 years<sup>3</sup>

### Medical is the single largest casualty loss-cost driver

- 63% of workers compensation loss costs today are from medical and are projected to increase to 67% in the future.<sup>4</sup>

### Travelers is ready

Over the past decade, Travelers has invested heavily in strategies to manage medical and mitigate loss costs for our customers and improve the claim experience for injured employees.

### Travelers Medical Advantage<sup>®</sup>

Travelers' responsive local expertise and industry-leading medical cost management capabilities can help control our customers' total cost of risk.

**Innovation** – Travelers has a long history of innovation in medical cost management. Innovations, such as the patented *ConciergeCLAIM<sup>®</sup>* Nurse program, which places a Travelers nurse in a provider's clinic, continue to help us achieve better claim outcomes.

**MyTravelers<sup>®</sup> for Injured Employees** – Our secure digital portal serves as injured employees' single access point for information about their workers compensation claim and enables them to take an active role in their recovery.

**Talent and expertise** – Over 11,000 Claim professionals strategically located across the country, that are supported by 550+ nurses, 700 Risk Control professionals, medical directors, pharmacists, industrial hygienists, and a specialized medical fraud team provide specialized expertise to design and execute on our medical management

strategies.

**Data and analytics** – Our robust data warehouse containing several million pieces of detailed medical data supports the development of sophisticated predictive modeling tools that provide our Claim professionals with deeper insights to help inform smarter claim decisions. Our Early Severity Predictor<sup>®</sup> model helps predict which injured employees are at higher risk of developing chronic pain, a condition that can lead to opioid dependency.

**Prevention** – Our Risk Control resources help customers develop comprehensive risk mitigation strategies that address employee best practices and issues unique to a diverse and aging workforce.

### Proven Results – Workers Compensation

- Approximately 66% of injured employees return to work within 30 days<sup>5</sup>
- Approximately 82% of medical treatment occurs within network<sup>6</sup>
- Average 64 cents saved per every medical dollar billed<sup>7</sup>
- Pharmacy management strategies lead to a 63% reduction in pharmacy costs, with 87% pharmacy network penetration<sup>8</sup>
- 6% pharmacy spend vs. 11% for industry- 55% better than the industry<sup>9</sup>

<sup>1</sup> SNL Financial 2011-2015: Workers Compensation Statutory Combined Ratio.

<sup>2</sup> National Healthcare Expenditures, 2016 Fact Sheet

<sup>3</sup> U.S. Dept. of Commerce, Economics and Statistics Administration. U.S. Census Bureau (May 2010) The Next Four Decades – The Older Population in the United States: 2010-2050.

<sup>4</sup> Source: Insurance Information Institute.

<sup>5</sup> National Accounts 3-year average, 12 month valuations 2015-2017.

<sup>6</sup> Services paid in 2015-2017 evaluated as of 2018.

<sup>7</sup> All markets, three calendar year average, 2015-2017.

<sup>8</sup> Average medications billed 2015-2017, evaluated as of 2018.

<sup>9</sup> NCCI Annual Issues Symposium 2017: State of the Line p.41.

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The Travelers Indemnity Company and its property casualty affiliates. One Tower Square, Hartford, CT 06183

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