

# How Macy's saved on workers' compensation costs

Employers like Macy's, Inc., are looking for strategies to help control workers' compensation costs – especially in California, where workers' compensation premiums are 50% higher than the national average.<sup>1</sup> To manage their costs, Macy's added Kaiser Permanente's occupational health program, Kaiser Permanente On-the-Job,™ to their provider network, which resulted in major health care savings.

## A closer look at Macy's

Lifting, pushing, pulling, or carrying objects is normal for many of Macy's 29,000 retail workers. Unfortunately, these activities are also the leading causes of disabling workplace injuries.<sup>2</sup> Much of Macy's workforce is also concentrated in Southern California, where the frequency of workers' compensation claims is the highest in the state.<sup>3</sup>

## Macy's significant cost savings

To measure the performance of their occupational health providers, MedMetrics compared Kaiser Permanente On-the-Job's results treating injured Macy's employees to results from other providers. After reviewing a total of 2,754 claims that had opened and closed during a 3-year period, MedMetrics found that Kaiser Permanente On-the-Job drastically reduced Macy's medical and pharmacy costs and litigation rates.

Even more impressive, total claims costs also remained lower for multiyear closed claims.<sup>4</sup> Typically, workers' compensation claims costs go up the longer they stay open, even doubling from the first to second year.<sup>5</sup>

### Macy's employee care from Kaiser Permanente On-the-Job resulted in:<sup>6</sup>

**41%** lower total costs per claim

**45%** lower direct medical costs per claim

**59%** lower average pharmacy costs per claim

**64%** fewer claims involving litigation

**42%** lower medical costs for low back injuries per claim

**73%** lower costs for shoulder and upper arm injuries per claim

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## Integrated occupational health care with Kaiser Permanente On-the-Job

Kaiser Permanente On-the-Job follows state-mandated fee schedules, relying on an outcomes-based strategy to manage claims costs that includes:

### Integrated care

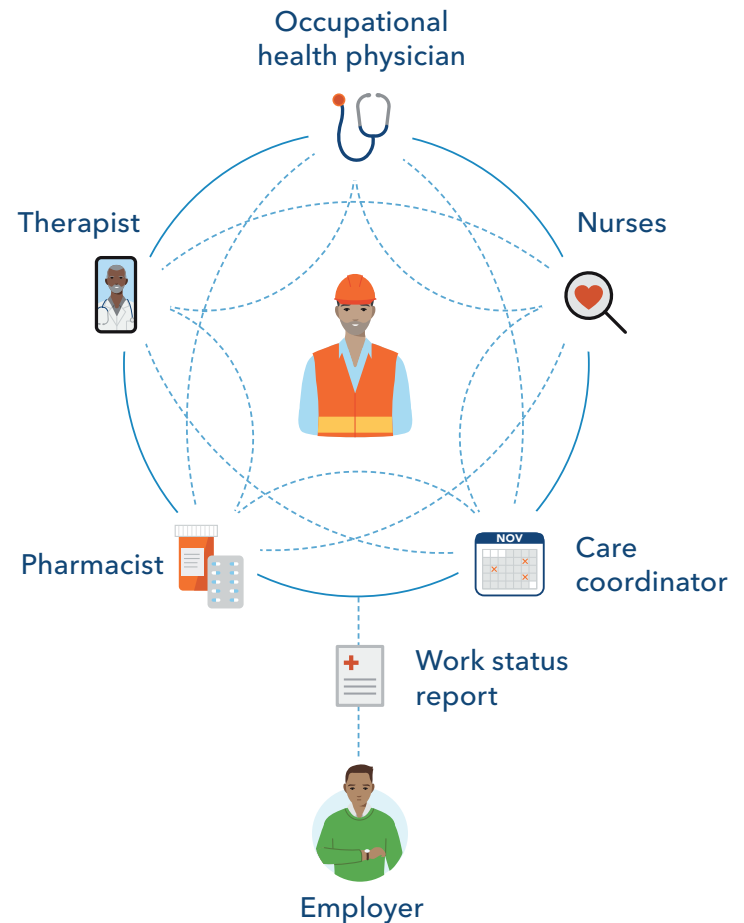
Our occupational health physicians, nurses, care coordinators, and therapists are connected to the same electronic health record system in real time, enabling them to make well-informed decisions faster for better outcomes and higher patient satisfaction.

### Convenient locations

Many of our occupational health centers are located at our medical facilities. This makes it easy for all employees – even those who aren't Kaiser Permanente members – to get treatment for work-related injuries and illnesses.

### Coordinated case management

Kaiser Permanente On-the-Job keeps employers informed with regular work status reports. And we work with them to help ensure employees return to work appropriately.



To learn more about how Kaiser Permanente On-the-Job can help protect your business from workers' compensation costs, contact your Kaiser Permanente representative.

1. "2020 Workers' Compensation Premium Index Rates," Oregon Department of Consumer and Business Services, accessed May 14, 2021. 2. 2020 Liberty Mutual Workplace Safety Index, Liberty Mutual Insurance, April 2020. 3. 2019 State of the System, The Workers' Compensation Insurance Rating Bureau of California, 2019. 4. "Macy's Workers' Compensation Claim Costs in California," MedMetrics, 2016. From July 1, 2012, to June 30, 2015, MedMetrics compared care provided by Kaiser Permanente On-the-Job® health centers and physicians with the care offered by other programs used by California employees of Macy's, Inc. 5. "Costs Mount Quickly as Workers' Comp Claims Age," Business Insurance, May 10, 2012. 6. See note 4. Information may have changed since publication.