



# Transcending the challenges of 2017

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The close of each year brings time for reflection. As we look back at the major events of 2017, to my mind, what stands out most is the progress our industry has made in developing innovative solutions to meet the needs of our clients, as well as their employees and customers.

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## GOOD HEALTH EMPOWERMENTS

Of the many challenges to general health and well-being of our citizens, the most urgent is the soaring opioid epidemic, which causes 91 deaths each day and costs our nation an estimated \$53.4 billion each year.<sup>1</sup> The Trump administration has declared this epidemic a [national public health emergency](#), directing federal agencies to provide more grant money to combat its rapid spread. The growing crisis has increased the urgency of exploration into more effective treatment options. While more than half of the country has adopted legislative measures allowing some use of medicinal marijuana, the debate over its benefits, risks, insurance coverage and efficacy as an alternative to highly addictive opioids continues.

In addition to addressing the opioid crisis, Sedgwick has helped rally our industry in recognizing that mental health links with physical recovery and workplace productivity. According to *The American Journal of Psychiatry*, \$193 billion in [income is lost each year due to mental illness](#),<sup>2</sup> but because the stigma surrounding mental health frequently keeps employees from seeking the treatment they need, examiners, case managers and providers must partner in developing plans for and guiding employees through comprehensive care. Several states have now introduced legislation to increase first responders' coverage for mental health and PTSD treatment. However, much more work is needed, and the industry continues to look for new ways to address depression and other mental health conditions.

## REGULATION TRANSFORMATIONS

More than ever, vigilance is needed for employers to maintain compliance with the ongoing changes in ADA, FMLA and other federal and state laws. The current administration's divergent priorities could also result in regulatory shifts for OSHA and the EEOC, such as the congressional resolution to limit the timeframe in which OSHA can penalize employers for violating the record maintenance requirements.<sup>3</sup>

Several states are introducing new family-friendly paid leave bills and others are clarifying or expanding regulations for leave benefits. This trend has continued to grow over the past four years, particularly in states with a large workforce in technology firms.

## CONSUMER-CENTRIC PROGRESSIONS

Similarly, the industry has an increased focus on the care and needs of consumers, including better communication and improved access to on-demand support and resources aimed at improving the claims experience. We're seeing that increased consumer satisfaction is leading to accelerated outcomes and better overall health.

## RISK CIRCUMVENTIONS

An unusually high number of natural disasters in 2017 have made a tremendous impact in some way on companies in virtually every line of business. Over the past year, catastrophic damage from hurricanes, floods, wildfires and other weather events has cost our industry billions of dollars and emphasized the critical nature of business continuity plans. The increased use of drones in damage assessment and recovery efforts is just one way the industry is adapting to meet these challenges.

Ransomware attacks and high-profile corporate security breaches continue to keep the business world on edge. Consequently, cyber security has become an increasing concern as the number of cyber threats soared in 2017, making the need for a pre-catastrophe plan crucial.<sup>4</sup>

As seasoned professionals begin to retire, bridging the talent gap becomes increasingly important. Attracting bright new colleagues is complicated by a lack of interest in insurance careers – only 4 percent of recent college graduates are considering pursuing professional opportunities in our industry.<sup>5</sup> Furthermore, clients expect our workforces to be as diverse as their own. Human resources experts are exploring ways of widening the potential pool of candidates by looking beyond specific educational backgrounds and catering to employees' changing needs with benefits designed to attract millennials.





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THAT **INCREASED** CONSUMER  
**SATISFACTION** IS LEADING  
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AND **BETTER** OVERALL **HEALTH**







SEDGWICK'S NEW **REPORTING**  
**DASHBOARD** FULLY INTEGRATES  
MANAGED CARE **DATA** INTO THE CLAIMS  
REPORTING SYSTEM, ALLOWING CLIENTS  
TO MORE CLEARLY **IDENTIFY**  
PROGRAM **PERFORMANCE**  
TRENDS AND **OUTCOMES**

## TECH MODERNISMS

With the impending launch of autonomous vehicles on public roads across the country, our industry faces new challenges. Federal legislation has been introduced to ease some of the hurdles for self-driving cars. The House measure restricts the number of vehicles automakers can sell and sets performance standards, but leaves the rules on registration, licensing, liability, insurance and safety inspections to individual states.<sup>6</sup>

Along with more refined predictive analytics comes a wealth of big data in useable form. Sedgwick's new reporting dashboard fully integrates managed care data into the claims reporting system, allowing clients to more clearly identify program performance trends and outcomes. Actionable data on trends requiring immediate intervention gives risk managers the power to make a definitive impact on the lives of their injured employees.

The increasing use of telemedicine is connecting patients with the right medical provider for initial and follow-up treatment for minor injuries and illnesses. Among the most notable advantages is fast, convenient care, regardless of distance, traffic and other geographic impediments. In addition to reducing costs and lost work time, a key goal is to improve consumer satisfaction. A well-structured program can offer patients a sense of empowerment and more active engagement in their own healthcare.

Technological advances are leading to other game-changing solutions as well. Video cameras in company vehicles are not only improving road safety by deterring texting and other distracted driving, but also providing clear and accurate details to complete accident investigations and settle liability claims.

As new challenges emerge, our industry will continue to step up and develop more innovative, effective solutions. At Sedgwick, we are committed to meeting the needs of our clients and their employees, because taking care of people is at the heart of everything we do. **Caring counts.**<sup>SM</sup>

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