



FORD MOTOR COMPANY

Administration of Self-Insured,
Self-Administered Workers'
Compensation Program

[Ford Motor Company History]

- Founded and incorporated on June 16, 1903 with Manufacturing and Assembly Operations, Financial Centers and Parts Distribution Depots from New York to California
- Current Population
 - Salary: 28,417
 - Hourly: 40,894
- Self-Insured in Michigan on September 5, 1912
- W/C claims have been consistently handled in-house and administered in a similar fashion throughout the years.
- This presentation will demonstrate the effectiveness of Ford Motor Company's Self-Administered Workers' Compensation Program

Workers' Compensation Claims Administration

- **Claims Self-Administered by the Bartech Group**
 - The Bartech Group handles all statutory and procedural requirements for the investigation, reporting, payment, and management of the employee's injury claim
 - The Bartech Group is a Staffing Company that employs the W/C personnel for Ford Motor Company

Workers' Compensation Claims Administration

- **Claims administered by Employers' Self-Insurance Services (ESIS)**
 - Agency administration, by a licensed service organization, is utilized at a small number of locations, principally those with little claim volume. The Employers' Self Insurance Service (ESIS), a subsidiary of ACE, provides agency administration for the Company at selected locations.

Workers' Compensation Claims Administration

- **Claims Administered by Liberty Mutual (Purchased Insurance)**
 - In Company locations where self insurance is not economical, practical, or permitted, claim administration normally is handled by a designated insurance company.

Workers' Compensation Program Administration

- Responsibility for the administration of the Workers' Compensation program is assigned as follows:
 - **The Medical Director of Ford Motor Company** is responsible for the Company's U.S. Workers' Compensation Program. This function reports up through Ford Motor Company's Manufacturing Organization.
 - **The Program Manager** reports to the Medical Director of Ford Motor Company. This position is responsible for complying with statutory and Company procedures for investigation, reporting, payment and resolution of employee injury claims, vendor management and coordinating other involved Company activities. ⁶

Workers' Compensation Program Administration

- **The Operations Manager** reports to the Program Manager. This is a contracted position responsible for administration of the Company's Self-Insured WC program.
- **Workers' Compensation Claims Personnel** report directly to the Operations Manager. These are contracted positions responsible to pay valid WC claims.

Workers' Compensation Claims Personnel

- **Claims Management Supervision**
 - Directly responsible for the technical file management and quality reviews for the team. Tracks and monitors work within the team to ensure timely and accurate processing. Responsible for establishing team priorities.
- **Workers' Compensation Claim Specialists**
 - Administration and Management of Indemnity, Managed Medical and Legal claims from first report of injury through claim closure utilizing Industry Best Practices.

Workers' Compensation Claims Personnel (cont)

- **Quality and Training Specialist**
 - Provides general and specific technical claims quality and training direction to WC claims personnel by direct facilitation, scheduled reviews, and assisting in the development and implementation of claim policy, standards, procedures and strategies.
 - Responsible for Medicare Reporting Requirements

Workers' Compensation Claims Personnel (cont)

- **Finance Manager**

- Responsible for the financial cost reporting to Ford Motor Company Management including reconciliation to payment, reserve and expense accounts. A Financial Analyst assists in these job duties.

- **State Reporting Analyst**

- Responsible for analyzing requests and data from multiple state assessment/taxation agencies and produces state required reports and documents within time required and in compliance with state laws to ensure the Ford Motor Company's ability to remain Self-Insured. ¹⁰

Workers' Compensation Claims Personnel (cont)

- **Systems and Reporting Specialist**
 - Serves as intermediary between users of W/C claims system and IT to communicate issues and opportunities to enhance the product
 - Query claims system to extrapolate claim data for various internal and external customers
- **Internal Controls**
 - Proactively examine processes within the organization to ensure adequate control exists. Facilitates annual Ford audit processes.

Workers' Compensation Claims Personnel (cont)

- **Cost Containment Specialist**
 - Maintain, update and enhance the Medical Bill Payment system utilizing Ford IT mandated methodology, in compliance with statutory requirements and industry standards
 - Review medical bills for technical accuracy, and fulfillment of statutory professional review requirements
- **Bill Processing Unit (Reports to Cost Containment Specialist)**
 - Enters medical and miscellaneous bills into the Medical Bill Payment system in a timely manner.

Workers' Compensation Claims Personnel (cont)

- **Customer Service**

- Receives calls on our 800 number regarding non-receipt of payment or incorrect payment amounts. Directs calls to the appropriate activity if the issue cannot be resolved at this level.

Why Ford Motor Company's Program is Successful

■ Company Wide Team Effort

- Key stakeholders at the local level
 - Onsite W/C Representative
 - Labor Relations
 - Human Resources
 - Safety
 - Line Supervision
 - Medical Departments
- With all of the key stakeholders at one location, we find that investigating and managing the claim is more efficient as all of the necessary resources are centralized.

Why Ford Motor Company's Program is Successful (cont)

■ Centralized W/C Administration Staff

- Claim Supervisors: Direct reports – Plant Representatives
- Finance Department: Liaison with Controller's Office
- State Reporting

■ Centralized Bill Processing Unit

- Bills are entered into our Medical Bill Payment system and then reviewed by our Cost Containment Specialist to ensure proper repricing of the bills in accordance with fee schedules and local agreements. In addition, this position scrutinizes PPO discounting accuracy across multiple networks to maximize cost savings

Claims Handling – Case Management

- **Definition of Case Management**

A collaborative process which assesses, plans, implements, coordinates, monitors and evaluates options and services to meet an individual's health needs through communication and available resources to promote quality cost-effective outcomes.

Case Management Society of America

Roles and Responsibilities in Case Management Process

To be successful, everyone has a role

1. Operating Committee (Plant Manager, HR Manager, Controller)
 - Develops management policy on placement of restricted employees
2. Physician/Nurse
 - Acts as liaison between injured employee and treating Physician by proactively contacting outside Physician to discuss the medical aspects of the case.
 - Conducts job reviews to orchestrate placement of restricted employees

Roles and Responsibilities in Case Management Process (cont.)

3. Workers' Compensation Representative
 - Perform critical claims technical tasks (i.e. initial critical investigations (including 3pt contact), contact with plant medical, safety/ergonomics, plant supervision)
 - Leads weekly Case Management meetings and provides input/guidance on Return to Work
4. Plant Floor Supervisor
 - Active in Job Placement Committee
 - Works with Medical to identify appropriate jobs for restricted employees and investigates jobs to identify possible injury mechanisms.

Roles and Responsibilities in Case Management Process (cont.)

5. Labor Relations/HR
 - Participates in Job Placement Meetings
 - Monitors the Return to Work Process
6. Safety
 - Daily meetings to review prior days First Time Office Visits and to discuss corrective actions
 - Provides opportunity to interview Line Supervisor and begin investigation of injury.

Roles and Responsibilities in Case Management Process (cont.)

7. Ergonomics Rep
 - Reviews jobs identified for placement of restricted employees or if ergonomic problems exist
8. Employee
 - Report all injuries immediately
 - Follow-up with Medical Department as instructed and provide medical certification from their treating Physician

Claims Handling – Use of External Service Providers

- **Medical Case Management (Nurse Case Manager)**
 - Utilized when the medical complexity of the claim is beyond the expertise of the adjuster:
 - Catastrophic injuries
 - Multiple Claims
- **Vocational Rehabilitation**
 - Transferrable Skills Analysis is performed
 - Jobs are identified that are within the employee's current qualifications and restrictions
 - Job placement is pursued and compliance monitored

Claims Handling – Use of External Service Providers (cont)

■ Investigation Agencies

- Workers' Compensation Management has compiled a list of approved vendors according to Ford Motor Company standards. These vendors perform the following services:
 - Activities Checks
 - Alive and Well Checks
 - Record Reviews
 - Surveillance

Claims Handling – Use of External Service Providers (cont)

- **Outside Defense Counsel**

- Workers' Compensation Management has compiled a list of approved vendors according to Ford Motor Company standards.
 - Litigated claims are referred to an approved Attorney within 5 days of litigation notice. Initial file summary is due in 30 days and subsequent summaries are due every 60 days or upon the request of the W/C Representative
 - Required to provide timely status updates regarding settlement negotiations

[Ford Defense Counsel]

■ In-house Attorneys

- Litigated claims filed in Michigan and Northeast Ohio locations are referred to in-house Ford Motor Company legal counsel for handling. A status update should be received from defense counsel within 30 days of initial referral
- Must supply subsequent file summaries and updates every 60 days (or upon request by W/C Representative) until file closure.
- Required to provide timely status updates to the Claim Representative regarding settlement negotiations.
- Claim is followed to resolution

Performance Measures

- **To be consistent with Ford Motor Company's Continuous Improvement Program, W/C has implemented the following procedures:**
 1. Scorecard: Monthly review of key workers' compensation metrics against established objectives
 2. Settlement/Reserve Oversight: Any settlement or reserve increases >\$20,000.00 needs to be approved by both Workers' Compensation and Plant Management
 3. Potential Liability Meetings: To monitor claims where there is a possibility for lifetime exposure.
 4. Regular oversight by Ford auditing functions

[Conclusion]

- Claims are assessed for compensability
- Claims are paid as appropriate
- Claims are managed for a return to work through the Case Management Process
- Once an employee is returned to work, we continue to manage the claim for placement issues or any additional medical care that may be required.
- Outside Service Providers may be utilized in achieving this goal
- If claims are litigated, there are Ford and outside Defense Attorneys to protect Ford's interests
- Overall, we feel that the success of our self-administered program is a direct result of our team work.