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Beyond claims: Three levers to improve recovery and return-to-work outcomes



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WCBs are expected to do more than process claims. The next wave of performance improvement will come from orchestrating the right care with the right providers and creating an outcome focused Return-To-Work roadmap

As Workers' Compensation Boards modernize their operations, there is an opportunity to transform the interaction model with healthcare providers to enable improved outcomes for injured workers.

We see three levers that can help drive performance improvement:

01 **Orchestrate care early to enable a faster, safer return-to-work journey**

Establishing and accessing a healthcare network that provides early access, care coordination, evidence-based treatment and an outcome focused mindset.

02 **Operational friction is not just a back-office issue; it is a recovery barrier**

Automate routine work so case teams can focus on complex recovery barriers.

03 **Provider networks should be managed as recovery ecosystems, not transaction channels**

Use pathways, data sharing and performance insights to align providers around return-to-work outcomes.

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Theme #1:

Orchestrate care early to enable a faster, safer return-to-work journey.



Historically, workers' compensation systems have focused on adjudication, benefit determination, and provider reimbursement. While these functions remain critical, research increasingly shows that delayed intervention, fragmented care, and poor coordination between stakeholders are among the strongest predictors of prolonged disability.

Leading organizations are adopting a more holistic approach by viewing recovery as a coordinated journey rather than a sequence of disconnected healthcare services.

Critical Success Factors

1. **Mobilize virtual-first, multidisciplinary care teams** to identify and address functional, personal, and workplace barriers early.
2. **Use AI-enabled triage and pathway management** to connect workers to the right care faster and reduce overtreatment.
3. **Enable shared digital care and return-to-work plans** across providers and WCB case managers to improve coordination and accountability.
4. **Shift to proactive intervention models** that address emerging risks before they create delays or complications.



According to the evidence, the domain that has the biggest impact on recovery and RTW outcomes is the workplace[1]; workplace realities must also be investigated and addressed. An analysis found that workers who considered their employer's response to their claim to be fair and constructive had 43% higher RTW rates for physical injury cases and 52% higher RTW rates for psychological injury cases than those who reported unhelpful responses from employers.[2]

[1] It Pays to Care: Bringing evidence-informed practice to work injury schemes helps workers and their workplaces, Australasian Faculty of Occupational and Environmental Medicine, 2022
[2] Return to Work: A comparison of psychological and physical injury claims: Analysis of the Return to Work Survey Results, Safe Work Australia, 2017

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Theme #2:

Operational friction is not just a back-office issue; it is a recovery barrier



WCBs cannot become recovery orchestrators if case teams are still operating as administrative processors. In many current models, case managers spend significant time navigating manual adjudication, payment exceptions, provider follow-up, drug approvals, documentation gaps and disconnected systems

Operational delays do not just slow the back office. They can increase uncertainty, reduce trust, frustrate providers, delay treatment, and make the RTW process more adversarial. Evidence on workers' compensation systems points to delays, poor communication, perceptions of unfairness and cumbersome processes as barriers that can worsen recovery and return-to-work outcomes.[1]

Key takeaway: The modern WCB case team should not be measured only by how many transactions it processes. It should be enabled to focus on the recovery barriers that automation cannot solve

The operating model shift is clear: automate routine work where the rules are known, integrate workflows where handoffs create delays, and reserve human judgment for claims where complexity can change the outcome.

This is not about automating every decision. It is about separating work into two lanes:

01 Routine work should move with minimal friction

AI enablement should support the digitization, rules-based processing and exception management of low-complexity claims, standard payments, routine provider submissions, formulary-aligned drug approvals and straightforward treatment requests, where practical.

02 Complex recovery barriers should get more human attention

Case manager capacity should be redirected toward psychosocial risk, workplace conflict, delayed recovery, unclear functional abilities, provider variation, employer engagement and claims at risk of drifting into long duration.[2]

[1] RACP/AFOEM, It Pays to Care, Scheme Operation and Psychosocial Factors section, pp. 27–32.
[2] RACP/AFOEM, It Pays to Care, Executive summary, Case management section, p. 11.

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In addition to individual claim factors, the WCB's approach to claims case management has a significant impact on outcomes

Case managers need an approach that enables them to identify high-risk claims, build strong relationships through effective interpersonal skills, and implement systems and processes that promote positive psychological factors known to support recovery and return to work, while reducing negative psychosocial factors that may delay these outcomes.Workloads need to allow for proactive case management and tools that have predictive analytics to create actionable insights. The timing of processes should also be aligned to workload, with key information being available to Case Managers at the right time.

Support structures that enable effective case management include:



Manageable Workload

Case Managers have caseloads that enable them to communicate with relevant parties in a timely fashion.

Providing workers, employers and providers with timely access to clear and appropriately-presented information about processes, rights and responsibilities can increase the perceived fairness of the system. This may reduce injured workers' drive to seek legal advice.



Skilled Staff

Provide appropriate training, particularly in soft skills such as active listening and effective communication.

Evidence supports that the skills and experience of claim participants impacts injured worker's well-being and RTW.



Continuity of Service

Having multiple case managers on a claim is associated with higher levels of dissatisfaction with claim management, impacting motivation to RTW.

Although staff turnover is inevitable, minimizing case transfers promotes continuity of the relationship between the worker and Case Manager



Tools and Supports that Enable Staff

Effective technology, predictive analytics, and AI-enabled decision support provide timely insights and reminders that can help streamline care.

Subject matter experts who provide advice and assistance on complex cases can help improve case manager effectiveness and support more consistent decision-making.

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Theme #3:

Provider networks should be managed as recovery ecosystems, not transaction channels



Healthcare providers are central to recovery, but provider management is often still built around forms, approvals, billing rules and one-off correspondence. That model can secure access to services, but it does not necessarily align providers around return-to-work outcomes

The next step is to treat providers as partners in a shared recovery pathway. That means equipping them with clearer expectations, better data, streamlined digital interactions, and feedback on worker outcomes so they can actively support functional recovery and return-to-work success from beginning to end.

Key takeaway: Provider network management should become a core lever of WCB modernization. The future model is not about authorizing care, it is about orchestrating recovery

WCBs will not materially improve return-to-work outcomes by treating healthcare providers only as vendors to approve, reimburse, and monitor. The provider network needs to become a coordinated recovery asset: one that delivers timely access, evidence-informed care, functional guidance, clear communication and has visibility into the broader continuum of care and the RTW outcomes

A more mature provider model should answer 3 executive questions:

01 Are providers aligned to the right pathway?

WCBs should define clear care pathways for common injury types and recovery risk profiles, including expected treatment steps.[1]

02 Is the care plan connected to work?

Treatment should not sit apart from the RTW plan. Providers need practical information on functional abilities, workplace demands, modified duties, psychosocial barriers, and recovery expectations.[2]

03 Is the network supporting the right amount of care?

WCBs should make it easier for providers to deliver evidence-informed treatment and prevent low-value, poorly coordinated, or over-medicalized care from becoming the default.[3]

[1] RACP/AFOEM, It Pays to Care, Healthcare section, pp. 68–85.
[2] NSW WorkCover, Return To Work Analysis, pp. 20–24.
[3] Waddell & Burton, Concepts of Rehabilitation for the Management of Common Health Problems, Executive summary and pp. 23–28.

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KPMG brings the capabilities to design, implement and scale integrated recovery

We bring strategy, operations, technology, data and change together to design, implement and scale measurable improvement.

Three levers to drive performance improvement

THEME 1

Coordinate care early

Identify barriers sooner and connect treatment to work.

THEME 2

Reduce operational delay

Create more case-team capacity for complex recovery barriers.

THEME 3

Align provider performance

Use pathways and feedback to support functional recovery and Return to Work (RTW).

KPMG DELIVERY APPROACH

Design and implement one integrated recovery model

KPMG connects the operating model, workflows, technology, data, provider management and change around measurable outcomes.

Baseline outcomes, case capacity and provider variation

Co-design pathways and RTW workflows

Configure data, dashboards, automation and controls

Mobilize workforce and provider governance

HOW KPMG CAN HELP

Diagnose & prioritize

Baseline claim duration, RTW outcomes, case capacity and provider variation; target priority interventions.

Design the model

Define triage and recovery pathways, role hand-offs, governance, data requirements and enabling technology.

Test & implement

Test changes in live operations, track benefits, refine with frontline teams and implement in waves.

Scale & sustain

Extend across teams and providers; embed controls, dashboards, ownership and continuous improvement.

KPMG VALUE

KPMG combines deep market insight and global claims experience to define the ‘art of the possible’. From baseline through implementation, our integrated team brings together strategy, operations, technology, data and change to improve recovery outcomes, RTW performance and case-team capacity.

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