



A Value-Based Solution to Disrupt a Fee-for-Service System

Musculoskeletal (MSK) injuries have become a major category for suboptimal outcomes and rising costs in workers' compensation. Too frequently, what should be a routine shoulder, knee, or back diagnosis develops into a large loss with delayed return to work. Of the \$20 billion spent annually on work-related MSK claims,¹ these more volatile outlier cases represent a significant portion of medical, indemnity, and administrative costs.

In the current workers' compensation system, injured workers, providers, and payers navigate a fragmented, misaligned fee-for-service framework that can derail recovery. Primary and ancillary providers are incentivized to focus on providing more treatment interventions and spending an outsized amount of time on medical documentation to optimize reimbursement. This misalignment takes the focus away from high-value patient care.

"Overstrained providers are drowning in administrative burdens and under great pressure to treat higher volumes of care faster, while injured patients struggle through a siloed industry that prioritizes activity over outcomes," says Michael Choo, MD, Chief Medical Officer, Workers' Compensation, Paradigm. "For MSK injuries, we need **value-based solutions** that fundamentally address this disjointed *status quo*."

A Model for the Future of Work-Related Injury Care

Value-based models shift the incentive to outcomes for a single injury or event—instead of individual treatments. "Providers should be focused on overall health, quality care, and functional outcomes, and less on meeting volume demands and prior authorization requests," explains Jennifer Doyle-Fidler, MSN, RN, Director, Clinical Product Solutions, Paradigm. "Higher-risk MSK cases benefit from early identification, dynamic patient engagement strategies, and proactive assessments that move care upstream."

By identifying conditions and environmental factors that are common barriers to recovery, providers and care managers can work with injured patients to intervene sooner. For example, many psychosocial factors, from symptom magnification to perceived injustice, can be addressed subclinically with the right approach and resources. This strategy can shift attitudes and reduce the risk of a compensable behavioral health diagnosis.

Paradigm's HERO MSKSM is the first true value-based solution for work-related musculoskeletal injuries. This holistic solution identifies key risk factors and delivers appropriate interventions for guaranteed functional outcomes. Injured workers receive access to a high-quality provider network developed through cost and outcomes scoring, matched with best-in-class credentialing. Combined with a dedication to patient engagement and psychosocial support earlier in the care journey, HERO MSK ensures injured workers receive the attention and resources necessary for a successful recovery.

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Michael Choo, MD
Chief Medical Officer, Workers' Compensation, Paradigm

A proven approach to better outcomes for all

HERO MSK VALUE-BASED CARE
Guaranteed maximum functional outcome and financial certainty

Active, data-driven clinical and behavioral health management to manage risks

Paying for value instead of activity creates aligned incentives

Better patient engagement removes psychosocial barriers earlier

Collaboration with providers and access to the best specialists

An Outcomes-Focused Approach in Action

As the industry leader in value-based catastrophic care management, Paradigm brings more than 30 years of proven expertise and successful outcome achievement to workplace-related injuries. "Paradigm's commitment to value-based, outcomes-focused care is a core reason I joined this organization more than a decade ago," says Dr. Choo. "HERO MSK applies Paradigm's clinical expertise and proven care model to deliver a much-needed outcome-focused approach to this injury category."

Using prescriptive analytics, higher-risk cases are identified early and undergo day-one evaluations from specially trained nurse care managers. Real-time patient engagement technology is then deployed for more accurate risk calculation and mitigation strategies. Care managers are supported by Paradigm's roster of top medical and behavioral health experts who have injury-specific experience to ensure appropriate conservative care and surgical intervention.

By guaranteeing functional outcomes and delivering a competitive fixed-price model, HERO MSK aligns care through collaborative partnerships, while increasing cost certainty for accurate reserves. Paradigm is accountable for medical costs until patients achieve final release to return to work (RRTW) or maximum functional recovery. The result is lower indemnity spending, reduced litigation, decreased disability rates due to increased functionality, and shorter claim durations.

A comprehensive solution supported by four key components



Engaged Injured Workers Achieve Better Outcomes

Patient engagement is an essential ingredient in any value-based care system. Injured workers who feel like active participants are not only more motivated in their recovery, but also more likely to communicate emerging physical and behavioral problems with care managers and providers. "Paradigm's patient engagement technology augments and supports our care management team; it does not replace them," adds Doyle-Fidler.

Key to the HERO MSK program are patient engagement tools carefully designed to support each recovery journey through real-time communication and data insights. Options are flexible and multimodal—including text, email, and a mobile app—to meet patients where they are and promote honest responses in a low-pressure environment. With accurate, real-time information, nurse care managers can develop and deliver risk assessments to claims teams for better insights on interdisciplinary care collaboration.

In one case, after discovering an injured worker was recovering from substance misuse, a Paradigm care manager became concerned about the prescription of opioids for a scheduled surgery. By working closely with the management team and treating providers, the injured patient was able to complete a recovery that included successful opioid weaning and return to full duty work. "In this situation, the care manager was only able to identify the past substance misuse because the patient had voluntarily reported taking the narcotic dependence treatment drug Suboxone non-industrially. This is a great example of technology and clinical experts working together to mitigate risks that would have been easily missed otherwise," Doyle-Fidler elaborates.

The Value-Based Difference

Along with the entire Paradigm organization, Dr. Choo believes a value-based, outcomes-focused methodology is essential to improving injury treatment in workers' compensation: "It's critical for us to work together to focus on meaningful and **measurable outcomes**, which are coupled with accountability for the cost of an episode of care." By leveraging a proven model, HERO MSK delivers on the promise of value-based care to better align incentives and teams around the health and successful recovery of injured workers.



Learn more about HERO MSK and value-based care for musculoskeletal injuries.

www.paradigmcorp.com/HEROMSK

85%

injured worker engagement with Paradigm's digital application.²

Sources:
¹ OSHA
² Paradigm case data 2023-2024