



# Modernizing Workers' Compensation Payments: A Path to Efficiency, Innovation and Loyalty







# Introduction

## *A workplace injury changes everything.*

An injured worker faces mounting medical bills, lost income, and uncertainty about what comes next. They turn to you—the insurer—for reassurance and support. But outdated systems, manual processes, and unnecessary delays stand in the way, eroding trust at the very moment it's needed most.

**Now imagine a better way.** A system that doesn't just respond—it anticipates. Payments are seamless, providers are paid quickly, and injured workers feel secure, knowing the process is simple, efficient, and designed with their well-being in mind.

Modernizing workers' compensation payments isn't just a business decision; it's a chance to lead with confidence, boost operational efficiencies, and build provider and claimant trust. By adopting integrated, automated solutions, you can transform the claims process into an experience that's fast, frictionless, and focused on what matters most—helping injured workers get back on their feet, fast.



# The State of Workers' Compensation Payments



Insurers that embrace digital payment methods can drive efficiency, strengthen provider relationships, and create frictionless experiences for claimants.

Despite technological advancements, many workers' compensation claims are still managed manually. According to the [2023 CAQH Index Report](#), 25% of claim payments remain paper based. While electronic methods like ACH and EFT handle the remaining payments, significant opportunities exist to modernize workflows and better support providers and injured workers.

Administrative burdens on insurers have surged in recent years. From 2022 to 2023, administrative transactions increased by 200%, while claims payouts grew by 9%. These trends highlight the limitations of outdated systems and the pressing need for transformation.

According to the latest [Trends in Healthcare Payments](#) report from JP Morgan, injured workers expect more from their insurers. Nearly 40% of individuals are willing to switch insurers for a better digital experience. Insurers that embrace digital payment methods can drive efficiency, strengthen provider relationships, and create frictionless experiences for claimants.

Modernizing payments can yield tangible benefits for providers and claimants alike, including:

- Reducing accounts receivable days by up to 16 days.
- Providing real-time insights into payment status, minimizing financial delays.
- Easing administrative burdens, enabling faster resolution for injured workers.

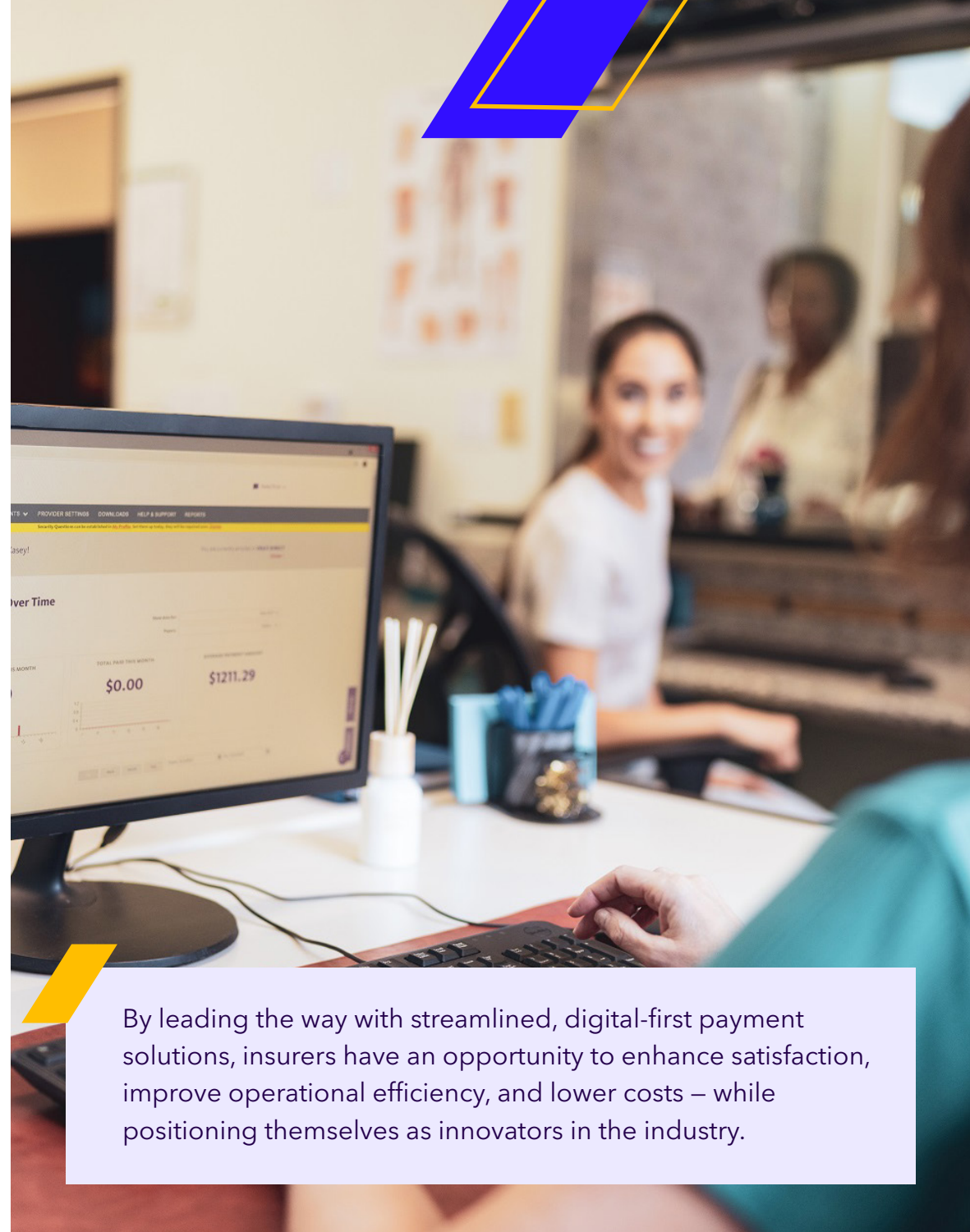


# Opportunity Abounds: Seizing the Potential of Modernization

According to CAQH, full electronic payment adoption could save the industry \$524 million annually. Yet, EFT adoption has declined as some insurers revert to manual processes.

Inefficient digital processes create friction across stakeholder relationships, impacting claimants, providers, and insurers alike. By adopting integrated and automated solutions, insurers can transform the payment experience – achieving greater efficiency, reducing administrative burdens, and delivering better outcomes for everyone involved.

It's not just about improving processes; it's about building stronger connections across the ecosystem.



By leading the way with streamlined, digital-first payment solutions, insurers have an opportunity to enhance satisfaction, improve operational efficiency, and lower costs – while positioning themselves as innovators in the industry.

# Four Steps to Modernize Workers' Compensation Payments

## **1. Build a consolidated payments environment**

A fragmented payments process creates inefficiencies, delays, and unnecessary friction between insurers and providers. By implementing a unified platform, insurers can integrate all payment systems into one cohesive platform, creating a streamlined operational workflow that reduces administrative burdens and accelerates claim resolution.

Benefits of a consolidated system include:

- 1. Improved Efficiency:** A single platform minimizes redundancies and ensures all payment-related tasks are coordinated from start to finish.
- 2. Faster Turnaround Times:** Consolidation eliminates bottlenecks, enabling insurers to process claims and payments more quickly.
- 3. Enhanced Provider Relationships:** Simplified payments lead to better communication and trust between insurers and healthcare providers.

## **2. Invest in improved experiences for injured workers**

Today's injured workers expect fast, seamless, and digital-first payment options. Insurers who fail to meet these expectations risk frustrating claimants and losing them to competitors. Investing in innovative digital payments not only streamlines operations with faster, automated processes but also ensures you meet the modern demands of claimants who value efficiency and convenience.



**"A modern payment platform should enhance operational efficiencies across the board"**

**Dylan Papa**

Senior Vice President of Commercial Growth at Zelis

Digital prepaid cards and other modern payment options represent a transformative shift in workers' compensation disbursements to claimants.

These solutions deliver:

- **Accelerated Payments:** Automating payment workflows ensures funds are available quickly, reducing delays and improving the claimant experience.
- **Operational Efficiency:** Simplified workflows reduce administrative burdens, allowing providers to focus on care delivery rather than payment tracking.
- **Enhanced Satisfaction:** Faster and more transparent payments build trust and foster loyalty among claimants and providers alike.

**Example:** Claimants can receive disbursements through prepaid digital cards, offering instant access to funds and the flexibility to transfer to personal accounts like PayPal or debit accounts. This eliminates delays, enhances the claimant experience, and demonstrates a modern, claimant-focused approach.

### 3. Leverage AI and Data Analytics

Artificial intelligence (AI) and data analytics are transformative tools for workers' compensation payments. These technologies enable insurers to analyze large datasets, identify inefficiencies, and optimize processes.

How AI and analytics improve payments:

- **Predictive Insights:** AI anticipates errors and anomalies, reducing payment delays and inaccuracies.
- **EFT Adoption Support:** Analytics can identify provider traits that indicate a likelihood to benefit from electronic funds transfer (EFT), so insurers can tailor outreach strategies to maximize adoption.
- **Enhanced Provider Relationships:** By understanding provider needs and payment preferences, insurers can strengthen trust and collaboration.

**Example:** Predictive analytics can identify trends in denied payments, enabling insurers to proactively address recurring issues and prevent disruptions to injured workers' claims.

#### 4. Ensure Compliance with Evolving Regulations

The regulatory landscape for workers' compensation payments is becoming increasingly complex. Failure to comply with evolving laws can result in fines, reputational damage, and loss of trust among providers and injured workers.

To stay compliant, insurers must:

- **Adopt Adaptive Platforms:** Modern systems with built-in compliance tools help insurers adjust to new rules quickly and efficiently.
- **Implement Rules-Based Engines:** Automate compliance checks to ensure every payment aligns with legal requirements, minimizing risk.
- **Proactively Address Changes:** Work with partners who stay ahead of regulatory updates and can guide implementation.

**Example:** Compliance tools can automatically validate payments against the latest requirements of the No Surprises Act, ensuring that injured workers are not subjected to unexpected billing complications.



**"The growing complexity of compliance highlights the need for reliable partners and platforms."**

**Dylan Papa**



# The time to act is now

Workers' compensation claim volumes are rising, and the urgency to modernize payment systems has never been greater.

"The risk of doing nothing means that three or four years from now, you'll be so far behind that catching up might feel impossible," explains Dylan Papa.

A unified digital experience benefits everyone – empowering growth, scalability, and stronger connections across the ecosystem. Modernization isn't a fixed endpoint; it's a continuous journey.

But to navigate this evolving landscape, insurers must take a proactive approach by consolidating payment processes, meeting consumer expectations for digital transformation, harnessing data analytics and AI, and integrating intelligent compliance management. These steps don't just address today's challenges; they build a foundation for long-term innovation and success.

A digital-first payments strategy ensures insurers stay ahead, improve operational efficiency, and foster stronger relationships with providers and claimants – the kind of outcomes that drive meaningful change and lasting impact.







### About Zelis

Zelis provides a connected platform that bridges the gaps and aligns interests to transform the payments process across payers, providers, vendors and claimants. Our tailored single-point solution reduces costs and streamlines the payment process, including medical and non-medical payments, for property and casualty payers. More than 700 payers trust Zelis, including property and casualty payers, national payers, health plans, TPAs, and self-insured employers.

Learn more at [zelis.com](https://zelis.com) and follow us on [LinkedIn](#) to get the latest news.

*\* Zelis' strategy and protocol regarding the responsible use of AI maintains our commitment to excellence by utilizing only closed-source AI platforms across our product suite. This approach guarantees the adherence to legal, ethical, privacy and industry standards as well as underscores Zelis' dedication to maintaining the highest levels of quality and reliability. Most importantly, Zelis personnel rigorously scrutinize and refine all outcomes, ensuring such outcomes meet the highest standards within the AI community and our own internal best practices.*

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