Loving Care is a private equity-owned home healthcare company in New Jersey operating in six states. Its primary specialty is skilled medical care that allows very sick children to live at home, rather than the hospital or nursing home. Its adult line enables seniors to live independently with medical and personal care, and companionship.

HONESTY AND ACTION
Loving Care Agency faced a serious workers’ compensation problem. Claims and costs for the self-insured company had been going up for years with no end in sight. Chairman Bob Creamer knew he had to do something. Several referrals led him to Lockton.

“They had a reputation. A senior risk manager I trust told me, ‘If I was able to switch to Lockton, I would, in a heartbeat. Because they manage with data. You really feel like you’re in control. You get actionable information from these folks.’”

So Loving Care met with Lockton. The meeting was frank and eye-opening. “They started right out of the gate to identify solutions,” Creamer says. “They said, ‘You can do this better, and here’s how we’re going to fix it.’”

Big buy-in, big turnaround
With nearly all of their employees in the field unsupervised, Loving Care presented a unique challenge. But Lockton had the expertise to move aggressively, helping the company revamp its entire workers’ comp approach, from training an injury counselor to creating a network of approved physicians to treat injured workers.
The controls worked. Within 90 days, claims and costs began to drop. By 18 months, the results were dramatic. “We had a material change almost overnight in our results,” Creamer says. “Ultimately our claims costs were reduced by more than 60 percent.”

**A change in culture**

With the workers’ comp culture changed, the company’s reputation as an employer began to change, too. People knew you couldn’t “game” the system. And at Loving Care’s headquarters, corporate employees were engaged and felt more valued.

“I think it elevated some people within our HR department,” Creamer says. “With that spotlight shined on them, they shined. So it really raised the bar for that department and what it can do for us.”

**The bottom line**

Lockton also helped Loving Care answer to its investors. “When you’ve got banks and private equity firms looking at the financials, they need to be reassured. Lockton was able to articulate what had happened and why their calculations were correct. I don’t think we would have been able to handle this balance sheet issue without them.”

Lockton got results again when Loving Care faced a rare stop-loss claim on its self-insured health plan due to an unusual spike in claims. Not only was Lockton able to show the board and investors this spike was an anomaly, but it moved fast and delivered a mid-year health plan change. “There were millions of dollars at stake,” Creamer says. “I’ve never seen that before, an on-the-fly change in plan design.”

**True partnership**

Today Lockton is advising Loving Care on healthcare reform and homecare industry challenges from compensation and Medicare reimbursement to regional regulatory requirements.

Creamer is sold on Lockton’s collaborative approach. “It was very clear this was going to be a partnership. Often with a broker, the sales pitch is, ‘We’re going to do it all.’ And that sounds great, but it doesn’t work. Both parties had a lot of work to do. Lockton knew what to do. But we did it together.”