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Fighting "Fight or Flight"

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Abstract

A small percentage of claimants get labelled as "difficult" – angry, hostile, demanding, and entitled – and their claims account for a disproportionate share of incurred lost time, claims costs and claims manager distress. This paper advances the thesis that the source of these reactions is often not a personal characteristic of the claimant, but rather a natural autonomic nervous system reaction to perceived threats in the claims environment. The sympathetic nervous system's "fight or flight" response is discussed and applied to the compensation claims context. The body's opposite, calming response is discussed in the context of the SCARF model developed by David Rock[i]. The application of the SCARF™ model in the compensation claims context is explored with implications for claims manager training, claims system culture compensation scheme design and future research.

Keywords: workers' compensation, return to work, psychological overlay, SCARF, sympathetic nervous system, parasympathetic nervous system

A Case Study

> *The file didn't start out showing any particular signs of trouble. A claimant named Chris had been seen to slip and fall at work, resulting in a knee with objective clinical signs consistent with his reported symptoms. Prognosis was good for recovery in four to six weeks and the employee had neither prior claims nor any obvious flags for poor outcomes. That's how it started.*

> *The notes from the first contact between the employee and the claims manager were unremarkable. The claimant expressed some concern about losing his income stream. There had been a short delay in approval of the claim due to failure of the employer to submit a statement from a witness in a timely fashion.*

> *Chris was transferred to the claims team handling short term lost time claims and the new claims manager noted that Chris seemed angry to be asked for the history of the case again and was focused on getting timely payments that the other claims manager had "promised".*

A couple weeks later, a bill came in from the GP treating Chris for treatments for anxiety that the GP said were related to the claim. Over time, Chris was increasingly hostile when contacted by the claims manager. In turn, there was a decreasing willingness on the part of the claims manager to return Chris' frequent calls and emails. The doctor prescribed sedatives to Chris, and his physical condition deteriorated, accompanied by weight gain. Chris complained of worsening knee symptoms until he was referred to an orthopaedic surgeon, who recommended knee reconstruction, but expressed concern because of Chris' deteriorating psychological condition. The claim was referred to the major claims unit….

Are we misinterpreting the "difficult" client"?

Files like this are common. Minor injuries with prognosis for uneventful recovery that somehow blossom into long term, high dollar claims. They are a major component of the 10% of claims which account for approximately 85% of claims costs.

There are wider ramifications from claims like this on both other workers and claims managers. Claimants that are hostile, difficult, or demanding tend to colour the attitude of claims managers, so that they often get "jaded" and adopt a cynical approach that their job is to intercept the unreasonable demands that many claimants put on the system. Those that don't tend to get burned out, less productive, or skip to another job as soon as possible.

The hostility that Chris communicates may also influence the overall culture of his place of employment. The hostility that he feels may be communicated to friends remaining on the job, and thus through the entire organisation. Some colleagues are likely to develop expectations about future interactions in the event of injury. Such expectations can colour the perceptions of events, leading to interpretations of otherwise ambiguous or insignificant events that confirms the expectation of poor treatment at the hands of the claims manager ("confirmation bias") Kahneman (2001). The expectation of poor treatment also leads to a greater probability of attorney involvement in the claim. Attorney involvement in compensation claims is closely associated with poorer claims length and cost outcomes and return to work outcomes Aurbach (2013).

As claims managers and compensation scheme designers we tend to look at cases like Chris' as creating a category of "difficult" cases in contrast to the majority of claimants, who simply recover and return to work uneventfully. There is a natural assumption that such cases reflect the character, prior experience or mental health

of the claimant. We usually do not consider the possibility that the reactions of people like Chris are predictable, natural and (more or less) reasonable reactions of normal people to the circumstances they encounter in the compensation system. If fact, such "difficult" claimants are often simply having a sympathetic nervous system reaction (commonly, the "fight or flight" response) to the circumstances we create in the claims environment. To understand what we can do about this phenomenon, we must look a little more closely at our autonomous nervous system.

The "fight or flight" response

The "sympathetic nervous system" is a survival mechanism that is programmed into the more "animal" parts of the brain and central nervous system including the amygdala and hypothalamus. It is triggered by the perception (whether realistic or not) of a frightening occurrence and to a lesser extent, by a sense of impending danger. When our ancestors had to flee or fight predators to stay alive, the "fight or flight" response mobilised gross muscular and hormonal changes that increased the chances that they would survive. Those same hormonal and physiological changes have a very different impact when they occur in someone trying to recover from modern day industrial injury. Moreover, we tend to misinterpret these biologically programmed defensive adaptations as being aggressive and hostile and inadvertently exacerbate the response with our reactions to the perceived hostility.

It's helpful to understand a little more about the nature of the physical changes that are caused by a perception of threat. Adrenaline (epinephrine), norepinephrine and cortisol flood the bloodstream, causing dramatic physical changes. Blood is rechannelled from the brain, digestive system, surface skin and other parts of the body that are not "critical" for survival to the extremities where the blood supply is available for running or fighting. Heart and breathing rates are elevated to provide the muscles with oxygen. The pupils dilate, blood clotting is enhanced and the blood sugar is boosted (Kandhalu 2013). The voice may become louder and faster.

The indirect impacts of these physiological responses are also significant. As the brain has blood supply rerouted and blood sugar and oxygen levels suffer temporary depletion, the ability of the brain to process information is compromised. When survival is on the line, thinking is often reduced to "black and white" categorisations: friend or foe, safe or unsafe, trust or distrust. There is also evidence of enhanced focus on negative stimuli (Reid, 2006).

Cortisol is produced as part of the reaction and it increases blood pressure, blood sugar and supresses the immune system (Padgett, 2003). Cortisol has a longer biological life than adrenaline (perhaps because of its role in breaking down fatty acids for available energy) and stays in the blood stream for a period of time after the perceived danger has passed. Elevated levels of cortisol are associated with reduced immune function, increased blood pressure and sugar, weight gain, diabetes, increased risk of heart disease and insomnia, depression, anxiety and other mental illness (Kandhalu, 2013). By any account, these co-morbidities can be expected to make recovery from musculoskeletal injury more complex and difficult.

The body has another part of the autonomous nervous system called the "parasympathetic" nervous system. It is sometimes referred to as the "rest and digest" reaction. It brings the body back into homeostatic balance (Kreibig, 2010). Blood pressure, heart rate and breathing rate returns to normal. Hormones that have done their work are metabolised and washed from the blood stream. Blood diversion to the extremities and other physiological changes to enhance our ability to react to threat are eventually returned to normal. This is the reaction we should be seeking to encourage.

Fight or flight in a claims context

As noted above, the sympathetic nervous system reacts to perceived threats as well as to "actual" threats. A person with a phobia concerning heights can go into a panic attack while perfectly safe in the observation deck of a tall building. And the threat does not have to pertain to physical safety. In Chris's case, the perceived threat to his income stream was probably significant enough to cause a significant change in his physiological status, even if it wasn't the fullest expression of the "fight or flight" response initially. We don't know what pre-existing concerns or psychological loadings that Chris had concerning the claiming environment. It seems clear that the prospect of loss of income was threatening to him, and that he focused on the negative aspects of delay in claims processing and requestioning by a newly assigned case manager. The case manager noted that he seemed angry by which one can readily guess that Chris' voice became louder, faster and higher-pitched and that the content of his speech became more demanding , more focused on the necessity of his getting what he perceived that he needed and cast more in terms of zero sum game. If the claims manager had been physically present, he or she would likely to have observed defensive postures (such as crossed arms and clenched fists) dilated pupils and physical fidgeting.[ii]

In Chris' black and white thinking, the claims manager has passed from neutral to unsafe, untrustworthy and despised. Requests from the claims manager are met with distrust. Conditions for claims processing are seen as unreasonable requirements to be used to deny him what he needs. In his hyper stimulated state, Chris may ask to change claims managers or go to the supervisor. If the desired relief is not forthcoming detailed explanations of the unreasonableness of denials may go higher and higher in the perceived chain of command.

One of the most difficult parts of the fight or flight reaction is the impact it has on others. Fear, at least in western cultures, is often expressed in a manner that looks a lot like anger to an outside observer, with apparent over-reactiveness and aggression accompanying activity aimed at relief from the threat. Claims personnel may react to such reactiveness and aggression in their interaction as either a personal attack or an indication that the claimant has mental illness or is trying to get something to which he or she is not entitled Risch (2009). The seemingly angry and personal attacks on the claims manager for doing his or her job, combined with Chris' constant demands for benefits and for attention make the claims manager less interested in spending time on that file than on "more productive" work. Calls go unreturned, work gets delayed and claim processing bogs down, each confirming Chris' worst fears. Chris is labelled a "difficult" client, he gets passed from claims manager to claims manager, and each new claims manager has expectations about Chris before they have even been introduced. The prospect of dealing with him is enough to make the claims manager get hard hearted or just want to run away. The reaction of claims personnel in such cases often creates a further perception of threat for people like Chris, and a negative feedback loop has been created.

Chris' fear of mistreatment has become a self-fulfilling prophecy and his fear is stimulated each time he interacts with the system. Compliance with physical rehabilitation efforts may be compromised because of trust issues, and he does not recover as anticipated. Soon the co-morbidities associated with the long term elevation of his cortisol levels begin to appear. Insomnia, anxiety and/or depression may be the first to be recognised. As Chris experiences his growing list of symptoms in temporal association, they become part of the neuroplastically facilitated association of thoughts, memories, emotions and sensations that form his experience of the compensation system (Aurbach, 2015). Each component of that association of mental events and sensations has the power to trigger the remaining components of the system. A long term and costly claim is the likely result for the compensation system. Chris' prognosis is even grimmer.

Fighting "Fight or Flight"

I have recently been showing people a picture of a man at full flight from a charging hippopotamus. I ask the question, "Do you think you can talk to this man about returning to work right now?" The obvious answer is "no" and the implied question is to ask what can be done to make the discussion possible.

The sympathetic and parasympathetic nervous systems react without conscious intervention in most instances. We have limited ability to bring the reactions into existence by an act of will (although it is sometimes possible to "work yourself into" a reactive state by obsessing on the ramifications of a threatening situation or idea) or prevent them once initiated. But there are steps that can be taken to stimulate the "rest and digest" parasympathetic reaction, and initiate the process for bringing things back to normal.

David Rock described a model he called SCARF that describes a set of dynamics that either pushes an individual towards the fight or flight response, or pulls them back from it, invoking the parasympathetic response (Rock, 2008). The model looks at 5 domains of human social experience and seeks to describe the relation of each to the perception of threat or perception of safety. The model has been utilised to address voluntary turnover amongst employees (Wayne, 2015) and the training of leadership (Ringleb, 2011).

The acronym SCARF stands for Status, Certainty, Autonomy, Relatedness and Fairness. Each of these domains represents an opportunity and corresponding danger with regard to the perception of safety or threat understood by person perceiving the domain. In short, we can invoke these domains to push someone toward a fearful reaction or pull them back to a feeling of safety. In the claims context, the danger of a fear reaction already exists by virtue of an injury, a claim for benefits to support the critical economic and treatment needs of a person while he or she recovers, and the reputation of most claims systems with respect to prior instances of handling of claimants. The goal is to pull Chris, and people like him back from the fight or flight reaction that has been invoked (or prevent it from being invoked), and assist him in moving toward rehabilitation. In the process, additional benefits with respect to savings in loss costs, earlier return to work and less burnout, presenteeism and turnover amongst claims staff can be realised.

Status.

Status relates to the perception of our relative importance to others. Being regarded as important makes us feel good, and being regarded as unimportant has the opposite effect. More to the point, as animals that survived largely because we obtained food and resisted danger in social units, being of low status meant denial of critical support when resources were scarce. Status has survival value, and denials of status can have the same impact as a perception of danger.

Intuitively, we appreciate the significance of this kind of interaction. Walk into a restaurant or shop and be greeted by name and the feelings accompanying recognition makes you feel more welcomed, creates an expectation of good service and probably makes you more inclined to return on subsequent occasions. Have a colleague ask about a personal event you've mentioned in a prior conversation and the colleague will likely be regarded as personable, trustworthy and well-intentioned. Conversely, having a supervisor refer to you as "hey you" or by an incorrect name creates feelings of distance and distrust. Someone jumping queue in front of you or pushing you out of the way to get to something desirable ahead of you is likely to be at least irritating and lead to adverse perception of him or her. Research takes these common experiences further: Being left out of an activity activates the same regions of the brain as does the experience of physical pain (Beaumeister, 2001) which would hardly come as a surprise to a school child habitually left to be picked last for group activities.

In the claims context it is surprisingly easy to give negative messages with respect to status. The claimant has a clear expectation that his or her claim is important. It is likely to be the most important aspect of his life at that time to that individual. When claims managers treat the claim as less important, a negative status message is delivered, and a threat is perceived. "I'll get to it – I have a lot of claims ahead of yours" is intended to create some space from the demand of a claimant for immediate attention to their request. The result is somewhat different – the claimant hearing such an utterance is likely to believe that his or her claim is not important to the claims manager, and a perception of being under threat of an adverse outcome is created.

Similarly, frequent substitution of claims managers on a file is regarded as threatening to many claimants. Not only has the content of prior conversations likely been lost, as demonstrated by the claims manager's attempts to "get up to speed on the file" during the call, but any positive relationships that may have been developed are regarded as having been lost. "What about what xx (the prior claims manager) promised?" is the sign of not only a frustrated expectation, but also a

perception that the substitution of a new claims manager represents a dangerous new development in the claim, and that negotiations with him or her are less likely to yield reliable outcomes.

Conversely, a claims manager who remembers the claimant and the context of his or her requests is likely to have a relationship where the needs of the claim system can be rationally explained and discussed. When claimants feel their status upheld by appropriate recognition and consistency, they are less likely to feel the need to contend for position in the relationship by defending their positions or attempting to assert dominance.

Certainty

There is comfort in routine and the perception of danger in "newness". Change is itself regarded as a source of stress, as anyone who has survived a reorganisation of their working conditions, reporting lines and expectations can readily attest. The brain's "fast" system of thought relies on expectations that things are going to be as expected, allowing estimates, quick adjustments and intuitive projections of past experience onto future expectations (Kahneman, 2011). When circumstances change, the "fast" system is derailed, and "slow" thinking must seek out the differences and make the appropriate adjustments.

From an evolutionary point of view, the recognition of safe and unsafe patterns was of great importance. Failure to recognise the subtle signs of a predator in the vicinity could have dire consequences, and addressing known challenges with known strategies was likely to be successful. Deviation from this pattern carried significant risk.

In social interactions the ability to know what's coming is comforting, and even the knowledge of an adverse outcome is often regarded as better than uncertainty. Think of the teen aged boy asking the girl he fancies on their first date. Even rejection can be a relief compared to the anxiety of not knowing if she will go out with him. Claims situations are similar. Knowledge of what's coming allows comfort and trust. Even where the knowledge is of the cessation of, or a stepdown in, benefits, the claimant can use the time remaining before the event to plan his or her next move. Uncertainty, however, invokes a fear of the unknown. For most of us, uncertainty is difficult to tolerate, and demands attention for resolution, to the exclusion of other things.

In the claims context, uncertainty is often created by an atmosphere of distrust and the complexity and sometimes counter-intuitive nature of the law. The insurance industry is fundamentally organised as a mechanism by which claims for payment against a policy are tested so that only qualifying claims and only the benefits specified by law or the policy are paid. Put another way, the industry is organised around suppression of claims misconduct. Institutional focus on claims misconduct creates an atmosphere of distrust that is sometimes reflected in the attitudes learned by claims personnel. Distrust is almost always reciprocated. A feedback loop may be developed. Where distrust is present, the perception of threat is predictable.

Workers' compensation and the rules surrounding benefit payment are complex. The worker is at a disadvantage. People often engage attorneys for representation for precisely this reason, despite significant evidence that the presence of an attorney in the case is a good predictor of a poor outcome (Aurbach, 2013). The opacity of the law creates an air of uncertainty, and only the best lawyers have the skills to help their clients through the sense of threat inherent in being at the mercy of a poorly understood system. Even where the threat is imagined, the impact of activation of the sympathetic nervous system is likely to be felt.[iii]

The provision of certainty, even where the news is bad, has the opposite effect. Good claims personnel assist the claimant in working through the initial reaction to news on their claim and prime the claimant for the next step in the process. Claimant surveys commonly reflect approval over "being kept informed about the progress of the claim".

Autonomy

The feeling of "being in charge" is often comforting. When we rely upon our own abilities, the opportunity for disagreement about the course of our lives, of reliance on others who may or may not have the same competence and motivation and who may pursue their interests to the exclusion of ours is magnified. While reliance on trusted others is also comforting, it contains the possibility of betrayal, which is doubly dangerous. There is a substantial literature indicating that this impact is not merely psychological. Studies of "shared decision making in medicine" consistently show that informed participation in the process of deciding among alternative strategies for treatment is associated with better clinical outcomes (Charles, 1997; Frosch, 1999). Autonomy produces confidence where the skills to handle the situation are

perceived as present. Turning one's fate over to others is a source of anxiety and a feeling of threat.

The claims context is one where the control over many aspects of day to day life is transferred to others. Transfer of the perceived "locus of control" is associated with poor outcomes in claims (Gatchel, 2004; Lefcourt, 1982; Peterson, 1993) and is also a source of perceived threat. The claims manager, the treating doctors, the IME physician, the lawyers and even rehabilitation personnel tell the claimant what to do, where to be, what to avoid and how to act. Where the motivations of these people are seen to be suspect (perhaps because they are paid by the insurer, and perceived to be controlled by that party), being subject to their control may deprive the claimant of confidence that his or her best interests are being pursued. A perception of threat, giving rise to the fight or flight response, may be created.

The claims context often focuses on the prevention of misconduct. In an attempt to prevent claims or benefits that are not qualifying from being paid, the regulation of the system can be focused on the channelling of behaviour from both claimants and service providers into acceptable norms. The effect is to remove a sense of autonomy from the claimant both directly and indirectly, as not only his or her behaviour, but also the options of those treating the claimant are limited. While this strategy may have a beneficial impact with regard to claims costs in the short run, the impact on return to work rates and the frequency of delayed return to work may be adversely impacted.[iv]

It is surprisingly easy for good claims managers to return the sense of autonomy to a claimant. Chris's claims manager can start by asking a simple question: "What do you want to see happen?" Focus on broader goals allows questions to be asked in the context of concrete features of the system that will not adjust to Chris' expectations. Planning steps to advance broader goals returns autonomy to the individual, even where work within the constraints of the system mean that the original goals have to be adjusted by the claimant.

Relatedness

Relatedness tells us whether someone in our social sphere is a friend or a foe, a potential helper or a competitor or blocker for scarce resources. We all are aware of the natural feeling of comfort when in a situation where we are surrounded by friends and the corresponding anxiety or discomfort felt by most when the person

"doesn't know a soul in the room". In our evolutionary past, the sense of safety in membership in a larger group contrasted sharply with the threat associated with rival groups who competed for similar resources.

The context of insurance is one in which the issue of relatedness is particularly tricky. Most service providers "work for the insurance company" and are distrusted as being part of organised opposition to the claim. The opinions of specialised medical providers are rejected over the opinion of a familiar GP, who likely has less training and competence with regard to the presenting problem. Advice from a source associated with the "enemy" is also likely to be interpreted incorrectly, as "confirmation bias" leads us to jump to the conclusion that it is not in our best interests (Kahneman, 2011). The concept of relatedness is closely linked to the concept of trust, and the usual response to an untrustworthy act is to withdraw from contact with the untrustworthy person.

In the claims context, distrust of the insurer is likely a given with respect to most claimants. Independent medical examinations ("IME") are a primary example. In general health, there is little resistance to the concept of referral to a specialist for diagnosis and treatment of conditions that are outside the competence of a general practitioner. Many of us would seek a second opinion before submitting to a significant medical treatment. An IME is literally a referral to a specialist for a medical second opinion, yet such referrals are resisted and the results of such referrals are often contested on behalf of claimants in favour of the opinion of physicians that cannot claim the expertise of the specialist. Rehabilitation professionals, physical therapists and others face similar problems, and the issues are even more troublesome for claims managers. The existence of an employment or business relationship with the insurer means that the actions taken by related person are likely to be perceived as benefitting the insurer over the claimant's interests. When Chris is forced to deal with people whom he perceives as being beholden to the insurer, he is likely to feel that his best interests are threatened.

The ability to generate relatedness in the insurance context stems for ultimate common desired outcomes. The insurer's economic interest is advanced in the vast majority of cases by actions that result in the fast and full return to pre-injury status by the claimant. The claimant shares the interest in return to pre-injury status in the vast majority of cases. Potential threats, like referral for an IME, become much less threatening in the context of the shared desire to obtain the most effective treatment of the presenting condition.

Fairness

Fairness is not only a basic Australian cultural value, but also a promise of distribution of resources and obligations in a manner that satisfies basic needs. Being in system perceived as unfair is threatening because efforts to obtain needed resources may be compromised by the actions or inactions of others. Being in a fair system means, at least in part, that the people with whom one deals will do what they say they will do. In some sense it is related to all of the other SCARF model values, in that status, certainty, autonomy and relatedness can all be adversely impacted by the failure to follow through on what one has promised. Conversely, good customer service practices stress that resolution of a problem in a manner that the customer feels is fair is likely to generate substantial good will for the company that created the original problem.

In a claims context it is easy to inadvertently create threat by breaches of perceived fairness. A failure to return a phone call is not only a blow to one's sense of status, but also a violation of the implied promise to communicate as needed concerning the claim (where the necessity is in the mind of the contact requester). Failure to advance a task on the priority listing of a claims manager is the breaking of an implied promise, even if there are good and sufficient reasons for the delay, when viewed by an omniscient observer. Chris may regard compliance by the claims manager with restrictive regulations concerning a benefit as unfair, where Chris' GP has led him to believe that the denied benefit is the best or only hope for recovery. The situation is worsened if the denial accompanies a change in the claims manager assigned to the claim. In that situation Chris may regard the failure to honour a previous "commitment" as a personal attack, and a fight or flight response is predictable. Denial of benefits for a similar ailment reported by a co-worker may be regarded as unfair, when the claimant fails to recognise that differences in the cases may be significant.

Most breaches of perceived fairness can be healed with explanation and improved performance. Unfortunately, the importance of these common courtesies can be lost when the crush of a pending claims load makes such behaviour impractical. Under such pressure, the overloaded claims manager is likely to react poorly to the incipient fight or flight reaction of the claimant and the situation can spiral out of control for both parties. The same analysis applies to many of the personnel issues that we observe in the workplace, and the solutions to be applied are equally applicable.

Utilising SCARF

The significance of psychological factors with respect to the success of return to work programs and the cost of claims is beyond reasonable contention. The question is not whether we'd like to control the added costs and longer recoveries, but of what steps are best suited to accomplish that result.

In this context the implementation of the SCARF model to reduce the instance of fight or flight reactions amongst claimants requires balance of the costs associated with additional actions to invoke the parasympathetic response either as a preventative or remedial intervention and the reduction in claims costs, productivity costs and recruitment and on-boarding costs that are associated with the changes. It is beyond the scope of this paper to provide a specific return on investment analysis because of the huge variation in implementation approaches that are available. That having been said, the implementation of basic SCARF model implementations is easy and relatively low cost.

Prevention of the fight or flight response in the first instance is a matter of training professionals in the claims industry in the use of scriptable stock phrases that are likely to invoke a parasympathetic response, and training to promote avoidance of phrasing and activity that is likely to have an adverse reaction. Rarely do KPIs for claims personnel include responding to telephone messages within a specified period of time (invoking status, relatedness and fairness) or provision of accurate standardised explanations of rights and responsibilities to claimants (invoking certainty and autonomy). The former may have some cost associated with it, but unless the insurer is betting that claimants who don't have phone calls returned promptly will drop their claims, the call will eventually have to be serviced. Provision of claims explanation booklets is inexpensive (samples are available for adaption to local laws and regulations) and the provision of them is a matter of offering them (demonstrating status, relatedness and fairness) and delivering the information as requested (supporting autonomy and fairness).

Scriptable responses are also possible. First responders are often trained to say "The worst is over" when they have contact with an accident victim. The phrase simultaneously sets a positive expectation (invoking certainty) and contains an implied promise that the speaker will look after the injured person (invoking relatedness). First contact between the insurer and the claimant could include a similar phrasing to invoke those beneficial parasympathetic impacts. Apology (when phrased as an expression of empathy rather than an admission of

responsibility) invokes relatedness, status and fairness. Such an expression must be sincere to be credible and an insincere apology may undermine relatedness by creating the perception of manipulation. Fortunately, most claims personnel are "people persons" – at least at the start of their careers - and will only have to overcome normal "cognitive dissonance" effects (that could have happened to me, and it is therefore frightening) to express the thought. The significant relatedness question of the perceived aims of the insurance company ("You don't care about anything but money") can be countered with a standardised explanation of the real sharing of the ultimate aim of recovery. Chris may believe that the insurer is motivated solely by profit, but he can still likely hear that the insurer embraces the concept that profits are maximised by the same speed and completeness of recovery that he desires. While Chris and the insurer have different motivations, the utterance of the message changes the discussion from why a benefit is being denied to whether the benefit is the best way to get Chris back to pre-injury status. Numerous other examples of low cost improvements in the interaction between claims staff and claimants are available.

There is a caveat that should be mentioned at this point. Promises made (or implied) must be kept, or the adverse reaction for betrayal of the expectation is likely to be significant. The claims manager can't say that "The worst is over" in the first phone call and then fail to return phone calls or do what they have promised. The damage to status, relatedness and fairness from such action is likely to invoke a strong threat response. The claims team has to walk its talk.

Similar strategies in the office will help calm overreactions and unexplained hostility in many instances. Although management theory seldom spells out the threat response, it has been long known that loyal and high performing teams thrive on recognition of individual efforts (status), clear expectations about the end to be achieved combined with flexibility on the manner of achievement (certainty and autonomy). Teamwork and collaboration (relatedness) have been stressed in organisational structure in recent theory. The perception of fairness and follow through on promised outcomes has always been recognised as critical to organisational success. Moreover, the SCARF model can also be utilised as a management tool when unexplained or seemingly exaggerated behaviour is present.

Implications of the SCARF model for system design and organisation

1. The most obvious implication of the SCARF model is its utility in prevention and response/intervention with respect to the class of claimants that become "difficult". Basic training for claims managers and other professionals dealing with claimants can include the recognition of threat responses. This would enable these professionals to intervene to the extent that they are comfortable and qualified to do so, or to refer to more qualified personnel. In any event, it would allow the individual claims manager to understand that the response is not a personal attack on them and provide some relief from the debilitating effects of a powerful emotional onslaught. The reduction in wear and tear on staff, and the associated costs of lost time and productivity, recruitment of replacement staff and on-boarding/training costs are likely to make such training a cost effective investment.

   Early recognition and intervention is also likely to reduce the number of "problem" cases in the first instance through the use of minimal intervention efforts. Such efforts may not be generally rolled out to the rank and file claims staff but may be concentrated on the staff to which such claims would normally be escalated. In the first instance, this is likely to be claims team leaders. There are multiple benefits of using that cohort for specialised SCARF intervention. Individual claim loads are often reduced, allowing for the team leader to provide more individualised attention to the person suffering the threat response. Training costs can be reduced through concentration on a smaller population and the skills learned are also highly transferrable to the personnel management duties of the team leader. Similar benefits can be obtained by using specialised personnel, but care needs to be taken that such personnel are fully supported, so that they do not fall into burnout and exacerbate the problems.

   Even referral to appropriate external resources is likely to be enhanced by basic recognition and intervention training. Claims managers communicate with psychological and psychiatric personnel through the questions they ask. A claim manager might write that "Chris appears to exhibit a threat reaction when there is mention of his supervisor in connection with discussions of return to work." This is likely to result in a very different investigation than the same claim manager writing, "Chris is demanding and belligerent and appears to be resisting returning to work". The first might result in useful specific insight, while the (more common) second is likely to focus on issues of personality organisation and control of mental illness.

2. The phenomenon of the "difficult" claimant is almost universally understood and appreciated. Yet if the claimant is most often "difficult" precisely because of an unconscious reaction to stimuli in the claims environment, then

there is an aspect of "blaming the victim" that has permeated the culture of the industry. It is possible to address this underlying attitude and create a less harmful environment in the first instance, with expected bonuses in reduction of claims costs by reduction of unnecessary co-morbidities to the original injury and reduction in adverse impacts on employee retention recruitment and training costs.

The claims environment, as mentioned above, is framed by distrust. The insurer does not trust the claimant and assumes that each claimant must be carefully examined to prevent fraud. The actual instance of knowing and intentional fraud by workers in workers' compensation cases is under five percent [v]but the other 95% are treated as if they may be offering an inappropriate claim until they prove that the conditions of the law have been met. The regulator and/or insurer do not trust service providers to provide services for injured workers without making inflated profits, or to provide appropriate services or to provide appropriate billing for services provided. WorkSafe Victoria, for instance, recently had over 180 pages of regulatory material relating to control of the rehabilitation industry alone.

Distrust is often reciprocated, and a feedback loop may be created. Chris gets a sense of institutional distrust through interaction with his claims manager. His reciprocal distrust acts as a perceptual filter, colouring his perceptions of interactions with the insurer and causing him to perceive threats in the claims environment. His heightened behaviour causes an emotional reaction from the claims manager, whose rejection, avoidance and lack of empathy result in further simulation of Chris' feeling of threat to his status, relatedness, certainty and fairness. His overreaction causes the claims manager to clamp down harder on the "difficult" claimant, and Chris' sense of autonomy is further impinged. To be sure, this pattern is not followed in all, or even a majority of cases where there is extended contact between the claimant and the system, but the subsequent harm to both Chris and his claims manager is entirely manufactured by the starting conditions.

Large self-insured companies who assume the risk of their own compensation claims often exhibit better claims results than do insurers of similar portfolios. It has been argued (Dilluch, 2000) that such results are the product of a different attitude toward claimants – an assumption, until proven incorrect, that a claim represents a genuine employee problem with which an employer can assist. While this assumption may not be entirely applicable in the Australian commercial compensation insurance market, the relative cost and benefit of the opposite assumption could be more rigorously examined.

Once we rid ourselves of underlying assumptions, we just may find that our largest cost driver is something that we effectively create for ourselves.

3. This leads to the obvious opportunity to design systems that minimise the creation of the fight or flight response in claimants and thereby reduces the co-morbidity associated with it and the wear and tear on our claims professionals that it causes. One obvious improvement is the minimization of the threatening aspects of current practices of segmentation of claims.

   In the original scenario offered in this paper, Chris's intake and triage claims manager made a "cold" handover of the claims file to the short term lost time manager. The new claims manager was unfamiliar with the file and unprepared to pick up where the prior manager had left off. This added a sense of threat to several aspects of Chris's perception of what was happening, and he reacted accordingly, sending the new relationship off in an unconstructive direction.

   Transfers amongst claims teams is an inherent aspect of current practices regarding claims segmentation (usually referred to as "horizontal integration") The benefits of horizontal integration are supposed to be greater efficiency, with personnel receiving just the training they need to fulfil the limited functions to which they are assigned, and the ability to give more files to the workers handling claims that are "light touch". Similarly, within claims teams, other members of the team are expected to substitute freely, without specific briefing on files which they are "covering". The predictable result is that claimants often complain about changes in claims personnel and some systems may see as many as 30 different claims managers touch a file within a five year period.[vi] In such cases the perception of status, relatedness, certainty and fairness experienced by claimants suffers, with results consistent with SCARF model predictions.

   Perhaps it is time to review the assumption set that underlies the alleged efficiency of horizontal segmentation. It is reported that some large self-insured companies utilise vertical integration strategies with some or all claims to good effect. In such a scenario one claims manager (or a small claims management team) oversees the file from inception to final closure. Threat and the kind of repetition of information that helps to solidify a facilitated neural network of unnecessary disability (Aurbach, 2015)are minimised. File handovers, when they occur, involve both briefing and introduction of the new claims manager. Reportedly, the outcomes of such programs are economically sustainable.

Scheme design to enhance individual autonomy is also possible. As noted above, there is a substantial literature around the practice of informed shared responsibility for medical decision making (Charles, 1997; Frosch, 1999). Anecdotally, such shared decision making is also utilised by skilful rehabilitation professionals in obtaining commitment to upskilling and return to work programs (Liddell, 2016).

Once the assumption is entertained that claimants are more likely to comply with and benefit from interactions where they make an informed choice amongst available options, multiple opportunities for enhancement of their sense of autonomy become evident. For instance, the industry currently assumes that return to work with the same employer, in the same job and at the same wages is the most desirable outcome. An informed claimant may make other choices. Benefits are paid in most jurisdictions over time, with little flexibility to respond to economic pressure occurring during the claims process. Some foreign jurisdictions that presume periodic payments have allowed advancement of those payments to pay bills accumulated during recovery, with substantial protections to insure that consent is informed and freely given. The NDIS is currently proceeding on a model that assumes that care is self-directed, with little or no regulation regarding choice of vendor for participant services. This model, which is based significantly on autonomy may provide valuable experience on which expansions of autonomy can be based.

4. Research is clearly needed to quantify the costs and benefits of application of Rock's SCARF to model workers' compensation claims. In the meantime, the model offers the possibility of advancement of other research as well. Currently, interventions are judged by their success in obtaining significant variation in one or more final outcomes of workers' compensation, and usually focus on their impact on return to work. There is a difficulty with this focus. Return to work is a complex outcome with multiple independent intervening variables that may mask effects obtained by interventions or accidentally present a multifactorial contribution to the outcome observed. It would be better if we had a more direct and individually objective measure of success of our interventions.

   Most interventions implicate one or more of the domains of social interaction described by the SCARF model. Activation of the sympathetic nervous system via the SCARF model (or deactivation via the parasympathetic response) causes a variety of physiological changes, including changes in

cortisol levels, pupil dilation, blood pressure and behavioural manifestations. While measurement of blood cortisol may be too invasive for general use, the other physiological changes accompanying the fight or flight or rest and digest responses are viable candidates for markers for the impact of various interventions and, perhaps, as a partial proxy for the elusive measurement of secondary psychological harm in the claims process.

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[i] SCARF is a registered trademark of the Neuroleadership Institute. Used with permission from David Rock 3 October, 2017.

[ii] Thanks to my peer reviewer, Rick Shaw, for the observation that the claimant is also likely to perceive unfairness in the situation. He pointed out that, consistent with utility theory we resent losing something that we perceive as than failing to win something new. See, also Sullivan (2009). I would also like to thank him for numerous other observations that greatly helped improve this paper.

[iii] The author, although himself an experienced litigator, personally experienced this phenomenon in the course of trying to recover medical expenses incurred in a slip and fall injury. Even detailed rational knowledge of the legal system is not proof against late night worry about the course of the case.

[iv] Victoria's poor performance in recent return to work and disability duration statistics (Collie, 2015) accompanies the most robust regulatory framework in the country, and the regulatory framework most likely to cause a reaction to loss of autonomy. While a causal connection is not supported by this data alone, service providers in the system tell vivid stories of the frustration they and their clients experience and of its effect on return to work.

[v] Based upon personal experience prosecuting criminal fraud and an additional five years supervising a fraudulent claims investigations unit for five years in the United States.

[vi] Independent file review conducted by the author for a large Australian claims management organisation in 2012.