Controlling Workers’ Compensation Costs through Injury Prevention & Management

Return to Work Programs:
Start One That Works for You

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Agenda

- IAMU Worker’s Compensation Losses
- Injury Prevention & Management Programs
- How to Create a Return to Work Program
An Important Concept

Injury Prevention & Management

Do you have **all** the pieces?
What’s The Best Type of Accident?

The one that never happened
2014 IAMU Claims

- PROPERTY: 38%
- WORK COMP: 42%
- LIABILITY: 13%
- AUTO: 7%

Total Incurred Dollars
2014 IAMU Work Comp Data

Lost-Time Claims: Only 14% of the claims but 90% of the dollars
Cost Breakdown of Indemnity Claims

- Medical cost: 47%
- Indemnity cost: 53%
2014 IAMU Work Comp Data

![Bar chart showing total incurred by accident type. The chart includes categories such as Overexertion, Fall-Slip, Struck By, Caught In, Fall-Elevated, Motor Vehicle, Electric Current, Other NOC, Physical Attacked, and Cut/Puncture. Overexertion has the highest cost, followed by Fall-Slip, Struck By, Caught In, Fall-Elevated, Motor Vehicle, Electric Current, Other NOC, Physical Attacked, and Cut/Puncture.]
2014 IAMU Work Comp Data

$ INCURRED BY OCCUPATION - TOP 5

- Firefighters: 47%
- Street: 17%
- Police: 13%
- Electric/Gas: 12%
- Water/Wastewater: 11%
Indemnity Cost by Occupation

- FIREFIGHTERS: 50%
- Office/Clerical: 11%
- Street: 11%
- BUILDING OWNER: 7%
- Electric/Gas: 6%
- Police: 5%
- Water/Waste: 5%
- LAWN MAINT: 5%
- Office/Clerical: 11%

EMC
Health and Wellness Programs

- Fewer and less severe injuries
- Decreased absenteeism
- Lower overall healthcare costs
- Improved morale and productivity
Obesity/Diabetes in U.S. Adults

1994

Obesity (BMI ≥ 30 kg/m²)

- Missing Data
- 14.0 – 17.9%
- 18.0 – 21.9%
- 22.0 – 25.9%
- ≥ 26.0%

Diabetes

- Missing data
- 4.5 – 5.9%
- 6.0 – 7.4%
- 7.5 – 8.9%
- ≥ 9.0%
Obesity/Diabetes in U.S. Adults

2010

Obesity (BMI ≥ 30 kg/m²)

Diabetes

Missing Data
- 14.0%–17.9%
- 22.0%–25.9%

<14.0%
- 18.0%–21.9%
- ≥26.0%

Missing data
- 4.5%–5.9%
- 6.0%–7.4%
- 7.5%–8.9%
- ≥9.0%
Aging Population Wave

Figure 1: Number of Persons 65+, 1900 to 2060 (numbers in millions)

Source: U.S. Census Bureau Population Estimates & Projections
Aging Population Wave

65 percent of Baby Boomer workers plan to work past age 65 or do not plan to retire.

Main reasons – income and health benefits

Source: Transamerica Center for Retirement Studies
Aging is not a disease

- Strength & endurance – lose 10% per decade after age 30
- Gait issues – Osteoarthritis, shuffle feet
- Vision - depth perception, contrast, glare
- Hearing - balance
- Nervous System – slower reaction time
- Cardiovascular – stamina
- Cognitive skills/memory?
Wellness Programs

Address core strength, balance and mobility (overexertion & slip/fall risk)

Examples

• Step aerobics
• Tae-Bo
Hiring Practices

- Background Checks
- Credit Checks
- Drug Tests
- Motor Vehicle Records Check
- Job Descriptions (with physical demands)
- PreWork Screening
Hiring Practices – Prework Screening

- Match Worker to Job
- Physically strenuous
- Basis: Job description with physical demands
- PT develops screening tests
- Post offer, Pre-hire
- Helps with RTW decisions
Tests designed to simulate tasks
• Weights, distances, postures, frequency
Hiring Practices – Prework Screening

Midwest Snowmobile Manufacturer
• PWS implemented for all new production workers
• 48% reduction in injuries during first 6 months
Select Provider Program (SPP)

- Assists cities in organizing the first 24-48 hrs of a claim
- Informs employees what to do and where to go for medical care for workplace injuries
Direction of Care

Iowa: Employers may direct care
Preferred Provider Organizations (PPO)

EMC partners with a PPO Network in each state:
• Can search for specific locations
• Focus on Occupational Health
• Follows state rules on direction of medical care
• Negotiate rate reductions
• For non-EMC cities, check with agent for any similar services
SPP Benefits

**Employee**
- Written instructions to receive care
- Timely and appropriate medical care
- Local medical providers
- Supervisors are informed

**Company**
- Consistent procedure for all employees
- Better communication between all parties
- Timely documentation and prompt payment of medical bills and employee benefits
- Supports early RTW program
Customizing SPP Program

- EMC works with Cities to develop their unique SPP:
  - Provide medical options & assist with provider selection
  - Contact medical providers
  - Develop forms, poster & work-injury packets
  - Assist with implementation
Return To Work Program

- Bring injured or disabled employees safely back to work as soon as medically capable
- Provide meaningful transitional work, medically matched to an injured worker’s abilities
- Rejoin the workplace earlier, promote healing and reduce costs
RTW Program Objectives

• Eliminate or reduce lost time claims

• Safely return injured workers to work as soon as possible

• Close claims with the best outcome

• Avoid costly litigation
RTW Program Benefits

- Helps reduce costs (WC Premium, Operational)
- Maintained productivity
- Provides meaningful transitional work
- Job safely matched to injured worker’s abilities
- Allows worker to rejoin the workplace earlier
- Improved communication
Waiting Period and RTW

- 3-day waiting period before WC benefits apply
- If returned within 3 days, no indemnity cost
- Medical-only claims discounted by 70% for exp mod calculation
- 14-day retro period: If returned within 14 days, no indemnity cost for the 3-day waiting period
### Waiting Period and RTW Example

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<thead>
<tr>
<th></th>
<th>No RTW</th>
<th>RTW</th>
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<tbody>
<tr>
<td>Medical costs</td>
<td>$1,500</td>
<td>$1,500</td>
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<tr>
<td>Lost-time pay</td>
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</tr>
<tr>
<td>Total claim cost</td>
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<td>$1,500</td>
</tr>
<tr>
<td>Cost used for mod</td>
<td>$5,000</td>
<td>$450</td>
</tr>
</tbody>
</table>

91% reduction in cost affecting mod factor
RTW “Soft” Employee Benefits

• Working can speed recovery
• Remain engaged with workplace
• Feel valued by the organization
What’s the Payoff?

A properly administered program can realize an $5 to $10 savings for every dollar invested in a proactive RTW program.
Types of RTW Programs

- **Informal** - Inconsistently used, case by case, no formal policy/procedures
- **Formal** - 100% RTW expectation, formal policy, procedures, transitional duty lists
RTW Terminology

Transitional Assignments
“Any work assigned until the worker returns to regular job duties with no restrictions”

- **Modified Work**—a modified version of the worker’s usual duty
- **Alternative Duty**—different work tasks for a temporary assignment
Transitional Work Case Study

Electrician – assemble fixture whips
Not Just A Work Comp Program

Case Study

• School Cook
• Cancer, deltoid muscle removed
• Was cleared by doctor for full duty (influenced by worker)
• Met with employee and delayed return to full duty
• Sent doctor description of physical demands
• Finally cleared a month later for transitional work
RTW Program Quick Start Steps

Step 1: Develop a RTW program policy statement and written program

Step 2: Identify transitional jobs or tasks

Step 3: Develop written job descriptions (w/ physical demands) for selected jobs

Step 4: Educate all staff on program and procedures
Putting It All Together

Injury Prevention & Management

- HIRING PRACTICES
- HEALTH & WELLNESS
- SAFETY
- SELECT PROVIDER
- RETURN TO WORK
Putting It All Together – Case Study

• SPP & RTW programs
• Aggressive accident investigation
Helpful Resources

- EMC’s Loss Control Website [www.emcins.com/](http://www.emcins.com/)
- Click Loss Control, then Safety By Topic and Injury Management
Monte Ball,
Injury Services Manager,
EMC Insurance Companies
Monte.W.Ball@EMCIns.com
Phone:  515-345-2597