

Injury Management Process

Early Return-to-Work Value Features
& Bottom-Line Savings



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Learning Objectives

- Recognize that an early Return-to-Work (RTW) process is comprised of multiple steps
- Understand how a RTW program can positively affect a company's profitability
- Identify the impact of indirect costs on a company's bottom-line profitability
- Demonstrate the potential savings a transitional work program provides

What is an Early Return-to-Work Process?

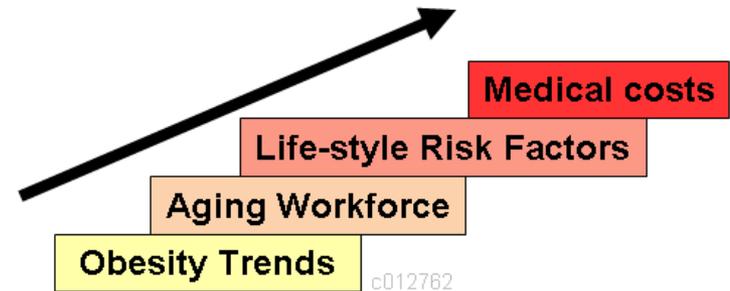
The Return-to-Work (RTW) process is a planned approach that provides injured or ill employees with temporary medical restrictions, the opportunity to remain on the job working in some capacity.

Program Goals

- Lower workers' compensation claim costs when a workers is injured
- Contain or reduce workers' compensation insurance premiums
- Assist the injured employee in returning to their job
- Reduce the number of lost work days away (DART) metric

What's Emerging on the Horizon?

1. Economic Recession
2. Aging Workforce
3. Obesity & Lifestyle Decisions
4. Healthcare Costs



The costs of workers' compensation injuries in the U.S. are at a crisis level. Medical and indemnity costs are rising.

Medical Severity Difference Due to Age

Age has an impact on medical costs:

Study of the average medical severity for claims with temporary indemnity payments between 1996 to 2007

- \$5,073 for the 20-34 age cohort study group
- \$7,649 for the 45-64 age cohort study group
- That is a 151% difference

Source: 2011 NCCI Holdings, Inc.



Value of an early RTW Process

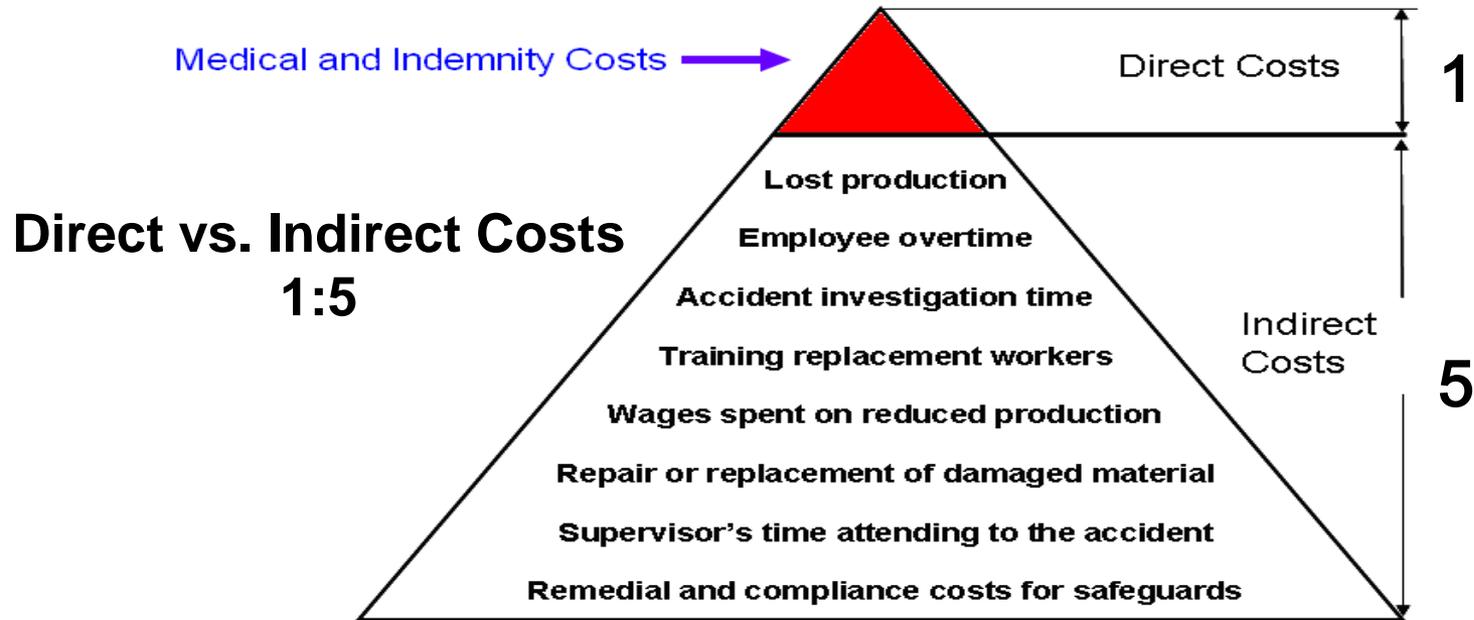
The value of an early RTW process can be seen in the following ways:

1. Increased productivity of your workforce
2. Reduced cost due to fewer lost work days
3. Minimized wage loss to employees
4. Reduced disability claims and duration
5. Greater employee morale and communication
6. Fewer work performance issues

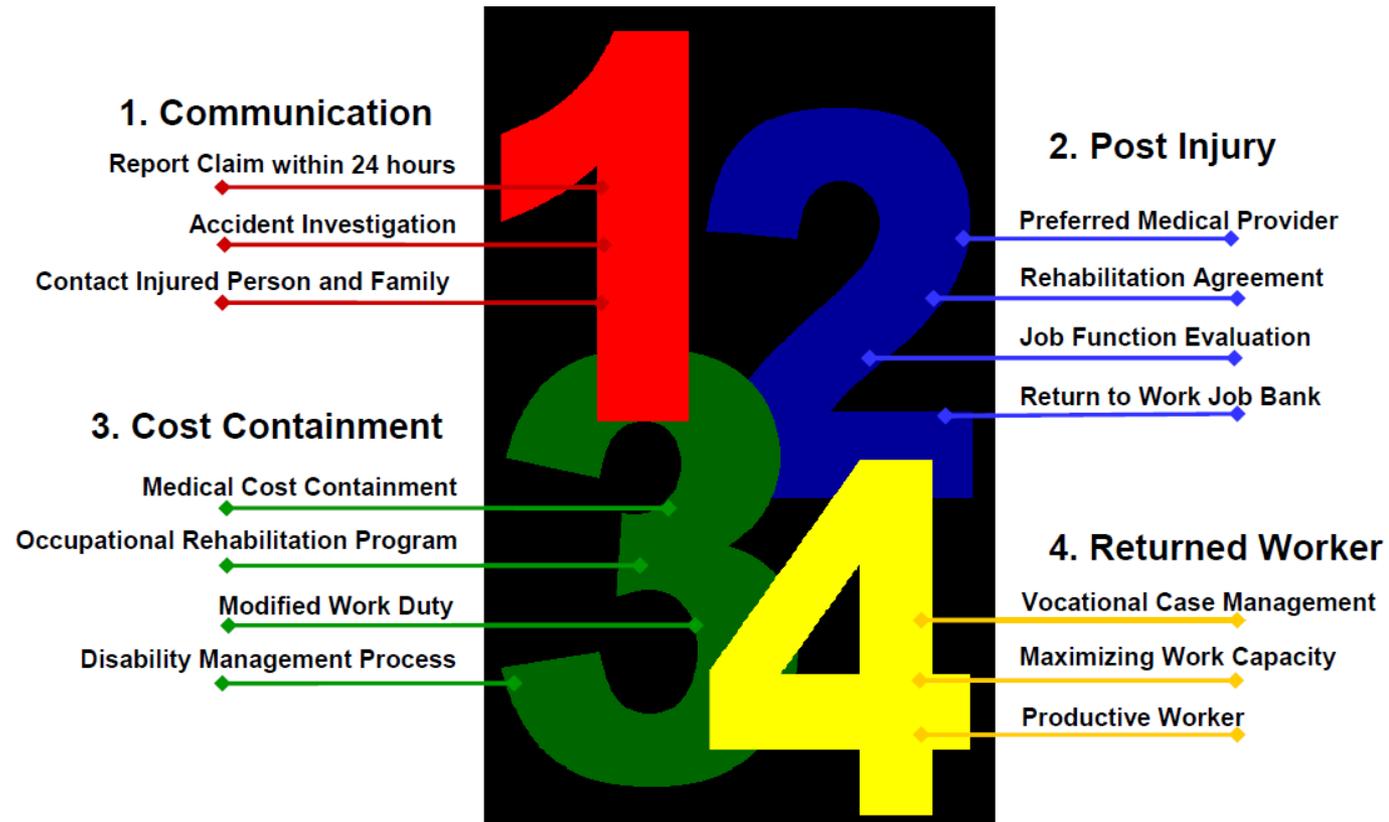
This is NOT an “All or Nothing” Process

- Unrealistic expectation: Return 100% of the injured workers back to work
- Goal: Return most of the workers most of the time
- Percent will vary between injury types and for different departments within a manufacturing organization

Direct Versus Indirect Costs



4 Steps to RTW Success



How to Begin

Key components:

1. A written return-to-work policy, signed and supported by top management
2. Communicate the policy:
 - To employees
 - To supervisors
 - Your healthcare providers
 - To the worker's compensation insurance company

What is a RTW Process?

A RTW process is a clearly defined and documented plan with the injured employee, employer and medical providers. This process enables the injured employee to return to work quickly and safely in:

- Temporary work assignments, within the doctor's restrictions
- Modified or alternative jobs once discharged from medical care
- Ensuring all aspects of the return-to-work process are managed and coordinated

Key Terms

- **Transitional Work** – Denotes a work change on a limited time basis.
- **Modified Duty** – Means a temporary work change to allow the employee to perform the regular job, usually while recovering from their work-related disability.
- **Alternative Duty** – Denotes a temporary work change to a different job other than his/her regular/routine job.

Why Do You Need a RTW Process?

TIP

RTW Process Saves Money

For every dollar invested in a PTW program, you might expect a savings of \$8 to \$10.*

- Reduced medical costs.
- Reduced the disability duration.
- Reduced attorney intervention.

* Patricia F. Hafre, "Evaluating the Practicality of RTW Programs: Increasing Costs and Legislative Changes Makes Disability Related Problems too Costly to Ignore," Crawford & Company, Atlanta, GA

- RTW effects the bottom line profitability!
- Management really needs to understand the final implications of not having a good RTW process.

Develop and Implement a RTW Process

Create a written statement of the intent and a description of the process. Develop policies and procedures.

Step 1: Review injury reporting procedures

Step 2: The RTW team members or site team

Step 3: Establish metrics for success

Step 4: Establish a RTW plan for each injured worker

Step 5: Work with your workers' compensation insurance carrier to lower medical & indemnity costs



Step 1: Injury Reporting Procedures

Report injuries to your insurance carrier as quickly as possible.

Delayed notification increases costs:

- Claim handler can make sure the injured person receives proper care
- The spouse or family members are notified
 - o Medical costs will be covered
 - o Compensation while the injured worker is recovering

Timely Notice of Loss Savings

TIP

Report Injury ASAP

Quickly reporting a WC injury to your insurance carrier within 24 hours can save your company 5 to 6 percent of the accident's direct cost.

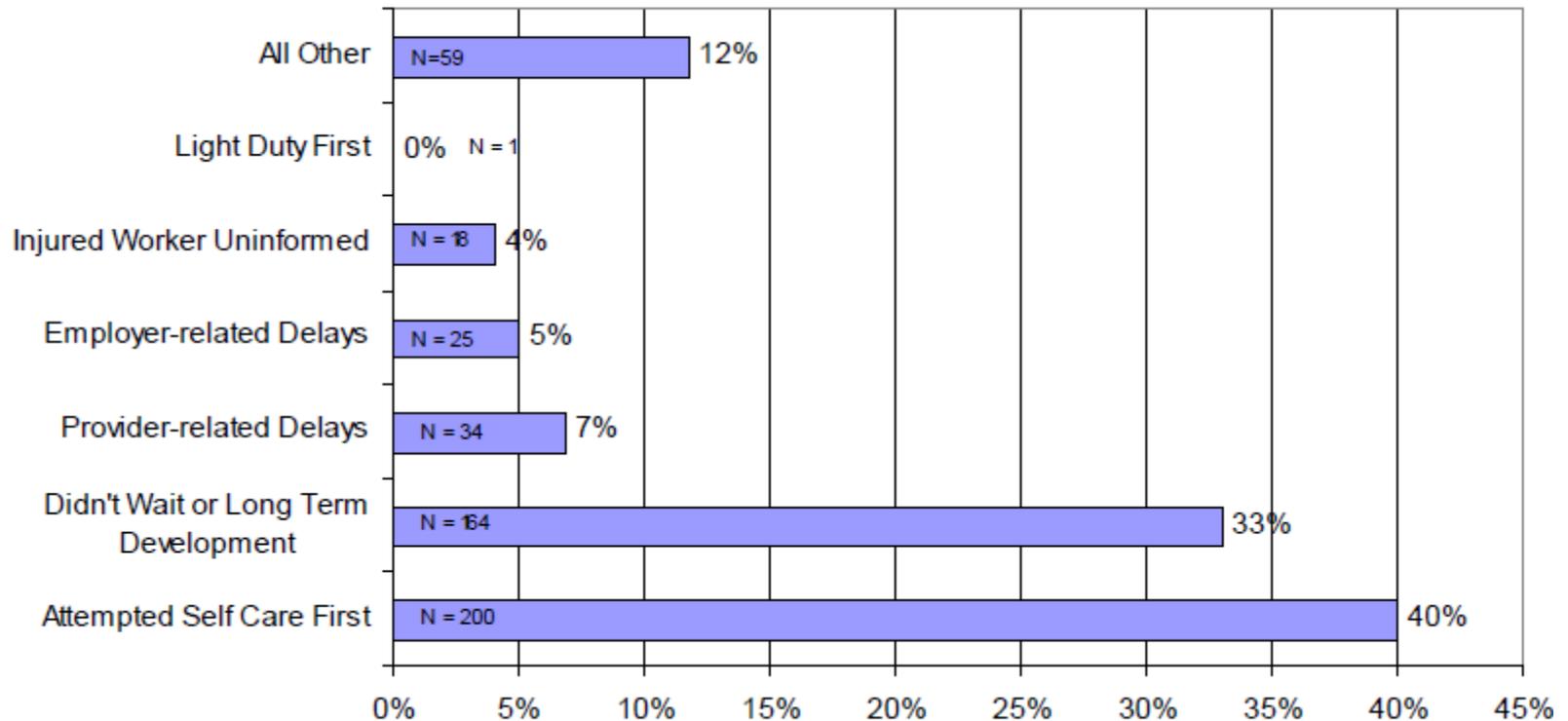
Prompt reporting of WC claims make a difference.

1. Assures the injured worker will receive appropriate medical care.
2. Assures the injured worker's family that there will be income to pay bills.
3. Medical provider invoices the insurance carrier and not the worker.

Assign someone in your company to notify the insurance carrier. Also, train a back up person to fill in for the primary person when on vacation or taking a sick day.



Reasons for Delayed Reporting



Step 2: RTW Team Members

Have a Plan

Management:

- Process Coordinator (on-site or at office)
- Superintendent or Foreman
- Healthcare Providers
- Insurance Carrier
- Employee

Step 3: Establish Metrics for Success

Record the dates of:

- The injury
- Employer notification of injury
- Insurance carrier notification of injury
- First treatment and medical treatment
- Residual disability of injured worker
- Assignment to full or modified duty for injured worker
- Medical provider release back to work
- Have a loss investigation kit

Step 4: Address Each Injured Worker

- Establish a RTW plan for each injured worker
- The Job Function Evaluation is not a job description
- Have a bank of modified, alternate or transitional jobs

Step 5: Work with Your Insurance Carrier

- Work with your claim handler to anticipate medical costs and time away from work. Inquire about possible medical complications and the impact to RTW.
- Allowing the injured employee to return to work one, two, or more days earlier is the goal
- This is a **WIN-WIN** program

Money Saving Steps Before an Injury

- Communication
- Inform employees having workers' compensation coverage
- Injury reporting steps
- Foreman or superintendent involvement
- First aid availability
- Conduct a job function evaluation
- Choose a medial provider
- Employee transport

Communication & Coverages

- Explain what the workers' compensation insurance coverage provides the employees if they are injured or develop an occupational illness
- Pass out insurance cards
- Employees must notify their supervisor or crew leader if they become injured.

Perform a Job Function Evaluation

- Job title
- Job responsibilities
- Essential job functions should meet ADA requirements
- Job modification opportunities for transitional or modified work
- Identify available alternate-duty jobs
- Review your RTW process regularly

Perform a Job Function Evaluation

Job Function Evaluation Form

Employee's Name: _____	Date: / /
Employee Job Title: _____	Department: _____
Company: _____	

1. Job Function(s) (provide a basic description of the job duties) _____

2. Work Location

<input type="checkbox"/> Indoors	Stressors	Chemicals	Required Protective Equipment	Coveralls
<input type="checkbox"/> Outdoors	<input type="checkbox"/> Heat	<input type="checkbox"/> Irritation	<input type="checkbox"/> Respirator	<input type="checkbox"/> Gloves
<input type="checkbox"/> Below Ground	<input type="checkbox"/> Cold	<input type="checkbox"/> Skin Contact	<input type="checkbox"/> Fall harness	<input type="checkbox"/> Hard hat
<input type="checkbox"/> Elevated Areas	<input type="checkbox"/> Loud Noise		<input type="checkbox"/> Safety boots	

Describe: _____

3. Work Posture: Work is performed in which posture? Indicate percentage of the job.

Posture	Constant 67-100%	Frequent 34-66%	Occupational 1-33%	Not Applicable
Standing:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sitting:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Walking:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climbing:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kneeling:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Physical Demands:

↳ Lifting

Describe Materials: _____	
Weight of Materials: _____ lbs.	How Frequently: _____
Position of Lift: <input type="checkbox"/> Floor to waist, <input type="checkbox"/> waist to shoulder, <input type="checkbox"/> above shoulder	

↳ Carrying

Describe materials: _____	
Weight of Materials: _____ lbs.	Distance carried: _____ Feet

↳ Tool Usage – Describe or list tools
Frequency of Usage (force/grip required) Yes No

Work Hours: _____	Total minutes provided for breaks or rest periods: _____ minutes.
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5. Miscellaneous: Indicate any other special or unusual job demands: _____

Job Function Evaluation:

- Quantify the physical demands required by the job
- List other factors, such as temperature or personal protective equipment worn while performing the job

Choose a Medical Provider

Most insurance companies have a preferred provider organization (PPO)

- Select medical providers according to state laws
- If allowed to direct an injured worker, consider the clinic's hours, security, location, credentials, customer service and quality of care
- Take every opportunity to communicate with your selected medical provider and build a working relationship

Do Not Send Every Person to the ER

TIP

Reduce Medical Costs

Compare these average costs when an injured worker need non-life threatening medical care.

- \$1,300 to a hospital emergency room
- \$175 to an urgent care center
- \$150 to a doctor's office,
- \$73 to a walk in convenience care clinic

In states that allow employers to direct their injured workers with non-life threatening medical care: direct injured workers to a urgent care facility or to a doctor's office.

Those workers often receive quicker care than having to wait their turn in a hospital emergency room.

After an Injury has Occurred

After Injury Telephone Log

If an employee is injured on the job and cannot immediately return to work, it's important to contact them within 24 hours. This telephone log can help you gather all of the important details.

Employee Name: _____ Date of Accident: ____/____/____
 Department: _____ Home Phone: _____
 Supervisor's Name: _____ Email: _____
 Clinic/Hosp. Name: _____ Clinic/Hosp. Phone: _____
 Doctor's Name: _____ Doctor's Phone: _____
 Diagnosis: _____

Does the employee understand the problem? Yes No
 Has contact been made with spouse? Yes No
 Does the employee understand WC benefits and filing procedures? Yes No

RTW Date: ____/____/____ If no RTW date, then date of the next doctor appointment: ____/____/____

Will employee need alternate or modified duty (Y/N)? _____ If yes, then for how long? _____
days / weeks / months

Telephone Log

Date: ____/____/____ <small>(mm/dd/yyyy)</small>	Time: _____ <small>(#mm AM PM)</small>
Initials: _____	Comments: _____
Date: ____/____/____ <small>(mm/dd/yyyy)</small>	Time: _____ <small>(#mm AM PM)</small>
Initials: _____	Comments: _____
Date: ____/____/____ <small>(mm/dd/yyyy)</small>	Time: _____ <small>(#mm AM PM)</small>
Initials: _____	Comments: _____

Doctor's Appointments

Date: ____/____/____ <small>(mm/dd/yyyy)</small>	Time: _____ <small>(#mm AM PM)</small>
Initials: _____	Comments: _____
Date: ____/____/____ <small>(mm/dd/yyyy)</small>	Time: _____ <small>(#mm AM PM)</small>
Initials: _____	Comments: _____
Date: ____/____/____ <small>(mm/dd/yyyy)</small>	Time: _____ <small>(#mm AM PM)</small>
Initials: _____	Comments: _____

Confidential — Contains sensitive and protected information.

The company should contact the injured worker, who requires extensive medical care involving prolonged time away from work, within 24 hours of their accident.

Use a telephone log to keep track of calls and communication with the doctors and employee.



Savings Tip: Duration of Disability

TIP

Chance of Worker Returning

The chance of an injured employee will return to work is typically:*

- 90% after 30 days,
- 50% after 6 months,
- 25% after 1 year, and
- <2% after 2 years.

* Bureau of Labor Statistics 1997

Following an accident, it is important to notify your company's insurance carrier as soon as possible.

Selecting a proper medical provider for an specific injury type can reduce pain and start the worker's healing process.

Transitional Work Program (Solution)

A transitional work program uses real job duties to accommodate injured workers' medical restrictions for a specified time period – gradually returning them to their original job.

Benefits:

- Lowers compensation cost paid to the worker
- Returns employee to productive employment sooner
- Increases the employee's earning potential
- Creates the potential to save on WC premiums (lower modifier)



How Much Does Transitional Work Save

This example illustrates how much money a transitional work offer can save. A 30 year old worker strained his back and is off work. The example also compares the costs if the worker was younger, older, and overweight.

Fact Check: In 2009, the back was the part of the body most frequently affected in injuries involving days away from work.

**National Safety Council, Injury Facts," 2012 edition.*

Injury Costs for Injury Type

Data was provided by the 2010 Official Disability Guides' for the average lost time days, medical and indemnity costs.*

Results

\$2,199	Average Medical Cost for the selected injury
\$5,900	Average Indemnity Cost for the selected injury
\$8,099	Average Total Cost

** Work Loss Data Institute (WLDI) is an independent database development company focused on workplace health and productivity*

Transitional Work Days Saved

20 days	Average number of loss time days (LTDs) for this type of injury.
12 days	Average number of LTDs by having a Transitional Work Program
8 days	LTDs saved by having the program
39.3%	Percent of LTDs saved

**Days were rounded to a whole number for appearance*

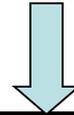
Compare Age & Weight Variables (Part 1)

Table-1A Direct Costs

Age:	20yrs	30yrs	45yrs	60yrs
Normal weight				
Medical Cost	\$2,199	\$2,199	\$2,199	\$2,199
Indemnity Cost	\$3,869	\$4,504	\$6,351	\$7,448
Total Cost	\$6,068	\$6,703	\$8,550	\$9,647
Obese weight				
Indemnity Cost	\$5,068	\$5,900	\$8,320	\$9,756
Total Cost	\$7,267	\$8,099	\$10,519	\$11,956

Compare Age & Weight Variables (Part 2)

Table-2 Direct Costs



Age:	20yrs	30yrs	45yrs	60yrs
Normal weight				
Total Cost	\$6,068	\$6,703	\$8,550	\$9,647
Age factor	- 10.5%	← ● →	+ 21.6%	+ 30.5%

Obese weight				
Total Cost	\$7,267	\$8,099	\$10,519	\$11,956
Age & Wgt. Factor	- 11.4%	← ● →	+ 23.0%	+ 32.3%
Just the Wgt. Factor	+ 0.9%		+ 1.4%	+ 1.8%

Indirect Cost Savings

Transitional Work Program	NO ↓		Yes ↓
Medical Costs	\$2,199	=	\$2,199
Indemnity Costs	\$5,900 x	60.7%	\$3,581
Total Costs	\$8,099		\$7,875
5 x Total Cost = Indirect Cost	\$40,494		\$28,905
Transitional Work Program Savings in Indirect Costs: \$11,589, or 28.6%			

INDIRECT COSTS

Average indirect costs not covered by insurance can be 5 times the direct costs.

Without a Transitional work program . . . \$40,494

With a Transitional work program . . . \$28,905

Transitional Work Savings:
28.6%

30 year old obese worker



Questions?

