

Strategies for Managing Lost Time Claims

Presented By:

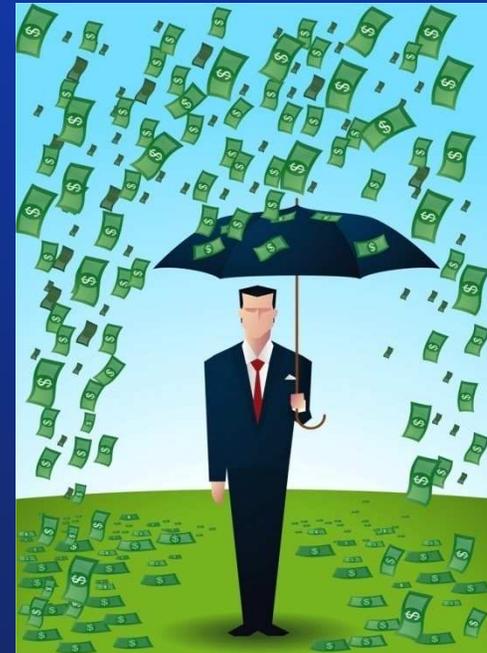
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Workers Compensation Fund



In 2005

An estimated \$55.3 billion was paid out
under workers compensation



A collage of numerous US one hundred dollar bills, featuring the portrait of Benjamin Franklin, scattered across the background. The bills are oriented in various directions, creating a dense, textured pattern of green and white paper.

**\$29.1 Billion
Paid in
Income
Benefits.**

**In a 10 year period, individual
indemnity costs increased by 39%**



Employers with aggressive Early Return
to Work (ERTW) Programs can
reduce average disability duration by
almost 20%

ERTW Programs reduced long
term disability by 14%



Injured Worker off 6 months; only a 50% chance of RTW.

Injured Worker off a year; only a 25% chance of RTW.

Injured Worker off 2 years; all bets are off!

Group of Occupational Medicine Doctors Surveyed:

How much of the time off work they certify is directly related to the objective medical conditions of an industrial injury?

10%

The majority of time loss from work related injuries is due to secondary gain

- Financial hardship
- Psychosocial stressors
- Poor job performance
- Job dissatisfaction
- Poor relations at work with coworkers and/or supervisors
- Drug use

“The single most potent weapon you have to combat secondary gain is the ability to provide work.”



Washington Workers' Compensation Review

Increase in claims around the holidays,
deer hunt, when out of vacation time or
when vacation is denied?



Best way to avoid fraudulent claims

Keep People Working



Which type of injury may be the most costly to an employer?

- A severe traumatic injury involving multiple body parts
- A mild injury such as a low back strain

**“...medical care cost correlate
not with the severity of
diagnosis, as might be predicted,
but the length of time workers
remain out on disability.”**

Disability Management
Akabas, Galvin and Gates
The American Management Association

What about the “Boomers”?

- Strong work ethic
- Excellent experience
- Great mentors
- Knowledgeable
- Stable employees



Injury and Age

- Same injury, Same treatment
 - 📄 Age 20-24 missed 5 days
 - 📄 Age 55+ missed 12 days



Benefits of RTW Programs

- Increase employee morale and loyalty
- Maintain quality/production
- Retain experienced workforce
- Less expensive than rehiring and training
- Reduce claims cost
- Decrease medical costs
- Less chance of litigation

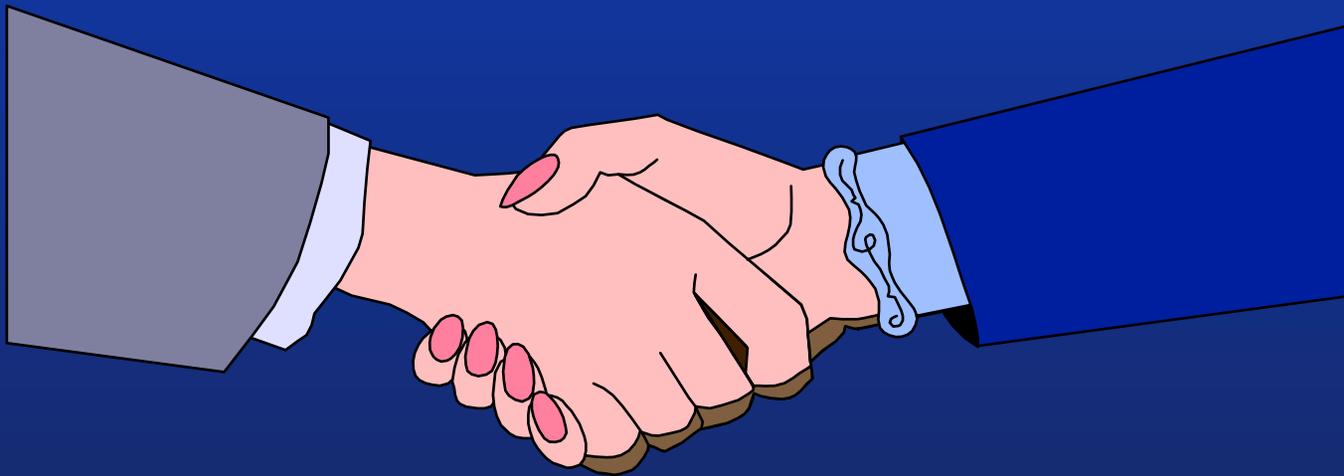
Fraud Prevention

Benefits to the Injured Worker

- Maintain full, regular paycheck
- Prevent deconditioning
- Recover more quickly
- Re-establish routine for injured worker
- Smoother transition from injury back to regular duty
- Maintain social network/work relationships
- Avoid depression

VIDEO

Return to Work A Win-Win Process

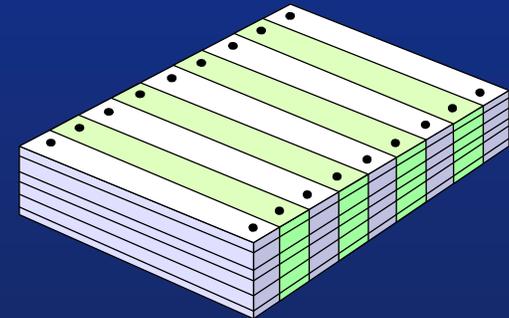


What is a Formalized Return to Work Process?

-  A process designed to ensure prompt medical care is provided to an injured employee
-  A process that returns an injured employee to productive work in the shortest possible time ***with the approval of the treating physician***
-  A tool that lowers costs associated with workplace illness and injury

Formalized RTW Process

Where to begin?



Communication is the key!

- Involve everyone in the process!
- For your return to work process to be effective, everyone must understand the procedures and be willing to follow them.



Steps to Develop Your Return-To-Work Process

- Organize RTW team
- Develop policy and procedures
- Conduct task analysis for each job description
- Develop productive transitional work assignments
- Educate everyone

1. Return to Work Coordinator

- Usually same as workers' comp coordinator
- Responsible for directing RTW efforts
- Organizes RTW team

- Human Resources Staff, Case Manager
- Safety Personnel
- Management
- Medical Staff
- Employees
- Union Representative



Management Commitment

■ RTW Policy Statement may include:

- Focus on employees' abilities, not disabilities
- Return injured employee as soon as medically possible
- Incorporate active safety program
- Recognize RTW as a benefit for all legitimate injuries

■ Sample policy statement

Employer kit, page 4

Avoid Blanket Policies!

EEOC v. Yellow Freight Systems Inc.

- ☞ Company had blanket policy of “100% healed” for return to work
- ☞ Did not consider the worker for another position based on written policy of rtw only with no restrictions on work duties
- ☞ **EEOC awarded over \$200,000 because policy violated ADA**

Guide to Benefits

- Medical Treatment
- Choice of Doctor
- Temporary Compensation (TTD)

Employer kit, page 8



Return-To-Work Procedures

- Written procedures your company will follow after an injury occurs

- 📄 developed by RTW team

- 📄 customized to fit needs of your company

- 📄 states RTW responsibilities of

- Employer
 - Workers' comp coordinator
 - Employee
 - Supervisor
 - Physician

- Sample procedures: *Employer kit, page 5*

Develop Accurate Job Descriptions

- Helps determine if the injured employee is able to *return to same job* and *guides placement* in other jobs
- Identifies the requirements of each position
 - 📄 specific skills, education, experience & physical demands
- Identifies essential functions and marginal functions

Employer kit, page 10

RTW - Job Descriptions

■ Objectives

 **Define physical demands of the job**

 **Identify productive transitional work**

- find tasks with minimal physical demands to use as potential RTW assignments

 **Identify hazards**

- find dangerous tasks and redesign to minimize the risk of injury

2. Job Descriptions

- A mechanism to assess task and workstation design that identifies
 - * frequency and duration of tasks
 - * physical demands on employees
 - * equipment and tools used
 - * environmental conditions

Essential Functions

- **Essential functions** are those fundamental duties that, if not performed, would substantially alter the purpose and performance of the position.
- **To identify essential functions:**
 - * Focus on purpose of the function and the result to be accomplished
 - * Do not focus on manner in which the function is currently being performed

Example: Lifting vs. Moving

Example: Typing vs. Inputting

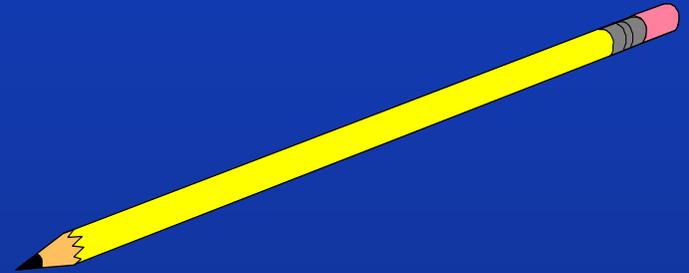
Assessing Tasks for Job Descriptions

■ Task Inventory

- ☰ Breaks job into tasks

- ☰ Breaks task into steps

- ➔ *Task Inventory Form page 12*



■ Physical Demands Assessment

- ☰ Records information about physical requirements of task

- ☰ Describes postures, lifting, motions, equipment, environmental conditions

- ➔ *Physical Demands Task Assessment Form page 17*

Essential vs. Marginal Function

- **Job:** Forklift operator
- **Goal:** Provide forklift services for warehouse
- **Tasks**
 - ☞ Conduct pre-operational inspection
 - ☞ Load trailer with drums
 - ☞ Stack drums in railcar
 - ☞ Change forks
 - ☞ Refuel

How Do I Develop Productive Transitional Work?

- What tasks are not being performed now?
- What tasks are performed occasionally?
- What tasks - **if done by injured employee** - would free other employees to do their jobs more efficiently?



Transitional Duty

- Designed to return a recovering employee to the workplace in a meaningful, safe and productive job
- Conforms to the physician's restriction(s)
- Recommend flexibility to accommodate treatment needs

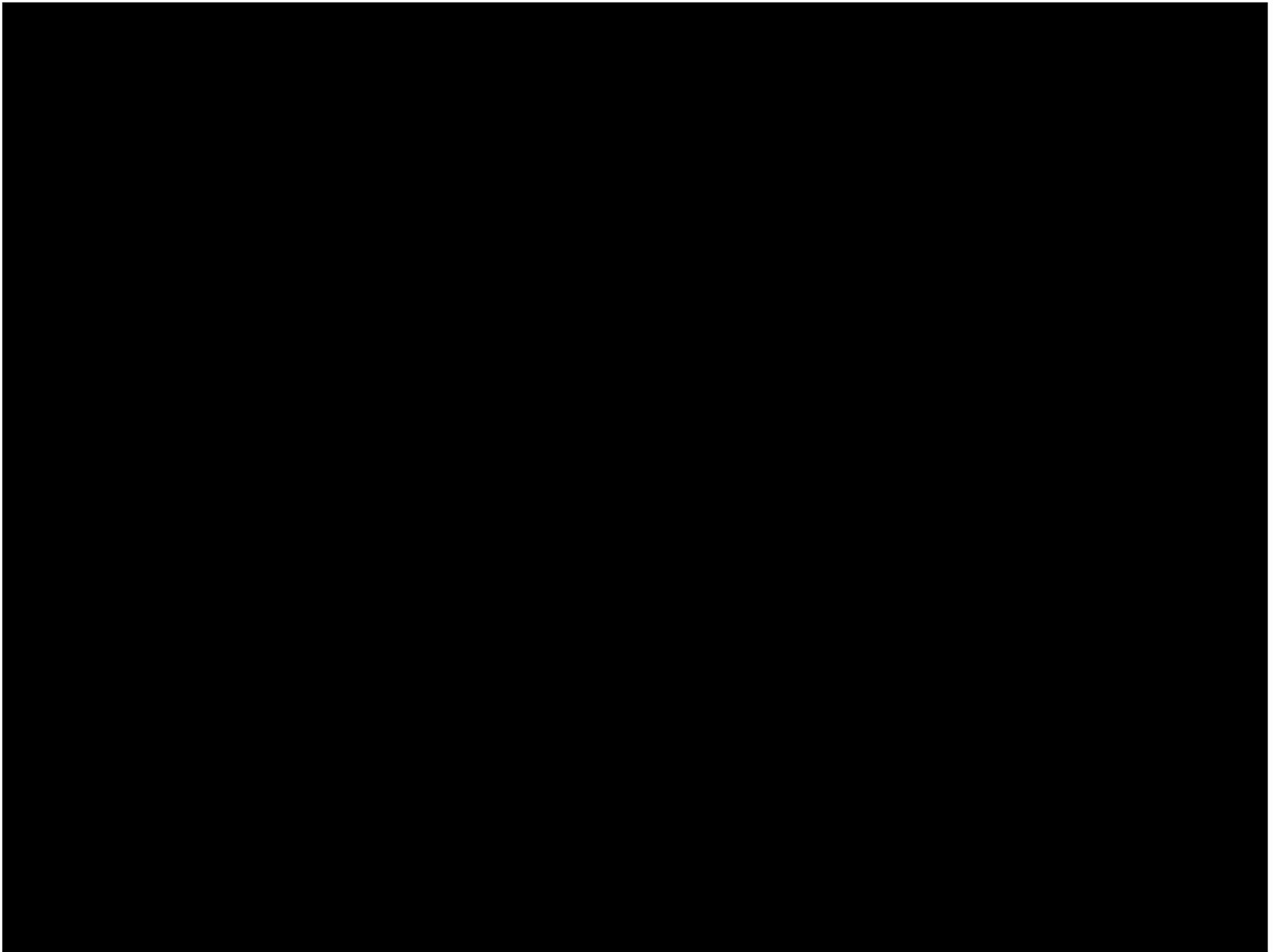
Transitional Duty is Time Limited!

- Identify beginning and end date
- Review requirements on a regular basis
- Increase requirements, as appropriate
- On end date, obtain full release from treating physician or reassess conditions of transitional duty position
- **Treating physician must agree with change in transitional duty!!!**



Healthcare Providers....

- Invite healthcare provider to facility
- Send supervisor with injured worker to initial visit
 -  Introductory letter
 -  Current job descriptions with Task Analysis
 -  Identified transitional productive work
- Sample letter to treating physician: page 27
- Sample medical release: page 28
- Sample doctor's return to work recommendations: page 29



Stay Informed

- Follow up with the worker after each doctor's appointment
 - 📄 What is the worker's perception of recommended treatment
 - 📄 When is the next appointment
- Keep in contact with the doctor
 - 📄 Stay current on work restrictions
 - 📄 Get approval for changes in transitional duty assignment
- After-Injury telephone report log: page 30

Bona Fide Offer of Employment

- Employee must be released by doctor to transitional duty
- Employer provide bona fide offer to employee, which:
 - is written
 - states specific information about position
 - is delivered by certified mail, return receipt requested
- If employee rejects the bona fide offer, benefits may be stopped
- Ask your claims adjuster about the bona fide offer
- **Sample bona fide offer of employment: page 36**

Transitional Duty Wages

- Recommend paying full wage for transitional duty
- If transitional duty assignment pays less, worker entitled to TPD
- TPD differential computed at $\frac{2}{3}$ the difference between AWW at time of injury compared to wages during transitional duty

American with Disabilities Act

⇒ Consult your company's legal counsel

EEOC's ADA Hotline: 800-669-4000



ADA Information

- 15 or more employees
- Employee must request accommodation
- Employee must be qualified individual
 - have an impairment
 - having a record of disability or impairment
 - being regarded as having a disability
- “Reasonable accommodation”

Always consult your legal counsel!

Job Accommodation Network

- Type of accommodation needed
- Estimated cost of accommodation
- Product distributor information
- Listing of resources & products for disabled

⇒ *Job Accommodation Network (JAN):*
1-800-526-7234

⇒ *ADA Information (JAN):*
1-800-ADA-WORK

Work Site Accommodation Costs

■ No cost	20%
■ \$1-\$500	48%
■ \$501-\$1,000	12%
■ \$1,001-\$1,500	5%
■ \$1,501-\$2,000	3%
■ \$2,001-\$5,000	9%
■ > \$5,000	3%

Source: Job Accommodation Network 1999

Supervisors....

- Train your supervisors to be **effective** supervisors
 - 📄 discrimination
 - 📄 disability training
 - 📄 disciplinary process
 - 📄 documentation



RTW Information Should Be....

- Included in Employee Handbook as a benefit
- Discussed at new employee orientation
- Presented as a topic for safety meeting
- A responsibility of all supervisors & management
- ***Educate & train your supervisors!!!***

Successful RTW Tips

- Reporting incident within 24 hours
- Hold RTW meetings
- Standardize job descriptions
- Train Healthcare providers in RTW process
- Provide healthcare provider with RTW information
- Maintain regular contact with injured employee



Communication

Richard K. Pimentel....

**“You don’t get injured workers well
to put them back to work,
You put them back to work to get them well.”**

