

Managing workers' compensation loss costs – from the heart

The right thing

For most employees, an occupational injury is a rare event. But, when an injury does occur, the first thing injured employees need is a shepherd – someone to turn to, who can help them through the injury process and workers' compensation system. Employees with legitimate injuries look for answers: What will happen if their injury requires medical attention or time away from work? What happens to their benefits? What can happen to their jobs? Employers are in the best position to demonstrate care and respect for their workers by helping to answer their questions and assisting them through their work-related injuries. When companies don't take this opportunity, injured workers may turn to co-workers, family members, doctors or attorneys for the answers. While the majority of workers want to do the right thing, different outcomes can occur if information and an injury process are not readily available from the employer. This could be the most significant employer-missed opportunity for managing workers' compensation losses.

A Towers Perrin study found that lack of information or the communication of misinformation to employees about the workers' compensation system was monumental in contributing to workers' compensation costs. Misinformation from co-workers and family members can add to the confusion.

Where information is clearly communicated and is prompt, companies have reported as much as an 81% decrease in attorney involvement, litigation, and associated administrative costs. Studies show that those companies that manage their workers' compensation process with a passion for the well-being and recovery of their workers build goodwill and save money.

A cosmetics manufacturer in New Jersey found it increasingly difficult to maintain control of workers' compensation costs without a formal Post Injury Management process. The company wasn't able to properly respond to and manage injured employees. Employees were unhappy with their medical providers. Those with work restrictions were increasingly unable to return to productive work. The company implemented a formal, comprehensive Post Injury Management Process and in the first year alone they reduced their:

- Days-away-from-work rate by 97 percent
- Lost-Time claims by 40 percent
- Average cost per claim by 43 percent

These results are not uncommon for companies who manage injured employees "from the heart." They take injuries seriously and work with employees to help them in their recovery process. Companies across the country, in every industry, are finding that when they partner with their medical provider and Travelers to shepherd injured employees through a "corridor of care" -through the recovery process-, they can have a dramatic impact on both direct and indirect workers' compensation costs.

A successful Post Injury Management Process must be a positive system for reducing the severity of employee injuries by creating a clear, specific path for managing any injury – providing the highest level of care for the employee and ensuring the soonest possible return to work. There must be a consistent approach to treating employees, from the first report of injury to the ultimate return to pre-injury work assignment.

There are five strategies essential to managing workers' compensation costs through a comprehensive Post Injury Management System. They are:

1. Immediate post injury response

The first 24 hours is critical to managing any workers' compensation injury. Who does what and the sequence and manner in which it is carried out is critical to the out come of the workers' compensation claim. Best practices indicate that employers should:

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- Respond to an injured employee in a caring and non-judgmental way.
- Escort the injured employee to the medical provider.
- Investigate accidents immediately (within 24 hours) and document findings and corrective actions.
- Report the claim to Travelers within 24 hours of the employee's report of injury.

2. Medical providers

The needs of injured workers for excellent medical care are no different from management's need. The entire system is built on the premise that quality medical care is a crucial part of speedy recovery and safe return to work. It is critical to have a partnership with a medical provider who understands your company, your post injury management process and recognizes the benefits to both the employee and employer when employees recover on-the-job through transitional duty or a return to their full duty position. Best practices indicate that, where possible, employers should:

- Use Travelers Preferred Provider Network (PPN) to identify a medical provider, or a number of providers, to handle treatment of employee injuries (both acute treatment and follow-up care).
- Use providers that give timely, quality care and communicate well with injured employees, the employer and the claim administrator/Travelers.
- Choose a provider who specializes in occupational health and takes a "sports medicine" approach to treating employee injuries.
- Develop relationships with other local medical providers, particularly those providers frequently used by injured employees.
- Select a provider that has a good "bedside manner – one that employees are generally pleased with.

3. Transitional duty

The greatest tool for controlling workers' compensation costs is an effective Transitional Duty program. Studies indicate that companies who do not employ a diligent return-to-work policy and procedure cannot effectively manage workers' compensation costs. Best practices indicate that employers should:

- Commit to returning all employees back to work as soon as medically possible in order to minimize lost time.
- Work with medical providers that give specific work restrictions for injured employees.
- Ensure a transitional duty program that is temporary and progressive. Employees should not stay on the same transitional duty job for weeks or months on end.
- Make every effort to return injured employees to their own department first. Shift injured employees to a different department only when suitable work cannot be found in their own department.
- Ensure supervisors support the company's effort to accommodate injured employees.
- Ensure employees are aware of, and support, the company's return-to-work program.

An effective return-to-work program also helps to build employee morale by keeping injured workers connected to the work force.

4. Case management

It is necessary that a gatekeeper be identified within the organization to oversee the program from an administrative standpoint. This "Workers' Compensation Coordinator" (WCC) acts as the hub of all activities relating to workers' compensation. Best practices indicate that employers should:

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- Designate one person to coordinate all claims management activity. This person should be organized, detail oriented, and have a good rapport with employees and supervisors.
- Ensure the WCC stays in weekly contact with employees who are out of work.
- Ensure the WCC communicates regularly with treating physicians and follows up after each medical appointment.
- Ensure the WCC updates Travelers on any changes in status and thoroughly documents all claim activity.
- Be present at all workers' compensation hearings.

5. Performance measurement

Companies must be able to measure the success of their Post Injury Management process and identify trends for further loss reduction strategies. Best practices indicate that employers should:

- Closely monitor their workers' compensation losses.
- Track incidents, lost days, and transitional duty days.
- Share both injury statistics and loss data with managers, supervisors and employees to raise awareness throughout the company.

Summary

Employers who embrace the five essential strategies of an effective Post Injury Management Process manage from the heart. They build a caring relationship with injured employees as they shepherd them through the workers' compensation system. They keep the lines of communication open throughout the duration of the injury, answering the injured employee's questions and addressing their concerns about their occupational injury and benefits. They provide quality medical treatment and encourage a quick recovery and return to work.

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