

**Reducing Workers' Compensation Cost
Presented to:**



Central Valley HR Managers Association

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Not all Safety Slogans are Effective



Some Safety Slogans are Too Effective





Sometimes HR folks simply need to be held accountable for bad hires





Effective



It may be prudent, just don't put your gender profiling in writing!



Heat Injury Illness Fail





What are the costs of Workers' Compensation claims?

- Direct
- Indirect
- Future



WHAT ARE SOME OF THE COMMON SENSE WAYS TO REDUCE THESE COSTS?

- Active Claim Management
- Build a Safety Culture



Claims Management

Keys to Managing Claims Cost

- Prompt Medical Attention
- Employer Level Accident Investigation
- Timely Reporting to Carrier
- Return to Work Program
- Claims Reviews
- Litigation Management



Prompt Medical Attention

Prior to an injury:

- Implement Medical Provider Network (MPN)
- Provide MPN info to all Employees
- Select Designated Medical Provider (DMP) within MPN
- Establish Nurse Triage Program
- Meet with DMP and establish your protocols in their system



Prompt Medical Attention

Suggested DMP Protocols

- DMP contacts Employer if an Injured Employee comes in without a referral from or knowledge by Employer
- First Aid when within medical guidelines
- Modified duty if available
- Ensure current Carrier and Employer contact/billing information is known
- Work status faxed or emailed to Employer same day if possible



Prompt Medical Attention

After an Injury:

- Nurse Triage takes first call from Injured Worker
- Take statement over phone, evaluate condition, determine if Self-Care can be used or direct for medical treatment as needed (for emergencies, send to hospital)
- Triage helps to secure an immediate description of injury and body parts, as well as identify any potential red flags
- Savings can be achieved if Self Care or First Aid can be utilized, as well as if any other issues are identified through the Nurse Triage call (calls are recorded)



Prompt Medical Attention

After an Injury:

- Refer for medical care within one day of receipt of Claim Form (DWC-1)
- Unless Injured Employee has pre-designated a Treating Physician, refer to your Designated Medical Provider (DMP)
- Have a Supervisor take Injured Employee to DMP (especially if concern about positive drug/alcohol)
- Obtain work status and offer modified duty if possible
- Check on Injured Employee to see how he/she is doing
- Maintain personal contact



Employer Level Accident Investigation

Look – Listen – Learn

Look Around

- Complete Same Day Investigation
- Inspect the area where Injured Employee says injury occurred
- Take pictures of the area, machine involved, broken item that caused the injury
- Set aside any broken or defective items for further investigation, including subrogation potential if 3rd party may be at fault

It *Could* Work!





Employer Level Accident Investigation

Look-Listen-Learn

Listen Carefully

- Unless injured employee needs urgent medical care, take a detailed statement about the injury
- Talk to witnesses right away so that details are not forgotten or changed
- Managers and supervisors should keep ears open for any other discussion about the injury or other activities before and/or after the injury



Employer Level Accident Investigation

Look – Listen – Learn

Learn Something New Every Time

- After an injury, everyone can learn more about injury prevention, hazards and safety
- Be specific when addressing how an injury occurred
- Train supervisors on what to look for after an injury, including fraud prevention
- Evaluate equipment and update safety and training measures as needed

If we could only speak the truth





Timely Reporting

- Employer's First Report (Form 5020)
 - Completed and submitted to Carrier within 5 days, even if claim is questionable
- Employee Claim Form (Form DWC-1)
 - Ensure that you have 1/1/2016 version
 - Must be provided to Injured Employee within 24 hours from notice of alleged claim or injury
 - May be mailed (recommend Certified & Regular)



Return to Work Program

- **Minimize emotional and economic impact of injury on Injured Employee and Employer**
 - Employee stays connected with peers (emotional)
 - Employee stays productive (emotional)
 - Reduce lost wages for Injured Employee (economic)
 - Reduce lost time costs on claim (economic)
 - Reduce or eliminate costs of hiring temporary replacements, new workers or paying overtime to other workers to cover for Injured Employee (economic)



Return to Work Program

Claim Compensation Considerations

- If no modified duty is offered, then full Temporary Disability (TD) is paid on a claim up to 104 weeks
- If Modified duty is offered at full wages and full hours, then no TD is paid on a claim
- If Modified Duty is offered at full wages and full hours, and the Injured Employee refuses the Modified Duty, then no TD is paid while the work is available
- If Modified Duty is offered at reduced days, hours or wages, then some Wage Loss TD may be due but the overall claim cost is lower



Return to Work Program

Steps to Success

- Communicate RTW Program to all Employees for better understanding of goals and benefits
- Work with Supervisors to identify possible Modified Duty tasks (Be creative! Greeting customers, shredding, sorting nuts and bolts)
- Some Carriers offer Temporary Transitional Employment through Non-Profit Organizations
- Modified Duty can be offered at reduced days, hours or wages



Return to Work Program

Steps to Success

- Remind Medical Provider that Modified Duty is available (provide list of available tasks if needed)
- Document Modified Duty Job Offers to Injured Employee and Supervisor in Writing
- Advise Carrier of Modified Duty offer so that benefits are stopped or adjusted accordingly



Litigation Management

- Notify Carrier right away when Injured Employee obtains an Attorney
- If Subpoena is received, send information to Carrier Legal Department before responding
- Where permitted by Carrier, select one or two Dedicated Defense Counsel firm(s) to handle your workers' compensation claims
 - Consistent and Aggressive handling
 - Familiar with your business
 - Strong communication regarding hearings, depositions, trials, settlements



Claim Reviews

- Lack of attention to claims can result in adverse claim results, increased Experience Mods and higher premium costs
- Important to develop strong communication between Claims Examiner and Employer
- Claims Reviews promote further sharing of information and ideas mutually beneficial to Carrier and Employer



Claim Reviews

Recommend Quarterly Claim Reviews

- Face to face or telephonic
- Written Claim Status Reports to be provided by Carrier
- Factors to address include but are not limited to:
 - Reserve Reductions (especially prior to Unit Stat)
 - Investigation (including subrosa)
 - Medical Status (including possible apportionment)
 - Subrogation and Contribution Recoveries
 - Return to Work and Voucher
 - Settlements
 - Litigation
 - Plans of Action for Resolution
 - Close claims!



MAKING SAFETY A PRIORITY

- Identification Of Loss Drivers
- An Effective Employee Disciplinary Program
- Safety Educational Training Programs
- Behavior Based Safety Programs
- Safety Assessments And Workplace Audits
- Timely Correction Of Hazards In The Workplace

Safety Incentive Programs





Thank You!