

Quick returns

How return-to-work programs reduce workers' compensation expense

Interviewed by Elizabeth Grace Saunders

When it comes to workers' compensation costs, even the most comprehensive safety programs won't completely eliminate workplace accidents.

"When an injury happens on the job, many employers feel like they lose control," says Jim Bowers, claims workers' compensation large loss team lead at Westfield Insurance. "Through a partnership with your insurance carrier, you can develop a return-to-work program that will keep you in control."

Smart Business spoke with Bowers about the positive impact of return-to-work programs on employers and their employees.

Why should businesses have return-to-work programs?

The National Council on Compensation Insurance (NCCI) indicates that average indemnity costs rose 5.5 percent in 2006, which was the largest increase in five years. This trend is expected to persist. At the same time, NCCI reports medical costs continue to increase at near double-digit rates.

The best way to prevent these workers' compensation increases in your business is through a return-to-work program. The goal of these programs is to have employees with on-the-job injuries or illnesses back doing meaningful, productive work as soon as is safely possible. This proactive strategy can lead to:

- Reduced indemnity benefit costs
- Decreased overall recovery period and medical costs in the typical claim
- Contained workers' compensation insurance premiums
- Good will through reinforcing employer concern for employees
- Reduced or eliminated costs associated with the recruitment and hiring process
- Increased retention of a trained, skilled and knowledgeable work force
- Maximized operational productivity
- Boosted employee morale
- Decreased likelihood of malingering
- Less claim litigation

Study information published by Workers Compensation Research Institute (WCRI) showed a successful return-to-work program could improve the average return-to-work



Jim Bowers

Claims workers' compensation large loss team lead
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outcome by as much as 15 weeks. Although benefit levels vary by state, at a weekly benefit level of \$700, this translates into direct savings of \$10,500. WCRI data also show that workers returning to work within one month are more likely to remain employed, while those who remain off work for more than six months are far more likely to remain unemployed long term.

Finally, WCRI study information documents a significant opportunity for business owners to realize substantial financial impact by adopting these systems. The costs associated with a valued employee not returning to work can quickly affect customer relationships, productivity and operating results, as well as insurance premiums.

What's the benefit for the injured employee?

For the hurt worker, the advantages of a return-to-work program are just as significant as they are for the employer. Returning to safe, productive work as soon as possible provides the injured employee with these favorable outcomes:

- Improved self-esteem
- Decreased financial hardship
- Reduced stress, boredom and depression
- Less physical and mental deconditioning
- Alleviated concern about continued employment and employment benefits
- Shortened overall recovery time
- Continued positive relationships with fellow employees

How should organizations develop them?

First, organizational support and commitment need to exist so the program can have the intended impact. Businesses should then look for an insurance carrier to partner with long term that has the experience and resources to help them develop, implement and maintain an effective program. A meaningful program includes a few key steps:

- Develop a formal return-to-work policy and document it in writing.
- Consider all applicable local, state and federal requirements, such as ADA and FMLA, and consult with the appropriate legal counsel to confirm complete compliance.
- Designate a coordinator to be responsible for ongoing program administration.
- Build procedures for reporting injuries, referring for medical care and communication between the involved parties.
- Create forms and documents, such as a Job Analysis Form, a Return-to-Work Coordination Sheet, a Return-to-Work Telephone Log, a Sample Transitional Duty Physician Questionnaire and a Sample Transitional Duty Job Offer Letter.
- Complete a job analysis or a job description for each position. Consider transitional duty opportunities that may exist in addition to current positions.
- In states in which the employer has medical control, meet with your designated medical provider to review your program.
- Communicate your return-to-work program with all employees during the initial rollout, as part of the new hire process and at regular intervals on an ongoing basis. <<

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