

Your Ultimate Guide to Mastering Workers' Comp Costs: Reduce Costs 20% to 50%

The Mini-Book

Chapter 9: Communication with Employees

A strong communication strategy is the key to the management of a successful workers' compensation cost containment program. Both proactive and reactive communication is critical to saving money in a company's workers' compensation program by training employees before an injury occurs and reacting correctly after an injury occurs in the workplace.

Communication occurs on two levels:

- **Proactive communication** is written/verbal communication the employer disseminates to employees about the company's policies, programs, and procedures expected of them following a work-related injury.
- **Reactive communication** is the post injury communication the company establishes and maintains with its injured workers so they remain psychologically connected during recuperation and focused on the final objective of returning to work as healthy, productive employees.

Workers' compensation best practices include:

- Using a **mission statement** to outline the organization's workers' compensation policies and employee expectations.
- Outlining injured employee benefits and **delivering those benefits on time**.



- Using **formal communication** with injury response steps and written policies.
- Using **informal communication** such as a "Get Well" card with a pizza gift certificate enclosed.
- Keeping employees in the claims process loop.
- Keeping complete records.

Critical employee communications components include:

- An **employee brochure** containing a list of:
 - ✓ roles and responsibilities of employees in the workers' compensation injury process
 - ✓ benefits employees receive when injured
 - ✓ how to respond to workplace injuries
 - ✓ role of medical providers
 - ✓ how fraud is handled
- First Day Phone Call follow-up scripts.
- Weekly Meeting Guidelines schedule.
- Employee feedback about speed and quality of medical care, clinics, and providers.

Ongoing communications with the employee is the best way to **prevent attorney involvement**; attorney involvement usually doubles the cost of a claim. Employees hire attorneys when they do not know what to expect after they are injured. When the employer and adjuster communicate regularly with the injured employee, the need to seek an attorney is eliminated.

Severe injuries or death takes a tremendous personal toll on the worker and/or surviving family members, and co-workers, and has a direct effect on workers' comp costs. Therefore, offer **Grief Counseling Services** to **everyone** when an employee is severely injured or dies.

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Chapter 10: Return to Work and Transitional Duty

When an employee is injured on the job, the employer's goal is to return the employee to work as soon as the worker is medically able, thus reducing the cost of lost-wage indemnity payments which can be more than 40% of the cost of workers' compensation claims. Find a transitional duty job for each injured worker if an injury is serious enough to keep the employee out of work. Locate the temporary transitional duty job as soon as medical restrictions are known.

The **Transitional Duty Cost Calculator** (www.LowerWC.com) is a **tool** used to show the **savings** a company can achieve by bringing **employees back to work** sooner rather than later.

Transitional Duty Cost Calculator

35	Estimated Number of Days Saved.
x 250	Estimated Average Indemnity Cost Per Day.
= \$8,750.00	Total Estimated Savings of Bringing that Employee Back to Work on Transitional Duty.
+ 3,000.00	Cost of Replacement Labor.
= \$11,750.00	Grand Total Cost of Employee's Being Out of Work.
/ 4.0	Company Profit Margin.
<p>\$293,750.00 is the amount of money it would take to "replace" \$11,750.00 on your company's bottom line. The Savings of a Transitional Duty Program from saving 35 lost days is: \$293,750.00.</p>	

Transitional Duty Policy

A transitional duty policy is implemented in working instructions, guidelines, templates, and forms.

An effective transitional duty policy includes these elements:

- Purpose of the policy
- Type of jobs
- Medical appointments
- Review of assignments
- Termination of assignments
- Eligibility
- Nature of assignment
- Length of transitional duty
- Communication of expectations
- Rate of pay
- Coordination of relevant laws

Transitional duty cost reduction components can include:

- Transitional Duty Checklist
- Transitional Duty Assignment Form
- Work Ability Form
- Weekly Meeting Guidelines
- Transitional Duty Job Bank
- Transitional Duty Offer Letter

There are four types of transitional duty:

- **Modified duty:** The schedule, equipment, or task is changed slightly so the employee can perform the job.
- **Alternate work:** The employee is moved temporarily to a different job.
- **Off-site jobs:** The employee is assigned to a different organization in the community.
- **Non-profit or charity:** A temporary volunteer position is located.

Americans with Disabilities Act (ADA)

The ADA is a complex federal law **requiring** employers to provide reasonable accommodation if an employee with restrictions can perform the essential functions of the pre-injury job, with or without accommodation. As soon as the employer has enough information to know the employee will never be able to return to the original job, the employee becomes a qualified individual with a disability (QIWD). However, it is not in the employer's best interest to wait for this official determination as the injured worker's condition, either stable or still evolving, may fall under the definition of an ADA disability. At the time of injury a referral to HR and a discussion, referred to as the "interactive process" regarding reasonable accommodations must occur. A resource for disability accommodations information is the *Office of Disability Employment Policy* (ODEP). **Note: ADA is one area where the services of experienced counsel is highly recommended.**

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Chapter 11: Post-Injury Response Procedure

Post-injury response procedures are a set of written guidelines detailing roles and responsibilities from when a work-related injury first occurs through the first 24-48 hours. The procedures map the steps employee, supervisor, and witnesses must take immediately following a work-related injury.

Using a consistent post-injury response procedure allows the company to exercise its management responsibility to ensure injured employees receive prompt medical care and then return to work quickly.

Written procedures include clearly defined best practices for:

- Employees
- Supervisors
- Medical providers, including onsite providers

Employers need to develop/implement these tools and documents outlining steps to take from injury to recovery:

- Post-Injury Response Procedure
- Employee Brochure
- Employee Instructions
- Work Ability Form
- Employee Report of Incident
- Supervisor Report of Incident
- Witness Report

Post-Injury Response Procedures are customized for each workplace on this framework:

Step 1: Immediately report every claim.

Step 2: Get medical care.

Step 3: Return to work in transitional duty or full duty.

Step 4: What to do if the employee cannot return to work.

Step 5: Stay in touch with the injured worker.

Step 6: Be alert to fraud.

Posting the Procedure

Laminated booklets, sometimes called **Stacked Steps**, are one example of how to format the procedure. Place your post injury procedure in an obvious location. For example, delivery vehicles might post the procedure on the visor, the dash or in the glove compartment, while a dispatcher would be able to view the procedure easily on the wall next to the dispatch radio.



Make sure employees and supervisors know where the **post-injury response procedure** is located.