



Return-To-Work Programs Benefit Employers and Employees Alike

Overview

Workers compensation insurance, for many businesses, represents the largest segment of their total commercial insurance budget. Unlike other coverages such as property or general liability, workers compensation expenses have been increasing steadily for many employers. The two main drivers behind rising workers compensation expenses are healthcare costs and disability payments. While most employers have limited options when it comes to controlling healthcare expenses of injured workers, they can have a major impact on the disability expenses associated with such incidents.

SNAPSHOT:

Employers can have a major impact on their future Workers Comp expenses by managing the factors affecting disability payments when employees are injured.

If you are not concerned with claims expenses paid by your workers compensation provider, you should be. Every time an insurer pays a medical expense or disability payment to an injured employee, that expense counts against your claims experience. At some point, your “experience modifier” will change from neutral to a factor that results in higher premiums. Conversely, if you run a safe operation, have no serious injuries and minimal claim frequency, your experience modifier will drop below 1.0 and your workers compensation premiums will decrease.

Safety First

Focusing on job safety is the most effective means of controlling your workers compensation costs. However, even the safest business has the potential for employees becoming seriously injured: retail workers can sprain backs, construction workers can fall from heights, and manufacturing workers can sustain repetitive motion trauma.

From a post-injury perspective, one of the most effective cost control strategies your business can implement is a formal return-to-work program. This strategy is a viable option for every business, regardless of size or operations. These

programs can be implemented with little or no cost. It just requires planning and proper coordination.

Philosophy of Return-To-Work Programs

The philosophy of a return-to-work program is to control the effects of disability and absenteeism in the work place. Employees are your most valuable resource and any injury/illness can interrupt work activities. Small businesses are especially hard hit when an employee's injury keeps him or her away from work.

The Downside:

The longer an injured employee stays away from work, the greater the chance for permanent disability and increased claim costs.

The goal of return-to-work programs is the safe and timely return of employees to transitional or regular employment. Medical research has shown that people recover more quickly if they remain active and return to their normal routine as soon as possible. The longer an injured employee stays away from work, the greater the chance for permanent disability and increased claim costs. An effective return-to-work program also shows your employees that you are committed to their well-being.

Return-To-Work Options

Before offering an employee return-to-work duties, employers should first assess the injured employee's position in terms of three potential return-to-work alternatives: Modified Work, Transitional Work and Alternate Work. These options should then be discussed with and approved by the injured employee's medical provider.

In a **Modified Work** situation, the employee returns to his/her original job, but with duties modified to conform to restrictions placed on the job by the medical care provider. Restrictions may include reducing the amount of work time and/or restricting certain activities such as bending or lifting.

In a **Transitional Work** situation, the employee returns to work, but because the original job cannot be modified to conform the physician's restrictions, the employee performs another job temporarily that accommodates the injured employee's physical limitations.

The third alternative is **Alternate Work**. The employee is reassigned to another position or different type of work that accommodates current abilities.

Many transitional positions incorporate lower wage scales. Workers compensation disability payments may cover the differential between the pre- and post loss wage scale subject to state statutory limits.

First Things First: Develop Your Written Policy

To implement a return-to-work program, employers should first develop written return-to-work policies and procedures and communicate to all employees. The next step is to create job descriptions of transitional duties for employees unable to perform their regular jobs subject to restrictions/limitations or “modified” duty. When an employee is injured, management should assess the employee’s options, identify appropriate transitional duty, then provide the injured employee with a written offer of modified or transitional duty work. The offer should include a beginning date, time, duties, wage, weekly hours and supervisor name and be sent via certified mail.

The Upside:

Medical research has shown that employees recover more quickly if they remain active and return to their normal routine as soon as possible..

Formal return-to-work policies and procedures also protect an employer. In many states, if the employee quits or employment is terminated for reasons unrelated to the injury while released to modified or transitional duty, the insurance company must continue to pay lost time benefits unless the company can prove a valid offer of modified or transitional duty was made to the employee. Employers can minimize claims expenses in these situations by having the attending physician’s approval for the transitional duty, a written offer letter and formal return-to-work procedures.

Conclusion

Return-to-work programs can turn unfortunate incidents into win-win situations for employers and employees alike. Ask your insurance broker or workers compensation provider for assistance in setting up a return-to-work program for your company before someone gets injured.

This notice is provided as information only and should not be considered a legal opinion. If you have questions, contact Seacrest Partners at 912-544-1900.