



School of Risk Control Excellence



**Cost Containment
Process for Workers' Compensation**

**Return-to-Work Process
Guide: A Practical
Blueprint for Contractors**

July 29, 2011

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Today's Presenters

RISK CONTROL:

- Brian Roberts, is a Certified Safety Professional and a Certified Industrial Ergonomist
- Michael Ladd, Certified Industrial Hygiene and a Certified Safety Professional

CLAIM Department:

- Patricia Nunez is a Certified Rehabilitation Counselor, Certified Disability Management Specialist, and Certified Case Manager.

Learning Objectives

- Understand how you can positively affect your profitability.
- Identify the impact of indirect costs on the employer's bottom-line profitability.
- Recognize that a Return-to-Work process is comprised of multiple steps. The process is not an all or nothing proposition. Employers can determine how much they will implement.
- Demonstrate the potential savings a transitional work program provides the employer.

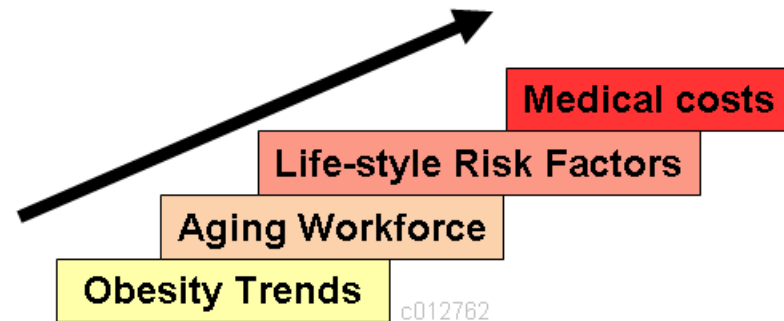
What's Emerging on the Horizon?

1. Aging Workforce:

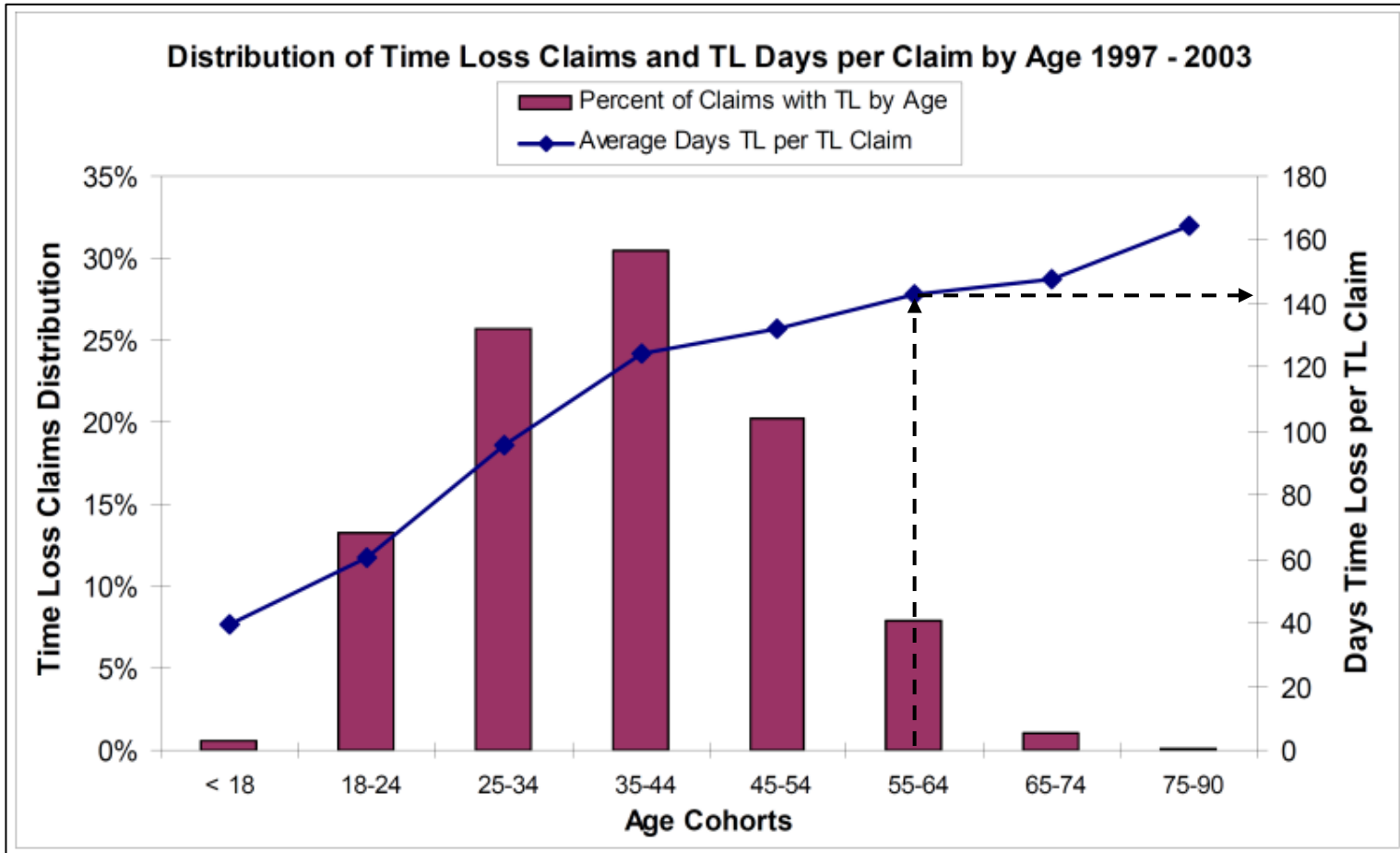
- Economic Recession,
- Healthcare Costs,
- Longer Recovery Time

2. Obesity:

- Lifestyle Decisions:
Over-eating, Lack of Exercise,
etc.
- Morbidity Adversely Affects
Duration of Recovery
- 13 times Cost of Person with
Normal Weight

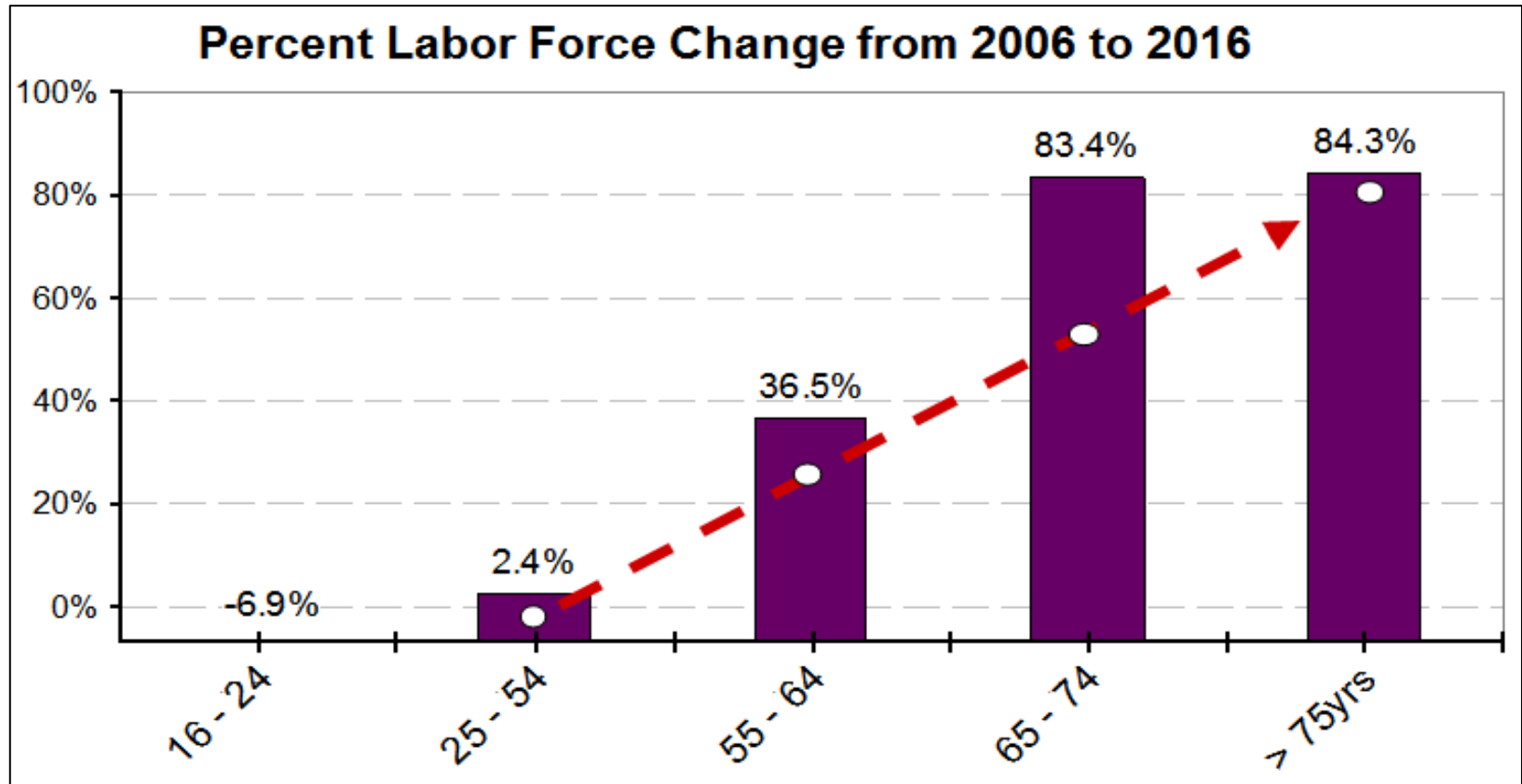


WC Claim Cost by Age Groups - 2007



Washington State Department of Labor and Industries

Projected Future Workforce Shift



http://www.bls.gov/spotlight/2008/older_workers/data.htm#chart_07

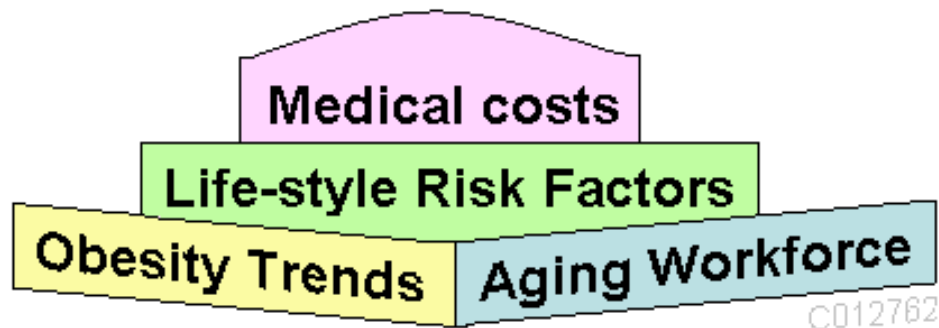
Value of a RTW Process

Value of a Return-to-Work process for employers can be seen in the following ways:

- increased productivity of your workforce,
- reduced cost due to fewer lost work days,
- minimized wage loss to employees,
- reduced disability claims and duration,
- greater employee morale and communication,
- fewer work performance issues.

Introduction

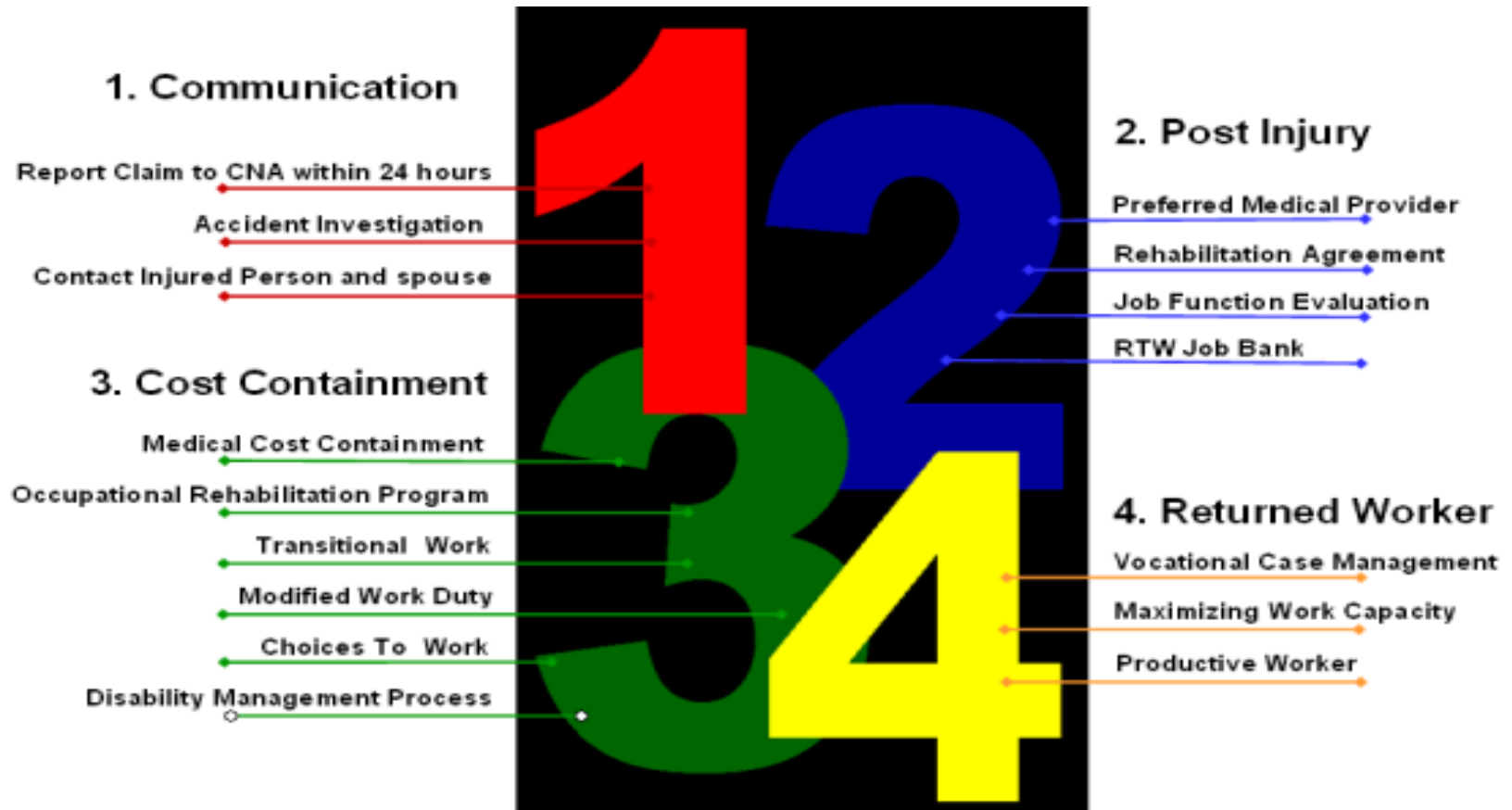
- Rising Costs of Work-Related Injuries at Crisis Level
- Increase of WC and Healthcare Costs
- Loss of Productivity and Replacement Costs
- Change Lifestyle: Income Effected, Overall Family Dynamics, and Self-esteem



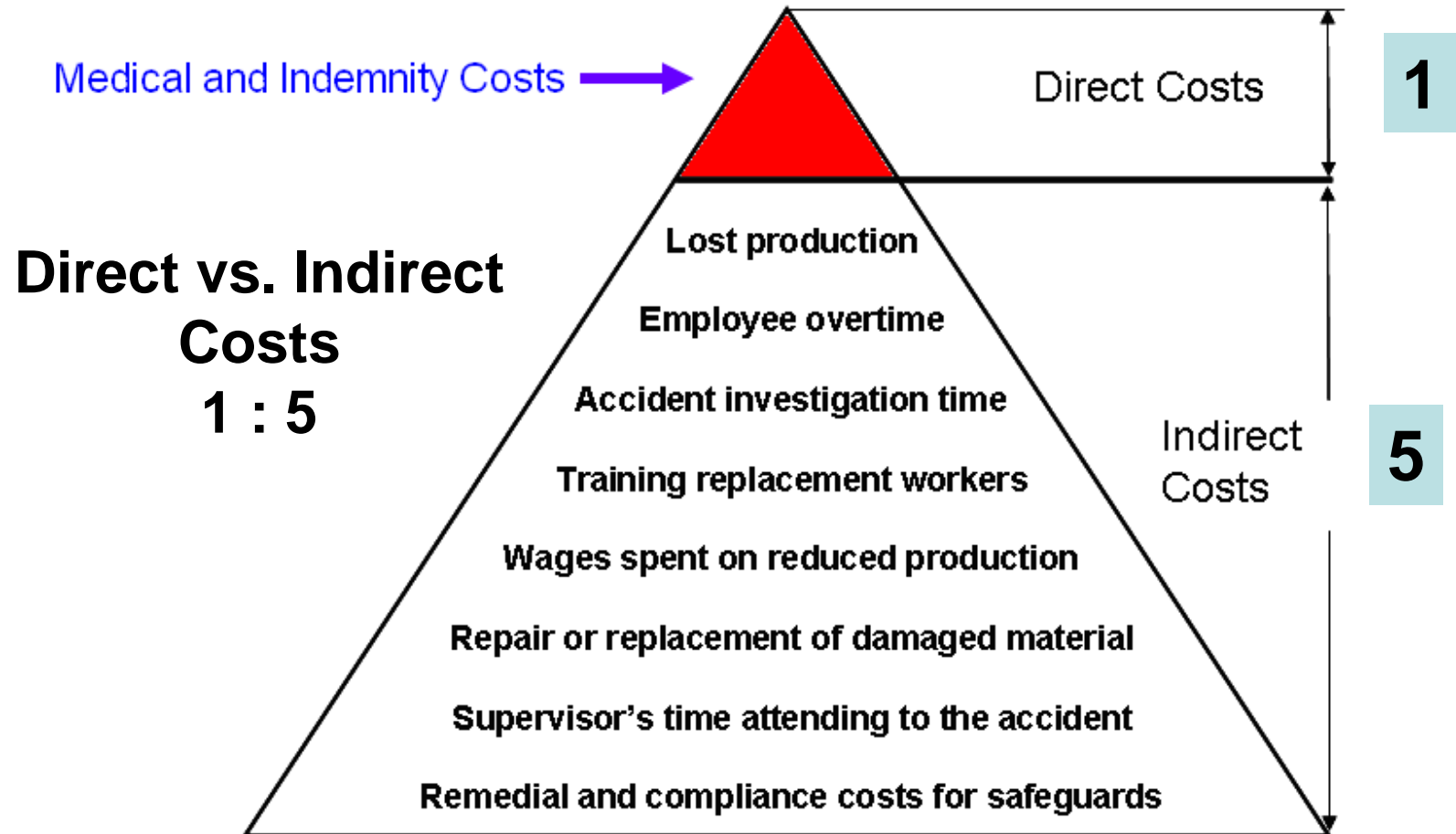
RTW Process is NOT an “All or Nothing” Program

- Unrealistic to Be Able to Return 100% of the Injured Workers Back to Work
- **Goal:** Return Most of the Workers Most of the Time
- Percent Will Vary Between projects and jobsites.

4- Steps to RTW Success



Direct versus Indirect Costs



Savings Tip: Don't Send Every Injured Person to the ER

TIP

Reduce Medical Costs

Compare these averages costs when an injured worker needs non-life threatening medical care.

- \$1300 to a hospital emergency room
- \$175 to an urgent care center
- \$150 to a doctor's office
- \$73 to a walk-in convenience care clinic

In States that allow employers to direct their injured workers with non-life threatening medical care, direct injured workers to a urgency care or doctor's office.

Often those workers receive quicker care then having to wait their turn in a hospital emergency room.

7- Steps to Save You Money Before an Injury Occurs

- 1. Communication**
- 2. Injury Reporting Step**
- 3. Insurance Cards**
- 4. First Aid Availability**
- 5. Choosing a Physician**
- 6. Employee Transport**
- 7. Foreman or Superintendent Involvement**

What is a RTW Process

A Return-to-Work process is a clearly defined and documented plan with the injured employee, employer and medical providers to enable the injured employee to return to work quickly and safely in:

- Temporary work assignments, while still actively treating with the doctor, or
- Modified or alternative jobs once discharged from medical care.
- Ensure all aspects of the return-to-work process are managed and coordinated.

Key Concepts

- **Transitional Work** - denotes a work change on a limited time basis.
- **Modified Duty** – means a temporary work change to allow the employee to perform the regular job, usually while recovering from their work-related disability.
- **Alternative Duty** – denotes a temporary work change to a different job other than his/her regular/routine job.

Why Do YOU Need a RTW Process?

It can save your company money!

Direct cost savings of both medical and indemnity expenses.

- For every dollar invested in RTW — you might expect a savings of \$8 to \$10.¹
- The RTW process is effective at:
 - Reducing medical costs,
 - Reducing the disability duration,
 - Improving productivity, and
 - Reducing the likelihood of attorney intervention.

Source: Hafre, Patricia F., "Evaluating the Practicality of RTW Programs: Increasing Costs and Legislative Changes Makes Disability Related Problems Too Costly To Ignore," Crawford & Company, Atlanta, GA.

Develop and Implement a RTW Process

**Create a written statement of the intent and a description of the process.
Develop policies and procedures.**

Step 1: Review Injury Reporting Procedures.

Step 2: The RTW Team Members or Site Team.

Step 3: Establish Metrics for Success.

Step 4: Establish a RTW Plan for Each Injured Worker.

Step 5: Work with CNA to Lower Medical & Indemnity Costs.

Step 1: Injury Reporting Procedures

COMMUNICATION IS CRITICAL

- Report injuries to your Agent or Broker and CNA Insurance as quickly as possible.
- Delayed notification increases costs.
 - Claim Handler can make sure the injured person receives proper care.
 - The spouse or family members are notified.
 - The medical costs will be covered.
 - There will be compensation coming to them while the injured worker is recovering.

Step 2: RTW Team Members

Have a PLAN

- Management
- Process Coordinator (On site or at office)
- Healthcare Providers
- Insurance Carrier
- Superintendent or Forman
- Employee

Step 3: Establish Metrics for Success

Record the dates of:

- The injury
- Employer notification of injury
- TPA/insurer notification of injury
- First treatment and medical treatment
- Residual disability of injured worker
- Assignment to full or modified duty for injured worker
- Medical provider release back to work

Have a loss investigation kit:

- Camera, recorder, barricade tape, accident forms

Step 4: Address Each Injured Worker

Establish a RTW Plan for Each Injured Worker.

Job Function Evaluation is not a job description

Have a bank of modified, alternate or transitional jobs

Step 5: Work with CNA

Work with your CNA Claim Handler to anticipate medical costs and time away from work. Inquire about possible medical complications and the impact to RTW.

Allowing the injured employee to return to work one, two, or more days earlier is the goal!

This is a **WIN-WIN** program.

Perform a Job Function Evaluation

Perform a Job Function Evaluation:

- Job Title
- Job Responsibilities
- Essential Job Functions should meet ADA requirements
- Job Modification Opportunities for Transitional or Modified Work
- Identify available Alternate-Duty Jobs
- Review your RTW Process Regularly

Return-to-Work Job Banks

RETURN TO WORK JOB BANK FOR CONTRACTORS

The Return To Work (RTW) Portal houses generic job descriptions assembled by CNA's Vocational Case Managers using licensed proprietary software containing occupational data derived from the US Department of Labor, Employment and Training Administration. The CNA Vocational Case Management team currently has access to job descriptions on the more than 12,000 occupations.

Return To Work Job Descriptions (These are in MSWord Format .doc)

- [Bricklayer](#)
 - [Carpenter](#)
 - [Cement Mason](#)
 - [Construction Contractor](#)
 - [Construction Worker](#)
 - [Drywall Application Supervisor](#)
 - [Drywall Installer](#)
 - [Electrician](#)
 - [Electronics Technician](#)
 - [Estimator](#)
 - [Flagger](#)
 - [Combination Materials](#)
 - [Kettle Operator](#)
 - [Tear-Off](#)
 - [Foreman](#)
 - [Sheet Metal](#)
- Spa and Swimming Pool Contractors**
- [Aluminum Pool Installer](#)
 - [Swimming Pool Installer](#)
 - [Swimming Pool Servicer](#)
 - [Wire Mesh Filter Fabricator](#)


CNA Claim Job Bank

1. Job Bank:

- Generic Descriptions for:
- Manufacturing
- Construction
- Technology
- Transportation

2. Job Function Evaluation Form

- Insured's Use
- Customize



Job Function Evaluation Form

Employee's Name:		Date: / /
Employee Job Title:		
Company:	Department:	

1. Job Function(s) (provide a basic description of the job duties): _____

2. Work Location

<input type="checkbox"/> Indoors	Stressors	Chemicals	Required Protective Equipment
<input type="checkbox"/> Outdoors	<input type="checkbox"/> Heat	<input type="checkbox"/> Irritation	<input type="checkbox"/> Respirator
<input type="checkbox"/> Below Ground	<input type="checkbox"/> Cold	<input type="checkbox"/> Skin Contact	<input type="checkbox"/> Fall harness
<input type="checkbox"/> Elevated Areas	<input type="checkbox"/> Loud Noise		<input type="checkbox"/> Safety boots
			<input type="checkbox"/> Coveralls
			<input type="checkbox"/> Gloves
			<input type="checkbox"/> Hard hat

Describe: _____

3. Work Posture(s): Work is performed in which posture? Indicate percentage of the job.

Posture	Constant 67-100%	Frequent 34-66%	Occupational 1-33%	Not Applicable
Standing:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sitting:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Walking:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climbing:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kneeling:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Physical Demands:

↳ Lifting

Describe Materials:		
Weight of Materials:	Lbs.	How Frequently:
Position of Lift: <input type="checkbox"/> Floor to waist, <input type="checkbox"/> waist to shoulder <input type="checkbox"/> above shoulder		

↳ Carrying

Describe materials:			
Weight of Materials:	Lbs.	Distance carried:	Feet

↳ Tool Usage – Describe or list tools

Frequency of Usage (forceful grip required) Yes No

Work Hours: _____ Total minutes provided for breaks or rest periods: _____ minutes.

5. Miscellaneous: Indicate any other special or unusual job demands: _____

Preferred Provider Organization


Network Workers' Compensation

[Find a Network Provider](#)

to view, print, or download information and materials regarding network providers. [View this job aid](#) for assistance.

Access information and materials regarding:

- [Texas Healthcare Network \(TXHCN\)](#)
- [California Medical Provider Network \(CAMPN\)](#)
- [PPO Panel Requests](#)

**Network Provider Lookup • Provider Search**

Enter Customer Name & Address

Customer Name

Address

City State Zip

You must enter a valid zip code or city and state.

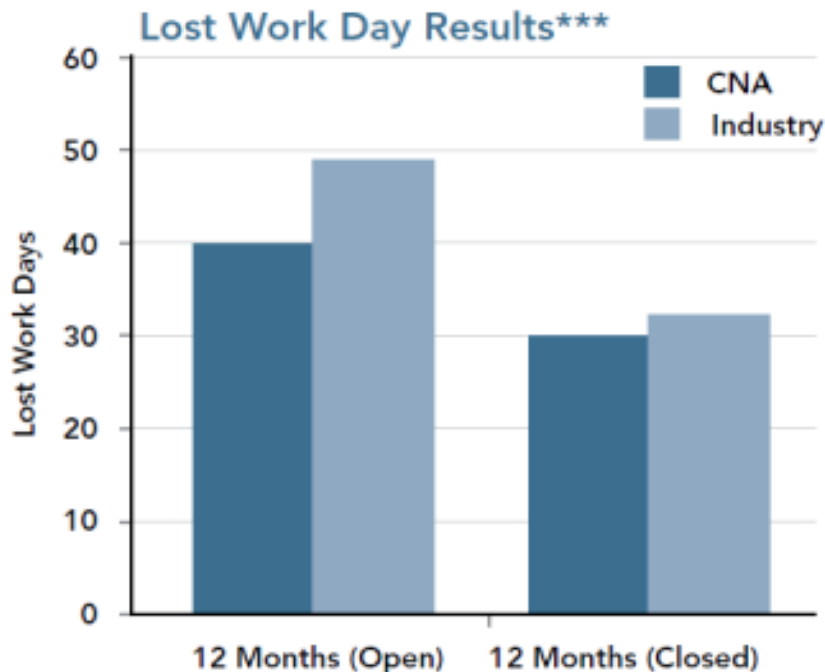
Networks:

Search Distance (miles): 1 2 5 10 15 25 30 50

Sort Results By: Distance Name Specialty

Providers per Page: 10 25 50 100 250 500

Choices to Work



- 18.4% better than the industry averages on open
- 3.2% better than the industry averages on closed

*** Incurred calendar year 2007 at 12 months capped at \$50,000

- **Choices to Work** is a transitional work program that places the injured workers the employer cannot accommodate in:
 - temporary jobs (68% success rate)
 - alternative work positions.

Savings Tip: Duration of Disability

TIP

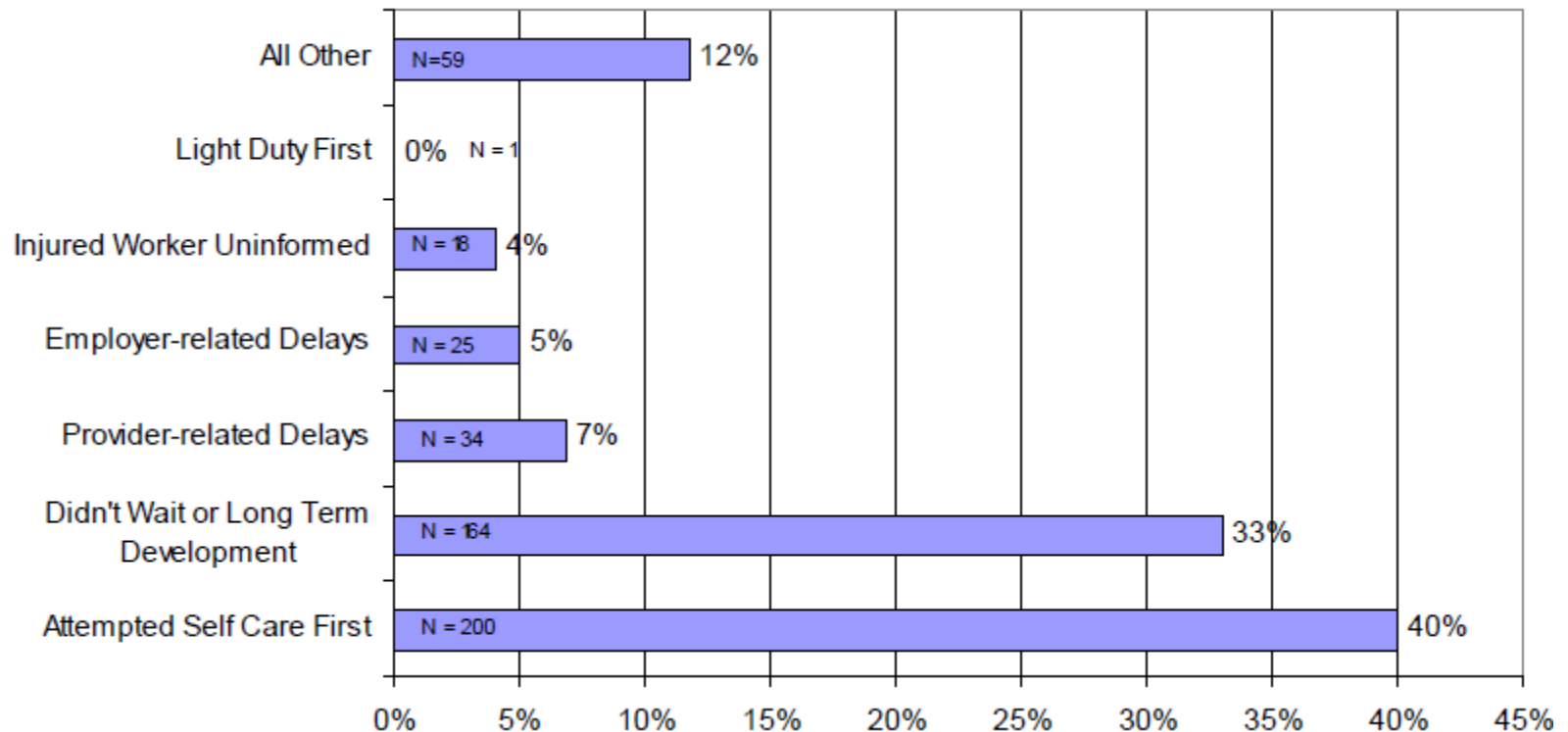
Duration of Disability

The worst 10% of WC injury cases typically represent more than 70% of the costs. Prompt and effective treatment lowers costs.

- It is very important to notify CNA Claim department as soon as possible after an accident.
- Selecting a proper medical provider for an specific injury type can reduce pain and start the worker's healing process.
- The longer a person is away from their job increases the probability of not returning. Also, it increases the possibility that the injured worker will seek legal advise, which increases claim costs.

Timely Notice of Loss

Reasons for Delayed Reporting



Timely Notice of Loss Savings Calculator

CNA Timely Notice of Loss Cost Savings Calculator

This tool illustrates the overall economic impact of timely workers compensation claim reporting. The calculator provides estimated costs and expenses associated with late claim reporting.

Please remember to immediately report workers compensation claims through CNA's toll free number, even in the absence of complete accident facts and details, in order to properly process an initial notice of loss

Input #1: **\$100,000**

← Enter the cost of the Injury (Medical and Indemnity)

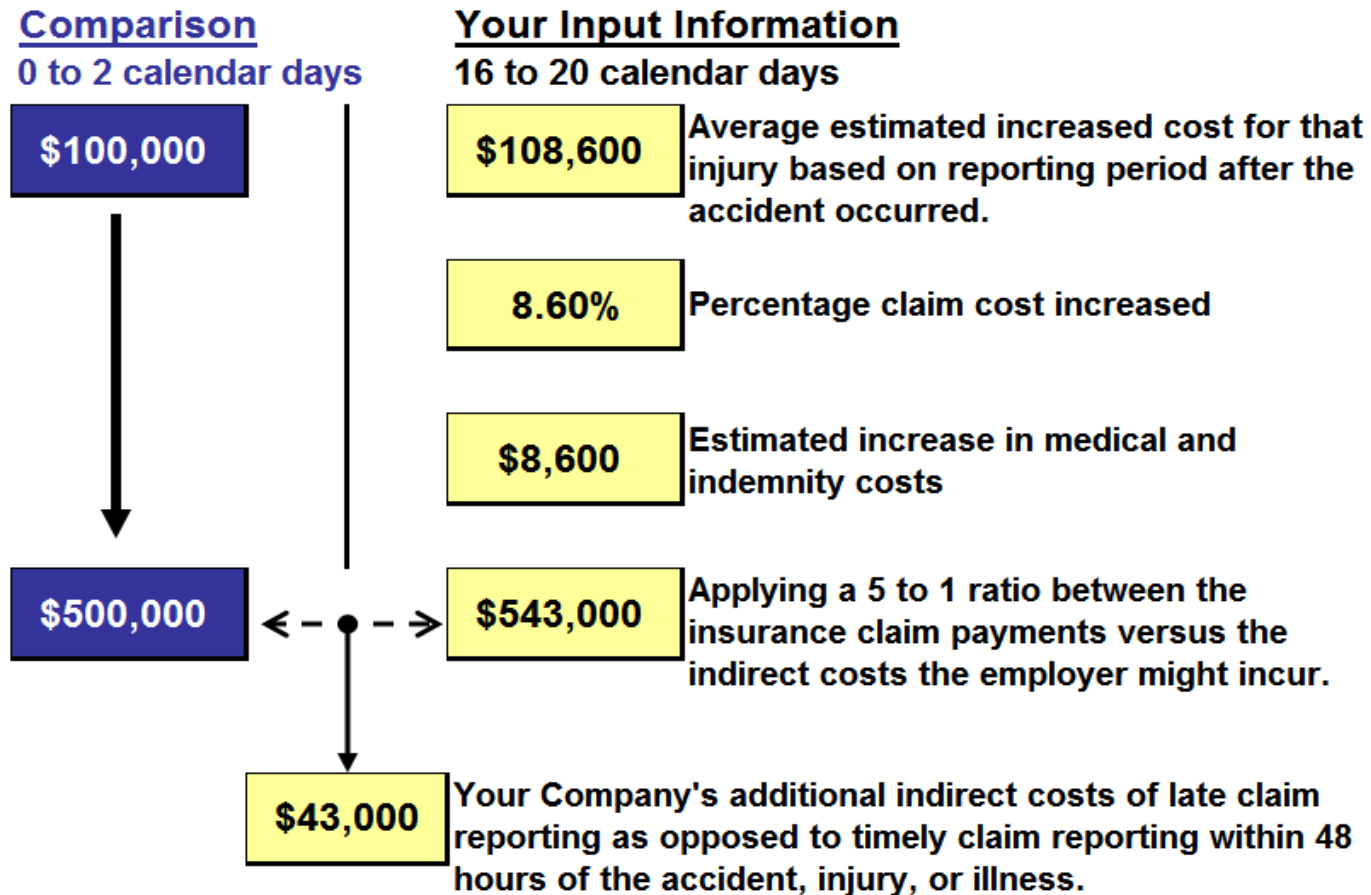
Next 

Select the time period when an injury was reported to CNA Claims

Input #2: **16 to 20 calendar days**

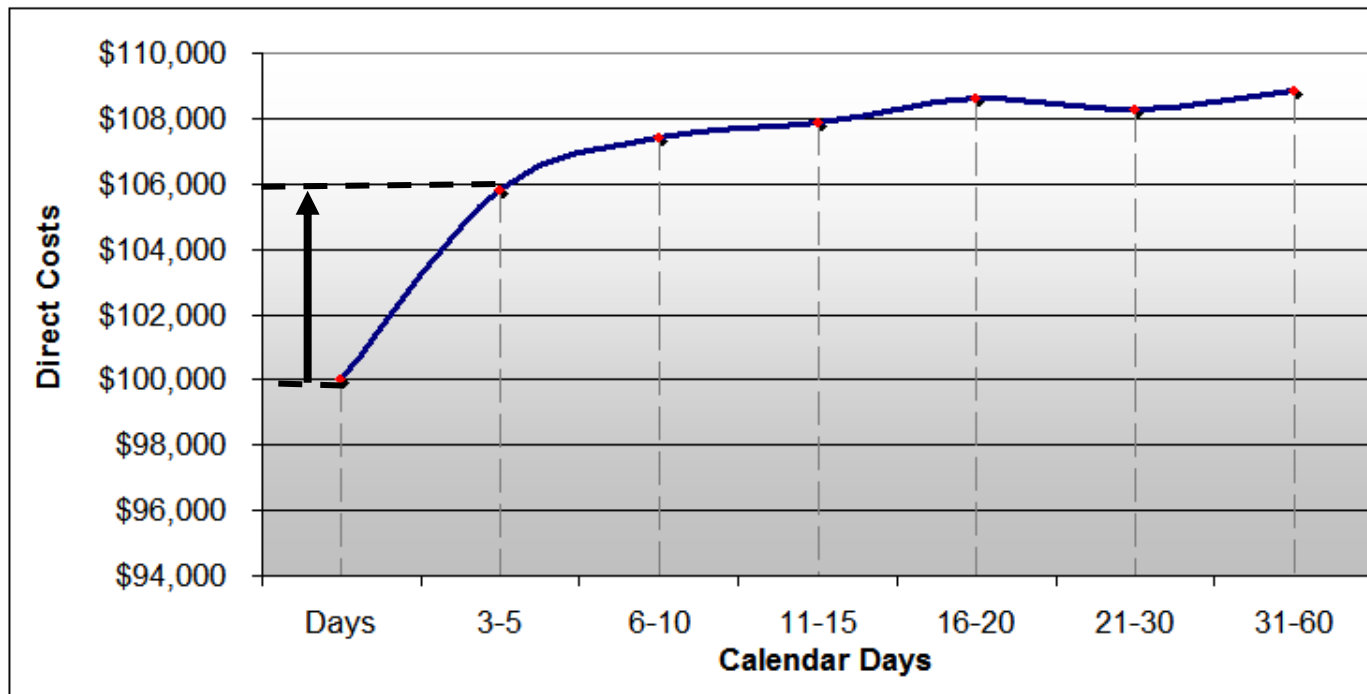
← Calendar days include weekends and holidays

Timely Notice of Loss Savings Calculator



Review Injury Reporting Procedures

- Early notification (within 2 days of the accident) can save 5.82% when compared to delayed reporting.



Transitional Work Program (Solution)

A ***transitional work program*** uses real job duties to accommodate injured workers' medical restrictions for a specified time period – generally to gradually return them to their original job.

Benefits:

- Lowers compensation cost paid to the worker
- Returns employee to productive employment sooner
- Creates the potential to save on WC premiums

Transitional Work Savings Calculator

Complete the forms below to calculate the indirect costs of having an injured worker.

* Indicates required field

Injury Type *

Select One

Age Group of the injured worker

Select One

Does the majority of your workforce suffer from obesity?

Yes No

Company's net profit margin *

Select One

Answer just 4 simple questions:

- 1. Injury Type**
- 2. Age Group**
- 3. Weight factor**
- 4. Net Profit Margin**

Weight is a Variable Factor

Body mass index (BMI) is a term used to classify the weight of individuals in relationship to their height.

Body Mass Index Equation:

BMI Calculator:

Height:	6	feet
	2	inches
Weight:	245	pounds
BMI:	31.5	

BMI	Weight Status
Below 18.5	Underweight
18.5 - 24.9	Normal
25.0 - 29.9	Overweight
30.0 & above	Obese

$$\text{BMI} = \left[\frac{\text{Weight in pounds}}{(\text{height in inches}) \times (\text{height in inches})} \right] \times 703$$

This mini calculator allows you to input a height and weight to determine how to classify a weight status

Example: See How It Works

Complete the forms below to calculate the indirect costs of having an injured worker.

* Indicates required field

Injury Type *

Strained Lower Back (sacroiliac region) ▼

Age Group of the injured worker

25-34 years ▼

Does the majority of your workforce suffer from obesity?

Yes No

Company's net profit margin *

15% ▼

CALCULATE INDIRECT COSTS

This example illustrates how the calculator operates.

- **A 30 year old worker, who was graded as obese strained his back.**
- **The company has a NPM goal of 15%.**

Injury Costs for Injury Type

Selected
injury type: *Strained Lower Back (sacroiliac region)* 846 ICD-9

ICD-9 (International Statistical Classification of Diseases –9th Revision)

Results:

\$2,199	Average Medical Cost for the selected injury
\$5,900	Average Indemnity Cost for the selected injury
\$8,099	Average Total Direct Cost paid by insurance

Data provided by the 2010 **Official Disability Guides**' for the average lost time days, medical and indemnity costs.*

() Work Loss Data Institute (WLDI) is an independent database development company focused on workplace health and productivity.*

ODG Statistics

20	Average numbers of lost time days (LTDs) for this type of injury
12	Average number of LTDs by having a Transitional Work Program
8	LTDs saved by the Program
<hr/>	
39.3%	Percent of LTDs saved

Days were rounded to a whole number for appearance

INDIRECT COSTS

Average indirect costs not covered by insurance can be 5 times the direct costs

Without a Transitional work program
\$40,494

With a Transitional work program
\$28,905

Times the net profit margin entered (15%) equals . . .

AMOUNT OF ADDITIONAL SALES NEEDED to cover the direct cost of the accident after factoring the net profit margin

\$269,962

\$192,702

Transitional Work Savings 28.1%

CNA Portal for Agents and Brokers



A

B

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Find an agent by state or by ZIP Code

All Return-to-Work features:

<https://www.cna.com/returntowork>



Risk Control for Construction Companies

RISK CONTROL FOR CONSTRUCTION COMPANIES

One of the nation's largest commercial construction insurers, CNA has helped construction companies protect their businesses and their reputations for more than 60 years.

Our risk control consultants know the risks that construction companies face. We will work with you to find ways to mitigate those risks. We'll help your company protect workers and safeguard assets to ensure that your company will be productive and profitable.

Featured Downloads

CNA's downloadable resources reveal hidden exposures and suggest and identify ways to mitigate risks.

- [Construction Quality – A Model Program](#)
- [Damage Prevention Guidelines](#)
- [Excavation](#)
- [Hard Hats](#)
- [Introduction to Fall Prevention](#)
- [Plywood Covers on Floor Openings](#)

CNA Return To Work Programs

Accidents cost more than you think.

Regardless of the controls put in place, it is inevitable that some work related injuries will occur. When they do, there will be a need for advanced planning case management and alternate productive work to improve the handling of initial and subsequent injuries.

In other words, you'll need a [Return To Work program](#).

Learn More About

[Insurance Solutions for Contractors](#)

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by state or by ZIP Code.




CNA RISK CONTROL

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- [Downloadable resources](#)
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JOB BANK FOR CONTRACTORS

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or


RETURN TO WORK JOB BANK FOR CONTRACTORS

The Return To Work Job Bank is meant to assist employers who may not have comprehensive job descriptions available for workers, and such information is needed for a medical determination made regarding a persons ability to perform certain job tasks. If a new loss is received, and the employer does not have a job description ready, you can use these generic descriptions to help identify or determine job duties and physical demands. Prompt identification of actual physical demands of a job can aid in an informed medical determination about not only compensability, but also in a worker's ability to return to work. These decisions can be central to making an impact on medical and indemnity spend.

The Return To Work (RTW) Portal houses generic job descriptions assembled by CNA's Vocational Case Managers using licensed proprietary software containing occupational data derived from the US Department of Labor, Employment and Training Administration. The CNA Vocational Case Management team currently has access to job descriptions on the more than 12,000 occupations.

Return To Work Job Descriptions (These are in MSWord Format .doc)

Bricklayer	Combination Materials
Carpenter	Kettle Operator
Cement Mason	Tear-Off
Construction Contractor	Foreman
Construction Worker	Sheet Metal
Drywall Application Supervisor	
Drywall Installer	Spa and Swimming Pool Contractors
Electrician	Aluminum Pool Installer
Electronics Technician	Plumber
Estimator	Swimming Pool Installer
Flagger	Swimming Pool Servicer
Glazier	Wire Mesh Filter Fabricator

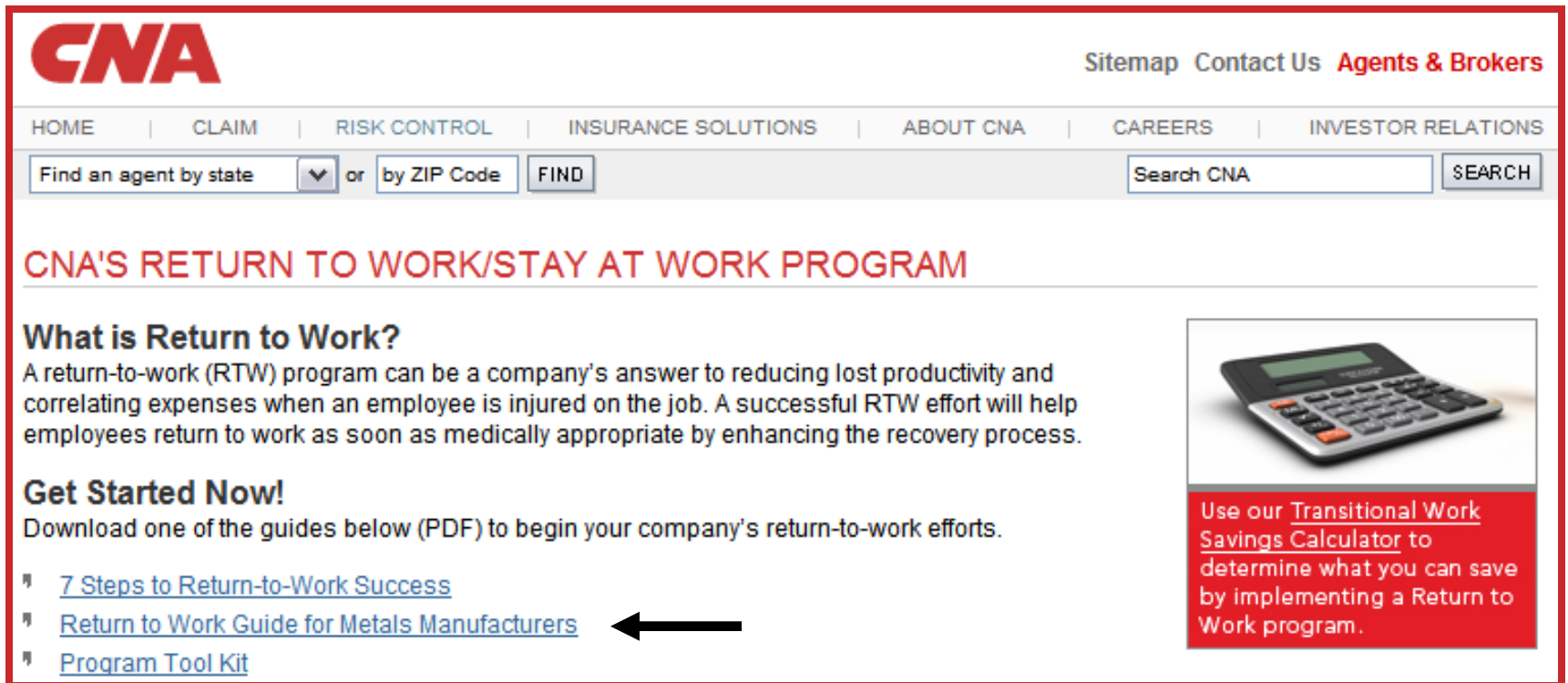


[CNA's Return to Work / Stay at Work Program](#)

View Return To Work Job Banks for:

- [Business Services](#)
- [Contractors](#)
- [Financial Institutions](#)
- [Healthcare Providers](#)
- [Manufacturing](#)
- [Technology](#)

RTW Guide and Savings Calculator Tool



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CNA'S RETURN TO WORK/STAY AT WORK PROGRAM

What is Return to Work?

A return-to-work (RTW) program can be a company's answer to reducing lost productivity and correlating expenses when an employee is injured on the job. A successful RTW effort will help employees return to work as soon as medically appropriate by enhancing the recovery process.

Get Started Now!

Download one of the guides below (PDF) to begin your company's return-to-work efforts.

- 7 Steps to Return-to-Work Success
- [Return to Work Guide for Metals Manufacturers](#) ←
- Program Tool Kit

Use our [Transitional Work Savings Calculator](#) to determine what you can save by implementing a Return to Work program.

1

2

CO-BRAND Through Agent Center

Materials
Select a linked title to preview. Select up to 5 items to print, co-brand, save or e-mail.

Title ▲	Type	Audience	Co-Brand
<input type="checkbox"/> PPP Sales Sheet	Sales Sheet	Insured	
<input type="checkbox"/> PPP Supplemental Application	Application	Agent	
<input type="checkbox"/> Printers Correction of Work Endorsement	Sales Sheet	Insured	✓
<input type="checkbox"/> Printers Correction of Work Endorsement	Sales Sheet	Insured	
<input type="checkbox"/> Product Liability InControl for Metals Manufacturers	Brochure	Insured	
<input type="checkbox"/> Return to Work Guide for Metal Manufacturers	Reference	Agent, Insured	
<input checked="" type="checkbox"/> Return to Work Guide for Metal Manufacturers	Reference	Insured	✓
<input type="checkbox"/> Risk Control Productivity Efficiencies for Manufacturing	Brochure	Insured	

Return to Work Guide for Metal Manufacturers example:

1

Click on the Title, it will open..
Go to the last page of the pdf.

Under *For more information.* →
Type in your name and address

For more information, contact:

John Doe
ABC Insurance
123 Little Big Street
Anywhere, USA
Phone: 111-111-1111
Fax: 222-222-2222
E-mail: jdoe@abc.com

2

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QUESTIONS

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riskcontrolwebinfo@cna.com