



# Workers' Compensation: Returning the Injured Employee to Work

Why it Matters and How it Can Impact Your Company Financially

*Presented By:*  
*Brown & Brown Casualty Team*

*Hays Companies, Inc., an owned subsidiary of Brown & Brown, Inc.*



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**Q&A**

# Panelists



**Aaron Stone**

*Brown & Brown, Moderator*



**Matthew Fasse**

*Brown & Brown, Panelist*



**Kaylene Kickhafer**

*Kickhafer Consulting, Panelist*



**Bryce Anderson**

*Brown & Brown, Panelist*





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# **What is Return to Work and How do You Structure a Successful Program?**

# What is Return to Work?

A Return to Work / Stay at Work Program is part of a business strategy to retain valued employees and to enhance workforce productivity. The anticipated result of a Return to Work Program, should be the progressive return of the injured employee to full duty work capacity.

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- Assisting employees in returning to work as soon as possible following an injury or illness.
  - Complying with medical restrictions.
  - Using a temporary work assignment that is physically and mentally less demanding than the employee's normal job duties.
  - A formal Return to Work / Stay at Work Program would involve the Employer having a stated, written, and enforced policy.

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- Maintain facility productivity
  - Improved Employer / Employee relationship
  - Greater control of insurance premiums
    - On Average, Transitional Duty Reduces Indemnity Exposures by 20-40%, because TTD benefits are Not being paid
  - Indirect Costs are reduced (temporary help or overtime)
  - Increased employee morale
  - Facilitates improved healing & recovery, and return to full duty work sooner, by keeping the injured employee active in a physically safe working environment
  - The injured employee's attitude about the employer is improved (My company cares about me)
  - Decreases employee fear over job loss, income loss

# Elements of a Successful Program

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## Strong Communication to Employees

- Immediate and periodic contact to reinforce employer's concern for wellbeing and the employee's value to the company
- Try to alleviate the employee's concern that they may lose their job due to reporting a work injury
- Explain the company RTW program when there are work restrictions
  - » Provide examples of "light duty/transitional duty" tasks
  - » If there isn't a case manager assigned, explain the process of communicating information to medical providers regarding the RTW program
  - » Provide employee with job description for DOI position with essential functions/Physical and Mental Demands (PMD) for goal setting, light duty task list with physical requirements, and a blank Report of Workability Form if available

## Before an Injury Occurs:

- Develop a Functional Job Description for each position / task
  - » There are vendors (Occupational Therapists / Ergonomists) that can help develop Functional Job Descriptions (physical and mental demands of each task)
  - » Develop a Light Duty Task List (these should provide the same physical demands, like the Functional Job Descriptions)
    - Get a group of employees from different departments together to brainstorm safe, light duty tasks that need to be completed
      - What risks do employees see?
      - Employees take ownership and pride in creating a safer work site

# Elements of a Successful Program

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## Before an Injury Occurs (Continued):

- Set Expectations with Injured Employees
  - » Provide them with letters and forms that need to be taken to the medical appointment.
    - Letter to the medical provider states your company's commitment to bringing employees back to work and being able to accommodate restrictions. Provide examples of light duty tasks available (provide Light Duty Task List)
    - Instruct the employee to bring back, or have the medical provider fax, the Work Ability slip to the appropriate person at the Employee
- Consider designating a medical clinic for injured employees to go to after reporting a work-related injury
- Have the physicians from the designated medical clinic visit your facility so they can have a better understanding of what the employee's do, and to understand what type of light duty tasks are available
- Create a transitional, light duty job offer letter to include:
  - » The start date of work
  - » The hours of work
  - » Name of supervisor the employee should report to (may be a supervisor in a different department)
  - » The hourly wage or salary that will be paid while the employee is on transitional duty
  - » A deadline for the employee to accept/decline the temporary light duty job offer

# Elements of a Successful Program

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## After an Injury Occurs:

- Obtain the current work restrictions after each medical visit. This can be obtained from the employee, clinic, or both. Provide those work restrictions, and ability to accommodate the work restrictions, to the adjuster handling the claim.
- Keep in regular communication with the employee. Ask them how transitional work is going, how they are feeling, and verify that they are not working outside of their restrictions.
- When restrictions change, verify that the light, transitional, or modified work will continue to fall within the new set of restrictions.
- After being released and placed back into a full duty work, or pre-injury job, follow-up with the employee to verify they are not having any setbacks.



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## **Claim Related Issues**

# Claim Related Issues

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- Failure to have a program has negative effects:
  - » Employees isolate from, feel disconnected from, and eventually feel resentment towards the employer
  - » When an employee is off work for 12 weeks or more, there is less than a 50% chance of that employee returning to the employer
  - » Increased turnover, and need for retraining of employees
- Inability to accommodate restrictions will lead to increased costs to the claim, in terms of ongoing compensation benefits
- Medical treatment costs can increase and be extended compared to the employee working and attending therapy concurrently
- Some jurisdictions may have a separate penalty under workers' compensation laws, to penalize employers for not bringing injured employees back to work (these penalties are typically not covered under the workers' compensation policy).
- Injured employee more likely to seek legal advice and retain counsel.



**03**

## **Financial Impacts and Insurance Implications**

# Economic Impact



## Reduces Claim Costs

- Temporary Total
- Temporary Partial
- Litigation Expenses

## Employee Morale

## Avoiding a Disruption in Salary

## Workforce Continuity & Maintain Production Levels

## Training Expense for Alternative Worker

## Experience Modification Factor

- 70% Medical Only EMR credit applied to calculation
- EMR directly influences Guaranteed Cost premiums and Surcharges & Assessments for both First Dollar & Loss Sensitive programs

# Carrier Issues

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## Rates and Terms

- Underwriters have 3 primary tools to calculate Guaranteed Cost premiums:
  - Filed Rates
  - Scheduled Credits/Debits
  - Experience Modification Factors
- Reducing Indemnity claim costs will lower the total cost of risk on a large deductible program plan
- A formalized transitional light duty program will be looked at favorably by the underwriter and is in some cases a requirement for quotation
- Some Surcharges & Assessments are based on premium, and others based on loss performance

## Underwriting Factors

- Improved relationship & communication with employees is encouraged by underwriters
- Common Underwriter Questions:
  - Does insured support light duty?
  - Written Job Descriptions available?
  - Light duty job “work lists” utilized?
  - Do you cap the length of light duty assignment?
  - Workability form available pre-visit?

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## Questions and Answers





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