

Effective Strategies to Help Control and Reduce Your Workers' Compensation Costs

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Agenda

- **What is Workers' Compensation?**
- **Claims**
 - Benefits
 - Zenith Medical Provider Network
 - Posting Notices
- **Managing Medical Care**
- **Reporting Requirements and Responsibilities**
- **Maintaining Communication**
- **Tracking Your Policy**

What is Workers' Comp?

- **Workers' comp is a no-fault system**
 - Employees who are legitimately injured as a result of their work receive benefits as set by law, regardless of who is at fault
 - Benefits include:
 - Payment of all appropriate medical bills
 - Assistance with return to work
 - Payment of temporary and/or permanent disability
 - Vocational rehabilitation or supplemental job displacement benefit voucher
 - Death benefits
- **Injuries/Accidents covered:**
 - Course and scope of employment
 - Specific work-related injuries, cumulative injuries, and occupational diseases

Types of Claims

First Aid – Example: Minor cuts, bruises and burns

- Verify Insurance Company Policy for reporting/employer pay program
- Treatment completed within two visits
- Care does not include prescription medication
- Employee is able to return to work regular duty post date of injury

Medical Only – No lost time

- Minimal medical treatment

Indemnity – Reserves required

- Injured employee is off work due to injury
- Potential for permanent disability
- Delayed claims

When Is a “Claim” Deemed a Claim?



- **When is an injury accepted?**
 - AOE = Arising out of employment
 - COE = In the course of employment



- **When is an injury disputed?**
 - Does not meet AOE/COE requirement
 - Affirmative defense applies – Examples include:
 - Independent Contractor
 - Intoxication
 - Horseplay
 - Post-termination claim

How to Retain the Benefits of the Medical Network

- Use Posting Notices (DWC 7/Network Notices)
- Post medical placards
- Make sure all employees have been notified of their rights by providing the following notices:

At Hire:	<ul style="list-style-type: none">– “New Hire” Packet
At Injury:	<ul style="list-style-type: none">– Report the injury to your carrier– “Time of Injury” Packet– DWC 1

Medical Provider Selection / Relationship

- **Choose a provider within your medical network**
- **Meet with the medical provider**
- **Establish a profile:**
 - Return-To-Work Philosophy
 - Job Descriptions with Functionality
 - Pre-Employment Physical Capabilities Test
 - Pre/Post Injury Drug Testing
 - Red Flag Procedures
 - Work Status Updates

Medical Provider Selection / Relationship

- **Tour the medical facility**
- **Request the head physician tour your facility**
- **Quarterly/annual meetings with provider**
- **Request assistance on preventive ideas:**
 - **Stretching breaks**
 - **Ideas to remove repetitive duties**

Reporting Requirements & Time Frames

Emergency Situations:

- The employer should refer the injured employee to the nearest hospital or urgent care (provider need not be in the medical network)
- If ambulance transportation is required:
 - Verify the designated hospital

Non-Emergency Situations:

- **Authorize** treatment with a provider in the network within **24 hours** of knowledge of an injury
- Ensure initial medical appointment is scheduled within **3 business days** of the knowledge of an injury
- Report the injury to carrier **within 24 hours**

Importance of Timely Reporting



- The carrier has 90 days to investigate if a claim is compensable or not.
- The 90 day clock starts ticking upon the employer's date of knowledge of the injury.
- The carrier must authorize and pay for reasonable medical treatment during the 90 day investigation period up to \$10,000.
- Employers responsible for preserving evidence pertaining to the accident.

Impacts of Late Reporting

Costs Increase With Lag in Reporting

4-14 Days	16% Higher
15-30 Days	31% Higher
31+ Days	40% Higher

Source: 2009 Zenith Countrywide

Late Reporting Gives Higher Odds of Litigation

# of Days	Litigation Chance
0-10	22%
11-20	29%
21-30	34%
31+	47%

Why do Injured Workers Obtain Attorneys?

- **Character of Employment Relationship**
 - When workers believe that they will be fired if they report an injury
 - When workers believe their supervisor did not think their injury was legitimate
- **Claims Process**
 - Denial of care
 - Delay or denial of treatment
 - Poor communication

* Workers' Compensation Research Institute Study

Cost of Litigation

Type	Claim Count	Average TD Days	Average Medical Paid	Average Indemnity Paid	Average Total Paid
Strain/Sprain Back					
Non-Represented	2,237	44.5	\$5,500	\$3,571	\$9,473
Represented	972	196.6	\$35,303	\$21,479	\$63,509
Sprain/Strain Lower Extremity					
Non-Represented	1,379	47.3	\$4,949	\$3,130	\$8,375
Represented	304	219.7	\$34,406	\$20,062	\$60,147
Sprain/Strain Upper Extremity					
Non-Represented	591	55	\$5,116	\$3,779	\$9,254
Represented	144	173.3	\$28,478	\$17,799	\$52,298

Proactive Communication During the Claim Process

- **Meet with your employee post notification of incident/injury**
- **Conduct a post accident investigation with your employee**
- **Determine if medical treatment/first aid is required**
 - Offer transportation to the initial appointment
- **Review claim form/medical network notices**
- **Complete declination of care if care is not required**

Proactive Communication During the Claim Process

- Report claim within 24 hours to your carrier
- Send get well cards/flowers for lost time or catastrophic injuries
- Review policies regarding medical visits
- Review policies regarding lost time:
 - Date of injury
 - 3 day waiting period

Develop a Return to Work Program

- Stated in employee handbook
- Job description with functional capacity
- Return to work offer letter
- Task list for transitional work assignments

Transitional Work Assignments

- **Part-time hours or reduced wages as appropriate**
- **Identify special tasks that are not currently being done by anyone**
- **Consult with the employee who may have suggestions you might not have been aware of**
- **Make sure transitional work tasks have business value**
- **Check-in with the employee as restrictions change**

Identifying Appropriate Claims

Criteria for referral for the nonprofit program:

- Employee is not yet MMI / P&S
- Employee released by physician with clear work restrictions anticipated to last at least 30 days
- Employer is unable to accommodate in-house transitional work or is no longer able to do so

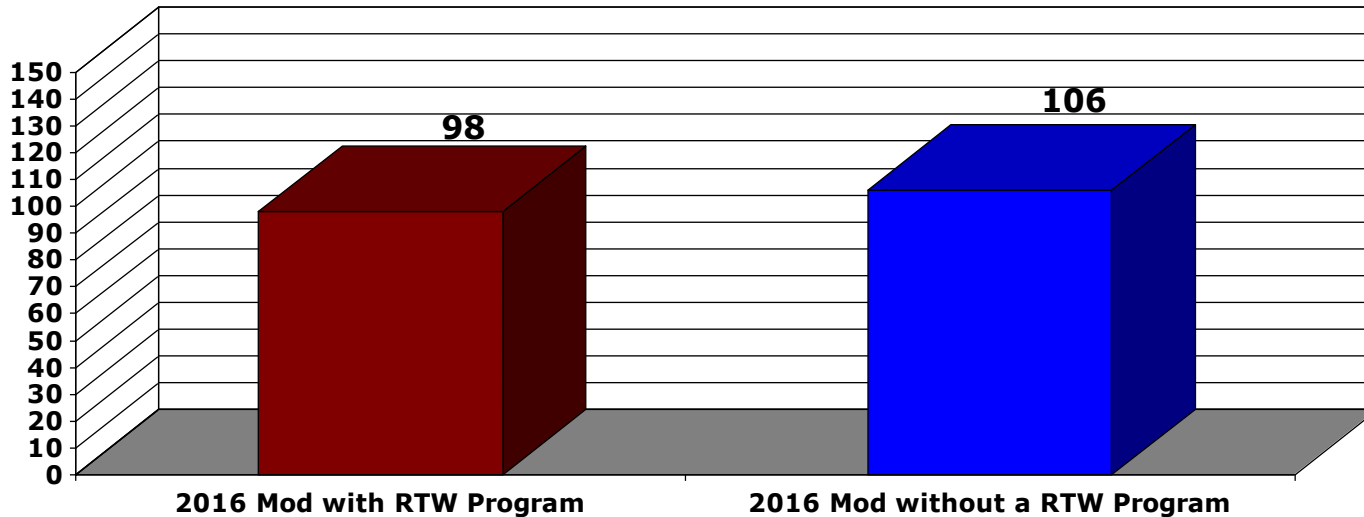
Return-To-Work

Potential Transitional Work Cost Savings

	RTW: No lost time No TD	RTW Part-Time @ 8 weeks Paid Wage Loss	Off work 8 weeks Paid Full TD
Technician Avg. Weekly Wage: \$1,800 TD @ \$1,172.57 per week (based on statutory AWW max \$1,758.86)	\$ 0.00	\$ 5,066.67 (earning \$850 wk)	\$ 9,380.56
Pre-school Teacher Avg. Weekly Wage: \$800.00 TD @ \$533.33 per week	\$ 0.00	\$ 2,133.36 (earning \$400 wk)	\$ 4,266.64
Part-time Laborer Avg. Weekly Wage: \$200 TD @ \$175.88 per week (based on statutory AWW min \$263.82)	\$ 0.00	\$ 873.71 (earning \$100 wk)	\$ 1,407.04

The above rates are based on the 2017 TD Rates

2016 Premium Savings Based on RTW Efforts



Component	Mod Points	1 Year Premiums	3 Year Premiums
2016 Mod with RTW Program	98	\$554,501	\$1,663,503
2016 Mod without RTW Program	106	\$600,332	\$1,800,996
2016 Savings	8	\$45,831	\$137,493

Temporary Disability Payment Savings \$61,746

Track Your Policy

Loss Runs and Claim Status Reports

Loss Runs Track:

- Claims open or closed per policy year
- Brief description of injuries reported
- Payment summary and outstanding reserves on open claims

Claim Status Reports:

- Narrative regarding the claim with reserve outline

Claim Reviews:

- Opportunity to share information between the employer, carrier and producer
- Particularly meaningful prior to Unit Stat filing

Carrier Free Resources

- **Postings**
- **Medical Network Forms**
- **Tailgate Topics/Safety Videos**
- **IIPP Resources**
- **Training**
- **Zenith Solution Center**

Summary

- **Report injuries timely**
- **Maintain a relationship with your employee and provider**
- **Develop a proactive return to work program**
- **Track your policy**
- **Utilize online loss runs and free materials or training**

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Questions?

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