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The Costly Dangers of Not Getting Injured Employees Back to Work Quickly

by David Leng, CPCU, CIC, CRM, CWCA

"We've got an employee who's abusing the system and we're just about fed up. So are our people." Every insurance agent has heard these words from frustrated employers who are certain injured workers are taking advantage of the Workers' Compensation system.

While we all know such abuses occur, they may be far less frequent than we may think, particularly when 90 percent of job related injuries are first-time occurrences. Very few employees have a pattern of multiple injuries.

As a matter of fact, the vast majority of injured employees behave quite differently; they do as they are told. "We'll get you to the emergency room," says the supervisor. Or just as frequently, employees are sent to their own physicians.

For most employers, that meets their obligation to care for the injured worker. But this isn't the way employers run other aspects of their businesses. For example, before a contractor makes an equipment purchase, there's a thorough due diligence process. Will the equipment produce the desired results? Will it operate efficiently where the company will use it? If it's a manufacturing operation, material sourcing follows a rigorous set of standards and specifications.

As someone has said, "Companies spend far more time selecting a copier than they do planning the medical support for injured workers."

This laissez faire approach to medical care is costly in dollars and lost productivity. Studies show that a worker who is out 10 to 12 weeks on Workers' Comp rarely returns to the job. That means finding and training a replacement and that translates into even higher costs.

Here's the point: *If nine out of 10 injuries are first time incidents, most employees don't know what to do, what to expect or how to behave when they're injured. There is no reason to assume that they will do anything other than what they are told.*

For example, if they are told to "go to the emergency room," that's where they will go. If the employee is asked, "Do you have a doctor?" and the injured worker says yes, then that's where the worker will go.

In the same way, if the injury is a sprain or strain, the doctor may prescribe "a few days off until you feel better," hand the worker a prescription, set up an appointment in 10 days, and the worker follows orders. But this lack of activity may result in the worker telling the doctor at the next visit, "I'm still having pain." Almost certainly the doctor will write a prescription for physical therapy. "Let's see how you get along with this," says the physician. *Let's make it very clear that physicians are not to blame.* Beating up on doctors will not solve the problem. They are pressed for time and to keep costs down, even while wanting to respond to their patients in appropriate ways.

Although the blame may seem misplaced, it rests squarely on the shoulders of employers. At the same time, the insurance agent responsible for Workers' Compensation also bears a share of responsibility. Simply put, if you want to control the outcome, you must establish a process that produces the desired results.

If you want the injured employee to heal quickly, then the task is to install a system that assures employees of the correct medical procedure — one that gets them back to work as quickly as possible.

One of the key issues is locating a proper medical clinic within no more than 20 minutes of the employer's location that is committed to the philosophy that one of the greatest health risks is not being at work. In effect, the goal is to develop a relationship with a physician who understands that "group health care" is different from Workers' Compensation therapy. This is a significant issue as pointed out in a recent study by the Louisiana Workers' Compensation Corporation, which revealed that the median cost for a claim treated by a Workers' Comp-oriented facility was \$3,015, yet for other



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physicians the cost was \$5,793. Yet, the median time off was 34 days and 58 days respectively. "The mean differences were statistically significant," the report concludes.

The first step is to make appointments to visit various physicians and clinics, including any occupational health facilities. The objective is to determine if the providers understand the "work is therapy" concept.

Here are some of the questions you will want to ask:

- Do you support the view that returning to life functions is the appropriate therapy?
- Do you subscribe to a return-to-work approach?
- Will you provide an estimate of the expected duration of the disability?
- Can we expect you to set out a treatment plan that includes a timeframe, restrictions and activities?
- Are you willing to communicate with the injured employee, the employer, and the insurance company?
- Are you willing to prescribe an activity regimen (particularly in strain cases)?

Since just about any physician will recognize that these expectations go well beyond the fee structure authorized under their contractual agreements, the employer can and should offer to pay for the additional services. This is a worthy investment since it can facilitate getting the worker back on the job faster and thus reduce the overall costs. As the National Council on Compensation Insurance points out in its NCCI Research Brief, July 2005, "Medical-only claims that become lost-time claims cost an average of 40 times more than those that remain medical-only."

All this calls for a proactive approach to medical care for injured workers. Because it can make a significant difference both for the injured worker and in the cost of the claim, it is worth the effort, both on the part of the

employer and insurance agent. In fact, both should be involved in conducting the interviews.

The process of engaging employer, medical provider, and insurance agent deserves serious attention since it is perhaps the most critical component in reducing Workers' Compensation costs, overcoming lost productivity and providing the proper care for the injured employee. Studies indicate that about 20 percent of job-related injuries are responsible for driving up 80 percent of the Workers' Comp expenses. And conversely, it's that same 20 percent that stands in the way of reducing costs. By providing proper care from the moment an injury occurs, employers take the most important step toward driving costs down.

While this approach may not be applicable to many small businesses, it should become a top priority for contractors, manufacturers, distributors, and any company where management pays serious attention to the Workers' Compensation cost figures. ▼

Editor's Note: David Leng is co-founder of Keystone CompControl, the country's largest network of Workers' Compensation specialists, and one of only 18 Level-5 members of the Institute of WorkComp Professionals. Leng, who has 12 years experience specializing in Workers' Compensation, is an alumnus of Penn State where he received his Bachelor of Science in Insurance. He holds many professional designations, including Certified Insurance Counselor and Charter Property Casualty Underwriter, Certified Risk Manager and has been designated a Certified WorkComp Advisor by the Institute of WorkComp Professionals. In the past two years alone, David has saved his clients over \$2,700,000. He can be reached at 724.863.4225 x372 or via e-mail dleng@keystonecompcontrol.com.

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