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What Employers Need to Know About The Recovery of Injured Workers

by David Leng, CPCU, CIC, CRM, CWCA

Workers' Compensation rates have been trending downward, as have the number of job-related injuries. Even injuries totaling \$50,000 or more dropped for the first time in 2005. But before we let loose the balloons and congratulate ourselves on what is clearly a notable achievement for American business, there's another side of the story that deserves serious attention.

Since the advent of managed care, Workers' Compensation medical costs have been going up. This may seem counter-intuitive since a major objective of managed care was to control medical expenses.

Although managed care helped contain and even reduce medical fees, the positive benefits were eroded by increased utilization of medical services. At the same time, companies continue to send injured workers to hospital emergency rooms where they may wait for hours to be seen by those who are not familiar with occupational medicine. Too many times, they are dropped off or accompanied by a worker. They can also be sent to the emergency room alone in a cab. It is quite possible that they will not hear from a company until they return to the job.

Since 90 percent of job-related injuries are first-time occurrences, workers don't realize they can get caught between a couple of obstacles: a cost-driven medical system on the one hand and a business culture that isolates them on the other. Is it any wonder that injured workers are often confused and turn to friends for advice and counsel that lead to feelings of resentment and then to litigation?

If this all-too-common scenario is to change, employers must exert leadership. They have a major stake in making sure injured

workers are cared for properly and know they are wanted back on the job as quickly as possible. It's also the employer who has the most to gain from controlling Workers' Compensation costs.

The Total Care Solution

What is needed is a total care approach to work-related injuries. In effect, *what every injured worker deserves is the right physician delivering the right treatment at the right time to facilitate the employee's return-to-work as quickly as possible.*

While this seems like a worthy objective, it can be illusive. For example, Ohio employers are required to sign up with a managed care organization as part of a reform program to reduce Workers' Comp costs. Has it worked? Not according to a report in the *Cleveland Plain Dealer*. Over the years since the requirement has been in place, costs have not gone down. In fact, the newspaper pegs the cost of reform at \$1.6 billion. While the number of claims has dropped by 48 percent, the annual cost to manage the system, including managed care, has gone up by \$167 million.

Evidence-based Medical Treatment

The Ohio experience is quite different from what has happened elsewhere. For example, the Louisiana Workers' Compensation Corporation, a private, tax-exempt mutual insurance company, working with the Johns Hopkins University School of Medicine, set up a small, state-wide health care provider network that was based on the premise that "quality medical management aggressively applied by empowered, yet, accountable physicians trained and disciplined in common occupational care management methods and unencumbered by pre-certification requirements, will minimize or eliminate disability in the shortest time possible."

At the heart of this type of approach are evidence-based medical treatment guidelines that help reduce excessive utilization of medical services, identify counter productive procedures and focuses on clinical medical care that has the objective of returning the injured worker to full functionality as quickly as possible.

The results in Louisiana are significant. For example, the program is estimated to have saved 6,500 working days over a 12-month period and the dollar savings amounted to more than \$915,294, less a small management fee.

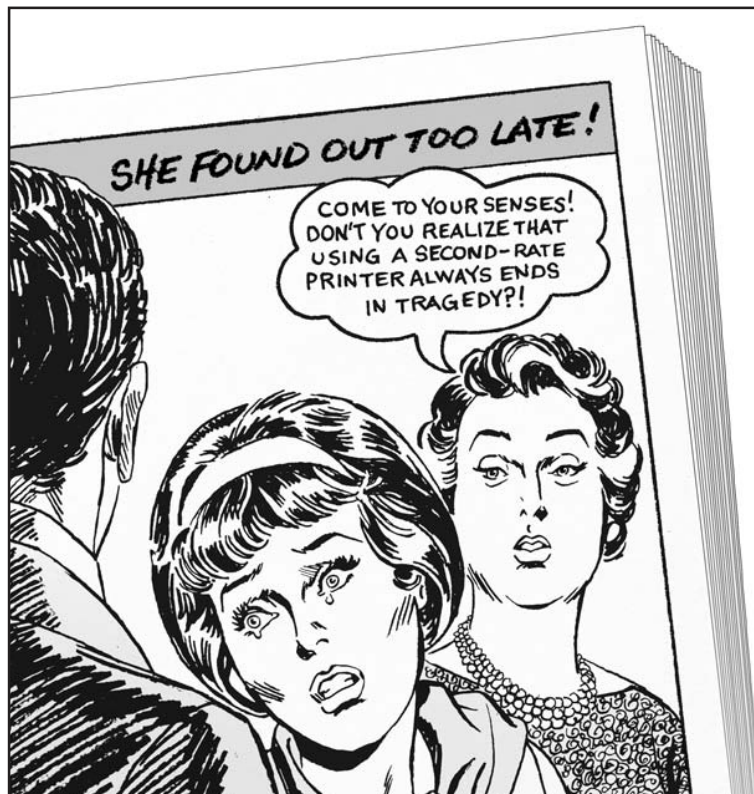
"A Preliminary Investigation of the Effects of a Provider Network on Costs and Lost-Time in Workers' Compensation" by Bernacki, Tao and Yuspeh in the *Journal of Occupational and Environmental Management*, January 2005 summarizes the success of the Louisiana network:

- The average and median costs of a non-network claim was \$12,542 and \$5,793 compared to \$6,749 and \$3,015 for a network claim.



"Workers' Compensation has a problem. While managed care has controlled medical expenses, these positive benefits have been eroded by increased utilization of medical services."

— David Leng



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- The average and median lost-time days for non-network claims was 95 and 58 compared to 53.4 and 34 for network claims.

The use of treatment benchmarks or guidelines provide an objective basis for evaluating job-related injuries and help keep attention focused on a return to full functionality.

Evidence-based Return to Work

Even with such positive medical results, proper medical care is only one component of a total care program. There must also be recovery support at the workplace, one that involves an evidence-based return-to-work program.

It's worth pointing out that many return-to-work programs have not been successful, from either the perspective of employers and injured employees. Employers often view return-to-work as "make-work" and employees can be leery since they feel co-workers and supervisors will view them as slackers. In all honesty, these perceptions can be all-too-accurate.

The failure to see the workplace as having an active role in recovery from a job-related injury may help explain why return-to-work has not been embraced more fully by employers and employees.

It is more appropriate to view them as two sides of the same coin, as does the American College of Occupational and Environmental Medicine.

The College describes the physician's role in return-to-work this way, "Successful return-to-work involves primarily the employee and his or her employer with the attending physician providing detailed recommendations for graded work and activity resumption."

It goes on to suggest that "the employer's role is to ensure that the workplace culture supports a timely return to meaningful work, for example, by ensuring that flexible work is available and that any restrictions and limitations recommended by the patient's physician are observed."

When return-to-work is designed around evidence-based guidelines, there's a solid basis for mutual understanding between the injured worker, the medical provider and the employer. The *Official Disability Guidelines 2006 (ODG)* of the Work Loss Data Institute contains information based on more than 10 million cases from the Centers for Disease Control and OSHA and provides "evidence-based disability duration and benchmarking data on every reportable condition." These serve to identify return-to-work opportunities to get injured workers back on the job in a time frame based on medical evidence.

It should be pointed out that when taken together, effective medical care and a beneficial return-to-work program may very well require more physician involvement than is authorized by a third party provider. The prudent employer, recognizing the value the right physician brings to facilitating the recovery at work process may well recognize the value of offering payment for additional services, as well as using the physician or clinic for employee physicals, drug testing and other services.

The goal is to provide every injured worker with the right physician delivering the right medical treatment at the right time to facilitate the employee's return-to-work as quickly as possible. With this evidence-based process, the Workers' Compensation costs go down. ▼

Editor's Note: David Leng is the co-founder of Keystone CompControl, the nation's largest network of Workers' Compensation specialists, and is one of only 20 Level-5 advisor 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, Charter Property Casualty Underwriter, Certified Risk Manager, and has been designated a Certified WorkComp Advisor by the Institute of WorkComp Professionals. Since 2004, he has worked with employers to reduce their workers compensation costs by over \$4,400,000. David can be contacted at dleng@keystonecompcontrol.com.