Claims Management and Prevention

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Today’s Topics

1. Focus on the FACTS
2. Understanding your rates
3. Workers Compensation realities
4. Return-to-work (RTW) options and Self Insurance
5. Small Business Liaison and DOSH services
Focus on the **FACTS**

- Falls
- Assaults/Struck By Objects
- Caught In/Between
- Toxins/Chemicals
- Sprains/Strains

- Make Safety a priority
- Have a **Safety Plan** in place before an injury occurs
- Enforce your safety rules
What to do before, during and after injury or illness

- Communicate with the worker.
- Communicate with the healthcare provider.
- Set the expectation for “return to work”.
- Follow your “HR policies”.

Washington State Department of Labor & Industries
Establish procedures for return-to-work

- Designate a RTW (claim) coordinator
  - Follow your HR protocols.
  - Maintain regular contact with the worker.
  - Maintain contact with the claims manager.
  - Maintain contact with the physician.
  - Update RTW Packet as needed.

- Document physical restrictions for all jobs.
  - Understand physical demands of all jobs
  - Create a job bank of job descriptions by category
    - Light/Medium/Heavy
Create a return-to-work packet

- Include a cover letter and instructions for the injured worker.
- Include a Light-duty job description.
- Reinforce the availability of light duty.
- Include the job of injury description.

Return-to-work process

- 3 pivotal documents
  - Activity Prescription Form
  - Employer’s Job Description
  - Job Offer Letter

- If it is not documented, it doesn’t exist.
The employer’s Job Offer Letter

Include:

- Start date
- Work hours
- Salary
- Location
- Specific requirements: attach employer’s Job Description form with attending provider approval
Understanding your rates
Each Risk Class Consists of Four (4) Funds

1. Accident Fund
2. Medical Aid Fund
3. Stay at Work
4. Supplemental Pension Fund
Experience Rate

An experience rate is used to modify the classification rates to match the business’s experience.

- It works like car insurance.
  - The more injuries, the more you pay for insurance.

- This results in
  - Fairness and equity.
  - Encouragement of accident prevention.
  - Facilitates collection of premiums.
# When Will a Claim Impact Rates?

<table>
<thead>
<tr>
<th>Claims with a date-of-injury between:</th>
<th>Will impact an employer’s rates for rating (calendar) years:</th>
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<tbody>
<tr>
<td>7/1/11 - 6/30/12</td>
<td>2014, 2015, 2016</td>
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<tr>
<td>7/1/12 - 6/30/13</td>
<td>2015, 2016, 2017</td>
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<td>7/1/14 - 6/30/15</td>
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<td>7/1/15 - 6/30/16</td>
<td>2018, 2019, 2020</td>
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<tr>
<td>7/1/16 - 6/30/17</td>
<td>2019, 2020, 2021</td>
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Based on their claim value as of June 1 prior to the rating year

**Rates for:** Are affected by claims with a Date-Of-Injury between:

<table>
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<tr>
<th>2016</th>
<th>7/1/2011 – 6/30/2014</th>
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<tbody>
<tr>
<td>2017</td>
<td>7/1/2012 - 6/30/2015</td>
</tr>
<tr>
<td>2018</td>
<td>7/1/2013 - 6/30/2016</td>
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Check out www.Lni.wa.gov/ControlMyRates
Workers’ compensation realities

- 5% of injured workers become chronically disabled (using 85% of all resources).

- The majority of chronically disable workers are non-catastrophic, medically uncomplicated musculoskeletal conditions (such as low back sprain, carpal tunnel syndrome).
Understanding claims to control costs

- Benefits covering only medical expenses – “medical only claims”
  - No time missed from work – beyond first 3 days following injury.

- Benefits covering wage replacement – “time loss claims”
  - If injured worker does not return to work, then time loss benefits start on the 4\textsuperscript{th} day following an injury.
  - Unless the worker is disabled at 14 days, then L&I also pays time loss for the first 3 days.

- The most expensive portion of a claim is typically time-loss payments.

- Goal is to keep workers connected to a job through light or modified duty.
Ways to financially support workers during recovery

- **Wage replacement ("time loss")**
  - Most expensive option – effects experience rating 37X higher than medical-only claim.
  - Pays 60-75% of wages, depending on dependents

- **Loss of Earning Power (LEP)**
  - Pays up to 80% of lost earnings
  - Effects experience rating.

- **Kept on Salary (KOS)**
  - Employer pays full salary while worker recovers at home.
  - Does not effect experience rating.
 Likelihood of returning to work after lengthy time off

At 12 weeks of time loss the worker has only a 50% chance of returning to work!
Long term disability percent
Share of injured workers with time-loss paid in the 12th month post injury: smaller percentage indicates less long-term disability

The goal is to decrease the percentage

Current quarter down 23.4% from 2012 benchmark of 4.35%
The employer-employee relationship
Critical to resolving claims at the lowest possible cost.

- Starts with the hiring process
  - Hire wisely – check references.
  - Provide a written job offer with a description of the work to be performed.
  - “Do you have the physical abilities to do this job?”
  - Keep good records - medical not in personnel files.

- Don’t suppress claims RCW 51.28.010
  - Don’t discourage claim filing.
  - Don’t pay for medical on your own.

- Offer return-to-work options
Criteria for a workplace injury

- Happened during course of employment.
- Meets the legal definition of an injury:
  - Sudden tangible happening, of a traumatic nature, producing an immediate or prompt result, and occurring from without, and such physical conditions result therefrom.
- Medical opinion on a “more probable than not” basis caused by work (50% or more).
Criteria for an occupational disease

An occupational disease occurs over time, rather from a fixed event.

- Arises naturally and proximately out of employment:
  
  Arise from the job requirement, rather than merely the workplace or everyday life.

- Objective medical findings (seen, felt or measured).

- The doctor declares on a “more probable than not” basis, the injury was caused by work (50% or more).
Benefits to Injured Worker

- Allows Employee to Maintain Contact with Co-Workers
- Keeps Employee Active
- May Reduce Re-Injury
- Shifts: “Dis-ability” to “Ability”
- Employee Feels Their Contributions are Valued
- Speeds Medical Recovery
- Provides Sense of Job Security

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Benefits to Employer

- May Reduce Risk of Re-Injury
- Lowers costs: Hiring & Training Replacements
- Shows Commitment to Employees
- Maintains Employer - Employee Relationship
- Reduces Time Loss Costs
- Loss of Productivity Minimized
- Maintains Skills of Injured Worker
Communication is key!
Return-to-work assistance

- L&I’s Early Return to Work staff help workers and employers with the transition back to work.
  - Vocational Services Specialists
  - Occupational Nurse Consultants
- The service is free.
- Contact your claim manager to request assistance.
Employer’s Return-to-Work Guide

Financial incentives available from L&I

www.Lni.wa.gov/IPUB/200-003-000.pdf
Stay at Work – wage reimbursements

- Pays
  - 50% of base wage
  - Up to 66 days actually worked (not necessarily consecutive)
  - Up to $10,000 per claim (whichever comes first)
  - 24-month period per claim

- Employer has 1 year to apply from first day of light duty or transitional work
  - Reimbursements are per claim
Total reimbursements to employers to date

- Nearly $47 million reimbursed to employers.
- Nearly 18,700 workers supported in medically-approved light-duty jobs.
- Over 4,300 employers reimbursed statewide.
Self-Insurance Program -
L&I oversight of employers who self-insure their workers’ compensation

- **Claim Operations**
  - Adjudication: Issue allowance, denial, closure, and reopening orders.
  - Dispute Resolution: Respond to requests for intervention in claim disputes.
  - Address all protests to employers’ orders.
  - Make vocational determinations.

- **Compliance Operations**
  - Certification Services: Determine employers’ ability to pay benefits.
  - Training: Educate claim managers on how to pay benefits.
  - Audit: Ensure correct payment of benefits.
  - Penalty: Enforce if non-compliance in paying benefits.
Self-Insurance -
Contact Information

- **Main Reception:** (360) 902-6901
  - To determine the claim manager for a specific claim, or
  - To determine the auditor for a specific audit.

- **Address / FAX:**
  - Claims: PO Box 44892, Olympia, WA 98504
  - FAX (360) 902-6900
  - Compliance: PO Box 44893, Olympia, WA 98504.
  - FAX (360) 902-6650
Workplace Safety & Health Consultation

L&I's Consultation Program offers you no-fee professional advice and assistance in establishing or strengthening your workplace safety and health program.

Employers and employees can benefit from

– knowledge gained from implementing best practices, having an effective safety program, and staying compliant with WISHA rules;
– controlling Industrial insurance premiums and preventing hidden costs of workplace injury claims through effective safety programs;
– a safer and healthier work environment so employees can go home to their loved ones at the end of each work day; and
– enhanced job performance because the employee is more productive, absent less often, and more likely to avoid short- or long-term disability.

Note: You cannot be fined by a consultant as a result of the consultation. You may be required to correct serious hazards, but you face no financial penalties.
What to Expect during a DOSH Consultation

At your request, a safety and health, risk management, or sprains and strains prevention consultation will take place at your business.

An on-site consultation can involve:

- A conference with management to explain the employer’s rights and obligations
- A walk-through survey to evaluate
- A written report describing any conditions found and any recommendations or agreements made.
- A follow-up visit, if appropriate, to assure that any necessary corrections have been made.

You must agree to the following before a safety or health consultant can begin your on-site consultation:

- To correct, in a timely manner, any serious job safety and health hazards or deficiencies found during the course of the consultation visit.
- In unionized work areas, an employee representative must be provided an opportunity to participate in the opening and closing conferences and the walk-through survey.
- At all work sites, the consultant must be able to confer with individual employees during the course of the visit. This helps the consultant identify and assess the extent of particular hazards within the scope of your request and evaluate your company’s safety and health program.
Remember to use our free consultation services

- Safety, Risk or Ergo Consultations:
  - Bobbi Hanna: 360-902-5790, hacq235@Lni.wa.gov

- Claims Outreach
  - Cami Jones: 360-902-6280, Cami.Jones@Lni.wa.gov

- Early Return to Work assistance:
  - Jeri Parrish: 360-902-4837, pjer235@Lni.wa.gov

- Stay at Work and Preferred Worker reimbursement programs
  - Joyce Allen 360-902-4978, Joyce.Allen@Lni.wa.gov

- Small Business Liaison
  - 1-800-987-0145 or SmallBusiness@Lni.wa.gov

- Self Insurance