

Claims Management and Prevention

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Washington State Department of
Labor & Industries

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”.

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

Date _____

Dear _____ :

I am pleased to offer you employment, which will accommodate your current physical capacities. The job offer is that of _____ Your duties will consist of _____ (see approved job analysis.)

This is a _____ shift position. The work hours are _____ to _____ with a _____ hour lunch and _____ breaks. You are scheduled to work _____ through _____, which is a _____ hour work week. This position will pay you _____. You may be eligible for Loss of Earning Power in addition to wages should there be a differential from proposed earnings and your wage at time of injury.

Your supervisor will be _____, who has been advised of your physical capacities. Should you experience any difficulties in the performance of your duties, you are to report them to _____ as soon as possible.

I wish to welcome you back to our work force. By reporting to our office on _____ at _____ o'clock, you will be showing your willingness to accept this position.

Should you decide not to accept this offer of employment, please call me at _____, if I do not hear from you, and you do not report to the office at _____ o'clock, I will have to assume that you have rejected the employment offer.

A copy of this employment offer has been sent to your Industrial Insurance claims manager at the Department of Labor and Industries. If you have questions or concerns, please contact me at _____.

Please note that according to Industrial Insurance regulations, your time-loss benefits may be affected if you do not accept this job offer.

Sincerely,

_____ I accept this job offer. _____ I do not accept this job offer.

Employee Name _____ Date _____

Understanding your rates

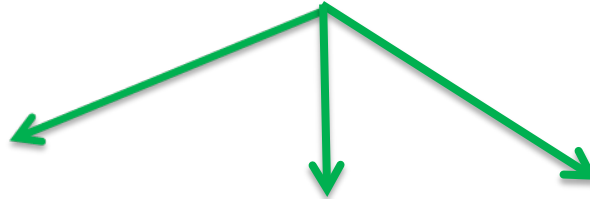
Each Risk Class Consists of **Four (4) Funds**

100% Employer



**1. Accident
Fund**

50% Employer / 50% Worker



**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?

Claims with a
date-of-injury
between:

Will impact an
employer's rates for
rating (calendar) years:



| | |
|------------------|------------------|
| 7/1/11 - 6/30/12 | 2014, 2015, 2016 |
| 7/1/12 - 6/30/13 | 2015, 2016, 2017 |
| 7/1/13 - 6/30/14 | 2016, 2017, 2018 |
| 7/1/14 - 6/30/15 | 2017, 2018, 2019 |
| 7/1/15 - 6/30/16 | 2018, 2019, 2020 |
| 7/1/16 - 6/30/17 | 2019, 2020, 2021 |

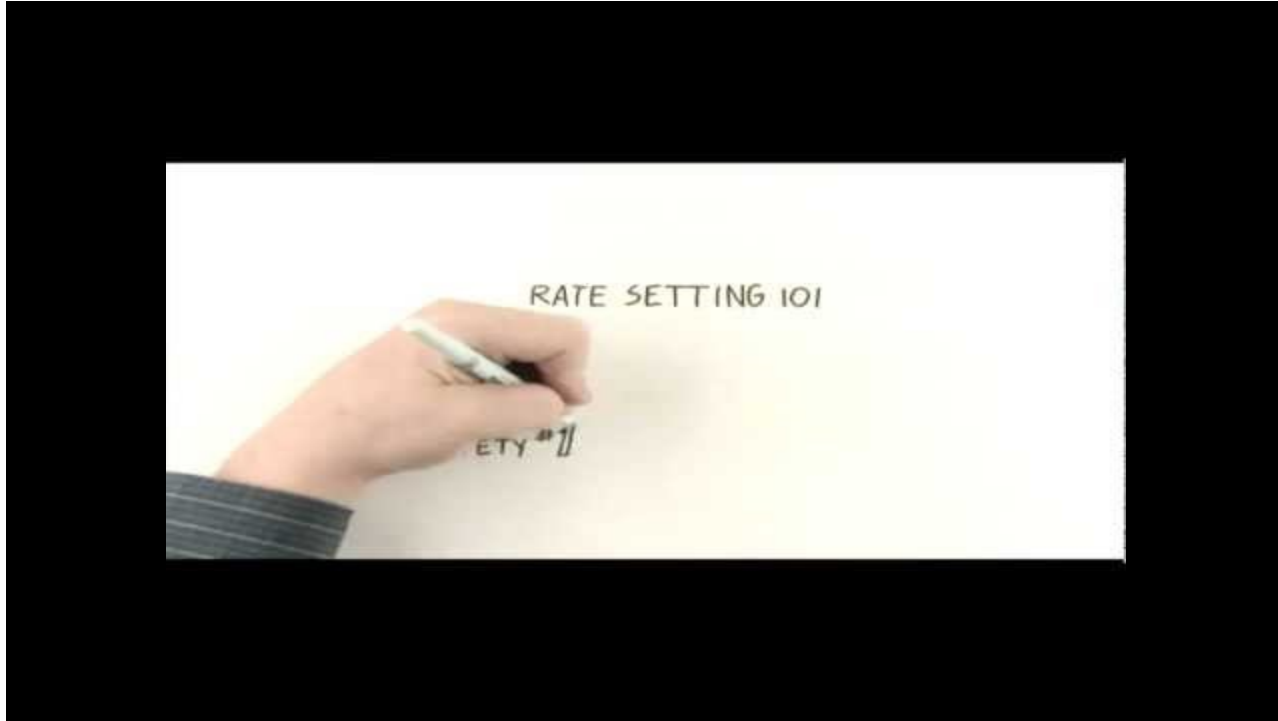
Based on their
claim value as of
June 1
prior to the
rating year

Rates for:

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

| | |
|------|----------------------|
| 2016 | 7/1/2011 - 6/30/2014 |
| 2017 | 7/1/2012 - 6/30/2015 |
| 2018 | 7/1/2013 - 6/30/2016 |

Check out www.Lni.wa.gov/ControlMyRates



[Secondary video link](#)

Workers' compensation realities

- 5% of injured workers become chronically disabled (using 85% of all resources).
- The majority of chronically disabled workers are **non-catastrophic, medically uncomplicated musculoskeletal conditions** (such as low back sprain, carpal tunnel syndrome).

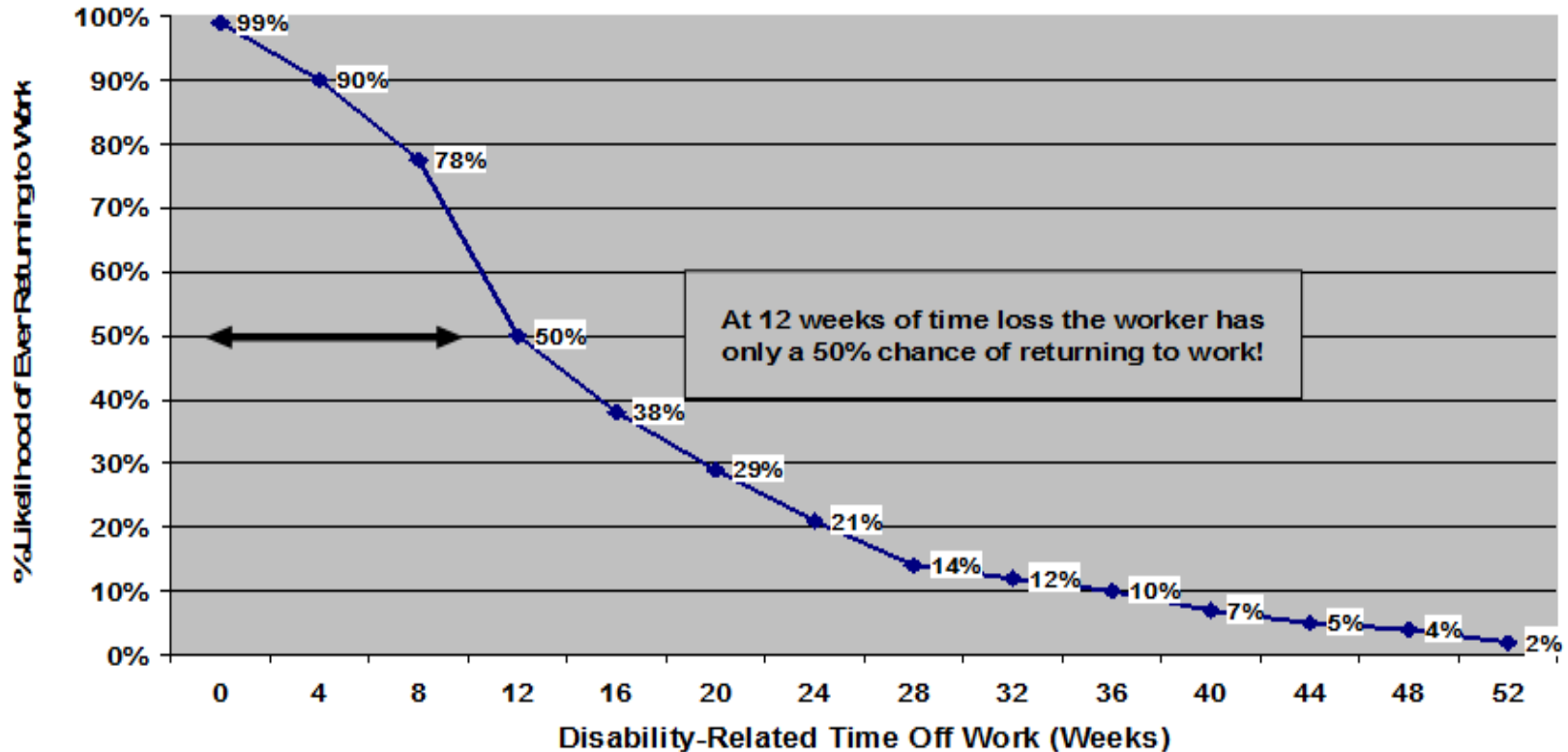
Understanding claims to control costs

- 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 4th 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

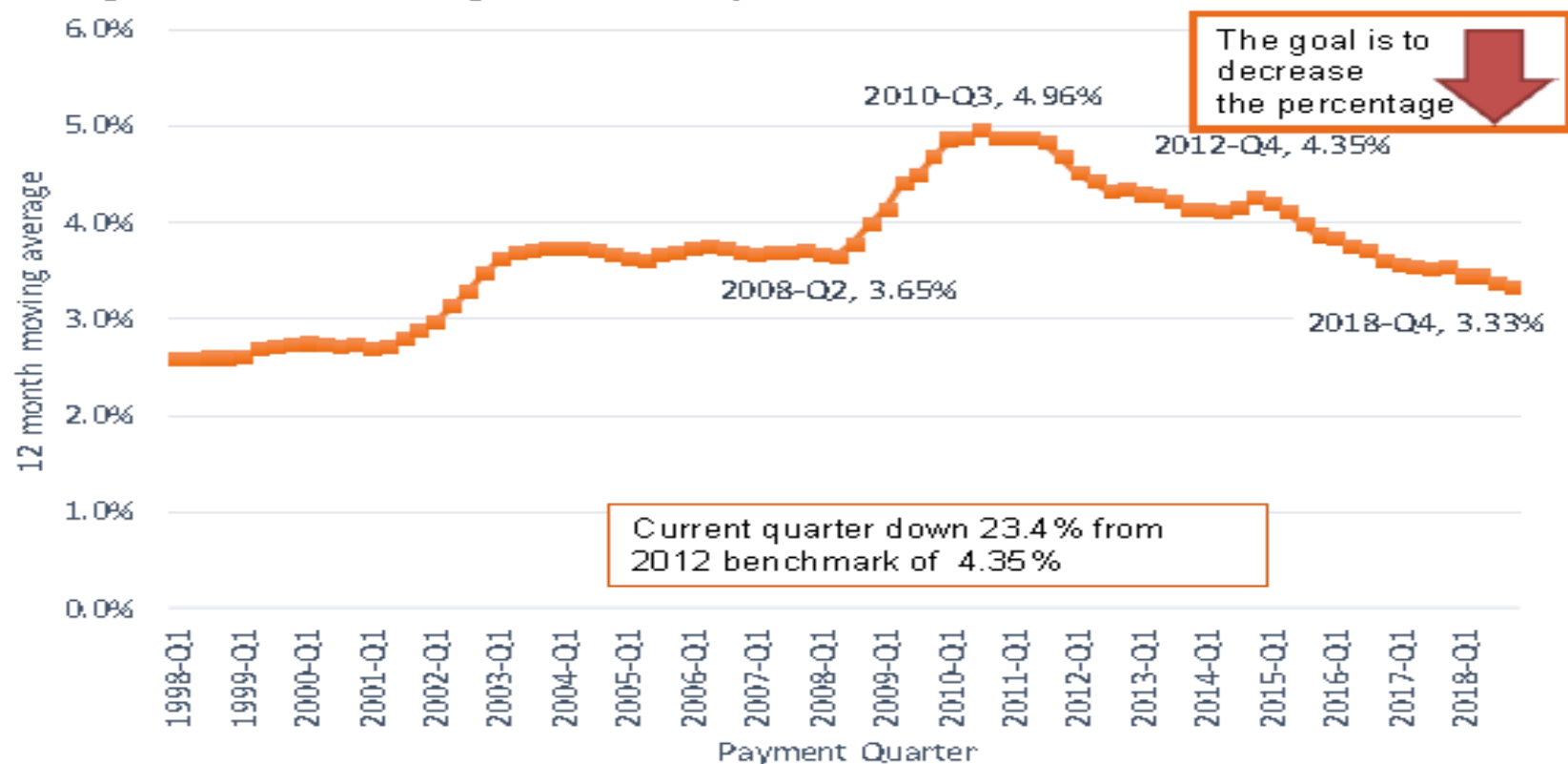
- Wage replacement (“time loss”)
 - Most expensive option – effects experience rating 37X higher than medical-only claim.
 - Pays 60-75% of wages, depending on dependents
- Loss of Earning Power (LEP)
 - Pays up to 80% of lost earnings
 - Effects experience rating.
- Kept on Salary (KOS)
 - Employer pays full salary while worker recovers at home.
 - Does not effect experience rating.

Likelihood of returning to work after lengthy



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 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 than 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**

**Speeds
Medical
Recovery**

**Keeps
Employee
Active**

**May Reduce
Re-Injury**

**Shifts:
“Dis-ability”
to “Ability”**

**Provides
Sense of
Job Security**

**Employee Feels Their
Contributions are Valued**



Benefits to Employer

**May Reduce
Risk of
Re-Injury**

**Lowers costs:
Hiring &
Training
Replacements**

**Shows
Commitment
to Employees**

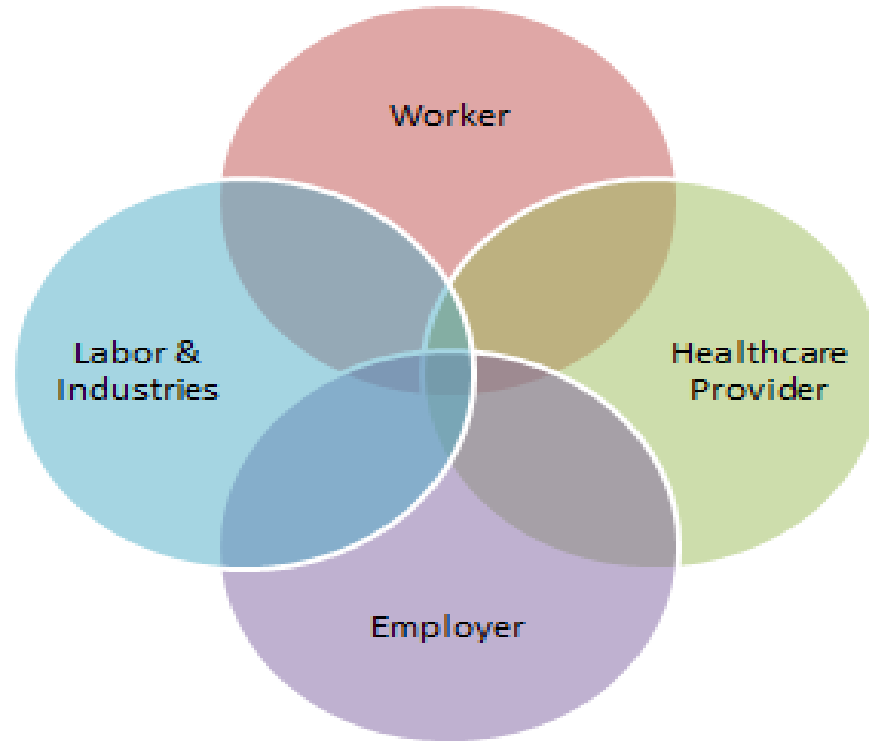
**Maintains
Employer -
Employee
Relationship**

**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



Washington State Department of
Labor & Industries
Workers' Compensation Services

Employer's Return-to-Work Guide

Financial incentives available from L&I



2



Know the options: How 'return to work' works.

Successful return to work means you keep a valuable employee and limit the financial impact of his/her claim on your insurance premiums. Employers and employees who remain in close communication and work together are best able to limit time off the job.

You — the employer — can be the catalyst for achieving return to work as quickly as possible. The process you and your employee use may be very informal, or you may choose a more documented process, depending on the situation.

The informal process

The process can be informal when return to work is progressing smoothly. If you and your employee are functioning as partners in the process, there is less need to create a paper trail or involve Labor & Industries. You may want to use this informal process when:

- Good communication exists between you and your employee.
- There is agreement between you and your employee about his/her ability to perform a different job.
- Your employee is motivated to return to work, or to keep working, after an injury.

See "How It Works" (at right) for an example of how an informal process can lead to a successful return to work.

Tips for success with an informal process

1. Talk to your employee and determine if physical restrictions will keep him/her from performing regular duties.
2. Depending on the answers to "1," modify your employee's job to meet those restrictions.
3. Consider placing your employee in an alternative job during recovery, if you cannot modify the regular job.
4. Talk with your employee's health-care provider if you and/or your employee have any significant questions or issues regarding restrictions.

HOW IT WORKS:

A RETURN-TO-WORK SUCCESS STORY

An electrical contractor with a dedicated safety program arranged for an injured employee to do a light-duty job that involved compiling and updating information on locks and tags. The employee used the Internet and called local contacts to gather information and identify new technology. The company incorporated what he learned into its lockout/tagout program.



3

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

Stay at Work – www.Lni.wa.gov/StayAtWork

Washington State Department of Labor & Industries

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• Find a safety rule
• File a Quarterly Report
• Find safety training materials
• Permits and inspections
• Check L&I business requirements
• Help for small business owners
More For Business

For Workers
• Workers' comp claims
• Find out about breaks
• Learn workplace safety requirements
• Understanding overtime pay
• Minimum wage
• How to file a workplace safety complaint
• Find a Doctor
More For Workers

For Medical Providers
• Fee schedules
• Get authorization
• Treating patients
• Check claim status
• Provider billing & payment
• Medical treatment guidelines
More For Medical Providers

Stay at Work
Get reimbursed for light-duty.

Stay at Work

| About | Who's Eligible? | What It Pays For | Start With 5 Simple Steps | Restrictions and Light-Duty | Health Care Providers | Injured Workers |
|-------|-----------------|------------------|---------------------------|-----------------------------|-----------------------|-----------------|
|-------|-----------------|------------------|---------------------------|-----------------------------|-----------------------|-----------------|

About Stay at Work

Paying employers to help injured workers stay on the job

Stay at Work is a financial incentive that encourages employers to bring their injured workers quickly and safely back to light-duty or transitional work by reimbursing them for some of their costs.

Eligible employers can be reimbursed for:

- 50% of the base wages they pay to the injured worker.
- Some of the cost of training, tools or clothing the worker needs to do the light-duty or transitional work.



Two big changes in Stay at Work reimbursement process.

Watch this short video about the advantages of Stay at Work for injured workers, employers and medical providers:



Stay at Work reimbursement

- What you'll need when you apply

[Apply Here](#)

Find out more

- Helping your employee return to work
- Download: Stay at Work Guide for Employers (F243-005-000).
- Download: Stay at Work brochure (006-000).
- Download: Employer's Return-to-Work Guide (F200-003-000).
- Rates and Stay at Work.
- Job Modification and Washi Stay at Work Benefits Comparison

Videos and slideshows

Take one of our workshops

Hear first-hand from our Stay at Work experts:

- Find a workshop near you.
- Online: Sign up for a webinar.

Contact us

For questions or to schedule a presentation to your organization:

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