



## *10 KEYS TO SUCCESS FOR THE PUBLIC EMPLOYER*

- Identify Existing Claims with Cost Reduction Potential – This is more than just a review of your current claims. It is a comprehensive review of the injured worker themselves, as well as their prior claims history. Although we understand that handicap reimbursement strategies have been in place for a number of years, we will go back and review all claims deemed worthwhile in which handicap reimbursement can still have a positive impact. Realistically, things are missed on occasion and another review with a fresh perspective can prove very beneficial – literally hundreds of thousands of dollars in premium reimbursements may still be out there and available. In addition, prior claims can often offer support for current handicap reimbursement efforts, either through prior handicap awards or an indication that the injured worker has previously completed a BWC approved rehabilitation program (i.e. work hardening, etc.). This can allow for handicap pursuit on a more recent injury.
- Identify Current Claim Drivers and Specific Trends – Greater understanding of the factors that have driven costs in your claims typically result in the creation of more effective claim strategies for the employer. The key here is the support and input of your third party administrator, who is in a far greater position to identify areas in which your current program may not have identified solutions for your management needs. It may also involve efforts on behalf of the employer and the TPA to provide greater educational opportunities in areas deemed appropriate.
- Commitment to Hazard Identification and Elimination Where Possible – Once we have discovered where the claims originated and why, taking the steps necessary to eliminate the exposure previously faced will prove to be a wise investment option in the long term. Studies have demonstrated that for every \$1 invested by employers in injury prevention, they see a \$6 return through the elimination of claim costs, absence support strategies, overall wellness, etc.



- Thorough Initial Claim Review and Discovery Period – The first month after a lost time claim occurs is crucial to the long term management of the claim. You as the employer need to be aware of any contributory prior conditions, previous WC claims that may be related to the alleged injury, and other facts which may be relevant to the allowance determination in the claim. Too often TPA's are not actively involved enough in this initial phase of the claim, leaving their clients to pay a heavy burden for their inability to identify all relevant information during this fact finding period, when allowance and extent issues are still open to discussion and appeal.
- Early Intervention in Lost Time Claims – Employers should never hesitate to consider an independent medical examination (IME) and/or surveillance on claims that are contested, as too often these claims are allowed to go on too long without the production of contrary medical evidence. In terms of medical appropriateness, the rules that dictate allowance are simple – without a contrary medical opinion indicating a claim should either not be allowed or a specific condition is not warranted, hearing officers will allow conditions based upon the medical evidence submitted and what it supports. That is why an IME is so important. Also, surveillance can call into question the claimant's credibility, and lend support to a position centered on the injured worker's ability to return to specific duties, extent of disability, etc. On non-contested claims, when sprain/strains are the alleged injury, employers should look at IME's as early as four weeks after the initial date of injury, if not sooner. Many times TPA's rely on the BWC to get an extent of disability exam – but the earliest the Bureau can even schedule this is 90 days after the date of injury.
- Salary Continuation/Return to Transitional Duty – In instances where the employer can provide salary continuation or sick/accident benefits, every opportunity to return an injured worker to transitional work should be thoroughly reviewed as well, collective bargaining agreements permitting. Injured workers often times become accustomed to just drawing their weekly check from the employer, and bringing them back into the work environment as soon as possible (even in a temporary modified position) is beneficial to all concerned.



- Ongoing Employer Communication with Injured Worker – Maintaining contact with injured workers out due to a workers' compensation claim can play a huge role in the successful motivation for them to return to work in a timely manner. Often claimants become completely disconnected from their employer, co-workers, etc., and this disassociation can contribute to a lack of desire to return to the workplace. Even a call every few weeks can provide a significant boost to their morale.
- Identification of Long Term Return to Work Potential – On every claim that exceeds twelve weeks of lost time, it is very important to formulate a long term plan for the injured worker. Given the physical requirements of their position, it is often possible to establish at that point the likelihood of their return to full duties with you and, if necessary, develop alternative strategies for the management of the claim. Rehabilitation referrals are an underutilized claim management tool that can eliminate ongoing temporary total compensation and greatly assist in getting the claimant back to active full time employment.
- Continued Participation in the Active Management of Ongoing Lost Time Claims – IME's, Functional Capacity Evaluations (FCE's) and surveillance are effective cost management strategies even after the initial phases of the claim. Employers are allowed to get an exam on the ongoing extent of disability once every three months, and an exam once a year per issue on other claim related requests. Surveillance can be crucial in helping call into question the credibility of the claimant and whether or not their functionality (as they have related to their physician of record) is accurate. We strongly recommend to any public employer to budget funds at the start of their fiscal year to cover costs associated with IME's, FCE's and surveillance, as the overall return on that allocation is well worth the investment.
- Settlement Identification and Follow Through – Changes to MIRA reserving have reduced the urgency that was once given to settlement of claims. However, given the fact that public rating years follow the calendar year, public employers are at a disadvantage when compared to private employers in the way their rates are calculated. Private employer



rating years do not begin until July 1<sup>st</sup>, so they have an additional six months to reach some type of closure or inactivity in a claim from a previous calendar year. That is why active and ongoing review of MIRA 2 reserves is crucial to future reductions in experience modification rate (EMR) calculation.