



Return to Work — Enhancing Productivity and Managing Costs

RISK CONTROL



The Return-to-Work Opportunity

The principle objective of a remain-at-work/return-to-work (RTW) process is straightforward — zero days away from work for an occupational injury or illness when medically appropriate. You may be skeptical of achieving such a lofty goal, but many employers have already done so and many more operate close to reaching this goal.

Striving for this objective can help manage costs and positively impact the productivity of your organization. For example, if your company sells products with a 10% profit margin, and, on average, you pay \$100,000 per year in Workers' Compensation premiums, your company would have to sell an additional \$1,000,000 worth of product to offset that expense.

You may wonder why an organization would not include an effective RTW process. The simple answer is internal barriers. However, there is no reason any company could not overcome them. Following are examples of potential barriers:

- Lack of senior management support
- Internal procedures and policies
- Supervisor resistance
- Employee expectation
- Regulatory requirements

With a little time and effort you can outline a plan to manage these barriers and, ultimately, help improve your organization's bottom line.

Opportunities for Improved Health and Productivity and Increased Savings

The true potential for a successful RTW process resides in your organization's commitment and your willingness to present the opportunities to your senior management. Below are some "rules of thumb" that may help to illustrate reasons for implementing a RTW process at your company:

- According to the Washington Business Group on Health, you can expect to realize a return for every dollar invested in RTW — \$8 to \$10 return for every \$1 invested in RTW¹.
- Surveys have shown that employees would rather be working than recovering at home.
- The RTW process is effective at reducing medical costs, improving productivity and reducing the likelihood of attorney intervention.
- When an employee is unable to return to work, psychosocial stresses often emerge, which can increase medical/surgical utilization.

¹ Hafre, Patricia F., "Everything the Practicality of RTW Programs: Increasing Costs and Legislative Changes Make Disability Related Problems Too Costly to Ignore," Crawford & Company, Atlanta, GA.

Critical Elements for a Successful Return-to-Work Process

The following elements are necessary to ensure the best care for an injured employee, as well as reduce associated costs and improve productivity during the employee's recovery. If even one element is missing, you cannot expect to create a significant impact on the organization's bottom line.

Support Throughout the Organization

From the employee to the CEO, there must be support for the RTW process. This is achieved by planning the implementation process, involving key stakeholders to help gather information and through continuous communication.

Constant Communication

The RTW process is almost entirely devoted to communication. From the first report of injury to helping an employee seek medical treatment at a quality local, preferred medical provider, to following the physician's medical restrictions, it is vital that the right people have the right information. The supervisor plays a critical part in the communication process. By maintaining contact with the injured employee, even if the employee is away from work, the supervisor is able to maintain trust.

Preferred Medical Providers

Employers must become more intelligent consumers of medical resources. To truly impact Workers' Compensation medical costs, companies must seek out and partner with local, preferred medical providers. In doing so, cost savings can be achieved through reduced overutilization and quicker return to work.

Many states allow employees to select their physicians for work-related injuries. You can still have a profound impact on medical costs by selecting talented health care providers and inviting them into the workplace for screening and educational events.

By introducing your employees to these professionals, you can help your employees make choices appropriate for their health care needs. To help locate a local, preferred medical provider, visit www.cna.com/claim, and click on Workers' Compensation Medical Provider Networks under Additional Claim Resources.

Detailed Task Analysis to Identify Physical Demands

Most companies have job descriptions for the various positions in their organization, but these usually provide very little information for the RTW process. If you want the greatest return for your RTW effort, it is necessary to evaluate the physical demands for each job.

In order to assist employers with this important task, CNA has established the Return to Work Job Bank. This resource contains generic job descriptions, which include detailed information such as physical demand level, work environment, equipment and tools, sensory demands, as well as job modification considerations. The Return to Work Job Bank can be found at www.cna.com/returntowork.

Performing a task analysis in order to develop a detailed job description need not be complicated or difficult. It is possible to capture useful information about a job by observing an employee and completing a one-page form covering your observations. Even some of the more advanced methods of task analysis can be learned quickly and immediately put into place.

The physical demands of the job must be measured. Performing a task analysis on each job is the way to determine what type of work exists for an injured employee. To comply with a physician's restriction, you will need to know the work.

Trust

Trust is an essential part of the RTW process. That's why it is important to be able to recognize opportunities that can build trust and take the necessary steps to break a cycle of mistrust.

Support Throughout the Organization

Commitment to Success

The foundation of a comprehensive RTW process is a commitment to its success at all levels of the organization. It must ultimately become a part of your company's culture. Change can be a slow process, but you can begin to quickly see results if you follow three maxims:

1. A commitment must be made to the employee to provide access to the quality care necessary to return to work as soon as medically appropriate.
2. Commitments must be made across all levels of the organization to manage injury-related costs.
3. Managers and supervisors must be held accountable for results.

Metrics for Success

To manage the RTW process, you must be able to measure the process and the outcomes. Without these metrics you won't have a guide or benchmark to determine if your efforts are impactful. It will serve you well to spend some time researching which operational metrics are available to you. Following are general key metrics related to Workers' Compensation and operations.

You should record the dates of:

- Injury
- Employer notification of injury
- Third-party administrator (TPA)/insurer notification of injury
- First treatment
- Disability
- Assignment to full or modified duty
- Provider release to work
- Maximum medical improvement

Also, keep records of:

- Total paid/total incurred average per claim
- Total paid/total incurred in aggregate

These metrics can help monitor the effectiveness of your RTW process. Derivatives of this data, such as lag time and average cost per claim, can serve as key indicators of your plan's effectiveness. Your TPA or insurer should be able to provide you with this data.

Tracking indirect costs will allow you to measure the impact on your company's operations. Below are some examples of data for you to consider collecting at your organization. It may be helpful to discuss key operational metrics with your senior managers to identify the ones that may be impacted by the RTW process, as well as those most closely tracked. The following are examples of indirect costs:

- Cost of rework
- Overtime premiums for current employees
- Compensation premiums for temporary employees
- Replacement hiring expenses
- Training expenses
- Lost productivity

A Quick Estimate of Indirect Lost Time Costs can be Determined by the Following:

Net Operating Revenue ÷ Average Number of Employees = Average **Annual** Contribution per Employee
 Average Annual Contribution per Employee ÷ Average Number of Working Days = Average **Daily** Contribution per Employee
 Average Daily Contribution per Employee × Number of Lost Time Days (from OSHA reports) = **Annual Indirect Costs of Lost Time**



Constant Communication

Once support exists for the RTW process, the next step is communication. Communication is absolutely critical for the successful implementation and management of the RTW process. Following are areas within the communication process that must be carefully planned and monitored.

Injury Reporting

Work-related injuries must be reported in a timely fashion. The longer the time between the date of injury and the date of report (commonly called lag time), the higher the claim costs. Increased lag time can lead to increased medical utilization and the likelihood of attorney involvement.

To ensure timely reporting of injuries, make sure managers and supervisors are frequently reminded of the injury-reporting process so employees are aware of your commitment to helping them remain at work, or return to work, as soon as medically appropriate. Make sure supervisors understand how to help the employee find local, preferred medical providers by using the provider tool at www.cna.com/claim. If there aren't many employee work-related injuries, the steps of the reporting process may be forgotten. Emphasize to employees the importance of reporting even minor injuries. Be careful of safety incentive programs that may cause employees to underreport injuries. Your claim costs will be more when a minor injury is reported later and additional medical care is required.

Supervisor Follow-Up

A very powerful communication tool is a phone call to an employee by his or her supervisor. Simple questions can have a profound effect, such as:

- How are you feeling?
- Can I provide any information about your job to your physician?
- Have you received your check?

These questions demonstrate care for the employee's well-being, which is an essential part in building trust. Generally, if trust exists, there is little incentive to avoid returning to work or involving an attorney. However, there are certain things an employer must not ask an injured employee and privacy must be considered.

Health Care Provider Communication

Providing timely information to medical providers can improve RTW results. Physicians are often pressed for time. If you are able to provide them with concise, accurate information about the physical demands of a job, you will likely gain their support for your process. By conducting a task analysis for each job in your organization, you can provide excellent information to health care providers. A task analysis, or an accurate job description, tells the physicians that you take the health of your employees (and their patients) seriously. You will begin a mutually beneficial relationship by demonstrating this commitment to the health care providers in your area.

Return-to-Work Process Implementation

When you are ready to roll out the RTW process, be sure to communicate it to your employees. An employee communication meeting allows you to present your company's philosophy, explain and assign roles and responsibilities, review operational procedures and introduce local, preferred medical providers. The best approach to a successful communication meeting is to have all levels of management, staff and employees in attendance.

Trust

The Workers' Compensation costs that your organization will ultimately incur can be viewed as a function of the number of workplace injuries, multiplied by the average severity of the injuries, multiplied by the "trust factor." Trust is invisible and powerful. It can be lost quickly and is usually regained slowly. In the Workers' Compensation system, it pays to know how to build trust. For example, we are able to earn people's trust when we:

- Behave in a consistent manner
- Demonstrate care for their well-being
- Follow through on commitments

The Cycle of Mistrust

When a person experiences violation of one of these requirements, mistrust can emerge. Mistrust is serious because it is a progressive condition. Once it begins, a cycle of mistrust may be created and a relatively minor incident may escalate into a costly and even dangerous situation.

The cycle of mistrust is often at the root of exaggerated claims, prolonged lost-time claims, as well as claims with legal representation. Often the employee may view the supervisor as uncaring or even harassing. The offense may be real or perceived. Regardless, once an employee assumes a supervisor is not trustworthy, the cycle begins.

To combat the cycle of mistrust, you must be able to recognize opportunities for negative assumptions. An employee's unanswered question, a modification to the employee's workstation or a terse remark by a supervisor can all be fuel for mistrust. By intervening before a negative assumption takes root, you can keep the channels of communication open and restore trust.



Health Care Provider Selection

Health care costs continue to be a significant expense for employers because health plans and Workers' Compensation costs consume a very large percentage of revenues for many companies. Yet, many employers are not aware of many health care resources.

When implementing your RTW process, you should invest the time to select talented health care providers. Medical professionals who understand the hazards of your workplace are important for restoring your employees to full health and returning them to work. Physicians who are board-certified in Occupational Medicine have been trained to recognize, evaluate and treat conditions commonly found in the workplace. Partnering with these professionals can help you with your RTW process.

It is preferable to utilize physicians who are not only board certified in Occupational Medicine, but also residency trained. Physicians who have completed a residency in Occupational Medicine have superior skills for dealing with workplace injuries and illnesses, including the leading cost driver — musculoskeletal disorders.

If you are unable to find a residency-trained Occupational Medicine physician, there is another medical specialty that can provide you with excellent care for musculoskeletal disorders: Physical Medicine or Physiatry. You can locate one of these specialists by visiting the American Association of Physical Medicine and Rehabilitation (www.aapmr.org) and by accessing www.cna.com/claim, and clicking on Find a Provider.

In many states employees may select their own physicians. This should not dissuade you from partnering with talented health care providers. By identifying talented professionals and offering onsite screenings and educational opportunities, you can introduce your employees to health care providers that may be able to provide them with more appropriate and economical care.

Finally, your organization may benefit by bringing Physical Medicine resources onsite. In most states, midlevel health care providers, working under a physician's orders, can provide treatment for musculoskeletal disorders at greatly reduced costs. Even a part-time health care provider can make a significant impact on an organization's Workers' Compensation costs by treating the musculoskeletal disorders onsite and avoiding extraneous physician visits.

Preferred local, medical providers can greatly contribute to the success of your RTW program. You can locate a preferred provider at www.cna.com/claim and clicking on Find a Provider.

Job Analysis

If you cannot describe the physical demands of each job in your organization, you may encounter problems when you attempt to return an injured employee to work. Health care providers assign medical restrictions to ensure the employee can fully recover while at work. If no description exists, the health care provider will generally apply tighter medical restrictions so as not to expose the employee to physical demands that could delay healing or cause another injury.

Job analyses are simple to perform, and you won't need an expensive consultant. The best approach is to train a few people in your organization to perform job analyses, and then give them time each week to complete the task. You will soon have a complete database of your jobs. You can also consider utilizing the Return to Work Job Bank at www.cna.com/returntowork for generic job descriptions to help identify or determine job duties and physical demands. Whether collecting the information on your own, or utilizing the Return to Work Job Bank, you can easily create your own job bank specific to your positions. With regular review, you can keep this database current.

Your job descriptions will provide health care providers access to the information they need to provide useful medical restrictions and accommodations, enabling your employees to quickly return to work without jeopardizing their recovery.

Additionally, when you analyze jobs in your facility, you will have a powerful benchmark for process improvements. As you examine and eliminate the physical stresses associated with your jobs, you'll begin to harness productivity gains. Many organizations using job descriptions or job analyses have found ways to reduce Workers' Compensation costs. They also find the gains in productivity result in cost savings. Imagine, cutting costs and increasing productivity with one tool! Job analysis can help you realize these benefits.

Implementing Your Return-to-Work Process

Create a Written Policy for the Return-to-Work Process

Develop a written RTW policy statement. Senior managers should endorse the policy and summarize its objectives and the implementation plan. The primary objective of returning a person to full health and productive work should accompany the policy.

Communicate the Return-to-Work Process

The policy should be communicated to all stakeholders including, employees, supervisors, the insurance carrier, health care providers and labor representatives (if applicable). Appropriate communication would include written material, orientation briefings and training.

Assign a Process Coordinator

The process coordinator (assigned by senior management) is the administrator/manager of the RTW process. This individual is responsible for promptly reporting claims to the insurance company, maintaining a supply of appropriate forms (e.g., sample letters, RTW authorization form, etc.), as well as a list of key contact people and telephone numbers. The coordinator would also be the contact person if anyone involved in the RTW process has a question or comment.

It is important to note that in most cases the process coordinator's responsibilities are consistent with the existing job responsibilities of the plant manager, safety officer or human resources manager. There is rarely a need to create a separate position.

Perform Job Analyses

The process coordinator should lead an initiative to evaluate the physical demands of each job within the organization. This is not as daunting as it may sound. With some basic education, most people can perform simple job evaluations that take little time and yield useful information. This job analysis is critical to the process. Your CNA Risk Control resources can help ensure that you develop the proper job analysis skills within your company.

Identify Alternate Duty Jobs

If you have already conducted the job analyses for your organization's jobs, then this step is very easy. You simply select the jobs having physical requirements that meet the employee's medical restrictions. Sometimes it is beneficial to send a list of qualified jobs and their description to the physician. This can facilitate the RTW process.

Designate a Company Physician

Communicate the company physician policy to all employees. The physician should be familiar with your employees and facilities. A company tour would be beneficial for both participants. (Note: The physician does not necessarily have to belong to a network. The primary purpose is to obtain an unbiased professional opinion from a physician who is familiar with your facility and operations.)

Remember to select a physician who has the necessary skill level for your operations. Make sure the physician recognizes the merits of your RTW process and is willing to work with you to facilitate an employee's return to work.

Review your Return-to-Work Process Regularly

The RTW process should be reviewed regularly to ensure your organization is meeting claim expense and operational goals. Review the benchmark metrics you selected and prepare a regular report on the success of the RTW process. Share this success with your senior management. If you have selected useful metrics, you'll be able to identify problems with the process and intervene.

Additionally, the RTW process should be reviewed with managers, supervisors and employees on a regular basis. This will keep the process steps fresh in their minds. Because injuries are usually a rare occurrence, people tend to forget the process. But, if an injury occurs, it is important that all stakeholders know their respective roles and responsibilities.

Roles and Responsibilities

Management

It is the primary responsibility of senior managers to support the RTW policy. The policy should be written and thoroughly communicated to the employees, insurance carrier and medical provider/treating physicians. Senior management should expect results and routinely review the metrics that indicate the RTW process effectiveness. Senior managers should also appoint a process coordinator to oversee the RTW program.

Process Coordinator

The process coordinator is responsible for developing and managing the entire RTW process. This individual implements the process at all locations and facilitates communication between all stakeholders. Working in conjunction with various managers, the process coordinator's responsibilities include: defining job descriptions, conducting job analyses and providing orientation and training to employees. Additionally, the coordinator ensures all participants understand their roles in the RTW process and perform their respective duties. The coordinator works closely with local, preferred medical providers to match available alternate duty jobs with the employee's physical capacity. The process coordinator then acts as a liaison with all members involved to determine potential restrictions and/or modifications for the injured employee. The coordinator is also responsible for promptly reporting claims to the insurance company, maintaining a supply of appropriate forms (e.g., sample letters, RTW authorization form, etc.) as well as a list of key contact people and telephone numbers.

The process coordinator contacts the local, preferred medical provider on the day of the injury to establish lines of communication and to relay the following information:

- Employee's most recent work history
- Detailed description of the accident
- Original work requirements
- Employee's prior work experience
- Possible transitional duty work requirements

Medical Providers

Selecting appropriate local, preferred medical providers and making your employees familiar with these professionals can add help reduce Workers' Compensation costs. The treating physician determines the length of disability. If your cost containment strategy is to be effective, it is essential that providers understand your RTW philosophy and policy, as well as the availability of alternate jobs or positions with limited duties. The selected provider should be familiar with your facility and the activities performed by the injured worker. Providing facility tours and job descriptions prior to the injured employee being referred for treatment greatly improves the physician's ability to develop an effective treatment plan. Significant improvement in your RTW process can be achieved by selecting a physician with appropriate expertise and a philosophy of early return to work as soon as medically appropriate.

Primary responsibilities of the medical provider/treating physician are to evaluate, diagnose and treat the injured employee. Once the treating physician has obtained the employee's medical records and job descriptions, the physician will determine if the employee will be able to return to work on a limited and/or restricted duty. The treating physician's recommendations should be shared with the process coordinator for discussion with the appropriate personnel for potential transitional assignments. The local, preferred medical provider should monitor the condition of the injured employee and provide progress updates to the process coordinator. The recommended medical provider should be advised of the availability of transitional assignments prior to authorizing time off from work.

Insurance Carrier

The insurance carrier has a dual role in the RTW process. Claim staff determine compensability of the injury and regularly update and monitor the exchange of information between the treating physician, employer and employee pertaining to the status of the injury. In addition, the claim staff provide information to appropriate parties concerning benefits, physician referrals, rehabilitation and claims processing. Risk Control staff provide support to claims staff in determining appropriate modified job tasks for the injured employee. Risk Control specialists can also provide job analysis training for your organization and help your company create and maintain a database of job demands.

Implementing Your Return-to-Work Process

Supervisor

The greatest opportunity for trust to be built or for mistrust to emerge, resides within the relationship between the supervisor and the employee. The supervisor's most significant responsibility is to provide positive support to the injured employee. This continues from the onset of the injury until the employee returns to work at full capacity. It is also important for the supervisor to have active communication (at least once per week) with the injured employee during the leave of absence. Ongoing, positive communication emphasizes the employee's value to the organization, thus increasing the likelihood of an early return to the workplace. The supervisor should clearly explain to the returning employee the duties and importance of the alternate duty assignment, pointing out new and original safety precautions. The process coordinator or the supervisor's manager should also participate in this discussion.

Employee

Cooperation from employees is essential for an effective RTW process. It is crucial employees report injuries as soon as possible to their supervisor, regardless of how insignificant. If the injury is in any way related to work, the injury should be reported. In addition, any injury that requires or is likely to require medical treatment should be reported. This will facilitate the medical treatment process and possibly reduce the likelihood of a lost-time injury. The employee should maintain contact with the employer while absent from the workplace. The employee must also strictly follow the physician's directions and treatment plan and not work beyond the limitations identified by the RTW team.

It is essential to emphasize the importance of the RTW policy to employees. They should also be informed that the alternative to returning to an appropriate alternate duty assignment is ineligibility for temporary disability benefits.

For more information, contact your independent agent or visit www.cna.com/riskcontrol.



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