



Return-to-Work Process: Increasing Productivity and Profits

Risk Control





## The Return-to-Work (RTW) Opportunity

The principle objective of a Return-to-Work (RTW) process is straightforward: zero days away from work for an occupational injury or illness. Intuition and experience may cause you to be suspicious of such a lofty goal, but many employers have achieved this and many more operate close to this goal. Even with an excellent RTW process, these organizations would not have achieved such admirable results if they had settled for a lower goal.

Aiming for this goal can result in a significant impact to the productivity and profitability 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, your company would have to sell an additional \$1,000,000 worth of product to offset that expense.

You might wonder why an organization would not include an effective RTW process. The simple answer is: barriers. Although many of these barriers are internal to an organization, 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 overcome these barriers and, ultimately, help improve your organization's bottom line.

## Opportunities for Improved Health, Productivity and Profits

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 RTW.<sup>1</sup>
- 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.

<sup>1</sup> Hafre, Patricia F., "Evaluating 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 RTW Process

The following elements are all necessary to ensure the best care for the injured employee, to reduce associated costs and improve productivity during the employee's recovery. If even a single 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 by continuous communication.

## Constant Communication

The RTW process is almost entirely devoted to communication. From the first report of injury to the physician's medical restrictions, it is key to make sure 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.

## Proper Healthcare Resources

Employers must become more intelligent consumers of healthcare resources. To have a real impact on Workers' Compensation medical costs, companies must seek out and partner with talented healthcare 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 healthcare 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 healthcare needs.

## Detailed Task Analysis

Most companies have job descriptions for the various positions in their organization. In general, these 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.

Performing a task analysis 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 only way to know what 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 and, therefore, cannot be overemphasized. It is important to be able to recognize opportunities that can build trust and take the necessary steps to break the cycle of mistrust.



## Support Throughout the Organization

### Commitment to Success

The foundation of a successful 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 is a slow process in any organization's culture, but you can begin to see results quickly if you follow three maxims:

1. A commitment must be made to the employee to provide the best level of care needed to return to work.
2. Commitments must be made across all levels of the organization to manage injury-related costs.
3. Managers and supervisors must be 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 will have no guide or benchmark to know if you're making an impact or not. It will serve you well to spend some time researching what 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.
- 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. Your third-party administrator (TPA) or insurer should be able to provide you with the above data.

Tracking indirect costs will allow you to measure impacts on your company's operations. Below are some examples of data that may be collected with your organization. Again, it may be helpful to discuss key operational metrics with your senior managers to determine which may be impacted by the RTW process and which are 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 x 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 increased likelihood of attorney involvement.

To ensure timely reporting of injuries, make sure that managers and supervisors are frequently reminded of the injury reporting process. If you are not experiencing many 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. You will pay more for a claim when a minor injury is reported later and more medical care is required.

### Supervisor Follow-up

A very powerful communication tool is a simple 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.

### Healthcare Provider Communication

Providing timely information to healthcare providers can improve RTW results. Physicians are often pressed for time. If you are able to provide them with concise 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 healthcare providers. A task analysis tells the physicians that you take the health of your employees (and their patients) very seriously. You will begin a mutually beneficial relationship by demonstrating this commitment to the healthcare providers in your area.

### Return-to-Work Process Implementation

When you are ready to rollout the RTW process, remember 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 healthcare 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 the violation of one of these requirements, mistrust can emerge. Mistrust is dangerous because it is a progressive condition. Once mistrust 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 and claims with legal representation. Often the employee may perceive 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 reopen the channels of communication and restore trust.



## Healthcare Provider Selection

Healthcare costs continue to be a significant expense for employers. Health plan and Workers' Compensation costs comprise a very large percentage of revenues for most companies. Yet, many employers are not aware of many healthcare resources.

When implementing your RTW process, you should invest time to select talented healthcare providers. Medical professionals that 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 superior care for musculoskeletal disorders. The specialty is called Physical Medicine or Physiatry and you can locate one of these specialists by visiting the American Association of Physical Medicine and Rehabilitation ([www.aapmr.org](http://www.aapmr.org)).

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

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

## Job Analysis

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

Healthcare providers need information about the jobs in your company. This information is not hard to collect. Job analyses are not difficult to perform and you don'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 some time each week to complete the task. In a short time, you will have a complete database of your jobs. With regular review, you can keep this database up-to-date. This is a very powerful tool for RTW.

When healthcare providers see your job analyses, they will understand that you take the RTW process very seriously. They will also have access to the information they need to provide useful medical restrictions and accommodations so your employees can return to work quickly without jeopardizing their recovery.

The benefits of job analysis extend beyond RTW. When you analyze the jobs in your facility, you now have a powerful benchmark for process improvements. You will find that as you examine and eliminate the physical stresses associated with your jobs, you'll begin harnessing productivity gains. Many organizations that use job analyses have found ways to reduce Workers' Compensation costs, but they also find that the gains in productivity represent many multiples of 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 the policy statement and put it in writing. Senior managers should endorse the policy and summarize its objectives and implementation plan. The primary objective, to return 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, healthcare 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. The process coordinator would be responsible for reporting claims to the insurance company promptly, maintaining a supply of appropriate forms (sample letters, RTW authorization form etc.) and maintaining 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 responsibilities of the process coordinator are consistent with existing job responsibilities of the plant manager, safety officer or human resources manager. Rarely is there 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 you ensure that you develop the proper job analysis skills within your company.

## Identify Alternate Duty Jobs

If you have conducted the job analyses for your organization's jobs, this step is very simple. You simply select the jobs that have 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 familiarized 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 that 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 RTW Process Regularly

The RTW process should be reviewed regularly to ensure that your organization is meeting claim expense and operational goals. Review the benchmark metrics you have selected and prepare a regular report on the success of the RTW process. Advertise this success to your senior management. If you have selected useful metrics, you'll be able to spot 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 steps in the process 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 the communication between all stakeholders. Responsibilities of the process coordinator, working in conjunction with various managers, include defining job descriptions, conducting job analyses and providing orientation and training to employees. Another function of the coordinator is to ensure all participants understand their roles in the RTW process and perform their respective duties. The coordinator should work closely with healthcare providers to match available alternate duty jobs with the employee's physical capacity. The process coordinator should then act as a liaison with all members involved to determine potential restrictions and/or modifications for the injured employee. The coordinator is responsible for reporting claims to the insurance company promptly, maintaining a supply of appropriate forms (sample letters, RTW authorization form etc.) and maintaining a list of key contact people and telephone numbers.

The process coordinator should contact the healthcare 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.

## Healthcare Providers

Selecting appropriate healthcare providers and making your employees familiar with these professionals can add profound savings to your Workers' Compensation costs. The treating physician exercises a great deal of control over the length of disability. If your cost containment strategy is to be effective, it is essential that providers understand your RTW philosophy and policy and the availability of alternate jobs or limited duties. Once a provider is selected, it is important he or she becomes familiar with your facility and the activities performed by the injured worker. Providing facility tours and job descriptions when the injured employee is referred for treatment greatly improves the physician's ability to develop a treatment plan oriented toward early return to work. A significant improvement can be achieved by selecting a physician with appropriate expertise and a philosophy of early return to work.

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 recommendations of the treating physician should be conveyed to the process coordinator for discussion with appropriate personnel of potential transitional assignments. The healthcare provider should monitor the medical condition of the injured employee and update the process coordinator on progress. The recommended medical provider should be advised of the availability of transitional assignments before he or she authorizes time off from work.

## Insurance Carrier

The insurance carrier has a dual role in the RTW process. Claims 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, claims 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.



## Supervisor

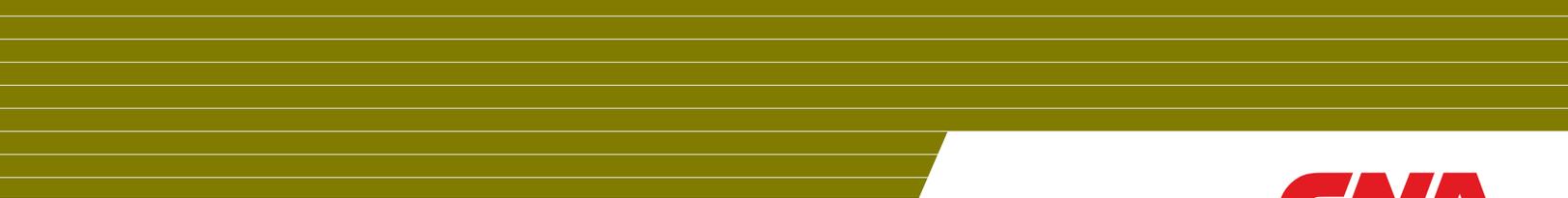
The greatest opportunity for trust to be built or mistrust to emerge resides within the relationship between the supervisor and the employee. The most significant responsibility of the supervisor is to provide positive support to the injured employee. This continues from the onset of the injury until 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. Active, 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 the 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

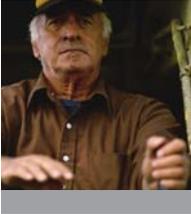
Cooperation from employees is essential for an effective RTW process. It is crucial that employees report injuries, regardless of how insignificant, to their supervisors as soon as possible. If the injured worker makes any connection between the injury and work, the injury should be reported. In addition, any claim 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 during absence 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, and they should be instructed that the alternative to returning to an appropriate alternate duty assignment is ineligibility for temporary disability benefits.

Please see our attached CD-ROM for more detailed information.



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