

The Safety Professional & Return-to-Work Program: A Value-Added Approach

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Introduction

The purpose of this paper is to provide safety professionals with the value-added tools to effectively identify the need for a return-to-work (RTW) program and to evaluate the implementation of the return-to-work Program. The process described here was developed as a method for safety professionals who are not typically involved in RTW to be able to identify when and where they can provide value-added services to support their companies' RTW approach. Finally, this paper will present a case study utilizing this approach and the success generated from the implementation.

A RTW program, which is known by other names, including transitional duty, modified duty, or light duty, is a formal process to return injured employees to work with restrictions while continuing their recovery. Studies have shown that injured workers off work longer than six months have only a 50% chance of returning to their jobs. If time loss exceeds one year, there is a 90% chance they will never return to work (Chandler, PERI). The benefit of having a return-to-work program is to reduce the medical costs of the company. The faster an injured worker heals, the shorter time and cost of the medical treatment required.

Return-to-work programs have also been shown to reduce legal costs. Workers are less likely to feel their rights have been violated, causing them to hire legal counsel. Also, the less time an employee is home, the less the employee is likely to consider alternative medical and legal options. A RTW program is needed to ensure the best medical monitoring is available to return employees to work safely and effectively.

Another aspect for safety professionals to consider is the longer the disability cycle, the greater the impact on the corporation from both a financial and productivity standpoint. By reducing the frequency and severity of claims, corporations can impact the workers' compensation/ disability insurance premiums by cost reductions resulting from return-to-work programs directly. In addition to reducing the cost of claims, RTW programs can improve productivity by:

- Retaining the employee's particular skills and abilities, albeit in a reduced capacity;
- Reducing replacement hire and training costs;
- Improving employee morale, as RTW demonstrates the employer's commitment to the employee and their co-workers.

The value-added approach discussed in this report is intended for safety professionals who may or may not have involvement in their company's RTW program. Based on a 2005 ASSE poll, 82% of safety professionals believe that workplace safety is being neglected due to corporate financial priorities. Safety professionals are under increasing pressure to demonstrate distinctive value to their companies. One area where safety professionals can demonstrate value is through improving the effectiveness of the corporate return-to-work program. Historically, RTW programs have been the province of the risk management or human resources divisions within a company. This paper will provide the safety professional with opportunities to provide unique opportunities to impact the corporate RTW program and provide cost savings.

Return-to-Work Program Evaluation: A Four-Phase Process

The value-added approach for safety professionals incorporates a four-phase process, which a safety professional can utilize to evaluate the RTW program. The four phases include:

1. Creating the business case (Financial Metrics);
2. Identifying loss characteristics (Physical, leading & Lagging Metrics);
3. Evaluating the RTW Program Elements; and
4. Surveying the Stakeholders.

Phase 1: Creating the Business Case

Most corporations have a person or committee that is responsible for making decisions regarding the investment of resources in a program with the expectation of achieving a benefit from that investment. Management generally is interested in obtaining reassurance to satisfy profitability concerns, as well as questions from senior management and shareholders. Therefore, the safety professional should know how to develop a solid business case so that the person or committee may fulfill their responsibilities to invest time and resources properly in this program.

When discussing RTW programs, the safety professional must be aware of how the costs of RTW affect the corporation. A simple method is to utilize the corporate workers' compensation loss history as starting point to identify what an injury costs the company. This data can provide an understanding of the losses at a company and allow the safety professional to identify projected savings the company can experience from implementing a successful RTW program.

Understanding the cost of the disability is a critical step in the development of a RTW program. Typically, the cost of an injury to an employee is divided into two areas, the indemnity cost and the medical cost. The indemnity cost is the cost of paying the portion of the worker's salary and vocation rehabilitation costs, while they are not productive for the company. The medical cost is the cost of physician-related costs: doctor visits, hospital stays, physical therapy visits, and so forth. This data is routinely available to the company in the form of the insurance workers' compensation loss run. A good starting point is to identify those claims with indemnity-incurred costs. For non-insurance professionals, this provides a snapshot of what the claim is intended to cost over the life of the claim. This cost can then be analyzed to determine the total projected cost of these injuries. If the safety professional can use this number to identify projected savings by multiplying this cost against an agreed-upon savings factor, based on the projections of how many claims can be impacted by returning employees to work.

Based on the projects on which this paper is based, an analysis of corporations prior three years of losses can provide a sufficient evaluation of potential workers' compensation costs and savings that could be generated.

Phase 2: Loss/Injury Characteristics

The second phase of the process is to evaluate loss or injury characteristics to identify if a RTW program is necessary or, if the program is in place, how well the RTW program is working. The factors listed below would then need to be analyzed and compared against employer operational goals to identify gaps that exist, as well as potential solutions to eliminate. Elements which indicate potential RTW issues include:

- **Days Away from Work.** Studies show that employees who are out of work for six months are only 50% likely to return to the job.
- **Claim Reporting Lag Time.** The longer the time from date of injury to report to company or report to insurance carrier, the less control the company has over the process and the greater the costs.
- **Physical Injury Characteristics.** The type of injury(s) will determine what injuries are causing the losses and the type/nature of transitional duty tasks that may be applicable to the facility operations.

When determining the overall cost of an injury to the company, other factors called "indirect costs" should be considered:

- Morale
- Employee Satisfaction
- Productivity Analysis/Losses
- Administrative Time
- Management Acceptance

These factors can be difficult to measure from a direct dollar standpoint, but industry estimates routinely place the cost of these indirect costs from 3 to 10 times the indemnity cost. So the true cost of a claim valued at \$10,000 can range from \$30,000 to \$100,000 to the corporation. A savvy safety professional can factor these costs into their estimates when projecting the total cost benefits of a return-to-work program, thereby strengthening the business case for an RTW program.

Phase 3: RTW Program Evaluation

As part of the safety professionals' role, they are often required to interact with the operations teams as well as the human resource function. In an environment with limited occupational health staff, the safety professional is in an excellent position to evaluate the RTW program as it relates to actual field conditions. As part of this value-added approach, eight primary RTW program elements were selected as opportunities for the safety professional to evaluate the need for a RTW program or to review an existing program to validate the program effectiveness. The eight elements are:

1. Management Support
2. Roles and Responsibilities
3. RTW Availability
4. RTW Eligibility
5. Medical Provider Interface
6. RTW Notification Process

7. Injury Reporting/Accident Investigation Procedures
8. Claim Reporting/Management

1. Management Support

In all corporations, the support of upper management is critical to the success of any program. It is common in many corporations not to have a RTW program as management may not grasp the benefits of having a strong RTW program. Questions that must be asked are, “Does Management support RTW?” and “Is the corporate culture in place to support a RTW?” This is where your analysis and business case are important.

Assuming the answer to the questions above is yes, the safety professional must remember that RTW programs are a function of corporatemanagement and must be supported like any initiative. A written policy statement outlining the goal of the RTW program is recommended. Furthermore, having the policy authorized by a manager’s signature sends a clear message that the policy is a supported throughout the corporation.

2. Roles & Responsibilities

Once a policy supporting RTW at a corporation is in place, it is critical that responsibility for the program be assigned to a coordinator, generally an individual, preferably from risk management or human resources, working in conjunction with a claims administrator (Barrow 1999). The RTW program should clearly identify the responsibilities of the coordinator, including but not limited to:

- Communication of program information to supervisors and employees;
- Monitoring the recovery status of claimants;
- Management of all correspondence from injured worker an medical providers; and
- Working with supervisors and management to ensure consistent and appropriate communication with injured workers (Barrow 1999).

As corporations differ in their organizational arrangements, the responsibilities of the coordinator can require that the corporation involve many different personnel into the RTW process. A typical RTW program can involve:

- Senior managers
- Operations
- Human resources
- Risk management
- Safety
- Employee representative(s)?

Questions that must be asked include, “What are the roles/responsibilities for these positions?”, “Are the roles defined in detail or are they nebulous?” and “Is management trained in the roles and responsibilities?”

Typically, if a RTW program is established, implemented, and communicated properly, the various parties will know what to expect throughout the course of an employee’s return to employment (Barrow 1999). The key benefit of instilling management support and defining the roles/responsibilities of the RTW program is that employees and management will have a greater understanding of the process and will be more likely to “buy-in” to the program.

3. Return to Work Program Availability

When a RTW program has the full support of management and the roles/responsibilities are clearly defined, the program should be managed in the same manner as productivity and quality. When evaluating a RTW program, a critical component is to determine the availability of modified or transitional duty at the corporation. A common misconception in many companies is that RTW is highly burdensome or difficult to implement. Many employers will state that there is no light/modified duty available or that reasonable accommodations cannot be made (Bose 2009). However, according to the Job Accommodation Network, approximately 70% of RTW accommodations can cost less than \$500 (Bose 2009). With a little forethought, corporations can easily create modified duty jobs that are similar to the daily work tasks performed by the worker.

Modified duty jobs are temporary assignments that are created to accommodate an injured employee. To facilitate these temporary assignments, employers often use task banks, which are listings of previously identified tasks at various departments in the company. With the creation of a task bank, employee's abilities are matched with the physical and cognitive requirements of various tasks and then bundled into job (Hall 2005). The task bank provides the employer with options and flexibility to adapt to circumstances and fit the job to the employee, thereby increasing the likelihood of the employee usage.

A particular benefit that a safety professional can bring to this process is through the development of the task bank. Many corporations utilize job safety analysis (JSA) to identify and understand risks to the employees in their jobs. Safety professionals can utilize these JSAs to assist in the development of temporary positions. When evaluating a RTW program, the following questions should be considered:

- Is modified duty available?
- Does a job bank exist?
- Have tasks been matched to accommodate the employee's needs?
- Will employees be brought back to work at less than 100% productivity? If so, does the program include provisions for gradual return (i.e., work hardening)?

4. Return-to-work Program Eligibility

RTW should be open to all employees who have been released by their treating physician to some form of work assignment. In the past, employers have been reluctant to bring employees back to work prior to full medical recovery. Reasons for this reluctance are many, but some of the more common reasons include perceptions:

- RTW jobs can become "permanent."
- Unions will be hostile to the introduction of an RTW program.
- Potential for increased liability to the employer if the employee is injured after having brought back to work on a RTW program.

When evaluating a RTW program, the safety professional should identify that RTW positions should have a recommended reassessment period where the employee's status is reviewed to determine if the employee is well enough to return to full duty. Many employers hold this review at 30- or 60-day increments, based on the type/nature of the injury. At this point, the employee's condition should be reviewed to determine if extended duty is necessary or if further case management is required due to lack of progress.

Union work environments can pose challenges to RTW but only if the process does not address the concerns ahead of time. RTW is often defined as part of collective bargaining agreements (CBAs). Failure of management to consider this in the CBA process may make it difficult to negotiate in this environment. However, given the culture of the facility/corporation, a significant business case could be made to convince management to negotiate for RTW, as the benefits to the employee from continuing to receive full pay and benefits may be significant enough for the union to negotiate.

Another fear for employers is that an employee who returns with an unresolved condition is re-injured, the employer will now face a workers' compensation claim, *and* a disability claim. The amount of time and the cost for this employee benefit may be significant (Bose 2009). The key to preventing re-injury is to ensure that the employee's job tasks accommodate the needs of the employee. One aspect to consider is ensuring that all relevant parties are aware of the employee's needs and will accommodate them appropriately.

5. Medical Provider Interface

Over the past twenty years, medical providers have shifted their focus from "off work" to "modified work," under work restrictions largely due to the employer community's request to support RTW programs (Chandler PERI). The Intergrated Benefits Institute's April 2002 survey reported that medical providers stand ready to assist employers. "The biggest obstacle reported to physician involvement in RTW is that they are seldom asked" (Chandler PERI).

In order for the medical provider to support the corporation's desire for a successful RTW program, a determination must be made on how knowledgeable the medical provider is about the RTW program.

One question that must be considered is, "Does the medical provider have an occupational health experience?" Is the corporation sending the injured employee to a occupational health doctor who understands the company operations or is it the local emergency room? The IBI survey indicated that half the physicians ask the employee how much time they want off. Clearly, outreach to local medical providers represents a significant opportunity to improve the quality of the medical provider interface (Chandler PERI).

Common best practices that safety professionals should be aware of when evaluating the quality of the medical interface include:

- Is the physician provided a copy of the corporate RTW policies and practices? This step is important for the physician to develop an initial understanding of what is required by the company.
- Is the physician provided information on the employee's actual tasks and responsibilities? When JSAs (or Physical Demands Analyses) are made available to medical provider, the physician can better determine the actual restrictions on employee duty. This allows the employer to better accommodate the tasks available to the employee's physical condition.
- Has the physician toured the facility to view the operations on site?

Another consideration that employers must consider is who can direct the initial medical care. In certain jurisdictions, the employer has the right to direct medical care to certain physicians, while in other jurisdictions, the employee is free to go to their own doctors. In the latter cases, the employer has limitations on which doctors the employee can visit. However, the employer is not completely powerless. If the employer engages their outreach efforts successfully, they may

be in a position to encourage employees to those doctors with positive relationships with the employer.

Require medical providers to submit all tests and examination results back to your company. Human resources should always be involved in this process, based on Health Information Privacy Protection Act (HIPPA) laws.

6. Employee Notification

The focus of employee notification should be on the benefits of returning to work. The concept should be promoted as part of the benefits package. Communication with the employee is critical to maintaining a positive relationship. A recommended step to maintain these relationships includes providing the employee with a packet of information about their rights and responsibilities. This information should communicate the RTW policy, encourage contact between the employee and the preferred physician, and promote the contact between the employer and employee.

The notification with the employee should always be in writing or followed up in writing. The employer should not assume employees will be cooperative. Employees should be informed that RTW is a privilege. Employees should be provided with written documentation, including refusal forms.

7. Accident Investigation and Accident Reporting Policy

The corporate accident investigation and corrective action process has critical benefits to a corporation, including:

- ***Determine work-relatedness and limit fraudulent claims;***
- Identify unsafe conditions/actions; and
- Leads to improved corrective actions to prevent reoccurrence

8. Claims Management

Organizations with may use various methods of managing their claims, ranging from having a loosely managed program that is not staffed/resourced sufficiently except through a collateral duty assignment to a program that is highly collaborative with a interlinked service approach (Chandler, PERI). Generally, the more involved in the claims management process a corporation is, the more successful the corporation is in controlling costs.

Typically, the faster a claim is reported to a carrier, the faster the claim can be closed and costs contained. Typically, corporations would want to have claims reported to the carrier within three days of an incident, if not with in the same day. In a well-functioning RTW program, the claim is directly reported to a RTW coordinator who initiates the RTW program as soon as possible. As such, the potential exists for the corporation to eliminate the opening of a claim altogether and treated as an RTW issue immediately:

- Is there a post-injury process laid out?
- Is the third-party administrator's (TPAs)/insurance carrier aware of RTW procedures:
 - Have they offered resources to assist with bringing employees back to work?
- Are TPAs active with monitoring process progression?

Claims management is generally a function of risk management or HR responsibilities. A best practice for the safety professional is to partner with the claims team (TPA, HR, risk manager) as they have access to the loss data available and the TPA/insurance carriers.

The safety professional's role in this area may be to determine if the post-injury process is being implemented effectively. Questions that can be asked to identify effectiveness of this aspect of the program include, "Are claims being reported as soon as possible", "If not, why?" Poor application of the program will lead to failure. The safety professional should be able to identify gaps that exist in this area.

Phase 4: Stakeholder Survey

The fourth phase of this process is the stakeholder survey, which is designed to:

- *Identify* why program gaps exist or persist.
- *Develop* solutions which match corporate goals.

As stated earlier in this report, the RTW program involves many facets of the corporation in order to function appropriately. In order to understand the impact of a RTW program, it is recommended that the employees, management and third parties be surveyed to understand their roles. Among the best practices to develop solutions to the identified gaps is to survey the key stakeholders and to conduct a focus meeting to discuss the RTW process. It is imperative that the safety professional be flexible to address company-specific requirements and/or facility/corporate culture. Some departments/employees may not be fully responsive. Therefore, making connections in other departments is critical to the success of any programs.

The outcome of the phase 4 step should be to develop an action plan to address the gaps identified in the previous phases. After the action plan is developed, the results of the implementation should be tracked and analyzed to identify successes or continuing opportunities for improvement.

Return-to-Work Case Study

In 2008, an opportunity arose with a client that was a Fortune 500 corporation (the client), which makes electronic and imaging equipment, with an operational business goal to reduce the cost of workers' compensation claims costs in their U.S. operations. The client was concerned that long-term injuries were hampering profitability to the point that continuation of operations in the U.S. was in danger.

The client's U.S. operations are a collection of manufacturing plants and distribution centers that operate in approximately 30 states. The safety and human resources functions operated in a decentralized manner with limited corporate support. In the plants, these functions were often combined into one position or included as collateral duties within other departments. The facilities workforces contained a mix of union & non-union employees. The average age of the employees in the production and transportation departments ranged from 45 to 55 years per employee.

The state of return to work was informal, and was implemented at the plant manager's discretion. RTW was not considered a priority at the local level, as minimal attention was paid to the true cost of claims at these sites.

The client recognized that savings across the operations from reduction in claim costs could be significant. In evaluating the corporate organization chart, the client determined that implementing a corporate-wide policy at this time would not have the intended effect, as the support had not matured to a point that all departments would implement the program accordingly. In conjunction with the client, it was determined that a pilot-level program was to be rolled out at a one location and, if successful, would give management the impetus to implement the program at additional locations.

The first and second phases of the value-added process were initiated to develop a list of sites to be considered for further evaluation. The following data points were analyzed to develop a ranking list to identify the sites to be evaluated:

- Claim Frequency
- Severity (in Incurred Costs)
- Lost work time
- Reporting Lag time in reporting claims
- Type/ Cause of Injuries
- Indemnity versus Medical-Only claims
- Management support

The results of the survey were analyzed, and the sites were ranked in comparison with the other facilities. The leading facility site was selected, based on the loss experience and conditions on the site:

- Site was averaging approximately 32 claims and \$160,000 in incurred costs per year over the recent three-year period.
- Indemnity costs accounted for 26% of claim frequency and 80% of incurred costs.
- Days away from work averaged eight days per injury.
- The claim reporting lag time indicated claims reported within three days of incident accounted for 60% of frequency & 45% of incurred costs.
- Average lag-time from injury to report to carrier was 5.8 days.
- Injury characteristics identified that sprains and strains accounted for 20% of frequency and 70% of incurred costs.
- Total employment was 280 employees (union/non-union).
- Projected cost savings would be 30% in incurred costs, based on reduction of days away from work and implementation of job tasks internally.

Phase 3 of the process identified that the location had a basic RTW program that was not implemented to its fullest. The survey results identified the following potential factors that could be affecting the cost of claims at this location (see Table 1).

Criteria Evaluated	Comments
Policy Statement (Purpose)	<ul style="list-style-type: none"> • Consistent with good practices • Management approval noted in the Header – Authorization section
Management and Supervisor Responsibilities	<ul style="list-style-type: none"> • Management, Supervisor, & Human Resources (HR) responsibilities were identified in the program; however, there was no contact information for specific personnel. • Suggestion: Add contact information and name of primary coordinator who would oversee the TDP process. If there is not a coordinator, one should be assigned
Eligibility Requirements	<ul style="list-style-type: none"> • Eligibility is defined as an employee who is out of work as a result of a work-related accident, injury, or illness. Limitations and right of refusal to offer RTW due to other factors is established. • The duration of the TDP process was that TDP was not to exceed 6 months. • Suggestion: Define or provide greater determination of disabling conditions. • Suggestion: TDP should be limited to 90 days (2 extensions) to prevent potential for malingering.
Procedures for Medical Providers	<ul style="list-style-type: none"> • Occupational Medical Letter, Employee Treatment & Return to Work Forms - provides instructions for the medical provider to identify those tasks which an employee can perform. • Medical providers-what methods are used to ensure medical providers are familiar with client operations? Have they toured the facility? • Suggestion: Develop a list of specific employee tasks to aid the doctor may better provide an indication of those tasks which are appropriate for TD. • Suggestion: Invite insurance plan approved occupational physicians to tour the facility yearly to assist the doctors in better understanding of employee tasks. Maintaining an updated log is advisable. • Suggestion: Provide physician with a copy of the Incident Investigation report to aid in decision-making process
Light/Modified Duty Availability	<ul style="list-style-type: none"> • The client did not maintain a list of Transitional Duty positions or functions. • Transitional Duty Job Profiles were created on a case-by-case basis. • Question: How are TD positions developed, and how are TD employees accommodated in other departments? • Question: What is the timeframe for TD positions to be created? • Suggestion: Develop list of employee tasks to aid management, supervisors, and HR in determining an appropriate TD regime. • Suggestion: Include a section in the program to include that TDP will be subject to work-hardening.
Injury and Modified Duty Notification Process	<ul style="list-style-type: none"> • Notification is in writing. • Suggestion: Develop a handout for the employee detailing their responsibilities (i.e., attend all doctor visits, comply with set restrictions) with regard to TD. • Suggestion: Include instructions to physicians to fax copies of employee treatment & RTW forms directly to HR.

Criteria Evaluated	Comments
Incident Interview/Investigation Procedures	<ul style="list-style-type: none"> • Incident Interview/ Investigation Procedures – Policy and forms were not included into the draft program. • Suggestion: Ensure that the Incident Investigation Process identifies weaknesses in the JSA process, which may lead to unsafe tasks being eliminated from the JSA process.
Claims Management	<ul style="list-style-type: none"> • The Transitional Duty Policy did not address the interface with the insurance carrier claim adjuster or the roles of the carrier in the TDP/ Claims Management Process. • Suggestion: Incorporate the carrier into the TDP policy to provide additional assistance in adjusting claims more efficiently and provide technical assistance in evaluating risk causes.

Table 1. Potential Factors Affecting the Cost of Claims

Phase 4 of the process was instituted to identify how the gaps identified in this process can best be closed and reduce the cost of claims. The key stakeholders were presented the key findings of the report and asked to discuss their thoughts on which recommendations were most feasible to their operations. The client team proceeded to institute the following recommendations to eliminate the gaps identified in Phase 3:

- The job task bank was developed. The job safety analyses (JSAs) were analyzed and specific tasks were organized into a comprehensive list. The job bank was organized based on job type.
- Improvements were made to the accident investigation and reporting procedures, which eliminated redundant procedures in investigating the accident, as well as reducing the weaknesses in the JSA process, which may lead to elimination of unsafe tasks from the JSA process.
- Formalizing the on-line reporting and claims management process to streamline the activities of the TPAs in supporting the claims closure activities and providing contact with the injured employee to ensure medical treatment is meeting both employee and employer needs.
- The medical interface was greatly improved. The physicians were provided detailed instructions on what tasks the employees can accomplish, and a schedule was developed to support work-hardening activities during RTW activities.

In the first year alone, based on the clients review of the four-phase process indicated that the efforts were responsible for a 60% drop in claim severity compared to prior year. The costs normalized against hours worked and operation changes. In addition, the number of LWT days dropped by over 50%, and restricted duty usage increased 20% in the same period. This was compared against an overall 2% rise in LWT days across the other 29 locations. Therefore, the process is currently under consideration to be extended across North American operations.

Summary

The purpose of a RTW program is to bring an injured employee back to work during their recovery and reduce the costs to the employer. In recent years, the safety professional has been called upon to show greater value to the corporation. Using the four-phased process detailed in this paper, a safety professional can add distinctive value to support his employers return-to-work program.

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