

**OSC 10**  
Ohio Safety Congress & Expo

**Basic claims management**  
494

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Wednesday, March 31, 2010 1:30 to 2:30 p.m.

Ohio | Bureau of Workers' Compensation

**Let's see what you know?**

- How many days does an injured worker have to miss before they are eligible to receive compensation?
- Are those calendar or work days?
- What percentage does BWC pay in lost time earnings?
- How long does an injured worker have to allege a claim?

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**Let's see what you know?**

- How long does a claim impact your premiums?
- How many claims are filed on average with BWC annually?
- Can you run FMLA concurrently with a lost time claim?

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**FY '08**

- 103,196 medical-only claims  
Average cost = \$1,007
- 16,254 Lost-time claims  
Average cost = \$23,760

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**Someone gets injured, what do I do?**

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**Facilitating provider accessibility**

- Can an employer direct care?
- What type of facility should I partner with?
- Networking opportunities to develop disability management strategies

## Timely reporting of claims

- Company policy to report injuries on same work shift?
- Immediate reporting of claim results in:
  - Better medical management;
  - Earlier return to work;
  - Reduced indemnity costs.
- Reporting more than seven days after injury can increase costs.\*
  - 14 – 21 days = 13% - 18% increase
  - 29 – 35 days = 45% increase
- More than 31 days = 113% increase in litigation (i.e. attorney involvement)

\*International Association of Industrial Accident Boards & Commissions (IAIABC) March 25, 2004



## Life cycle of a claim

- **Notification and filing**
- **Initial decision**
  - Jurisdiction, coverage and compensability
  - Accident Analysis
  - Information Gathering
  - Evaluate and decide
- **Outcome management**
  - Extent of injury/disability
- **Claims resolution**

## Notification and filing a claim

- Importance of timely filing
- Ensure accuracy of data

## Initial decision

- Weigh the evidence – factual and medical
  - Accidental in character
  - In the course of and arising out of employment
  - Injury is physical in nature
- Consider possible application of Ohio Revised Code 4123.95.

## Workplace safety and accident analysis

- Your main objective is prevention!
- Accident analysis should always be to gather facts and never to lay blame.
- Always document and keep it simple.
- Review for trends (i.e. injuries, location).
- Communication is key.

## Steps of an accident analysis

- Written program
- Information gathering
- Analysis
- Recommendation/corrective action

## Information gathering

- Review the FROI or incident report.
- Use the data elements to track trends.
  - Date of incident and day of week
  - Time of day or shift
  - Accident description
  - Department
  - Job title
  - Task or operation
  - Body part injured

## Five causal factors

- Task
- Material
- Environment
- Human factor (work or personal)
- Management/process failure

## Why respond quickly to accidents?

- If an employee misses work for a work related illness/injury at:
  - Six months - only a 50% chance he/she will return to work;
  - One year - only a 25% chance he/she will return to work;
  - Two years - virtually no chance he/she will ever resume their duties.

## Outcome management

Once a claim is allowed, the most important step is the life cycle of a claim.

## Outcome management

### Coordinating return to work

- Include direct supervisor in the process.
- Make the offer of return to work (RTW).
- Post RTW steps
- Obtaining restrictions
- Importance of a good job description and other return-to-work options
  - <http://www.acinet.org/acinet/jobwriter/default.aspx>
  - <http://www.occupationalinfo.org>

## Outcome management goal

- Same job, same employer
- Different job, same employer
- Same job, different employer
- Different job, different employer
- Skill enhancement, short-term training may help at any step in return to work.

## Change the culture for employers

- Injured worker must be 100% fit for duty before returning to work.
  - Injured worker can be returned to work through accommodation or transitional work prior to being 100% fit for duty.

## Change the culture for physicians

- Expect physicians to make return to work determinations based on the worker's opinion.
  - Enable the physician to determine compatibility between worker's physical restrictions and functional job demands.

## Transitional work (TW)

### Goal

To allow the injured worker to stay at work without interruption of employment, or to return-to-work as soon as medically able

### TW plans often include:

Temporary restrictions in a modified, alternative, or reduced-hours capacity, for a defined period of time (typically 60-90 days), while recuperating from an illness or injury.

## TW

### Customized plan

Employers may develop a customized program based on their industry and operations.

**Managed care organization (MCO)** and **BWC** re-employment advisors can assist with construction of your program.

## Prerequisites for a successful TW program

- Buy-in by top management
- Labor/employee involvement
- Written policies, procedures and processes
- Job analysis
- Training and education
- Assigned roles and responsibilities
- Community resources

## Light duty and TW

Light duty	TW
Open ended	Has a beginning and an ending date
Therapeutic goals are not defined	Allows the worker to safely progress to targeted job goal.
Responsibilities of employer and employee are often not outlined	Responsibilities are clearly defined in writing
May have an alternative plan if program fails	Has a developed alternative plan

## Overview of vocational rehabilitation programs

### For medical-only claims

- o Remain at work services
- o TW employer/MCO program

### For lost-time claims

- o TW employer, MCO, Chapter 4
- o Vocational rehabilitation

## Referrals for vocational rehabilitation services

- o Anyone can refer an injured worker to vocational rehabilitation.
- o Contact the MCO or the assigned BWC customer care team in your local BWC customer service office.

## Benefits and goal of vocational rehabilitation for lost-time claims

- o An experienced worker remains productive; and
- o Costs associated with hiring and training a new employee are reduced.

## Surplus fund

- o The surplus fund pays reimbursable services, living maintenance and living maintenance wage loss approved as a result of active involvement in a vocational rehabilitation plan.
- o Medical and indemnity costs under an approved rehab plan are also charged to the surplus fund. These dollars are excluded from the employer's loss history for ratemaking purposes.

## Wage/salary continuation\*

- o Employer continues to pay employees their normal wage.
- o Reserves are suppressed (Effective with claims on or after Jan. 1, 2011, reserves will no longer be suppressed).
- o Employee continues to accrue seniority, retirement, leave, etc.
- o Health insurance continues, if employer provides it.

\* It's not available with Deductible Program.

## Settlement\*

- A formal agreement should be completed at least 45 days before the experience period snapshot.
- Submit by Oct 15 for private employers.
- Submit by May 15 for public employers.
- Thirty days must be allowed for Industrial Commission of Ohio (IC) approval.
- Reserve drops to zero.

\* Money for settlements comes from BWC, not the employer.

## Facilitate settlement

- Settlement efforts should be ongoing.
- Create a system in which human resources automatically contacts your third-party administrator or attorney when an employee departs.

## Handicap reimbursement

Twenty-five allowed conditions

- Discount based on relationship to injury.
  - Prolongs healing process
  - Contributes to the injury
- The % of discount is charged to the surplus fund.

## The players:

- Injured worker
- Employer
- MCO
- BWC
- TPA

## The injured worker's role

- Reports all workplace injuries to management regardless of treatment
- Notifies employer if a claim is filed
- Follows medical restrictions
- Keeps employer informed of progress and obstacles encountered

## The employer's role

- Employer and/or MCO reports claim timely
- Investigates accident promptly
- Decides to certify or reject the claim
- When an employer certifies a claim, he or she is stating that:
  - An injury occurred at work;
  - The injured person was their employee.

### The employer's role

- Follows up with injured worker
- Coordinates remain-at-work/return-to-work strategies with MCO, medical providers, and BWC

### MCO role

- Every employer has an MCO
- Paid by BWC
- Manage medical
- Approve medical treatment
- Drive return-to-work programs

### BWC role

- Investigate and determine claim allowance
- Manage lost time benefits
- Adjudicate additional conditions
- Determine eligibility for Rehab
- Assist with bringing the claim to resolution

### TPA

- Employer not required to have TPA
- Private contract between employer and TPA
- Manage claims for employer
- Settle claims and pursue handicap reimbursements
- Represent employer at IC hearings