



#243 – The business approach to safety management

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Business Approach to Safety Management

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Budgeting For Safety

Buying Down Incidents
Two Expense Centers:
Workers' Comp Premium & Prevention / Control



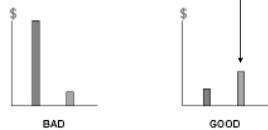
Budgeting For Safety

- **Cost:** Ohio Workers' Compensation Premium
- **Losses Paid By The System On Your Behalf**
 - Medical
 - Indemnity
 - Reserves
- **Limit on Losses**
- **Experience Modification Rate (EMR)**
- **Premiums Are Currently \$\$\$ Driven**
- **Split Rating In 2011 Will Focus On Frequency**
- **2-4 Year Lag In Reducing Expense**



Budgeting For Safety

- **Cost:** Prevention / Control
- **Training**
- **Drug Testing**
- **Machine Guarding**
- **Protective Equipment**
- **Signage**
- **Consultants**
- **Claims Management**
- **Investigations**



Budgeting For Safety

- **Cost Allocation**
 - Increase Buy In For Safety
 - Accountability
 - Identify & Focus On Problem Areas
- **Pay As You Go.....**
 - Predictability Of Workers' Compensation Expense
 - Consider Other "Payroll" Based Expenses
- **Benchmarking**
 - Limit On Losses
 - Positive Measures vs. Negative Measures



Business Structure

- **Multiple Locations & One BWC Policy**
 - Injury At One Location
 - Penalty At All Locations
- **Risk Segregation**
 - Injury At One Location
 - Penalty At One Location
- **Lapses In Coverage**
- **Other Business Considerations**



Business Structure

- **Opening A New Business**
 - Discount Programs
 - Deadlines
- **Buying A Business**
 - Evaluating The Workers' Comp Risk
 - Evaluating Other Liabilities



Human Resource Management

- **Impact Of Turnover On Safety**
- **Documenting Training & Enforcement**
- **Working With Young Adults**
- **Staffing Levels**
- **Wellness Programs**
- **Active Owners & Managers**
- **Your Community**
- **Hiring Practices**
- **Exiting Practices**



Human Resource Management

- **Employee Involvement In Safety**
 - Having A Voice
 - Focused On Finding Hazards
- **Professional Employment Organizations (PEOs)**
 - Qualifying For Workers' Comp. Groups
 - What Happens If They Go Out Of Business?



Human Resource Management

- **Managing Workers' Compensation Claims**
 - Confusing To Employees
 - BWC
 - MCO
 - TPA
 - Doctor
 - Employer
 - Frequent Contact
 - Injury Packets
 - The Employee's Household



Combating Fraud

- **Fraud: an intentional act resulting in benefits to a person that is not entitled to receive them. Fraud is committed when a person**
 - Knowingly receives benefits which he or she is not entitled to receive by law;
 - Makes false or misleading statements for the purpose of receiving money or services;
 - Enters into a conspiracy to defraud the Ohio State Insurance Fund or self-insuring employer under the Workers' Compensation Act.
 - Injured workers, employers and health-care providers can commit fraud.



Combating Fraud

- Industry experts estimate that 5 percent to 20 percent of workers' compensation benefits paid are fraudulent in nature. If this is true, \$80 to \$320 million annually could be paid out fraudulently in Ohio.
- Difference Between Fraud and Abuse



Combating Fraud

- Spotting Red Flags
 - Inconsistency with income & occupation
 - Excessive revisions of workers' comp. documents
 - Questionable address or contact information
 - Cannot reach injured worker
 - "Grease under fingernails"
 - Claim filed prior to termination
 - Refusal of diagnostic procedures
 - Conflicting descriptions of accident
 - Injury is not consistent with job



Combating Fraud

- Health Insurance
 - What is the incentive for employee to avoid the cost?
 - Cost of providing compared to workers' compensation
 - National Restaurant Association program
- BWC Special Investigations Department
- Private Investigators
- Educating Your Workforce on Consequences
- Working with Your MCO, TPA, and BWC



QUESTIONS & ANSWERS

STAY SAFE!



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