

COMPCONTROL[©]

The Official KMIT Member Resource

The Importance of a Designated Physician in Workers' Compensation

By Marcia Payne, Precept/Corvel

Believe it or not, Kansas is one of the few states, which allow the employer to choose which physician to send an injured worker. You may not perceive it as an advantage, or even a big deal, but it CERTAINLY is that!



In the big picture of workers' compensation, the primary goal is to return the injured worker back to work as quickly, safely, and cost effectively as possible. This is accomplished by providing the best medical care as soon as the injury occurs, good communication, and an aggressive return to work (alternative duty) plan. Alternative duty or light duty will help avoid lost time claims that adversely affect your experience modification – the premium calculation tied to your loss and claims history that can drive up your insurance costs. The physician providing care impacts each of these factors. That is why your choice in designating a physician is so important!

If we were to profile the “perfect doctor” for workers compensation, he/she would specialize in occupational medicine, take time to call you personally after each visit, write detailed restrictions and abilities, never take anyone off work (with obvious exceptions), know when to consult/refer to specialists, and maybe even call weekly to see how your employee is doing. OK, so that isn't going to happen in the real world. We can't get a certified occupational medicine specialist in most areas of Kansas, but we can train the right physicians to communicate, provide good restrictions, and know when to consult/refer to a specialist. Most rural doctors focus on family medicine, but if courted and given the opportunity, several have become excellent providers for workers' compensation claims.

It is important to sit down with your dedicated physician and staff to discuss your support of early return to work and communication needs. It has been helpful to many physicians to tour departments with high incident rates, for a better understanding of job requirements. Follow your visit with a letter, restating your commitment to this relationship.

We all know that a significant part of the doctor's care is documentation. It is vital that a relationship be developed with the person responsible for the medical records. If we don't have restrictions or return to work releases, or even

(Story continued on page 3)

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CompControl is a publication of the League of Kansas Municipalities and the Kansas Municipal Insurance Trust for the purposes of educating and informing cities about loss control methods and risk management. If you have any questions concerning KMIT workers' compensation or risk management that you would like to see answered in this newsletter, please direct those inquiries to:

Kansas Municipal Insurance Trust
300 SW 8th Avenue
Topeka, KS 66603
Phone: (785) 354-9565
Fax: (785) 354-4186
wflowers@networksplus.net

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Letter from the Pool Administrator

Dear KMIT Members,

Happy Holidays. At this writing, Thanksgiving is just several days away, and the first REALLY cold wind of the season is heading in today. In Derby, it will be our first killing frost of the year—the latest such date that I can remember. And, yet, isn't it forever surprising how quickly the oppressive heat of summer gives way to the frigid air of December?

About 75 folks from KMIT cities were on hand for the Annual Meeting and breakfast in Wichita in mid-October. That assemblage chose **David Alfaro**, whose title, in Augusta, is Assistant to the City Manager, as a new Board Trustee. The following Trustees were re-elected to serve a 2-year term each: Gary Hobbie (Russell), Ron Pickman (Goodland), Keith DeHaven (Sedgwick), Howard Partington (Great Bend), and Nancy Calkins (Mission). Retiring Trustee Shawne Boyd of Derby was honored for her time on the Board. In the Board meeting, immediately following the annual meeting, **Gary Hobbie**, Russell City Manager, was elected by the Board as the KMIT President for the 2002-2003 year. Kelly DeMeritt (Atchison) is the newly-elected Vice President, and Carol Eddington (Oswego) is the new Treasurer. Outgoing President Ron Pickman will complete this year's Executive Committee.

Premium quotes for 2003 should be received by KMIT members just prior to the arrival of this publication. **Premium rates are up this year.** An "across the board" increase of 9.77% (via an increase in the KMIT's "Loss Cost Multiplier"—from 1.33 to 1.46) was put into place by the Board, in order to insure the continued financial stability of the pool. KMIT is affected by all the same factors that affect all insurance companies in these very "hard market" times (increasing costs of medical services, excess insurance coverage, etc. and much lower investment earnings due to low interest rates). Additionally, the class code rates (set by the Kansas Insurance Department) were also increased this year. The net result is that most KMIT cities will see higher costs for work comp this time around; some (those with increased experience mod factors) will see significant increases. Following a number of years in a down, or "soft", market, this swing in the industry market is somewhat "normal" and expected, though certainly no less painful when it happens.

The KMIT "Training Group" was on the road in October, as it presented a seminar on the supervisor's role in work comp to over 167 city folks (including a number from "non-KMIT" cities), in five cities, in central and eastern Kansas. The turnout numbers and subsequent positive feedback has certainly reinforced our belief that such training is both needed and wanted by our cities. The next round of the same training, now co-sponsored by the League's MLA series, resumes in **Oberlin, Hays, Dodge City and Kingman**, all in February of '03. These trainings are EXTREMELY inexpensive, and are regionally located, in order to maximum participation. We hope that all our cities can send some supervisors, and that many of our cities will be able to send several or even a bunch of supervisors. Look for the dates elsewhere in this publication.

Also this edition, find an article on requiring contractors to cover their own work comp (by KMIT's **Bret Glendening**), and also a vital piece about why KMIT requires its members to name a designated physician (by **Marcia Payne**, of Precept/CorVel).

As always, please feel free to call or email me with any questions.

Don Osenbaugh

KMIT Pool Administrator
dosenbaugh@cox.net
316-259-3847

the day to day notes concerning progress, or other concerns in writing, nothing is official. It is amazing what information we can learn from reading basic progress notes. By developing a relationship with the medical records staff and establishing a method of obtaining those records timely (ideally within 24-48 hours of appointment) the "Comp Team" (adjuster, employer, supervisor, and employee) all know the current status and plan of action. This communication should be established during the visit with the physician and staff.



Please use this opportunity that state law has given you to your advantage. Communicate to your supervisors, of the plan you have in place. Each supervisor should know who your dedicated physician is and the process for reporting injuries. Informed supervisors can make the difference between a small claim and a large one. Communicate to employees about your workers' compensation program and proactively inform them about the relationship you have with the dedicated physician and healthcare community. Show the employee you care, be compassionate, and make sure he/she understands that with this plan, you are providing the best services to ensure support and recovery.

Comp Control would like to thank Marcia Payne for her contribution to this issue. If you need help in determining which physician to choose, or the physician interview process, please feel free to contact Marcia at 1-800-626-0149, or marcia_payne@corvel.com.

The following cities had not reported any claims in 2002 as of November 1, 2002.



Abilene	Grainfield	Osage City
Allen	Greeley	Oskaloosa
Altamont	Grenola	Oswego
Andale	Halstead	Ozawkie
Baldwin City	Hoxie	Peabody
Bel Aire	Jetmore	Princeton
Beverly	Kingman	Ransom
Bird City	Leoti	Satanta
Brewster	Lincoln Center	Sedan
Centralia	LKM	Sedgwick
Chautauqua	Lucas	Spearville
Cheney	McFarland	Spring Hill
Cullison	Melvem	Tescott
Esbon	Moline	Tipton
Ford	Montezuma	Treece
Fowler	Mound City	Wakefield
Frankfort	Oberlin	Walton
Glasco	Ogden	
Glen Elder	Olpe	

Requiring Independent Contractors to Provide Proof of Work Comp Coverage Can Save You Money

By: Bret Glendening, KMIT Agent (bglendening@ink.org)

How often has your city contracted with a construction firm in the past year? The number of times here is irrelevant really, it's the number of times that you DON'T require proof of work comp coverage on these employees that is important.

What happens in the event that a contractor, whom you did not require to provide their own work comp coverage for their employees, has an accident? The chances are VERY good that if this were to happen, the city, not the contractor, would be liable for that injury, since the contractor's employee is by contract, an employee of the city. Therefore, it's the city's loss history that is tarnished, not the contractor's and your city's work comp premiums would increase because of these accidents.

How should your city handle these situations? The answer is quite simple. Require ALL of your city's contractors to provide their own work comp coverage. If you attended the Municipal Liability MLA seminar at LKM's annual conference, you might recall this discussion during my presentation. There are cities in this state that see a contractor who shoots them a considerably lower bid on a project than any competitor. The contractor is able to offer the job at a lower price because the contractor doesn't have the overhead of these types of insurances. The city is much better off, in the long run, to pay more in the contract price, then to pay in terms of increased premium and other claims expenses.

As your work comp provider, we must also mention the impact this can have on other members of the pool. Since we are self-selected and admit only cities, we all are faced with the same general types of risks. By contracting out and electing to have the cities insurance cover the contractor's employees, you are expanding that risk beyond the scope of the services that most cities provide. As you can see, you are now impacting other cities as well, and you are also impacting KMIT in general.

If it hasn't been made clear to this point, allow me to state explicitly that as a city, you should not cover a contractor's employees!! Let them take care of this themselves, and don't assume the risk, or gamble on the fact that a contractor that cuts costs on insurance, doesn't cut costs in other areas as well.

Need to file a claim?

All claims and/or medical bills need to be sent to:



Victoria Vanderhoof @ IMA

PO Box 2992

Wichita, KS 67201-2992

victoria.vanderhoof@imacorp.com

When claims and/or medical bills are sent to KMIT we forward them to Victoria, which in turn slows down the process.

Claims

2002 Frequency and Cost Analysis - Top 5 1/1/02 through 11/1/02

<u>By Job Classification</u>	<u>Frequency</u>	<u>Cost Claims</u>
Police Officers & Drivers	104	\$ 77,880
Park	80	\$ 39,117
Municipal	72	\$ 70,002
Firefighters & Drivers	56	\$ 437,587
Street/Road Const.	51	\$ 87,863

<u>By Accident Type</u>	<u>Frequency</u>	<u>Cost Claims</u>
Strain or Injury by lifting, pushing, carrying, etc.	127	\$ 233,051
Fall or Slip Injury	91	\$ 209,367
Miscellaneous Cause	66	\$ 22,399
Occupational Hazards	62	\$ 32,378
Struck or Injured by falling object, hand tool, etc.	61	\$ 24,579

<u>By Body Part</u>	<u>Frequency</u>	<u>Cost Claims</u>
Low Back Area	67	\$ 142,097
Knee	53	\$ 199,319
Eye(s)	44	\$ 4,685
Multiple Body Parts	43	\$ 17,090
Hand	42	\$ 40,613

Note - The above figures are based on claims as of November 1, 2002. Amounts listed for claim costs are amounts incurred to date.

Your Pool In Action

We encourage you to make copies of
this newsletter and distribute to all
city employees.

Member Notes



KMIT Calendar

December

6 KMIT Trustees Meeting, *Mission*

February

5 KMIT Supervisor Training Seminar, *Oberlin*

6 KMIT Supervisor Training Seminar, *Hays*

26 KMIT Supervisor Training Seminar, *Dodge City*

27 KMIT Trustees Meeting & KMIT Supervisor Training Seminar, *Kingman*

Combined Assets

Cash In Bank	479,942
Premiums Outstanding	
Investments	<u>1,575,356</u>
Total Assets	2,055,298

Combined Liabilities & Equity

Claims and Accrued Expenses Outstanding	(1,050,060)
Reserved for Losses	547,398
Incurred But Not Reported (IBNR)	<u>1,445,361</u>
Total Liabilities	<u>942,700</u>
KMIT Statutory Fund Balance	<u>1,112,599</u>
Total Liabilities and Equity	2,055,298

Revenues & Expenses
October 31, 2002

Kansas Municipal Insurance Trust

300 SW 8th Avenue
Topeka, KS 66603

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