

# COMPCONTROL

The Official KMIT Member Newsletter

## **SPECIAL EDITION** **RETURN TO WORK**

### **“What a Difference a Day Makes...24 Little Hours”**

by Marcia Payne

Anyone remember that song? Okay, so I'm aging myself, but that was the first thing that popped into my head when I think of Return To Work! I know it's corny, but WOW is it true!

The primary goal of a return-to-work program is to assist employees who sustain an injury or illness to safely return to work at the earliest medically practical time in a *temporary* (*modified* or *alternate* duty) assignment. By allowing an employee to perform modified duties, the employee is allowed to remain a productive member of the workforce while he or she recuperates.

We can break it down into several different benefits: a) financial (money talks!); b) psychological/behavioral; and, c) physical.

**Financial** - Benefits to the employer can be recognized as *Direct Savings* as well as *Indirect Savings*. Examples of direct savings include:

- Workers' compensation costs (indemnity) are reduced or avoided by providing modified/accommodated positions when temporary income benefits cease or are not required.
- Medical costs are reduced and recovery time is shortened.
- Wage costs for substitute employees are saved.

Examples of indirect savings include:

- Recruitment and hiring costs for new or substitute employees can be saved.
- Work delays and business interruptions are eliminated when an experienced employee returns to work.
- Co-workers are not required to perform extra duties to compensate for the absent employee.
- Goodwill and positive image with the public and employees are created, as the employer is perceived as being a caring employer.
- Communication and relations between employees and management are enhanced.

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CompControl is a publication of the League of Kansas Municipalities and the Kansas Municipal Insurance Trust for the purpose 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:

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## Letter from the Pool Administrator

**Dear KMIT Members and Others,**

Happy Easter everybody. Hope your life is going well, and that you all survived the election(s).

I am pleased to announce that KMIT has two new member cities (numbers 140 and 141, for those who are keeping track)—**Lecompton** and **Edwardsville**, both of which came onboard on April 1. Welcome to KMIT!

This is a **Special Edition** of *CompControl*, in that, at the direction of the KMIT Board of Trustees, we have focused it entirely on one subject: **Return To Work**.

In our opinion, and in the opinion of experts in the work comp industry nationwide, **Return To Work** is, perhaps, **THE one key ingredient** (aside from not getting hurt in the first place, of course) in holding down work comp costs, and in keeping a productive workforce in place.

What is **Return To Work**, and what are some of its key components? Those questions and others are addressed in our lead story, "What a Difference a Day Makes..." by Marcia Payne. (Marcia is a consultant and trainer for KMIT, and has worked with us and the KMIT group for a number of years. Marcia is an account rep for Shorman Solutions; her email is [marciapayne@sbcglobal.net](mailto:marciapayne@sbcglobal.net).)

Our KMIT Claims Guru, Victoria Vanderhoof, offers up tips and advice about **Return To Work** in her two articles, entitled "Modified Duty Ideas" and "RTW Situations To Avoid." (Victoria is KMIT's *dedicated* Claims Adjuster; a role she has now performed for over 10 years. Victoria can best be reached at [Victoria.vanderhoof@icmacorp.com](mailto:Victoria.vanderhoof@icmacorp.com).)

Your KMIT Board last met in De Soto in early February, and next meets in Arkansas City later in April. Upcoming Board meetings are in Sedgwick (late June), Great Bend (late August), after the KMIT Annual Meeting in October (during the LKM Annual Conference) and in Russell during the holiday season.

Here's wishing each of you a fun and safe spring. And, PLEASE, stay out of the way of all those tornasties.

See you down the road...



Pool Administrator

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**Psychological/Behavioral** - Managing employees with injuries or illness often involves having an understanding of behavioral forces that motivate an employee to be a productive participant in the workforce. The longer an employee is unable to work, the more difficult it becomes to return to full duty employment. Factors such as fear, depletion of financial resources, decline of self image or self esteem, and lack of knowledge about the workers' compensation system may present barriers to an employee returning to work (see "**Financial**").

**Physical** - Employees who return to work in a modified or alternate duty capacity are likely to recover more quickly and with less impairment. In addition, these employees are less likely to become treatment dependent (see "**Financial**"). Sprains and strains recover more quickly if the injured body part is **MOVING!** Health professionals frequently promote **MICE** (**M**ove it, **I**ce, **C**ompression, and **E**levation) as one way of treating an injury as opposed to **RICE** (**R**est, **I**ce, **C**ompression, and **E**levation). This is because immobilizing a muscle can lead to decreased blood flow and muscle atrophy. If you stretch properly while recovering from an injury, you can speed that recovery (see "**Financial**" again).

***KMIT has a recommended Return To Work Policy***, which we strongly encourage cities to implement. The model policy can be adapted by the governing body (typically as a resolution) or as an employment policy. A copy is included following this article.

I have worked with many companies throughout the years, and have found this six-step process to be very popular. This approach is not proprietary, and has been widely used, so please feel free to adapt what works for you:

**Step 1—Create a policy reflecting your city's dedication to the Return-To-Work Program.**

- Develop a policy announcing your return-to-work program and management's commitment to the process.
- Position the new policy as an employee benefit.
- Sponsor an event to announce and communicate the policy to employees.
- Conduct separate training sessions for supervisors.
- Include the policy in personnel manuals and in new employee orientation material.
- Display posters showing your return-to-work policy statement.
- Make sure employees have access to return-to-work procedures and statement of responsibilities.
- Remind employees about the return-to-work process by offering information in company newsletters, payroll envelopes, and through your city's information center.

**Step 2—Designate one person to manage the program.**

- When return-to-work is left to chance, staff may perceive a lack of appropriate authority to drive the program and coordinate the collection of physical-demand job descriptions.
- Appoint a Return-to-Work Coordinator—*with appropriate authority* to drive the program and coordinate the collection of physical demand job descriptions.
- The process will run more smoothly with one person in charge of establishing transitional duty, communicating expectations, and ensuring a win-win situation for everyone—including the injured employee and the employer.

**Step 3—Adopt an Empathy Program**

- Studies show that *frequent contact with injured workers* increases early return-to-work and decreases the likelihood of claimants seeking legal assistance.
- The return-to-work coordinator should contact the employee within 24 hours of the accident and at least once a week until the employee returns to work.
- Assure employees that they are missed and explain workers' compensation benefits so employees know they will be taken care of.

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- These courtesies promote a rapid return to work and can counter negative messages or feelings the employee may experience.

**Step 4—Establish a guaranteed transitional duty period.**

- Guarantee transitional duty for a set period of time. Although 60 days is average, some employers use 120 days or more.
- The length of time may be altered to conform to average diagnostic recovery time frames.

**Step 5—Stipulate the goals of the transitional duty.**

- Transitional duty should have *agreed upon therapeutic goals*.
- Your physician can help outline the employee’s abilities, to ensure that tasks are meaningful and promote recovery.
- The employer and the employee must both adhere to any physical restrictions.
- Your return-to-work program is an *employee benefit*, a privilege. In return, expect employees to be productive during the process.

**Step 6—Evaluate and Improve the program.**

- When the employee achieves full duty status, take the time to hold a brief discussion with him/her, his/her supervisor, physician, and anyone else key to the program’s success.
- Find out how well your program worked.
- Are there ideas that could be improved?
- Are accidents, injuries, and claims data being analyzed by an accurate information system?
- Ensure that executive management has “bought in” to the program, as well as encouraging *employee involvement in the return-to-work process*

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## KMIT Has a ‘Model’ Return-To-Work Policy

As those of you who have attended one of our KMIT Regional Supervisor Training seminars (we do three or four of these every February/early March, in locations all across the state) already know, ***KMIT does have a model Return-To-Work policy***, which is very easy to adapt to your city. (A copy of the policy is an insert in this *CompControl* edition, and a digital version can be found on the KMIT website, [www.kmit.net](http://www.kmit.net).)

It is the desire of KMIT that each of our member cities ***formally adopt a Return-To-Work policy***, and then follow that formal policy—with the same amount of sincerity and intensity as with other formal policies.

Just what do we mean by ‘formally adopt’ the policy? Probably the best way, and the method that would likely carry the most ‘weight,’ would be to have the city’s governing body adopt the policy by adopting a **stand-alone formal resolution**. Another way would be to write the policy into your **personnel procedures**, and then have *those* adopted by the governing body.

Often cities who have not adopted a formal policy report that they have an ‘informal’ policy or a ‘department-by-department’ policy. Unfortunately, KMIT’s experience (supported by a plethora of data from virtually every work sector, public and private, from all across the nation) suggests that ***such informal ‘policies’ don’t work*** very often or very well. Unless the Return-To-Work policy is system-wide and formal, it just doesn’t show the same level of success.

Please let us know if we can help in any way.



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## **RTW Programs Gaining Attention**

**By Don Osenbaugh**

According to a recent article in the newsletter *Workers' Comp Bottom Line* (February 2007), Return-To-Work (RTW) programs are receiving increased emphasis from employers, insurers, and regulators—as a way to get injured employees back on the job quickly. Why? Because “successful programs can reduce workers’ comp costs.”

The article goes on to point out that in some states (not Kansas...not yet, at least), there have even emerged programs to provide financial incentives to employers. For example, California is cited for having implemented a grant program to assist small businesses with their RTW efforts, by providing up to \$2,500 for workplace modifications to bring back an injured worker. Texas was mentioned in the same article as having a similar program.

The article stresses, as does KMIT, that the benefits of an RTW program include reduced indemnity costs (paid time off work) and increasing the chances of retaining employees after an injury (it costs *money* to train new employees—who also typically lack the experience of the injured employee).

Lastly, the article states that some regulators are paying more attention to employers’ RTW efforts, such as tracking the differences between return rates and patterns for male and female employees or for racial and ethnic groups.

In short, RTW is a big deal, and is quickly becoming an even bigger deal.

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## **Modified Duty Ideas**

**By Victoria Vanderhoof**

Be creative! When considering modified duty assignments, don’t only consider alterations to the injured worker’s usual job. Did you know that you can temporarily reassign an injured worker to another department, or a combination of different departments, to create a modified duty assignment? Sometimes it is difficult to modify some of the more labor intensive jobs to accommodate restrictions, such as in the streets department – but don’t give up there! Consider bringing an injured worker into City Hall to do some filing or answer phones – maybe the parks department could use some help with mowing, there’s always plenty of that to be done! Consider those back-burner tasks

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that department heads have been putting off because they have higher priority items to address. This is the perfect occasion to accomplish those back-burner projects while also lowering the cost of your claims, and helping your employee to recover more quickly and feel productive.

You will have the greatest impact on the cost of the claim if you can provide a full eight hours of modified work, however, if you just can't come up with eight hours of work within the medical limitations, provide as much as you can; you will still reduce the cost of the claim and lower the impact on future premiums. If you cannot provide full hours, you pay for the hours the employee is working and workers' compensation will make up 2/3 of the difference in what you are paying and the pre-injury wage.

Additionally, be aware that you are not required to pay the employee at the usual pay rate for modified duty tasks that do not justify that amount of pay. Again, you will have the greatest impact on lowering the cost of the claim if workers' compensation doesn't pay any wages, but if you can't justify paying the pre-injury hourly rate for the modified duty activity, you can pay whatever rate is appropriate for the task, and workers' compensation will make up 2/3 of the difference in wages.

Alternative productive work can be full or part-time, one-time or ongoing, but it is generally better to avoid make-work or menial tasks, both for the injured employee's sense of worth and for the morale of the entire work unit. Consider tasks not being done by anyone now, jobs being done only occasionally, and those tasks now being done, which if assigned to someone else, would free other employees to do other work.

It is the supervisor's responsibility to ensure that the employee is not being asked to work outside of the medical limitations, and also that the employee is not doing more than the restrictions allow. This is critical for the success of a Return To Work Program. If an employee is found to be working above the restrictions, this should be addressed as an employment issue. Each city should have in place a disciplinary process to address this, and it should be strictly adhered to.

Here are some modified duty assignments our cities have utilized in the past:

scanning	shredding	filing
answering phones	mowing	painting facilities
inventory	preparing a safety manual	watching safety videos
weeding/planting	general clean-up	fill-in for staff on vacation
creating agendas for future safety meetings		

We're always open for ideas – let us know if your city has creative ideas for returning injured workers to work. If you are unsure whether a task fits within the doctor's restrictions, don't hesitate to contact the doctor's office - provide specific suggestions of tasks you are considering and ask if those are appropriate for the employee. The nurse will get an answer and call you back. Or contact me, I would be happy to contact the doctor's office for you and find out whether a particular task is appropriate. If the doctor takes the employee off work completely, contact the doctor and inquire whether modified duty would be appropriate, and provide specific suggestions of work you can provide. If you have a knee injury, the employee should be capable of sit down work; if you have a shoulder injury, they should be able to do most things that don't require overhead work; backs may just need lifting limitations and the ability to change position as needed (i.e., sit/stand). Many doctors simply don't think

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about employers being willing to provide accommodated work – but once they learn you are committed to returning injured workers to duty as quickly as is medically appropriate, you'll start seeing more modified duty releases. Let's keep those workers working – it's best for the injured worker, it's best for the City, and it's best for KMIT!

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## **RTW Situations To Avoid**

**By Victoria Vanderhoof**

The following situations are those that should either be avoided or may be indicative of problems that may exist within your company, and may be a source of increased claim frequency, length of disability, or legal involvement.

- 1) Establishing a confrontational environment to workers' compensation claims. All workers' compensation claims should be treated as legitimate unless proven otherwise by careful investigation by the claim representative. If an injured employee feels that they are being denied what they are entitled, the employee will probably seek legal representation. Attorney representation will not only complicate, but may increase the cost of a claim. If employees know that all cases will be investigated, and if a few questionable claims are uncovered, the number of questionable claims will diminish.
- 2) Keeping employees in the dark about their benefits or claim process. Most employees do not understand the workers' compensation system. If it is not clear to the injured employee what the company will provide in terms of wage replacement, medical cost coverage, rehabilitation, and return to work efforts, the employee is likely to seek outside legal counsel. Questions about benefits should be referred directly to your Claim Representative.
- 3) Not contacting employees on a regular and frequent basis during extended disability. Take an active interest in their recovery. Make them feel that you truly care about their rapid return to work. Don't let the employee feel cut off from the events at the company. Keep them informed as to what is being done to modify a position for them.
- 4) Establishing a negative attitude towards a workers' compensation claimant. Even though you have an active safety program some injuries will occur. Don't blame an employee for their injury. Instead, take the opportunity to involve the injured person in making changes to prevent future similar injuries. Try to head off negative attitudes by co-workers who may assume workers' compensation claimants are only after a few days off. Work to maintain a positive environment in the department to speed a successful and complete return to the job.
- 5) Not willing to make concessions for a permanently partially disabled employee. Employees who know that the employer is making a good faith effort to modify a job to meet work capabilities tend to maintain a better attitude about returning to work. Such efforts by the employer go a long way to improve department morale and productivity when all employees know that if they have the misfortune to be hurt that the company will look out for their interests.
- 6) Pushing an employee beyond work restrictions or allowing them to perform tasks which would complicate or delay recovery. The restrictions set forth by the treating physician are important in the recovery process. If either the supervisor or the employee ignore them, recovery could be delayed or additional related complications could develop.

## KMIT Calendar

<b>April</b>	<b>20</b>	KMIT Board of Trustees Meeting, <i>Arkansas City</i>
<b>June</b>	<b>29</b>	KMIT Board of Trustees Meeting, <i>Sedgwick</i>
<b>August</b>	<b>24</b>	KMIT Board of Trustees Meeting, <i>Great Bend</i>

## KMIT Revenues & Expenses February 28, 2007

### Combined Assets

Cash In Bank	\$4,693,685
Investments	3,552,647
Other Assets	<u>702,353</u>
Total Assets	\$8,948,685

### Combined Liabilities & Equity

Accrued Expenses Outstanding	\$2,462,964
Reserved for Losses	1,884,959
Incurred But Not Reported (IBNR)	2,139,914
Other (IBNR) Adjustments	<u>2,568,194</u>
Total Liabilities	9,056,031
KMIT Statutory Fund Balance	<u>(107,346)</u>
<b>Total Liabilities and Equity</b>	<b>\$8,948,685</b>

## Kansas Municipal Insurance Trust

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