

Table of Contents

Part I BONUS CHAPTER	An Introduction to Workers Comp Cost Reduction	1
About the Book		1
Reasons Workers Compensation Cost are High		1
It's not a "quick fix." It's a comprehensive fix!		2
Step-By-Step Process		4
Phase 1: Assessment and Recommendation		5
Step 1: Assemble Project Team		5
Step 2: Select Team Lead		6
Step 3: Get Your Workers Compensation Score		7
Step 4: Recommendation Review		8
Step 5: Analyze Benchmarks and Develop Program Goals		9
Step 6: Use Weekly Timetable		9
Step 7: Determine Program Name		9
Step 8: Select Injury Coordinator		10
Step 9: Schedule Diagnostic File Review		10
Phase 2: Design and Development		11
Step 10: Design Forms and Procedures		11
Phase 3: Training and Implementation		12
Step 11: Program Awareness		12
Step 12: Training		13
Step 13: Implementation ("Go-Live")		13
Phase 4: Monitoring and Managing		14
Step 14: Monitoring and Managing the Program		14
Sample Document Pages		16
Kick-Off Letter to Divisions		16
Letter to Divisions Providing Assessment Results and Invitation to Conference Call		17
Rollout Letter		18
Injury Coordinator Job Description		19
Workers Compensation Implementation Timetable		20
Facilitator's Agenda for Injury Management Training		21

Part II How to Manage Your Workers Compensation Program

Chapter 1: Workers Compensation Basics	25
Purpose of Workers Compensation	25
Who Pays for Workers Compensation?	25
Parties Involved in Workers Compensation	26
Benefits for the Employer	27
Independent Contractors	28
Benefits for the Employee	29
Injuries Covered	31
Types of Workers Compensation	32
How Losses are Categorized	33
How Losses are Reported	35
Calculating Your Premium	36
How Mod Effects Your Premium	36
Good/Bad Mod Example	37
Five Ways to Reduce Your Mod	37
Chapter 2: Fundamentals of Cost Containment	39
Reasons Workers Compensation Costs are High	39
Who is in Charge?	39
Work Ability Form Properties	40
Who is Responsible for Managing Workers Compensation Claims?	41
Who is Responsible for Managing Workers Compensation Process?	41
Hidden (Indirect) Costs of Workers Compensation	41
Additional Costs	42
Calculating WC Costs	42
External Obstacles to Cost Control	43
Internal Obstacles to Cost Control	44
Chapter 3: Working with Your Adjusters or TPA	45
What is an Insurance Adjuster?	45
What is a TPA?	45
Claims Adjusters	45
Bundled and Unbundled Services	46
Deductible vs Control	46
Learning About Your Claim Partners	46
Meeting with Your Claims Handler	47
Reviewing Open Claims with the TPA	47
Account Handling Instructions	47
Vendor Day	48
File Reviews and File Audits Introduction	49
File Review Procedures	49
File Audit Procedures	50
File Audit Participants	50
MD Participation	51
Chapter 4: Injury Management Best Practices	
Roles and Responsibilities	53
Injury Coordinator Best Practices	53
Supervisor Best Practices	59

Employee Best Practices	62
Middle Manager Best Practices	63
Risk Manager Best Practices	64
Medical Department and Medical Director Best Practices	65
Senior Management Best Practices	66
Legal Department Best Practices	67
Chapter 5: Communication with Employees.....	69
Proactive Communication.....	69
Reactive Communication	69
Keep Complete Records	69
Two Types of Communication	69
Employee Brochure.....	70
Meeting with Your Employee.....	71
First Day Phone Call	71
Weekly Contact.....	72
Weekly Meeting Guidelines	72
Scheduling Weekly Meetings	72
Chapter 6: Reporting a Claim.....	73
Immediately Report All Losses	73
Critical Issues.....	73
Reporting Procedure	73
Intake Procedures	74
Essential Intake Considerations	74
Nurse Triage	75
Employer’s First Report of Injury	76
Chapter 7: Post-Injury Response Procedure	79
Post-Injury Response Procedure Guidelines	79
Benefits of a Consistent Post-Injury Response.....	79
Post-Injury Response Procedure Worksheet.....	79
Implementing Post-Injury Response on the Road.....	80
Sample Post-Injury Response Procedure.....	81
Summary Steps and Format.....	84
Chapter 8: Directing Medical Care.....	87
Gain Cooperation from Medical Providers	87
Types of Doctors	88
Occupational Health Clinics.....	88
Remote Health Services.....	89
Methods of Doctor Selection	90
If the Employer Can Direct Care.....	90
Ten Considerations for Your Company Doctor	91
Eleven Reasons NOT to Select a Doctor.....	91
The PRIMARY Treating Physician (PTP)	92
Understand the PTP’s Perspective.....	92
Information You Need from the Doctor	93
Understanding KEY Medical Injury Terms	93
Directing Medical Care in California	94

Chapter 9: Return to Work	97
Transitional Duty Policy Overview	98
Benefits	98
Drafting a Transitional Duty Policy.....	98
What to Include in a Transitional Duty Policy.....	99
Characteristics of Transitional Duty Assignments.....	100
Estimating the Duration of an Injury	101
Types of Transitional Duty	102
Transitional Duty Tips.....	103
Putting Return-to-Work into Action	104
Alternative Off-Site Jobs.....	104
Non-Profit, Volunteer or Charitable Positions	104
Employees Who Never Return to Work.....	104
Americans with Disabilities Act Issues.....	105
Coordinating WC with Federal and State Leave Statutes	106
Workers Compensation, ADA, and FMLA Interactions	107
Case Study	109
Chapter 10: Other Indemnity Cost Containment Services	111
Work Hardening	111
Independent Medical Evaluations (IME)	112
Timeframes for Scheduling and Obtaining IME	112
Functional Capacity Evaluations (FCE)	113
Vocational Rehabilitation	114
Managing the Vocational Rehabilitation Process.....	114
Retraining Programs	115
Telephonic Disability Intervention.....	115
Chapter 11: Medical Cost Containment.....	117
Medical Cost Containment Services.....	117
URAC Certification.....	117
Preferred Provider Organizations	118
Telephonic Nurse Case Management (NCM).....	119
Field Case Management (FCM)	120
Mental Health RNs	121
Chronic Pain Programs	121
An Aging Workforce	121
Peer Review/Utilization Review (UR)	122
Medical Advisors and Medical Directors.....	123
Independent Medical Evaluation (IME).....	124
Durable Medical Equipment (DME)	125
At Home Recovery Services.....	125
Medical Bill Review Services.....	126
Medical Fee Schedules	126
Fee Schedule Coding.....	127
ICD-9 and CPT Codes	128

Chapter 12: Physical Therapy and Physical Rehabilitation	129
What is Physical Therapy	129
What is Physical Rehabilitation	129
Differences between Physical Rehabilitation Programs.....	130
Physical Rehabilitation Networks.....	130
Physical Rehabilitation Specialties	130
Determining Rehabilitation Needs	131
Physical Rehabilitation Facilities	132
Measuring Physical Rehabilitation Outcomes.....	133
Physical Therapy and/or Occupational Therapy	134
Determining Physical Therapy Needs	135
Physical Therapy Settings	137
Physical Therapy Cost	138
Chapter 13: Pharmacy Benefits Management Program	139
Pharmacy Benefits Managers	139
Authorized Drug Formulary	139
Why Use Pharmacy Benefits Management	139
Reviewing Your Program	140
Key Service Points for a PBM	141
Have Prospective and Retrospective Components.....	142
Prescription Monitoring Programs	143
Toxicology Screening.....	143
Implementing the Program	144
Chapter 14: Fighting Fraud and Abuse	145
When to Investigate a Claim.....	145
Types of Investigation	146
When Does a Claim Raise Red Flags?	147
Medical Terminology Used to Identify Malingering	148
Important Times to Use Surveillance.....	149
How to Use the Results.....	149
When Not to Use Investigation	150
Reviewing Investigation Reports and Videos.....	150
Avoid “Good Day/Bad Day” Syndrome	150
Additional Fraud Controls.....	151
Chapter 15: Training and Building Commitment	153
Key Training Responsibilities	153
Management Awareness.....	154
Presenting to Supervisors	154
Conflicting Role of Supervisors	155
Supervisors Must Be Involved	155
Develop Supervisor Guide.....	155
Building on Success.....	156
Consider Use of Tools.....	156
Bringing Employees on Board.....	157
Your Company Message.....	157
Chapter 16: Claims Resolution and Settlements.....	159

Knowing When and How to Settle a Workers Compensation Claim	159
Disability Rating	159
Jurisdictional Issues	159
Include Future Medical in the Settlement.....	160
Determining the Disability Rating/Permanency Rating.....	161
Challenging Impairment Ratings	162
Medical Issues	163
Disputed Issues.....	163
Offsets and Deductions	164
Prior Injury Offsets	165
Subrogation.....	165
Pre-existing Conditions and Second Injury Funds	165
Availability of Future Employment in the Marketplace.....	166
Voluntary Resignations	166
Strengths and Weaknesses of Both Sides.....	166
Negotiations	166
Waivers and Releases	167
Include Medicare in Release	168
Medicare Set-Asides	168
Conditional Payment and Final Demand	169
Pharmacy Component of MSA	169
Structured Settlements and Annuities	170
California Settlement Process	171

Chapter 17: Safety and Loss Control 173

How to Develop an Effective Safety Program	173
Initial Assessment	174
Goals	174
Assignment of Roles and Responsibilities	174
Safety Program Documentation/Injury and Illness Recordkeeping	174
OSHA Record Keeping for Work-Related Injuries	175
Select Safety Committee, Chairman, and Recording Secretary.....	176
Safety Committee Responsibilities	176
Safety Committee Meetings	176
Communication Methods.....	177
Conduct a Thorough Workplace Assessment.....	177
Hazard Correction/Safety Work Order Tracking System.....	177
Develop Written Policies, Procedures and Programs	178
Accident Investigation Program.....	178
Education and Training for Employees, Supervisors and Managers.....	179
Who Receives Training?	179
Safety Equipment Required Signs.....	179
Safety Awareness Posters	180
Safe Days Posters	180
Safety Recognition and Incentive Programs.....	181

Appendix A: Documents Referenced In Book 183