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## Ways To Lower Worker's Compensation Costs

Workers' compensation is intended to protect employees injured on the job by making sure they receive prompt medical attention and payment for lost wages while they are disabled and out of work because of a work-related injury or illness. Workers' compensation laws require that employers carry insurance or maintain a certain level of financial reserve to make sure sufficient funds are available to compensate workers suffering from on-the-job injuries or illnesses. While accidents happen, some on the job injuries can be avoided with a few simple initiatives, such as health and wellness programs, safety training, and the investigation and pursuit of fraudulent claims. To follow are some ways to implement these cost control measures:

**1. Take immediate action.** The more quickly an employer gets involved in a workers' compensation claim, the sooner it is resolved and the employee can come back to work. Take prompt action and stay involved.

**2. Investigate and pursue fraudulent claims.** Each case will likely raise your insurance premiums, so it's important for employers to investigate claims believed to be fraudulent. Look out for these signs when considering a claim's merit: (1) the employee was new to the job when the injury was reported; (2) the injury is reported Monday morning, and there are no witnesses. People who get hurt over the weekend sometimes try to cash out on their injuries by faking an on-the-job accident; and (3) the employee frequently changes health care providers in hopes of stretching workers' comp payments. When the signs of a fraudulent claim arise, it's important to promptly report them to your insurer.

**3. Create a health & wellness program.** Surveys indicate that companies instituting wellness programs typically see a 30% reduction in medical and absenteeism costs in less than four years. A wellness program can be as simple as coordinating regular meetings to discuss health and nutrition or organizing a group exercise program. Employees who take part in regular fitness programs are less likely to take sick days and are more alert and focused during the workday - translation: less on the job accidents.

**4. Establish & enforce safety guidelines.** To prevent accidents from occurring all together, it is important for employers to implement clear safety guidelines, including any personal protective equipment (PPE) that must be used, identifiable workplace hazards and how to avoid them, and proper use of machinery and equipment. Not only is it necessary to have clear guidelines in place, but it is also important to demonstrate that you are serious about safety. Employees found to have violated safety protocol should be subject to disciplinary action.

**5. Develop emergency response procedures.** Having an emergency response plan in place ensures that your employees will know how to respond in the event of an accident or on the job injury. Your plan should spell out exactly what must be done in an emergency, including who to contact and whether or not employees are to assist in providing care or wait for medical personnel to arrive. Immediate action can mean the difference between the need for one week of workers' compensation versus one month.

**6. Conduct safety & health training.** To ensure all employees understand how to practice safety in the workplace, be sure to provide regular training on safety procedures, hazard protections and emergency response plans. Consider incorporating this training into your new-hire orientation and mandating regular safety training annually thereafter.

**7. Create safety & health committees.** Some state workers' compensation laws require employers to establish safety and health committees. Check your state requirements in the workers' compensation section of our state & federal laws. Even if not required, safety and health committees are a cost effective way to prevent on the job accidents and ensure a safe workplace. To be effective, the committee should meet regularly, conduct periodic worksite inspections, review investigations of occupational accidents, as well as generate and implement suggestions for preventing future accidents.

**8. Post hazard signs.** The Occupation Safety & Health (OSH) Act requires that employers post signs or symbols to indicate and define specific hazards in work areas. There are four primary types of signs established under the Act: danger, caution, safety instruction, and biological hazard warning. Employees must be instructed on what each sign means. Danger signs indicate immediate danger and that special precautions are necessary. Caution signs indicate a possible hazard and proper precaution should be taken. Safety instruction signs must be used where there is a need for general instructions and suggestions relative to safety measures. The biological hazard warning is to be used to signify a biohazard presenting a risk and to identify equipment, containers, rooms, and materials contaminated with possible hazardous agents. Remember to post these signs near the related threat.

**9. Ergonomics.** Ergonomics is the study of how work processes and the work environment contribute to an employee's overall health. When the workplace is designed in a way that takes into account an employee's physical health, it helps to increase the worker's productivity and avoid illness and injuries. Some of the most common ergonomic related injuries include repetitive stress injuries, back pain, and carpal tunnel syndrome. When designing an employee's work environment take these types of injuries into consideration. For example, substitute a regular computer chair for an ergonomically correct chair or allow an employee who regularly types on a keyboard several breaks throughout the workday.

**10. Minimize job stress.** Stress is a leading contributor of on the job injuries. Typically, an employee experiencing stress becomes preoccupied and inattentive and as a result their awareness plummets - setting the stage for some potentially dangerous consequences. Job related stress is often due to excessive work loads, long hours, conflicting expectations, and lack of co-worker or supervisory support. To help diminish some of these stressors, employers should train managers to be constructive and supportive, set realistic goals, restructure jobs to ensure position demands match employee skills, and encourage employees to take adequate breaks throughout the day.

**11. Employee assistance.** Employee Assistance Programs (EAPs) are a good outlet for employees dealing with stress or personal issues that may impact work performance. EAP's are confidential employee counseling programs typically offered to employees as a benefit and are designed to help employees deal with personal problems that may hinder or alter their work performance or health.

**12. Require pre-hire medical exams.** Prior to hiring an employee, consider screening him or her for preexisting medical conditions or drug use. Pre-hire medical examinations and drug testing are only permitted once an offer of employment has been made, and as such, an offer may be made contingent on the results of these exams. Rescinding a job offer is only permitted if an employee's medical condition would realistically impact his or her ability to perform the essential functions of the job. It is important to also note that pre-hire medical examinations and drug screens must be implemented consistently. For example, employers are not permitted to only require those suspected of having a medical condition to submit to a pre-hire medical exam, while relieving others from such a requirement. To ensure non-discriminatory and lawful pre-hire practices, check the medical examinations section of our state & federal laws



Let HealthWorks Northwest help you with referrals to Employee Assistance programs, training programs, procedure guidelines and employee medical exams.

**Call us at 360.578.2527 for information and help.**