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WORKERS' COMPENSATION

Returning to work

Successful programs can help lower employer costs, including workers' compensation

[Kyle W. Morrison](#)

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In the aftermath of the Great Recession, workers' compensation costs for employers nationwide began to drop steadily following years of increases. From 2005 to 2010, employer costs fell from \$89.3 billion to \$71.9 billion, according to the National Academy of Social Insurance.

This trend is reversing, however. From 2010 to 2011, employer workers' comp costs increased more than 7 percent to \$77.1 billion nationally, NASI stated in a 2013 [report](#). The amount of money an employer pays per \$100 of covered wages also increased in 2011, to \$1.27 from \$1.24 the previous year.

Although many reasons for these increases are out of their hands, employers can take certain actions to help mitigate costs – namely getting injured employees back on the job.

“If someone goes back to work soon, [employers] are paying less in disability payments and their workers' compensation program doesn't have to pay for the supplemental job displacement benefits,” said Laura Stock, director of the Labor Occupational Health Program at the University of California, Berkeley. “The more people are back at work, the more workers' compensation costs will be reduced.”

Benefits of returning to work

When someone comes back to work following an injury, he or she may eventually not need workers' comp benefits, according to Elisabeth Simpson. Simpson is a senior consultant with the Job Accommodation Network, a service from the Department of Labor's Office of Disability Employment Policy that provides guidance on workplace accommodations and disability employment issues.

“From a financial perspective, it reduces the costs associated with workers' compensation. From the perspective of the employee, it keeps their employment,” Simpson said. “It's a win-win.”

A single workplace injury can negatively affect a company for years, even after the employee has healed and returned to work, said Sean Mayer, an account executive in Sioux Falls, SD, for Holmes Murphy & Associates, a risk management and insurance brokerage firm. Most states have an experience

Key points

- For the first time in years, workers' comp costs have increased, likely due to the recovering economy and rising medical costs.
- Returning an injured worker to the job can help avoid direct costs to employers' premiums, as well as “soft” costs such as retraining replacement staff.
- A good return-to-work program includes open lines of communication and willingness to make accommodations, experts say.

modification factor which influences how much an employer pays in workers' comp premiums, Mayer said.

In many situations, an injured employee has a window of time in which to return to work before the claim negatively affects the experience modification factor.

The time period depends on the state. In Iowa, for example, an injured employee returning to work within three days will not greatly impact an employer's workers' compensation premium. But if the return takes more than three days, the employer would see its premiums increase, and the claim would stay on the record for three years. Other states are different – in South Dakota, the window of time is seven days.

Getting that injured worker back through the front door helps avoid this premium hit, Mayer said. Workers do not have to return to their former job, however – they can perform any task that is allowed by their doctor. They may not even have to work a full shift, Mayer said, although some states require a certain number of hours to be worked.

The benefits for employers can be substantial. In addition to direct savings on premiums by returning workers to the job, Mayer said employers can save on several “soft” costs. When an injured employee is off the job, employers may hire additional help, which Mayer said is essentially paying twice for the same job – the injured worker's salary and the replacement worker's salary. Additionally, costs could be associated with training the replacement worker, or with shifting employees around to cover for the injured worker.

In some cases, \$10,000 in medical expenses can add up to as much as \$40,000 in the long run when lost time, retraining and other often-overlooked costs are included, according to Mayer.

“Claims cost a lot more when you factor in the soft costs,” he said.

Injured employees also benefit by returning to work, Simpson said. When injured workers are on workers' comp, they may receive only a portion of their salary, the percentage of which varies by state. Going back to work gives them a full salary. Some benefits are more intangible, according to Mayer, such as workers feeling like they are still part of the team and getting to see people every day, as opposed to sitting around at home.

Conquering fear

The path to returning to work is not always easy, as fear may make some employees hesitant to participate in a return-to-work program.

In June, the Workers Compensation Research Institute released a series of reports that concluded workers who fear being fired as a result of their injury take longer to return to work than employees who feel secure. On average, workers fearing termination stayed on disability four weeks longer than other workers. About 20 percent of workers who feared being fired reported not working – twice as many as workers who felt their job was secure, WCRI found.

The studies' results did not surprise Mayer, who has encountered many employers suggesting the employee may have committed fraud when the workers' comp case first begins.

“They feel anything that's halfway suspicious or if they don't like the person, they're just going to shoot for fraud on it,” said Mayer, who advises employers against immediately pursuing allegations of fraud, as

it can feed employees' fear and make returning to work difficult.

An adversarial relationship between employers and employees is not uncommon, according to Stock. Employees may feel workplaces are unsafe or worry about being retaliated against for reporting hazards, and employers might blame workers at times for their own injuries. (Stock was quick to add that most injuries occur because of unsafe conditions.)

When fear exists in a workplace and nothing is dispelling that fear, workers will not speak up about safety, Stock warned, potentially leading to more injuries. "Fear, to me, is a symptom of a workplace that's not functioning the way it should," she said.

Combating misconceptions

Experts say various misconceptions may make some employers reluctant to institute a return-to-work program.

One of these, Simpson said, is that returning an employee to work costs a lot of money. The Job Accommodation Network has determined that the cost of returning an injured worker to the job is minimal – only about \$500. The costs stem from accommodations made for the returning worker, and could include new equipment or on-the-job training if the worker is reassigned to a different position. About half the time, according to Simpson, employers have reported no cost to providing injured workers with accommodations.

Certain modifications may be on the expensive side, but they may improve occupational safety and health at a broader level, Stock said. For example, if a conveyer belt is too low or too high, adjusting its height could prevent future injuries.

Another misconception is that a worker will be re-injured upon return. Simpson said employers should not assume a re-injury will occur, and ensuring appropriate accommodations are in place upon a worker's return is one way to mitigate the risk of re-injury.

Although some employers may believe injuries are fraudulent, Mayer said most of the time that is not the case. However, depending on how an employer handles the case, an injury could become fraudulent. He gave the following example: An employer might believe light duty is letting employees "off the hook" and will give the returning employee a job he or she does not like, leading the worker to feign another injury. Still, Mayer stressed that fraudulent injuries are "few and far between."

Employees can have their own misconceptions as well. According to Simpson, for many workers, it is the unknown: Will returning to the job work out; will it benefit me? These fears can be calmed through a well-run return-to-work program.

Increasing costs

The National Academy of Social Insurance attributes part of the recent increase in employer workers' compensation costs to the economic recovery following the mid-2000 recession – more employees returning to the workforce means higher costs for employers.

However, other drivers exist for the increased cost employers are facing in their premiums, according to Sean Mayer, an account executive for risk management and insurance brokerage firm Holmes Murphy & Associates. One such factor is growing medical costs, which Mayer said are inflating nationwide. Experts point to several reasons for these rising costs, including growing provider prices, increasing cost of medical technology, waste, an aging population and unhealthy lifestyles.

America's increasingly unhealthy workforce directly contributes to driving up workers' comp premiums, Mayer said. More than one-third of all Americans are obese, according to the Centers for Disease Control and Prevention, and a recent NIOSH [study](#) published in the *American Journal of Preventive Medicine* (Vol. 46, No. 3) found that nearly 30 percent of U.S. workers are obese.

Obesity is closely linked to metabolic syndrome, which is a group of risk factors that raise an individual's risk of developing heart disease and other health problems, including diabetes and stroke, the Department of Health and Human Services warns.

"We are not a healthy nation. Not being healthy leads to injuries," Mayer said, adding that workers with metabolic syndrome are more likely to be injured and take longer to recover from injuries, both of which increase medical costs.

Elements of a good program

A key to a good return-to-work program is developing one before you need it, Simpson recommends.

Every injury and every return-to-work situation should be treated individually. However, employers can prepare ahead of time by maintaining current job descriptions and listing possible light-duty assignments for each of those jobs.

Job descriptions need to be kept up to date, Simpson stressed, and employers should make sure employees are actually doing what is outlined in the job description. Mayer said an organization's return-to-work plans should be communicated to employees at hire and on an annual basis.

"They know if they get hurt, there'll be something for them to do," Mayer said.

In terms of reassignment, a returning worker should be qualified for the job he or she is given, Simpson said. If the returning employee is given a new assignment during recovery, the process should not be any different than when a completely new employee is brought in – the same type of training should be done.

Light duty can mean many things – and not necessarily simply filing or sorting paperwork. Returning workers placed on light duty can answer phones or organize the next safety meeting, for example.

Employers should work with a local clinic or hospital and inform the staff about the kind of work performed at the jobsite, as well as about the return-to-work program. This way, if an injured employee visits the clinic, the medical team knows what type of light-duty work is offered at the jobsite.

In most states, workers can choose where they receive treatment. For situations in which an employee chooses to not go to the employer's preferred clinic, Mayer recommended that employers reach out to those doctors to work within restrictions for the injured employee.

When a doctor gives the injured employee work restrictions, the employer should learn the specifics, Stock said. A prohibition against "heavy lifting" is vague; knowing an employee is barred from lifting a specific amount is more helpful.

If a new job assignment is not working out, employers should assure employees that they are willing to help fix the situation, Simpson said.

Communication is vital to the process as well. Along with the employee's doctor, employers should maintain open lines of contact with the injured employee, and do so without using fear tactics, Mayer said. If attorneys become involved, he advised employers to stay calm, keep good documentation and consistently follow procedures.

A good return-to-work program should evaluate the circumstances that led to the injury in the first place, Stock said. Learning how the injury occurred and what can be done to prevent future injuries can help reduce the chance of the returning worker being re-injured, as well as injuries to other workers.

“Ultimately, everybody wants to prevent these injuries from occurring. It's not a good situation for workers or employers to have workers out on workers' comp,” she said. “So taking those lessons and preventing future injuries from occurring is really important.”



[Kyle Morrison](#)

Senior Associate Editor Kyle W. Morrison covers occupational safety and workplace safety regulation, and writes the [On Safety](#) blog.

kyle.morrison@nsc.org

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