

S E L F - I N S U R A N C E
B U L L E T I N

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INFORMATION YOU NEED TO BUILD A BEST PRACTICE WORKERS' COMP PROGRAM

At Midwest Employers Casualty Company, you will often hear us talk about helping our clients achieve a Best Practice Workers' Compensation Program. As a result of your growing interest and many informational requests, we decided to devote this issue of the Self-Insurance Bulletin to describing what comprises a Best Practice Program and how to initiate its development.

Simply stated, a Best Practice Workers' Compensation Program is one which is designed to



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protect and maintain the safety and well-being of an organization's employees. When highly trained and experienced employees remain on the job and are not impacted by workplace accidents, productivity is maximized, employee morale increased, and workers' compensation costs reduced.

Whether your company is involved in manufacturing, construction,

trucking, or healthcare, best practice performance is becoming essential given today's competitive and financial pressures. Similarly, public sector entities such as cities, counties, and school districts are also seeking the improved efficiency and effectiveness afforded by best practice programs.



In helping self-insureds achieve Best Practice Programs, we have consistently identified seven components

1 Information You Need to Build a Best Practice Workers' Comp Program

INFORMATION YOU NEED, CONT.

needed for superior program performance. These are:

1. Program Coordination
2. Employee Health and Wellness
3. Safety and Loss Prevention
4. Claims Administration
5. Medical Management
6. Return to Work
7. Data Management

When an organization actively manages each of these areas, Best Practice Performance can be achieved and sustained. Let's look at each of these components in more detail.

Coordinator will become responsible for managing both frequency and severity of workers' compensation claims and ultimately the organization's Total Cost of Risk. Those charged with such responsibility perform most effectively when

they are expected to perform. This process should begin before employees are even hired and continue throughout their employment. Businesses should also encourage employees to protect and improve their health and well-

being since healthy workers are less likely to become injured and more likely to return to work promptly should an injury or illness occur. on a very visible role and support the program through communication, example, and financial support. A well-represented, multi-disciplinary Safety Committee who is empowered to affect change can also play a significant role in accident reduction efforts. All employees should be held accountable for safety and loss prevention at the workplace as a condition of employment.



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Safety and Loss Prevention.

Preventing accidents

Claims Administration.

Claims costs represent such a significant portion of an organization's total cost of risk that an employer must take an active role in the claims administration process. One of the most immediate ways to impact claims costs is to communicate and ensure all workplace incidents are reported immediately. The sooner a claim is reported to the third party administrator, the sooner the adjuster can begin the claims management process. Industry studies

Program Coordination.

A Best Practice Program begins with sound program coordination. At the outset of any program, an organization needs to designate an individual who will assume the role of Workers' Compensation Coordinator. This person must be highly motivated and results oriented, knowledgeable of workers'

they are truly empowered to influence and make staffing and financial decisions that impact program performance.

Employee Health and Wellness.

The second component of a Best Practice Program revolves around a strong

in the workplace is one of the most effective ways to control workers' compensation costs and maintain a fully engaged workforce. An organizational culture in which safety is a priority among managers, supervisors, and employees is essential to

have shown the more time that elapses between the time an accident occurs and

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compensation issues, esteemed by managers and colleagues, and possess powerful communication skills. The Workers' Compensation

employee health and wellness plan. Employers have an obligation to ensure that workers' physical abilities are commensurate with the duties

success. The creation of such an environment begins with top management's leadership and commitment to safety. Senior executives must take

the time it is reported to the claims administrator, the more costly claims are. Secondly, employers need to maintain an active role in monitoring

INFORMATION YOU NEED, CONT.

the services provided by the third party administrator.

designated physicians and clinics that specialize in

oriented to the program and all employees should receive

are occurring. This level of information, in turn, allows

Service expectations need to be clearly defined and communicated, and performance needs to be measured

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employers to develop and implement cost management strategies aimed at achieving the greatest and most immediate

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treating industrial injuries, independent medical evaluations, medical case management, medical bill review, and pharmaceutical management.

on-going communication regarding the employers' philosophy, structure, benefits, and responsibilities. Treating physicians and IME doctors also need to be aware of the employer's willingness to create modified and alternate duties to accommodate return to work restrictions.

impact on program results. Benchmarking data also allows an employer to measure how they are doing compared to established goals and objectives. One of the most valuable aspects of a Best Practice Program is the ability to share information reports and summaries with those responsible for managing various aspects of the workers' compensation program. The result is noticeably improved decision-making capabilities.

Medical Management.

Workers' compensation medical costs are spiraling out of control. Medical treatment and accompanying medical expenses must be monitored and managed aggressively. Control of this process starts by fostering an environment of trust where workers believe their employer will do everything possible to provide prompt, quality medical care. Communication with injured employees should take place on an ongoing basis throughout the recovery process. Among some of the more effective techniques being employed in managing workers' compensation medical costs today are: preferred provider organizations,

Return to Work Program.

No Best Practice Program is complete without the development and implementation of an aggressive Return to Work Program. Since the goal is to get injured workers back to their pre-injury job, the Return to Work Program should provide transitional duty. Transitional duty allows the injured employee to come back to work with the restrictions given by the treating physician and then transitions the individual back into the original job as restrictions are lessened. The most successful return to work programs have the support of top management as well as middle managers and front-line employees. New hires should be

Data Management.

Tracking, trending, and analyzing data is necessary to determine where, why, and what types of injuries



At Midwest Employers Casualty Company, we recognize the importance of helping our clients achieve a Best Practice Workers' Compensation Program. As a result, we have developed a Best Practice Series based on the components detailed above.

BUILDING A BEST PRACTICE WC PROGRAM, CONT.

Midwest Employers Casualty Company is pleased to announce that we will be offering on-going Webinars exclusively to our existing clients and agents to assist them in developing their own Best Practice Workers' Compensation Programs. In addition, we will facilitate on-line meetings so that our clients can network with others in their industry to share best practice strategies and results.


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Discover the Midwest Employers difference....the only excess carrier working

directly with its' clients to formulate best practices in workers' compensation.

Whether you're starting from scratch or just need to fine tune your current program, Midwest Employers Casualty Company is there for you.



To learn more about our Webinar Series or how to join our online meetings, contact Darrell Toenjes at Midwest Employers Casualty Company at 1-877-WRK-COMP (1-877-975-2667) or by email at dtoenjes@mwecc.com. 

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