Fight Back! Stop Rate Increases

It is inevitable. As soon as you congratulate yourself on reducing the frequency of workplace injuries, you get a notice from your insurance broker that your workers’ compensation premium is being increased 10%. Don’t just accept it as another rate increase, fight back.

The focus of our company is to assist you in controlling and reducing the cost of workers’ compensation. None of the following recommendations by themselves will give you control over the cost of workers’ compensation, but the recommendations together will give your control in the battle to minimize the cost of workers’ compensation

**Safety Program:**

The lowest cost workers’ compensation claim is the one that never occurs. The elimination of accidents reduces your cost of workers’ compensation. When the insurer’s underwriter is calculating your annual premium, the underwriter reviews the frequency of accidents and the severity of the accidents that do occur.

A strong safety program will incorporate safety training for all employees, a job hazard analysis to identify and eliminate causes of accidents, work-site evaluations and inspections to prevent accidents, and a safety specialist or safety committee to keep safe practices at the fore-front of your work process.

**Return to Work Program:**

A mandatory, company-wide return to work policy should be implemented if your company does not already have one in place. The return to work policy should be a part of every new employee’s orientation. It should be posted on the employee’s bulletin board and be discussed in staff meetings. All employees should know a job will be available to them as soon as they medically approved to work light duty.

The company’s workers’ compensation coordinator should place a call to the medical provider the day of the initial medical treatment to learn the work restrictions provided by the doctor. The workers’ compensation coordinator should advise the doctor of the employer’s willingness to modify the employee’s job duties to comply with the work restrictions.

**Wellness Program:**

An integrated health and wellness program will reduce the cost of workers’ compensation by reducing the impact of comorbidities on the injured employee’s recovery. By reducing obesity, diabetes, hypertension and physical deconditioning, an injured employee recovers faster from an injury, reducing both the amount paid for medical care and the time lost from work.

**Medical Cost Control Program:**

Historically, medical expenses make up over half of the total cost of work comp. If your state allows you to designate a specific medical provider or allows you to designate a list of medical providers from which the injured employee must select, be absolutely sure to do so. By directing the injured employee to a doctor with vocational medicine experience who understands the need to get the employee back to work as soon as feasible, you will eliminate unnecessary medical treatment and unnecessary delay in the employee returning to work. If your state does not allow you to designate the medical provider(s), you should post on your employee’s bulletin board a list of recommended medical providers.

From the moment of injury until the injured employee has reached maximum medical improvement, the course of the medical care should be managed. Initially, a triage nurse should arrange the immediate medical care and any subsequent medical appointments. If the injury is severe, and the employee is going to be off work, a nurse case manager should take over the coordination and arrangement of medical care.

**Alternatives to Insurance:**

Larger employers should discuss alternatives with their brokers. Instead of a standard workers’ compensation insurer, large employers should explore the possibilities of setting up their own pure captive insurance company, renting a captive, joining a group captive, joining a pool, joining a risk retention group, joining a purchase group, or starting a large deductible program. Each of these alternatives has pluses and minuses, so please research each carefully.

For more information on how you can fight back against another rate increase, please give us a call. We will be glad to discuss your specific needs and assist you.