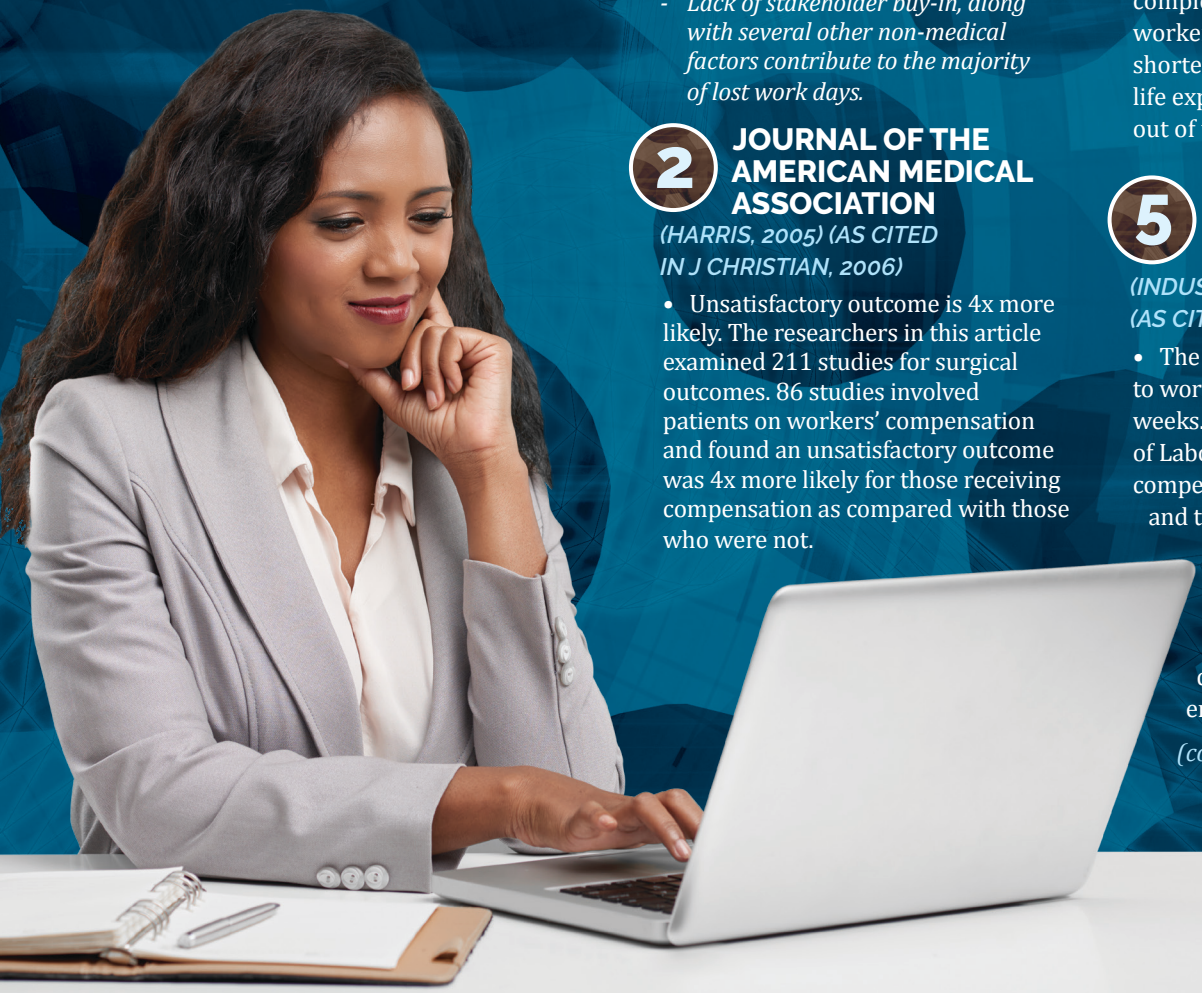
13 Research Studies to Prove Value of Return-to-Work & Gain Stakeholder Buy-In

When an employee is injured on the job, the main goal of an employer's workers' comp management program is to return the employee to work as soon as they are medically able. However, return to work is difficult with resistance from management, supervisors, medical providers, and employee.

Gain buy-in from stakeholders by showing vast amounts of research and data that proves the value of Return to Work — both from a claim outcome and ROI standpoint.



STUDIES DEMONSTRATING EFFECT OF RTW ON OUTCOMES

1 AMERICAN COLLEGE OF OCCUPATIONAL AND ENVIRONMENTAL (ACOEM) STATISTICS

(J CHRISTIAN, 2006)

- 5% of workers' compensation claims account for 80% of workers' compensation costs.
  - *Preventing 1-2% of these claims translates to a substantial reduction in costs.*
- 60 – 80% of lost work days are medically unnecessary
  - *Lack of stakeholder buy-in, along with several other non-medical factors contribute to the majority of lost work days.*

2 JOURNAL OF THE AMERICAN MEDICAL ASSOCIATION

(HARRIS, 2005) (AS CITED IN J CHRISTIAN, 2006)

- Unsatisfactory outcome is 4x more likely. The researchers in this article examined 211 studies for surgical outcomes. 86 studies involved patients on workers' compensation and found an unsatisfactory outcome was 4x more likely for those receiving compensation as compared with those who were not.

3 WASHINGTON STATE DEPARTMENT OF LABOR & INDUSTRIES

(TURNER ET AL.)

- 2x more likely to develop chronic work disability. Research in the monopolistic state of Washington found employees after three weeks who were not offered accommodation for transitional duty were almost 2x more likely to develop a chronic work disability.

4 IS WORK GOOD FOR YOUR HEALTH & WELLBEING?

(BURTON, 2006)

- Shorter recovery times and longer life expectancy. A lengthy RTW study completed in London found "injured workers who continue working have shorter recovery times and a longer life expectancy than those who are out of work."

5 PROBABILITY OF RETURNING TO WORK

(INDUSTRIES, 2013) (AS CITED IN IAIABC, 2016)

- The probability of ever returning to work drops considerably after 12 weeks. Washington State Department of Labor conducted a study of all their compensable claims from 2011-2012 and tracked them two-years post-injury. The study found the probability of ever returning to work decrease, and the odds of developing a chronic disability increase the longer an employee is off work.

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- Probability of returning to work:
  - *Within 12 weeks = 92.2%*
  - *13 – 26 weeks = 55.4%*
  - *27 - 40 weeks = 42.7%*
  - *52 – 65 weeks = 32.2%*
  - *66 – 79 weeks = 22.8%*
  - *80 – 92 weeks = 10.7%*
  - *> 104 weeks = 4.9%*

6 OSHA'S 'SAFETY PAYS' PROGRAM *(OSHA, N.D.)*

• Indirect costs are 1.1- 4.5x direct costs. OSHA's 'Safety Pays' Program demonstrates that the indirect costs of having workers out of work are 1.1 – 4.5x direct costs. Indirect costs include such things as training, replacing workers, and lost productivity.

7 ARE YOU NOT WORKING BECAUSE OF YOUR INJURY, OR ANOTHER FACTOR? *(SAVYCH, 2015)*

• 150% more employees are not working because of another factor. Workers Compensation Research Institute (WCRI) conducted a worker outcomes study and examined Return to Work outcomes that were due to factors other than the injury. They asked the question to injured workers with at least seven days of lost time approximately three years post-injury, are you not working because of your injury, or another factor?

• On average across age groups, 150% more employee responded they were not working because of another factor.

8 OPTIMUM RECOVERY VS. REALITY IN INJURY DURATION GUIDELINE

• Only 50% of injured workers are back to work within maximum required recovery time. Injury duration guidelines published by the Work Loss Data Institute (ODG) as well as MD Guidelines publish data on physician consensus of the required physiological healing time for specific injuries.

• Required physiological healing time and actual return to work data do not match.

• *Example:* For a partial rotator cuff injury, the injury duration guideline states 85 days is the maximum recovery time needed for someone who does very heavy, labor-intensive work. However, in reality: *(data provided by MD Guidelines)*

– *50% of injured workers with this injury return within 96 days.*
– *5% return in 18 days.*
– *95% return in 373 days.*
– *17 % never return to any work*

STUDIES DEMONSTRATING EFFECT ON COSTS

9 LABOR AND INDUSTRIES (L&I) STAY AT WORK FINANCIAL INCENTIVE PROGRAM *(IAIABC, 2016)*

• $2.40 ROI for every $1 invested. Washington State is a monopolistic state, meaning the state is the sole provider of workers' compensation insurance. The state offers a Stay At Work financial incentive program to their employer customers of a 50% reimbursement of their payroll expense for employees who return to work, up to $10,000 or 66 days.

• Results of the program through 2015:

– *$2.40 ROI for every $1 reimbursed*
– *4,000 employers and 16,700 injury claims participated in reimbursement*
– *$41 million has been paid out in reimbursements*
– *84% of claims have not gone beyond 66 days.*

10 HOW EFFECTIVE ARE EMPLOYER RETURN-TO-WORK PROGRAMS? *(MCLAREN, 2010) (AS CITED IN IAIABC, 2016))*

• 3.6-week reduction in the median number of weeks out of work. This study found a 3.6-week reduction in the median number of weeks out of work among employers with a RTW program.

11 BACK TO WORK PROGRAMS PAY BIG DIVIDENDS *(FRIEDMAN, 1995) (AS CITED IN IAIABC, 2016)*

• 87.5% reduction in costs. This study examined Gibson's Greetings, at one time the 3rd largest greeting card company, and demonstrated an 87.5% percent reduction in costs due to the implementation of a return-to-work program.

12 CRAWFORD & COMPANY STUDY

• Recover 3x faster, Save 70% in claims costs. A 1995 study by Crawford & Company found employees recover from injuries 3x faster when they are on the job, and employer return to work efforts can save up to 70% in claims costs.

13 INTERNATIONAL SOCIAL SECURITY ASSOCIATION ISSA GUIDELINE & RETURN TO WORK REINTEGRATION *(ISSA, 2013)*

• 3.7 to 1 ROI. This international report looked at the effects of return to work best practices on organizations and found an average 3.7 to 1 return on investment over a two year period.

LEVERAGE RESEARCH TO GAIN STAKEHOLDER BUY-IN

13 studies have been presented representing the value of return to work, as well as the impact on claim outcomes. Leverage this hard data to make a compelling case to any stakeholder who does not understand the value of return-to-work.

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