Texas Association of Counties

REGIONAL

POOL WORKSHOPS

RESOURCES AND SOLUTIONS FOR COUNTIES

VARIOUS LOCATIONS | FALL 2019
Beneath the Surface in Workers’ Compensation Claims

Where Does All the Money Go?

Presented by:
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Before we Begin ... Test Your Knowledge!
Question #1

The First Report of Injury (FROI) is used to report all but the following:

a. Wages
b. How the accident occurred
c. Where the accident occurred
d. Return to work date
e. All of these items must be reported on the FROI
Question #2

Loss Run data such as class codes and loss descriptions come from which of the following sources?

a. The Employer’s Supplemental Report of Injury (DWC-6)
b. Helana, she does everything and then some
c. Your TAC Risk Management Consultant or TAC Risk Control Consultant
d. The DWC-1: First Report of Injury that the county completes
Question #3

Can an employee legally return to work without a return to work slip or certification from a doctor?

a. Yes
b. No, doctor must release the employee
c. Not sure
Question #4

How many calendar days does the county/employer have to report return to work, or additional lost time after initially returning to work, to the Pool?

a. 10 days
b. 3 days
c. 4 days
d. 5 days
Question # 5

How does the Pool calculate wages for an injured worker when paying income benefits?

a. Supplemental Report of Injury
b. Texas Workforce Commission records
c. Employer’s Wage Statement
d. Multiple Employment Wage Statement
e. a., c. and d.
Question 1 Analysis: FROI and Accurate Data

Financials and Predictive Analytics!

Age of claimant?
Date of hire?
Lost time?
Seriousness of incident/accident?
Where and why did accident occur?

Impact on Reserves
TeamComp

Lower claims costs
Faster claim resolution
Better outcomes for injured workers
Fewer lost time days
EXPERTISE MAKES THE DIFFERENCE

When a trigger is found, our dedicated clinical review team analyzes the claim. Their in-depth review covers a multitude of factors:

- Medical Information
  - Diagnosis
  - Physician (experience, expertise, and specialty)
  - Test results
  - Proposed treatment plan
- Non-medical factors:
  - Return to work strategy
  - Employment status

This expert analysis is the heart of TeamComp. The goal is to ensure that we have complete and accurate information so we can make the right medical and claim management decisions throughout the claim.
TEAMCOMP IMPACTS IN THE REAL WORLD

Real-world data from our clients illustrating historical costs compared to costs once TeamComp was deployed. Number of claims did not vary significantly from year to year (<6%). Results remain consistent across multiple injury codes.

<table>
<thead>
<tr>
<th>HISTORICAL DATA</th>
<th>USING TEAMCOMP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AVG LOST TIME DAYS</strong></td>
<td>$115.5</td>
</tr>
<tr>
<td>Decreased from 115.5 to 51.5, a decrease of 55.41%</td>
<td></td>
</tr>
<tr>
<td><strong>AVG TOTAL PAID</strong></td>
<td>$27,325</td>
</tr>
<tr>
<td>Decreased from $27,325 to $13,296, a decrease of 51.34%</td>
<td></td>
</tr>
<tr>
<td><strong>AVG TOTAL MEDICAL</strong></td>
<td>$17,234</td>
</tr>
<tr>
<td>Decreased from $17,234 to $8,250, a decrease of 52.13%</td>
<td></td>
</tr>
</tbody>
</table>
What Do You See?
Question 2 Analysis: Loss Runs - Actionable Data

<table>
<thead>
<tr>
<th>Cause of Loss</th>
<th>2017 Number of Claims</th>
<th>2017 Total Incurred</th>
<th>2018 Number of Claims</th>
<th>2018 Total Incurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>FALL, SLIP, OR TRIP INJURY FROM DIFFERENT LEVEL (E)</td>
<td>110</td>
<td>$717,925.59</td>
<td>142</td>
<td>$968,276.17</td>
</tr>
<tr>
<td>FALL, SLIP, OR TRIP INJURY FROM LADDER OR SCAFFOLD</td>
<td>23</td>
<td>$336,097.07</td>
<td>12</td>
<td>$202,442.93</td>
</tr>
<tr>
<td>FALL, SLIP, OR TRIP INJURY FROM LIQUID OR GREASE S</td>
<td>62</td>
<td>$567,856.05</td>
<td>84</td>
<td>$149,233.83</td>
</tr>
<tr>
<td>FALL, SLIP, OR TRIP INJURY INTO OPENINGS</td>
<td>18</td>
<td>$211,307.59</td>
<td>21</td>
<td>$64,357.02</td>
</tr>
<tr>
<td>FALL, SLIP, OR TRIP INJURY NOT OTHERWISE CLASSIFIE</td>
<td>88</td>
<td>$440,026.68</td>
<td>66</td>
<td>$90,069.07</td>
</tr>
<tr>
<td>FALL, SLIP, OR TRIP INJURY ON ICE OR SNOW</td>
<td>8</td>
<td>$10,750.18</td>
<td>14</td>
<td>$122,376.11</td>
</tr>
<tr>
<td>FALL, SLIP, OR TRIP INJURY ON SAME LEVEL</td>
<td>328</td>
<td>$1,129,845.07</td>
<td>248</td>
<td>$1,183,944.78</td>
</tr>
<tr>
<td>FALL, SLIP, OR TRIP INJURY ON STAIRS</td>
<td>99</td>
<td>$177,250.33</td>
<td>87</td>
<td>$267,174.14</td>
</tr>
<tr>
<td>FALL, SLIP, OR TRIP INJURY SLIPPED, DID NOT FALL</td>
<td>30</td>
<td>$45,036.51</td>
<td>19</td>
<td>$14,408.07</td>
</tr>
</tbody>
</table>

Dig deeper, find the causes.

What questions come to mind here?
Know your Risks...

What does your county’s WC risk matrix look like?

Risk Matrix: Presented by Liberty Mutual Insurance
Questions 3&4: Return to Work and County Dollars

RTW Not Reported Timely = \[
\text{Claims Costs}
\]
Case Scenario: Return to Work Reporting

Employee returns to work and County reports 3 weeks later.

By the numbers....

- Maximum Temporary Income Benefit Rate = $938/week
- When no Impairment Income Benefits due, this amount cannot be recouped

Overpayment = $2,814

4 claimants in a year... $11,256
The Obvious Benefit of RTW

• Track savings for your county
• How much?
  • 4 weeks at maximum TIB rate = $3,752
  • Savings for 2 workers per month = $7,504
  • Savings for 3 workers per month = $11,256
  • 3 workers per year = $135,072!
Benefits of Return to Work for Injured Workers

- Keep Job-related Benefits
- Reduce Financial Losses
- Heal Faster
- Remain Employable
- Maintain Physical and Emotional Health
Question #5: Income Benefits and Wages

Wage Statement should be filed on the 8th Day of disability (employee earning < preinjury wages due to injury)
Case Scenario: Wage Reporting

- County files Wage Statement 4 weeks late or files inaccurately.
- Employee was initially paid at rate of $750 per week.
- New rate = $605 per week
- Cannot be recouped if no Impairment Income Benefits due
- But wait... that’s not all... Add interest due for inaccurate wage statements.

4 weeks x 145 = $580 overpaid

5 employees later = $2,900
Indirect Costs of WC for the County

Maximum Medical Improvement

≠

Return to Work

What should the county do?
When Full Duty is Not an Option

Members work with TAC HR Consultants!

Engage County HR early

Employees with psychosocial barriers?

Older workers?

Job descriptions, replacement options, light duty?

Members work with TAC HR Consultants!

Employee with comorbidities?

Chronic pain?

Serious Injury?
Other Things Lurking Below ...

$\textbf{The Money Monster}$$\textbf{$$}$

Not to be confused with ...
The Overlooked Costs

• Wages for absences not covered by Workers’ Compensation
• Overtime costs for others
• Time spent by administrators, supervisors, safety personnel and many others who handle the claim internally.
• Morale, goodwill... how do you measure that?
Monsters Need to Eat

- Cost of hiring and training a replacement worker
- Lost productivity related to work rescheduling, new employee training, accommodating the injured employee
- Cost to clean up, repair and replace equipment damaged by the accident
- Other claims? Auto? Liability?
Some Advice ...

• Know who you are hiring!
• Can that person do the job? Fitness tests?
• Job descriptions up to date? Use for posting and interviews.
• Is the right employee doing the right job?
• Safety meetings
• Educate supervisors
• RTW Programs
Resources Online

• New to WC? Need a refresher? No problem!
  • Contact Stacy or Helana for training and publications
• Division of Workers’ Compensation Web Demo

Employer Resources
The Big Picture

Well-informed County with better financials and less claims costs!
Thanks for Attending!

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