# Managing **Workers' Compensation** Costs

Effective ways to manage workers' compensation costs happen before and after incidents occur. Remember that success requires the cooperation of everyone in the organization.

## Pre-incident strategies

Pre-incident strategies are developed before an incident occurs and can help you reduce the probability and control the frequency of costs associated with workplace injuries.

### Safety program

Safety programs help keep your employees safe on the job. Finding ways to reduce the number of work-related injuries and illnesses is also one of the best ways to reduce workers' compensation costs. Check with your organization to see if it has a safety program, and if the program is updated to reflect the current work environment. If not, be sure to develop and implement one, or update the existing program to reflect the changes.

### EAPs and wellness programs

An Employee Assistance Program (EAP) is a professional counseling service that allows employees with various problems to discuss them with trained counselors. Problems can range from stress or financial problems to conflicts with a spouse or child. Employees experiencing these problems are more likely to experience accidents and injuries on the job, so providing a way to manage the problems helps keep employees safe on the job.

Wellness programs are designed to encourage employees to become healthier. Wellness programs can include how to maintain a healthy diet, the importance of exercise, or smoking cessation. These programs are designed to help keep the employee healthy, which helps them stay safe at work.

## Post-incident strategies

In some cases it is difficult to prevent an incident despite everything in place. When an incident does occur, how it is handled can impact workers' compensation costs.

### Incident Management

Incident management provides proper treatment to an injured employee and ensures the employee receives the necessary follow-up treatment. Employers have the right to check in periodically with an employee who is away from work due to a work-related injury to determine that employee's status. In instances of work-related injuries involving significant time away from work, intensive medical management may be required, with a case manager tracking the progress of the injured employee.

Another part of incident management is conducting a formal accident investigation to determine the root cause of the incident and then implement steps to prevent similar incidents. If the steps that lead to an incident are not resolved, your organization could see similar incidents occur, which means a significant increase in workers' compensation costs.

### Physician selection and communication

Working with occupational physicians is another way you can manage workers' compensation costs. These physicians have more experience treating occupational injuries and understand the benefits of getting employees back to work as quickly as possible. Discuss the availability of modified duty with the treating physician. Be creative — an employee's pay while on workers' compensation is not much less than their normal pay. The employee may be productive enough to easily make up the difference. Of course, the modified duty would have to be within any medical restrictions.

### Contact

Be sure to talk to your employees while they are recuperating from work-related illnesses or injuries. Employees left alone not only take longer to heal, but they also start to feel alienated, frightened and/or angry about their employment status. Such attitudes can lead to longer recuperation times, increased workers' compensation costs, and employee decisions to seek outside legal representation.

### Return to work programs

Few employees benefit from sitting idle at home. The sooner an employee gets back to work, the quicker the chance of recovery. To help them recover, develop a program that accommodates their return to work. For example, if an employee is physically capable, you could find some kind of transitional work during recuperation.

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