

# Containing the claims costs of employee injuries

## Risk Control Services

Workers' Compensation costs continue to adversely impact profitability despite conscientious efforts on the part of employers and their management teams to prevent losses through established safety programs and other well-intentioned activities.

A review of historical data tells us something very critical to understand: a small, disproportionate share of employee injuries translate into a disproportionately high percentage of total claim costs. The key to minimizing the impact these claims have on a company's profitability is the challenge we all face today.

### Loss Cost Management

When it comes to loss cost management, what is the first thing one thinks about? Most business owners would probably say: "It is the responsibility of my insurance company and their claims professionals to manage these costs." It is certainly true that the claims team assigned to a loss will have the greatest impact on the management of the direct cost of the injury: i.e., what is paid for medical care and lost time.

Additionally, cost containment steps occur during the claim adjustment process. Among the allocated expenses on claims, one will see charges for Medical Bill



Review, PPO Access, and Nurse Case Management, among others. These traditional cost containment services will also result in net savings. But is there more that can be done?

### Your Direct Participation

When we visit our clients and talk to them about what policies and procedures they have in place to manage the response to an employee injury, we find that most every one has a plan to handle the following:

- To get proper medical attention for the injured worker
- To investigate the accident to determine the cause of the injury

*Continued on reverse*

- To design and implement corrective measures to prevent a similar loss in the future
- To clean up any other damage caused by the accident
- To notify the insurance company of the accident

Often the process ends here, with little or no further action planned to manage the direct costs of the injury, believing that the control of these costs has now been transferred to and is the responsibility of the insurance professionals.

But we may have lost sight of a very important element in post accident loss cost management: the continuing direct participation of the employer.

## Post Accident

There are post-accident steps that you, the business owner/employer, can take that will have a significant positive impact on the cost of these serious injuries. If your management team practices the following cost control techniques, you will play a major role in minimizing the direct cost of injury.

- Arrange for immediate, high quality medical care and have a co-worker or supervisor accompany the injured employee to the medical facility or doctor's office
- Utilize the Modern Medical Pharmacy Card program, enabling instant access to paid prescriptions, avoiding the out-of-pocket expense for your employee
- Notify State Auto of your claim immediately, preferably via our on-line Internet claim reporting tool
- Preserve the scene of the accident, either by procuring items involved, by photographic record, and/or by diagram – do not alter or discard equipment, tools or fixtures involved
- Allow other employees who witnessed the accident time to speak with the claims adjuster assigned to the case

- Stay in touch with your injured worker making regular contact by phone or in person
- Show genuine concern. Sending flowers or candy with a get well card including a clear message that the employee is missed will go a long way in maintaining good will
- Make sure that your injured associate knows that there is a job waiting for them, when they are ready to return, and that whether it is the former job or a new one, that the pay will remain the same
- When possible, modify their job or place them in a light duty position to get them back faster
- Do not accuse the injured worker of any wrong doing or malingering – this will more likely prolong the period of disability and could encourage the employee to seek an attorney
- Stay in contact with State Auto, directly with your adjuster and your Claim Account Manager, advising us on your contacts with the employee and/or his family or representatives.

### *Things to remember:*

Follow up with your managers and supervisors to be sure these techniques are utilized. Creating a culture wherein employees recognize genuine concern on the part of the company in the event of an accident will enhance the success of your efforts.

A coordinated effort between you and State Auto will assure that employee injury costs are well controlled, minimizing the negative impact of Workers' Compensation claims on your company's bottom line.

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