

WHITEPAPER

# The Effectiveness of Early Return to Work Programs.

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## THE DRAMATIC IMPACT OF INJURY

When an employee is injured or ill, the effects are wide-reaching and felt by both the employee and the employer.<sup>1</sup> The employee suffers lost wages and often experiences a clear disconnect from the workplace, while the employer experiences downtime and increased costs. And the financial impact is significant, with an estimated 80 million workdays lost to injuries and illness each year.<sup>2</sup> These costs are becoming unsustainable, leading many companies to consider cutting back on employee benefit programs as a cost-saving solution. However, the creation of an ERTW program is a proven solution that can be very successful in reducing costs.

## THE BENEFITS OF ERTW

Research shows that effective ERTW programs benefit the employer and the injured employee. A study of ERTW programs by Johns Hopkins Hospital found that over a 10-year period, the number of lost workdays decreased by 55% when compared to the period before the program was in place.<sup>3</sup> The employer benefits from reduced direct costs, such as lost productivity, in addition to avoidance of indirect costs such as overtime, litigation, payment of replacement workers and hiring and/or training costs. The employee returning to work recovers faster, therefore re-establishing his/her status as a wage earner and contributing member of the community. The worker's self-esteem also increases as he/she realizes the employer values his/her contributions, thus reducing the likelihood of return medical visits.

ERTW is a team effort. It involves a variety of players, including the injured employee, health care provider, direct supervisor, human resources representative, safety director, insurance claims and loss control representative and anyone else the employer feels is critical to the process. While ERTW is a collaborative effort, success is best achieved when a single individual coordinates the overall ERTW process. This individual will be responsible for developing close relationships with medical providers, insurance claims representatives, legal representatives and the injured employee.

Another major benefit with ERTW is that it is critical in managing your experience modification factor (EMR). By returning your employee back to work, your indemnity payments are reduced as the claim reserve is reduced. Claim reserves are used in the formula to determine your EMR.

## KEY FACTORS FOR SUCCESS:

### MANAGEMENT COMMITMENT & COMMUNICATION

Commitment and support from an organization's management are key to establishing an effective ERTW program. This support should be consistent and clearly communicated throughout the organization. The program will be more successful when managers, supervisors and workers clearly understand the program and work together.

To make the ERTW program appealing, some companies establish programs and budgetary goals for management, such as paying returning workers from a special budget. This way, the manager is not impacted by using a modified worker to fill a position. Other incentives can include special recognition, inclusion of ERTW expectations in each manager's job description or building productivity or revenue goals into the manager's bonus structure. The key, however, is to have these elements in place before injuries occur.<sup>4</sup>

Good and frequent communication between the injured employee and the direct supervisor at the time of injury and throughout the recovery process is also crucial for an ERTW program to be successful. Many employers have their supervisors call the injured employee on a weekly basis to see how they are doing to demonstrate the organization's concern and interest in having them return. An industry study demonstrated that claims were significantly less costly in cases where supervisory contact was maintained on a regular basis. Keeping communication open with any injured co-workers helps to ensure and maintain good morale and productivity.

ERTW can also result in comments from customers, such as "I have nothing for them to do" or "our union does not allow ERTW." While both of these issues may be true, the benefits of ERTW far outweigh any negatives. Broker or carrier representatives can often assist customers with overcoming these types of obstacles.

### DETAILED JOB DESCRIPTIONS

It is essential for an employer to have written job descriptions with documented physical demands in order to implement a successful ERTW program. These job descriptions allow the health care provider to determine if the injured employee is capable of performing his/her full duties. They are also used at the time of hire to document and communicate the physical demands of the job to ensure new employees can perform the essential duties of the job. Job descriptions usually include terms, such as:

- Essential and supplemental job functions
- Equipment, tools and personal protective equipment used
- Special skills, education or licensing requirements
- Physical activities required (which is called a functional capacity job description)
- Use of senses necessary
- Desired cognitive requirements
- Environmental conditions, such as noise, vibration, heat or cold

### **TEMPORARY TRANSITIONAL WORK ASSIGNMENTS**

Once an employer decides to implement an ERTW program, there are multiple options regarding how to return employees to work in a temporary transitional capacity. Transitional work is temporary by definition. It provides an opportunity for an injured employee to return to work for a limited period of time and contribute to the organization during the recovery process. Some employers return injured employees to work in modified versions of their original jobs, depending on work restrictions as outlined by the health care provider. Other employers have predetermined lists of specifically designated jobs reserved for employees in need of temporary transitional work.

The effectiveness of transitional work is well-documented. An Ohio study demonstrated how employers saved an average of \$1,108 in compensation claim costs and saved an average of \$139 in medical costs.<sup>5</sup>

Another option, usually used as a last resort, is for an employer to return their injured employees to work in a community service or volunteer position during the period they are eligible for temporary transitional work.

One additional option available to companies for temporary transitional duties is to use placement groups that help to return injured workers to gainful employment safely. Vocational rehabilitation and disability management companies specialize in comprehensive ERTW services. The objectives are to shorten the loss time payment periods, return the injured workers to productive positions and save the company workers' compensation costs. Most of these placement companies are fee-for-service and charge hourly rates, flat rates or charge fees directly to the claim file. Even with these fees, however, most companies typically see overall claim cost savings.

## COORDINATION WITH HEALTH CARE PROVIDERS

Once job descriptions with physical demands are created, temporary transitional work assignments are identified and a written ERTW program is adopted, coordination with a health care provider is essential. This coordination includes medical providers in the area, an insurance claims representative and the company's ERTW coordinator. The job descriptions and temporary transitional work documents should be used to familiarize the medical providers with the workplace and a tour of the job site should be arranged so for the physicians so they can gain first-hand perspective of job requirements.

Employers should also take the time to construct ERTW kits to be used when injuries occur at the workplace. These kits serve to educate the injured employee and the health care provider at the time of injury. These kits often contain a number of tools, including:

- Employee ERTW checklist
- Letter to the physician explaining company philosophy and expectations regarding returning the employee to work at the earliest opportunity
- A copy of the injured employee's job description and corresponding list of temporary transitional duties
- A form the health care provider can use to document the injured employee's restrictions

Communication between the physician and a company's ERTW coordinator is one of the best ways to ensure a successful ERTW program.

## ONGOING SUPPORT AND SUPERVISION OF THE RETURNED WORKER

The importance of providing ongoing support to the injured employee once he or she returns to work can often be overlooked. Frustration for the worker, manager and others is common if all of the hard work getting a worker back on the job is undone by lack of follow through and consistency in implementing the ERTW program.

Companies should know temporary transitional work is limited in time and will be monitored by the medical provider and the immediate supervisor. These individuals will closely monitor the process during the first week and then at two- to three-week intervals (or at a time increment the company deems appropriate) to measure progress and identify problems. After a determined period, a meeting should be held to assess the worker's progress. The physician should re-evaluate the worker's progress and provide input on returning the employee to the full-time position held prior to injury.

## PROGRAM EVALUATION

As with any new program implemented, it is important to continually evaluate the efficiency and effectiveness of the ERTW program. This can be accomplished by developing a set of agreed-upon metrics prior to program implementation. Identifying metrics allows you to determine trends, which in turn may assist in making necessary program adjustments. Additional program follow-up and assessment should be conducted upon company discretion.

## CONCLUSION

As employers continue looking for ways to optimize productivity and control the cost of doing business, an Early Return to Work program can be an effective choice. The positive outcomes and reduced costs to employer and employee typically outweigh the cost of implementation. Recognizing that even the most proactive prevention programs cannot entirely eliminate injury and illness from the workplace, the implementation of an ERTW program can have a dramatic impact on a company's bottom line.

Accident Fund Insurance Company of America has successfully helped many of our customers establish ERTW and other similar programs that have produced successful outcomes. Our team's extensive experience in workers' compensation gives us insight and expertise to help facilitate the details involved in such building an ERTW program. If you are interested in learning more, Accident Fund can help. Visit [AccidentFund.com](http://AccidentFund.com) to learn more today.

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