



Return-to-Work Post-Injury Insurer Perspectives

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Return-to-Work Post-Injury—Insurer Perspectives

NCCI interviewed several insurance professionals to get insurer perspectives on return-to-work programs (post-injury). This is the first of two articles related to return-to-work perspectives. The views and opinions expressed in this article belong solely to those interviewed and do not necessarily reflect the views or opinions of NCCI.

Helping an injured employee recover and return to work (RTW) safely is a fundamental component of a healthy workers compensation (WC) system. A successful RTW program and post-injury outcome may include many facets, such as developing a strategic plan before an accident occurs and establishing connections between the injured employee and their workplace throughout the entire WC journey. These actions can benefit everyone—from the injured employee and their family to their employer and insurer.

“Return-to-work is a foundational component to assuring that we provide all service and strategy available to our injured workers. It is a key component to proactively managing workers compensation costs.... It’s definitely something that completes the lifecycle of the injured worker and is absolutely a necessary component.”

—Hanover

Read on for insurer insights about the characteristics of successful RTW programs, such as commitment, communication, and creativity.

INTRODUCTION

WC insurance is designed to provide medical and indemnity benefits to workers with injuries arising out of and during their course of employment. Providing appropriate medical treatment to enable the injured worker to heal and return to work post-injury is a fundamental WC feature. Depending on the injury, some injured workers may heal quickly and be able to return to their original job without physical restrictions. But what if there are physical restrictions due to the injury? One important tool that an employer can provide that may help address this situation is a transitional RTW program.

A medical provider ultimately determines if and when an injured worker can return to work, perhaps with certain restrictions. In some cases, the injured worker cannot return to their prior job but can return to work and successfully perform another or a similar job referred to as a modified or light-duty position. The industry refers to this concept as a transitional RTW program.

A successful transitional RTW program looks for all parties involved in the WC process to benefit. The injured worker can return to their employer in a productive position, pending a full RTW at their prior position. This engagement may be very helpful to the mental well-being of the injured worker and reduce stress on their immediate family. The employer can

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benefit with the return of the injured employee, demonstrating its support for the employee as well as the employee's coworkers. In addition, the insurer can benefit by helping reduce costs for the employer and to the WC system.

NCCI recently interviewed representatives from multiple insurance companies that write WC business and have RTW program expertise. This article shares their stories and summarizes various components, experiences, and examples of ingenuity that have helped enable successful RTW programs within their organizations.

WHAT COMPONENTS CAN MAKE A TRANSITIONAL RTW PROGRAM SUCCESSFUL?

The carriers interviewed identified several common components as key to a successful transitional RTW program. All agreed that *management commitment* by the employer is the most important component. Management commitment needs to be engrained in the employer's culture, and the owner, management, and employees must all be aware of this commitment. The commitment emphasizes the importance of bringing the injured employee back to a position that is tailored to the employee's physical restrictions. This includes finding tasks and positions that help keep the employee involved, aid in rehabilitation, prevent deconditioning, and add value for both the employer and employee.

Communication and setting clear expectations were noted as running parallel with management commitment should an employee be injured on the job. This applies both before and after an injury occurs. One insurer stated that a strong program "requires collaboration between all the parties—the injured employee, the medical provider giving treatment, as well as the insurer and the employer. The collaboration is important because it demonstrates each party's commitment to an injured employee's health, and that a safe return, as soon as it's medically appropriate, is important to them."

Here's a typical scenario. When a workplace injury occurs, the employee receives medical care, and the employer notifies both the injured employee and medical provider that they will offer light-duty work. Both prompt reporting of the claim and communication between the employer and claims staff to coordinate return to work are important. The claims staff communicates with the medical provider to monitor treatment progress and to assess potential restrictions. After granting the RTW release, they communicate with both the employer and injured worker.

Communication, Commitment, and Creativity

Another component that overlaps with both management commitment and communication is having a *RTW coordinator* at the workplace. One insurer emphasized the benefits of having a person responsible for facilitating light-duty work, including a single point of contact for the insurer and medical provider who would help streamline communication. The RTW coordinator also serves as an internal resource for the employer and liaises with the injured worker's supervisor to facilitate the worker's return prior to the medical provider granting a full release. Having medical providers who understand occupational injuries and RTW programs can also be important.

Finally, a common RTW tool is creating and maintaining an *inventory of light-duty or transitional tasks*. All insurers interviewed discussed their efforts in helping employers identify these tasks and develop a job description for the medical provider to review. Medical knowledge factors into light-duty job descriptions. By having these tasks identified before the injury occurs, the RTW process can be made more efficient.

WHO MAKES IT WORK WELL AND HOW?

People make it work! Every insurer representative we spoke with has a different approach to their involvement in transitional RTW. Some indicated that they have internal committees and cross-departmental collaboration teams involved in program development to ensure there is something of value for the insurer, the agent (as their customer), and the insured. Below, we describe the various roles that may be involved.

Claims—Claims adjusters communicate with treating physicians and the employer's RTW coordinator to ensure the process moves along as the injured worker recovers, adjusting the RTW plan to fit the changing abilities of the injured worker.

Insurers reported that collaboration between experienced claims management and risk solution/loss control personnel can be invaluable in the process of developing job descriptions and altering them along the way to fit the needs of injured workers.

Loss Control—Carriers we spoke with have different terms for loss control such as loss prevention, risk control, and risk solutions. The carriers indicated these experts play a vital role in the interaction between the insurer and the employer’s operations. Loss control works with the employer as an advisor whose primary job is to assist with preventing injuries. Loss control reviews an employer’s past injuries and identifies loss trends. This creates opportunities to discuss why certain safety measures are important and, if modified, how to implement them to help prevent injuries.

Loss control gathers information about transitional work opportunities and identifies when to implement or update a RTW program. In some circumstances, specialists may review RTW programs to provide guidance on implementation and training. They act as a liaison to field questions and make sure implementation goes smoothly. Coordinating communication between the employer and the claims adjuster at the time of injury can be particularly valuable in expediting the RTW plan.

Medical Case Managers—The insurers interviewed indicated that these individuals are instrumental in engaging with the injured worker to remove RTW barriers. One mentioned that, in lieu of asking what an injured worker cannot do, asking “What is it that you *can* do?” focuses the conversation on abilities and opportunities instead of disabilities and limitations. Medical case managers use job descriptions to connect the injured worker, the employer, and the medical provider to identify abilities, job modifications, and ultimately a position for the injured worker.

Nurses—Nurses can add value by making sure medical treatment is appropriately managed, beginning with the initial intake of a claim. They help injured workers navigate through managed care networks to help secure appropriate care. Insurers may use third-party nurse case managers in conjunction with employed nurses who work directly with the claims adjusters to establish rehabilitation programs. One insurer indicated that, for severe cases, nurses may be assigned to specific claims and work with the adjuster. Nurses are out front to help identify light-duty jobs and get doctor recommendations to determine what’s best for a light-duty RTW situation. Nurses can also assist in ensuring that injured employees are physically capable of returning to work and engage with physicians “peer-to-peer” to get their buy-in. Without this, injured employees may not be successful in returning to work.

Underwriting—Underwriting can be an important touch point to introduce employers to RTW or to reinforce the benefits of RTW. During the application process, underwriting professionals can review loss history and setup at the employer to determine the potential for establishing a RTW program. Insurers interviewed said, as part of the underwriting renewal review, they are intentional in determining if and how RTW is addressed.

During the underwriting process, risk selection and pricing are key considerations. It may not be an underwriting requirement and there may not be a pricing structure related to return-to-work but having a RTW program or an employer willing to implement or modify a RTW program can make a difference in the selection of risk as well as the pricing. As one carrier said, “It’s a chance for us to shine as a team when the agency partner and the risk control rep visit an account that doesn’t have return-to-work.”

Marketing/Agency Relations—Insurers we interviewed indicated these individuals engage with and communicate transitional work opportunities to their agency partners as a value-added service available from the insurer. They can be instrumental in describing how these plans can benefit their customers and their customers’ employees. One insurer said, “It’s a great opportunity to educate employers on RTW and the benefits of having it. Nine chances out of ten, no one is turning this down once they are educated by the carrier and the agent together.”

WHAT TOOLS ARE CARRIERS USING?

Throughout its history, America’s economy has nurtured innovation, and with respect to RTW programs, the WC insurance industry is no exception. Insurers are implementing innovative tools and approaches, applying creative ideas to foster RTW programs, and building cultures of success surrounding it.

The carriers interviewed identified some common themes associated with implementing an

“When developing an RTW program, it needed to be all-encompassing with easy-to-implement “plug & play” options containing all the resources/components necessary for developing a plan, training employees and staff, and obtaining management’s commitment before an injury occurs.”

—FCCI

effective RTW program, as well as the tools and approaches being leveraged for success. These may be grouped into several broad categories:

- Education and culture-building
- Identification of transitional job duties
- Quantification

Education and Culture-Building

The health and welfare of the injured worker is the top priority. The goal of a successful RTW program involves the coordination of many parties. The insurers interviewed identified the importance of strong partnerships and building a culture around that concept. Certain employers, particularly small and midsize accounts, may not have a formal RTW program. Education on the benefits of RTW programs, along with the necessary administrative steps to achieve success, can play an important role.

With the help of educational tools and training provided by an insurer, the employer can build a culture surrounding the notion of workplace injuries before accidents occur by communicating directly with agents, employees, and union representatives. Steps, like informing all employees about what to do in the case of a workplace injury and highlighting that a RTW program exists and how it operates, can make employees feel more informed and comfortable as they realize their employer has a plan of action if a workplace injury occurs.

“Plug & play” resources can contribute to building that culture. Examples include letters of implementation to notify employees that a RTW program exists and employees signing acknowledgment letters once trained on the RTW program. Standardized communication templates allow the employer to simply add their “brand” or logo and name to the document.

Post-injury templates also may be available and can go a long way toward boosting morale for the injured worker. Using them is a way to show that the employer cares about the injured worker and reinforces the notion that the employer wants to get the injured worker taken care of and back to work when medically appropriate. Another template that may be offered is a letter to request approval from the treating physician for the injured worker’s RTW release.

Identification of Transitional Job Duties

Another tool for establishing RTW programs is sharing ideas with the employer on how to create an inventory of transitional job duties and job descriptions that can add value to their business operations. One insurer interviewed built a library of job tasks by type of industry to help identify these tasks and to assist employers with building appropriate transitional job descriptions for a variety of workers. Another insurer developed a decision-tree workflow that employers use for the management of WC claims—from claim reporting and investigation to transitional RTW as needed. All insurers interviewed indicated that the modified job duties should be clearly written, noting important restrictions to be followed for each job. Examples include notes that say that the injured worker cannot lift anything greater than 15 pounds, must remain seated while performing their job, or cannot exceed working more than four hours per day.

Leveraging collaborative efforts among employers and medical provider partners was also mentioned as a potentially useful tool. Some insurers use a medical provider network populated by providers who work with occupational injuries and who are knowledgeable about transitional RTW programs. Insurers emphasized the role of the RTW coordinator, a central point person, to ensure the entire RTW process runs smoothly.

The COVID-19 lockdown provided challenges given its vast impact in disrupting businesses and causing many job losses, but a few new opportunities developed as a result. One insurer noted that by using “virtual tools,” it was able to meet with injured workers and medical providers. After learning more about the injured worker’s post-injury capabilities, the insurer enabled the medical provider to virtually visit the workplace. Collaboration with the employer also enabled the insurer to get more creative with developing virtual roles for some injured workers that were beneficial to both the employee and company.

Finally, with respect to building a bank of transitional job duties, ingenuity and creativity can be great assets. One insurer recognized that including a few volunteer opportunities within the transitional job inventory allowed the injured worker to perform a meaningful and fulfilling role. All emphasized addressing the social and mental well-being of injured workers and their families.

Quantification

Another identified tool for RTW programs is “quantification”—capturing a tangible measure of success and communicating what that looks like to an employer and the agent. All insurers interviewed mentioned the importance of quantification for attaining the employer’s buy-in, whether it’s establishing a new RTW program or improving an existing one. By sharing certain metrics, the insurer can demonstrate the financial value of RTW programs.

Many small and midsize accounts are written on a guaranteed cost basis using an experience rating modifier (mod) to tailor the final policy premium. A typical RTW metric the insurer may share with an employer is the savings that result from reduced indemnity benefits and how that may positively impact its experience mod, and in turn, reduce the employer’s premium.

Large insureds may be written on a loss-sensitive program, such as a large-deductible policy, whereby the employer reimburses the insurer for each paid claim up to their selected deductible amount. If an employer is written on a loss-sensitive program, the cost savings of a RTW program may be easily quantified as “dollar-for-dollar” savings below the deductible amount. Regardless of the type of policy, measuring and communicating the financial impact of a RTW program to the employer is important to the process.

WHAT ARE THE BENEFITS?

A healthy WC system depends on many people to make it work. Helping an injured employee recover and return to work safely benefits all involved: the injured employee, the employer, and the insurer. Conversely, insurers interviewed said when there is no RTW program, they have seen that the likelihood of an injured employee returning to work is reduced and claims may become more expensive. With a successful RTW program, there can be financial, cultural, and community benefits.

“We take a holistic approach to the injured worker’s return to work and any barriers that are present whether they are related to their job and/or their physical capabilities as well as any biopsychosocial factors at play.”

—Travelers

Employers—Some ways an employer may benefit from its RTW program include the ability to retain quality employees, keep positions filled, and enhance the culture and reputation of the organization. An employer’s success in RTW often lies with the ability to provide light-duty tasks to the injured employee. Carriers we interviewed provided examples of injured employees working at food banks and Goodwill, which benefits the community, the injured worker, and the employer’s organization and culture.

The insurers interviewed shared many employer success stories. For example, one insurer commented that a large electrical contractor that ramped up its RTW program was able to bring every injured worker back within a year.

The financial benefits of a RTW program were often mentioned. Insurers commented that it has appeared less likely that claims subject to a RTW program will be litigated—which ultimately results in less expensive claims, on average. All else equal, this helps reduce the employer’s experience rating mod and policy premium paid.

One insurer shared that after an employer implemented its RTW program, average durations of lost-time claims were reduced from 9–12 months to 8–12 weeks, depending on the injury. Approximately two-thirds of their injured employees returned to work within 30 days after injury.

“Hidden” or uninsured costs exist when an injured worker does not return to work in a timely manner (or at all). In these cases, for example, there are costs associated with the need to hire a temporary or permanent replacement employee and provide the necessary training. This may result in a reduction in experience, expertise, and production. An employee being out of work for only a single day may result in significant operational and financial impacts for an organization.

Employees—As outlined by the insurance carriers we interviewed, there can be numerous benefits of a RTW program for an injured employee. One particular benefit mentioned pertained to enhanced employee morale: an injured employee knows that if their employer offers transitional-duty opportunities, it’s because the employer values the employee’s

presence at its organization. A RTW program may be an opportunity to provide additional resources to the injured employee. For example, one carrier's insured provides the employee with a "wellness app." The app is aimed at helping to build resiliency and emphasize the importance of thinking about the injured employee holistically—not as an injured employee, but as an employee.

A RTW program may provide the following to an injured employee:

- An opportunity to work remotely and/or learn additional skill sets—which may lead to future advancement
- Affirmation that their employer wants to take care of the injured worker and get them back to work
- Meaningful work so that the injured employee feels productive and can maintain contact with coworkers and the company culture during their recovery process
- More connection to the organization, which increases the employee's sense of belonging—a therapeutic mental and physical benefit¹

CONCLUSION

A successful transitional RTW program helps injured employees by allowing them to remain in contact with coworkers, become contributors to the enterprise again, and heal by avoiding deconditioning. The employer benefits by utilizing the skills of a seasoned employee, keeping costs down, and providing a culture focused on employees' well-being.

The insurer can benefit by having more controlled costs and improved relationship-building with the employer and agent. RTW is a fundamental component for assuring that all services and strategies are available to injured workers. One insurer summed it up well by concluding, "It is a key component to proactively managing WC costs, and it very well may be the (key) to WC profitability and success."

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