

# MANAGING WORKERS' COMPENSATION LOSSES

## Introduction

For many districts the financial impact of workers' compensation is significant. Therefore, reducing such costs becomes a priority. District administrators who have committed their districts to the management and reduction of workers' compensation costs have seen a significant decrease in the overall impact to the district; it can be done.

## Role and Authority of Districts

The following items represent the role of district personnel in managing workers' compensation costs. Several items may not directly relate to the claim process but can have an overall impact on the outcome of a claim.



**The most significant issues to address include the following:**

## Pre-Placement Examinations

Hiring the best candidate is always the main goal in any hiring process. However, too often the physical capabilities of an individual are not properly taken into account. Pre-placement medical examinations, which include a functional-capacity evaluation, is an effective way to ensure the candidate is physically able to perform the required or essential functions of the job. SISC I has an incentive program which covers a portion of the cost of these examinations where there is an approved provider available. For the same reason as the functional-capacity examinations, there are not approved providers available in all areas.



## Accident Investigation

Accident investigations are an important part of the loss reduction effort. A complete investigation can reveal problem areas, poor work practices, defective equipment, the need for additional training, etc.

The investigation conducted by the district is different from an investigation conducted by SISC I. The district should conduct an internal investigation of all reported incidents. Thorough investigations also send a powerful message to employees that there will be questions and follow up on incidents.

## Return To Work Program

Also called Temporary Work Assignment programs; this is the single-most powerful tool a district has to reduce workers' compensation costs. The district has the authority and latitude to assign an employee temporary tasks that are within the prescribed work restrictions. Keeping an employee in the workplace during the recovery process provides productive work for both the district and the employee, and saves substantial claims costs.

A copy of a model program can be obtained from the SISC I Risk Management Services department. Personalized assistance is also available to help with program implementation.

## Verifying Work Restrictions

It is the district's responsibility to manage its employees. This includes making placement decisions that are consistent with an employee's medical restrictions. The district should not hesitate to verify work restrictions with the SISC I claims examiner and the treating physician whenever there is a question regarding the employee's work restrictions.



The district has the authority to discuss the restrictions and placement of an employee directly with the treating physician. The form *Employee's Ability to Return to Work-Physician's Report* was designed to provide districts with this information. Forms are available from the SISC I office via online: <http://sisc.kern.org/rm/>

## Functional Capacity Evaluations

The district has the legal authority to require an employee to submit to a medical evaluation that is job related and consistent with business necessity. This may include requiring an employee to pass a return to work examination if the district disputes the work release given by the employee's treating physician.

Although the legal authority exists, a district should be careful when exercising this authority when related to an industrial injury. Such examinations should only be conducted in coordination with the SISC I Claims Examiner.