

THE WELLNESS PROGRAM: PROVEN METHODS TO REDUCE WORKERS' COMPENSATION CLAIMS



By Rebecca Shafer, JD

The majority of the quarter-million dollar and half-million dollar workers compensation claims have a secondary medical issue that complicates recovery and extends the length of time the employee is disabled. Personal medical problems such as obesity, smoking, poor physical condition and diabetes often complicate severe injuries, especially those involving surgical repair, making recovery more difficult, longer and expensive.

A 300-plus-pound employee who must lose 50 pounds before surgical repair of a herniated disc can easily add six months of temporary total disability benefits and six months of doctor visits to the overall claim costs. In most jurisdictions, state workers compensation laws take the employee the way you hired them; often referred to as, "You touch it, you bought it." That the employee has a pre-existing medical issue does not excuse the employer

from having to pay all medical care for injury and indemnity benefits until the employee can return to work, or until indemnity benefits reach the state maximum amount.

Obese employees with medical problems are not alone in causing increases to workers compensation claim costs. A 6-foot tall, 140-pound man who smokes a pack of cigarettes each day will find a fractured ankle (or any other bone) takes much longer to heal than a non-smoker. Cervical and lumbar fusions often fail in the heavy smoker as the two bones do not grow together. A failed fusion in a person who smokes can add months to a year to the life of the workers compensation claim, and increase the employee's permanent impairment rating.

Most employers separate their health insurance program from their workers compensation insurance program with the human resources department handling the health insurance program and the risk management department dealing with the work comp program. If your health insurance and work comp programs are handled separately, we recommend the two departments work together to institute a wellness program, or to improve the existing wellness program, for the simple reason that **healthier employees have fewer insurance and workers compensation claims.**



Fighting the new risks of workers compensation: Obesity, Diabetes, Smoking, Heart Disease, High Blood Pressure...



By the numbers:

- An obese employee's indemnity costs are 11 times higher and medical costs are 7 times higher than a non-obese employee.
- One study shows that every dollar spent on a Wellness Program yields \$3-4 saved on medical costs.

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If you're thinking, "Okay, I understand that unhealthy employees take longer to recover from their work comp injuries, but how does a wellness program create fewer work comp claims?" The answer is employees who are not in good physical condition are much more prone to strains and sprains than employees who are physically fit. For example, picking up and moving a 50-pound object does not create a problem for the physically fit employee who has muscles that are properly toned. The same 50-pound object creates a herniated disc in the employee who does not have developed back muscles to support the spine.



When employers eliminate an employee's unhealthy habits, both parties benefit.

A study completed by the John Hopkins University Medical Center studied the employees at eight aluminum plants and found that 85 percent of those injured were overweight or obese. There is also the often-cited Duke University study, which documented that obese employees have twice the number of injury claims per 100 employees as non-obese employees. In addition, they lose 13 times more work days and have claim indemnity costs 11 times higher and medical costs 7 times higher than non-obese employees. For more details on

this study please visit http://www.dukehealth.org/health_library/news/10044. The savings in this one area of wellness will greatly exceed the cost of the wellness program.

One additional study showed that for every \$1 spent on wellness programs, there was an overall reduction in medical care cost of \$3 to \$4. That is a return on investment that cannot be ignored. By eliminating an employee's unhealthy habits, both parties benefit. The employer experiences reduced insurance costs and in turn generates a lower experience modification rating while seeing higher productivity from the employee being on the job working, not at home recovering from an illness or an injury.

By having an integrated, comprehensive wellness program you are taking a holistic approach to the employee's health and the impact it has on you, the employer. With the ever-rising cost of medical care, whether for health insurance claims or workers compensation claims, the need for a strong wellness program in your company will continue to grow.

We recommend you do your employees and your company a big favor by starting or improving your wellness program. There are a tremendous amount of resources on the internet about wellness programs. We are also here to assist you in any way we can, so please contact us in regard to your questions about wellness programs. □