



POINT
Dan Reynolds

Safety/Return to Work Programs: A Boon to Profit

It's easy for corporations to justify the implementation of safety and return-to-work programs. Just do the math.

The argument over whether safety and return-to-work programs really benefit the bottom line really isn't an argument. That is, of course, unless you don't believe the basic tenets of mathematics.

To stay with the simplest of interpretations, what is really at work here? An injured employee is an employee that isn't producing. Therefore, for that employee's production to resume, another employee must be hired to take that employee's place until he or she can recover.

But wait, there's a catch. The injured employee has this thing called insurance, which must be paid for by an employer's premiums to a state fund or carrier.

How to erase this double bind? Bring the injured employee back to work as soon as she or he is able. If they can't do the job they were hired for, train them for some different task so that they can still produce and somewhere down the line, somewhere in your operations, you won't have to hire an employee number two.

And that's just the mercenary, my bottom line-only approach to it. What about the difference it makes to a human being to be able to work and feed and clothe his or her family, to not languish in some opiated state on the couch, gaining weight and watching reruns of Seinfeld?

There is the material there, but there is also the intangible asset of the spiritual and psychological well being of the worker, the person who can proudly say, "I make a difference in this world because of what I do."

We give awards at this magazine to companies and individuals who not only get the above spiritual and material mathematics, but believe in it passionately.

Think the folks at the Mayo Clinic are smart? They achieved \$840,000 in savings through their return-to-work section in 2007. Think that sort of dough doesn't add up?

This is how humanistic that division is. It helps workers who are injured with their legal issues and the bills they've accrued so they can get their lives back as they recover.

Not only does Mayo help its own, but it partners with other big employers in its region to share the knowledge it has gained.

What about the Los Angeles Unified School District? In fiscal 2005-2006, the district saw a \$236.9 million swing in its workers' compensation costs, in the main, by instituting a return-to-work program.

Think Minnesotans and Californians are that different than anyone else? Think I need to say anymore about this?

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COUNTERPOINT
Cyril Tuohy

Safety/Return to Work Programs: A Drag on Profit

Return-to-work programs are designed to help exactly the kind of employee companies don't need.

Safety/return-to-work programs are all the rage these days, particularly in a soft economy when the ascendant penny pinchers back at corporate headquarters have both ears of the C-suite.

Backers of return-to-work and safety programs believe it makes more sense to get workers back to work than to sink thousands of dollars worth of workers' comp payments into a seemingly endless pit. Who can argue with that? I can.

The question isn't so as to whether these programs have value. They do. The real question is at what opportunity cost? The cost of implementing and managing these programs means time, capital and corporate resources siphoned away from other projects.

Implementing return-to-work programs may sound good, or appear politically or corporately correct, but these programs often cost far more than they are worth.

After nearly a decade of attending workers' compensation conferences, the tales of woe that many bright, educated and motivated disability and claims managers recount in having to implement these programs simply to get unmotivated workers back on the job is simply stunning.

I'm more sympathetic to safety programs, as they are designed to prevent injury and for every \$1 that doesn't go to a liability claim is a \$1 that is reinvested into the company.

... but return-to-work programs? I just don't get it. Why are companies spending so much money into coaxing back to work employees who are marginally interested in going to work – much less coming back to work – in the first place?

If unmotivated employees are content sitting on a couch watching TV or surfing the Internet on YouTube, what business is it of employers to bring them back at all?

Injured employees who prefer to watch the world go by in a haze of Oxycontin can hire their own babysitters, thank you very much. Employers certainly don't need to supply an army of return-to-work managers to lord over them.

Returning mediocre employees to work is tantamount to a return on a bad investment – in other words a negative return. Negative returns, as we all know, are bad for business. Not all injured employees in return-to-work programs are couch potatoes, of course. Many are well-qualified, gifted employees, and happy to come back to work as soon as they are able to.

Employees with initiative don't need babysitters. Those are exactly the employees companies need and want: workers who don't need redundant return-to-work programs in the first place.

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Zurich HelpPoint Perspective



Lynn Zeitler, CPCU
SVP Casualty
Zurich in North America

Understandably, whether a company will benefit from a formal return-to-work (RTW) program is a decision that must be based on a realistic assessment of implementation and ongoing administrative costs.

However, effective RTW programs can deliver measurable savings by helping to reduce lost time costs estimated by the Social Security Administration to be up to \$5,000 per year per employee.

Yes, there are costs associated with RTW implementation. However, Zurich and other insurers are providing solutions to help ease customers into effective RTW programs, such as providing assistance with the writing of RTW statements and policies, and pre-selecting healthcare providers familiar with RTW programs.

RTW programs can also help avoid unnecessary litigation costs. The Workers' Compensation Research Institute (WCRI) reports that injured workers seek attorneys for essentially two reasons. One is the fear that they will be fired due to an injury. Another is the belief that claims might be denied automatically. A sound RTW program answers employees' concerns and can significantly shorten claim duration and costs.

Finally, underwriters generally view a sound RTW program as a reflection of a culture of employee engagement, one that is likely to drive positive behavior and better-than-average loss results. This can deliver the added benefit of a reduction in the customer's total cost of risk.