Benchmark Study of
Healthcare Workers’ Compensation Claims
Zurich is pleased to provide you with our benchmark study of healthcare worker injury claims, featuring timely insights to help you manage workers’ compensation risks. This study is the result of a formal analysis of more than 6,000 yearly worker injury claims in the healthcare industry, representing about $30 million in annual claim payments.

The analysis helps transform large amounts of claims data into valuable risk insights about workers’ compensation trends in frequency, cost of claims and loss cost. It is designed to enable you to compare your own organization’s results with current and historical industry trends, and we encourage you to do so.

Our healthcare-specific, workers’ compensation claims analysis looks at accident type, cause of loss, injury type and body part injured. It also examines the impact of employee demographics on worker injury.

Among the many insights in this study:

- Sprain and strain injuries are the most common among healthcare employees.
- Slip, trip and fall injuries are the most expensive in terms of treatment and lost time.
- The average cost per claim increases as employees age.
- Patient and resident handling accounts for nearly half of total sprain and strain injuries.

Given the prevalence of sprain and strain injuries, this study, produced in 2016, takes an in-depth look at the data surrounding these types of injuries. The study also intersperses risk mitigation actions throughout to help your healthcare organization manage risks, control costs and promote awareness of the factors that can impact workers’ compensation claims.

We know that the effort you take to prevent and minimize injuries to your workers is as important to you as the care you give your patients. We trust you’ll find this information helpful.

Facts about the data

Zurich’s database reflects approximately 6,000 healthcare workers’ compensation claims annually, with roughly $30 million in incurred losses per year. Zurich defines “healthcare” to include all facilities run by a hospital system, including specialty hospitals, psychiatric hospitals and ambulatory care, physician or dental practices, nursing homes, rehabilitation centers and labs or testing facilities (e.g., blood banks). To improve consistency, claims handled by third-party administrators are excluded from the analysis.

All data is evaluated as of December 31 of each accident year (i.e., at 12 months) and no development factors have been applied. Thus, these results should be considered early indicators in healthcare workers’ compensation claims, but not suggestive of ultimate costs, particularly given the long-tailed nature of workers’ compensation.

Additionally, these claims reflect the unique characteristics of Zurich’s healthcare book, and while believed to be illustrative of patterns and trends in healthcare workers’ compensation claims, they should not be construed as statistically representative of the full healthcare industry.

For a broader industry view, data is also included from the Bureau of Labor Statistics’ injury and illness reports.
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The healthcare sector represents one of the most robust industries and sources of employment in the U.S., according to data from the Bureau of Labor Statistics (BLS). Employment in all healthcare occupations is projected to grow at a faster-than-average rate compared with all occupations, with BLS projecting that 2.3 million new jobs, representing 19 percent growth, will be added in the period from 2014 to 2024.¹

Employment at hospitals is part of that growth, with more than 5,600 registered hospitals in the U.S.² employing more than 5.1 million people.³ Hospitals account for one-third of the employment gain in health care since January 2014, reports the BLS.⁴ The full-time employee (FTE) rate within hospitals has remained relatively the same.⁵ Average annual wages for full-time employees in hospitals are about $60,500.³

With employment, however, comes the potential for workplace injuries and illnesses, which are tracked by OSHA through its Survey of Occupational Injuries and Illnesses (SOII) program and reported by BLS. Across all industries, the overall rate of nonfatal occupational illness and injury has been declining. However, median days away from work to recuperate, which is a key measure of severity of injuries and illnesses, was nine days in 2014 — one day more than reported in 2013.⁶

Moreover, healthcare and social assistance employees continue to report among the highest rates of injury and illness among all private industries. Of the more than 5.1 million employees in the hospital sector alone, workers suffered an estimated 294,000 non-fatal, work-related injuries and illnesses in 2014 — nearly twice the rate of private industry as a whole.⁷

As shown in exhibit 1, the frequency of injuries and illnesses per full-time employees has been declining consistently over the last 10 years by 3.3% annually (slightly faster in the last five years at 3.6%). The mix has remained generally stable with about 26% of all injuries and illnesses as more serious cases with days away from work — with median days lost of six days in 2014.

While the SOII program measures injuries that differ in both definition and method from workers’ compensation programs, there is clearly overlap between the two. On the following pages, we look at how some industry trends are reflected in Zurich’s claims data.

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Profile of the healthcare employee

To develop a profile of the healthcare employee, Zurich looked at the distribution of healthcare employees by age from the Bureau of Labor Statistics (BLS) and our own data on the age of hospital employees who submitted workers’ compensation claims. Exhibit 2 shows the averages from the years 2011-2015.

Zurich’s claims profile follows a similar pattern to the BLS age distribution. This suggests claims closely mirror employment patterns (for age). We know that roughly 20-25% of both healthcare employees and workers’ compensation claims are in each of the 25-34, 35-44 and 45-54 age groups, with over 20% in the 55 and over age category.

When comparing the number of claims by age group with the cost per claim in dollars by age group, we can see that employees’ claim costs rise with age. On average, the older the employee, the more expensive the claim. This steady progression is shown in exhibit 3 and it is similar to results for other industries. The differences are dramatic, with the average cost of a claim for an injured worker age 65 or older over $11,000, almost six times that of an injured 22-year-old worker. With the aging of the population and workforce, this can prove a significant driver for both current and future workers’ compensation costs.
"Older and wiser" might well describe the U.S. workforce in the coming years. By 2020, American workers age 55 and older will increase by nearly 10 million, or at a rate of 33.5 percent, according to the U.S. Bureau of Labor Statistics (BLS). A 2015 Gallup Poll reported that 37 percent of nonretired Americans expect to retire after age 65 – that's up from 31 percent in 2009 and 14 percent in 1995 of those surveyed.

The healthcare workforce is no exception to these projections. For instance, by 2020 it is estimated that nearly half of all registered nurses will reach retirement age.

Implementing an age-friendly workplace to retain and protect employees starts with recognizing the physical, physiological and psychosocial changes associated with aging. Adapting work spaces and reducing 12- to 14-hour work shifts are just two ways to accommodate this valued demographic.

Research also shows that by 2020, most workplaces will have five generations of employees working alongside each other. Making the most of age diversity in a healthcare setting can present opportunities and benefits for everybody.

Protecting an aging workforce

The workforce continues to age across all industries. Healthcare organizations need to create work environments tailored to a skilled and valued population that may be experiencing age-related declines in mobility, hearing, vision and/or reaction time.

Some ways to help make the workplace safer for all employees, including older employees:

- Design workplaces that address the physical challenges of workers. This may include ergonomically designed workstations as well as workflow strategies that streamline movement to reduce demands on energy and bodily stress. Also address areas that present slip, trip and fall risks.
- Provide wellness programs to emphasize the importance of physical conditioning, proper posture and body mechanics, and stretch and flex exercises that improve flexibility.
- Invest in technology and tools that assist with labor-intensive activities.
- Create team-oriented work structures to optimize a diverse workforce. Older workers can share their institutional knowledge with younger workers, who in turn may be able to assist them with physically demanding tasks.
- Emphasize the importance of wellness and vision testing.

1. Grosch, James, Ph.D., Juliann Scholl, Ph.D. and Bermang Ortiz. “Advancing Worker Well-Being Across the Working Life: NIOSH’s New Center for Productive Aging & Work.” Centers for Disease Control and Prevention. 15 October 2015. blogs.cdc.gov
Analysis by accident type

The majority of workers’ compensation claims in the healthcare industry flow from two primary accident types or causes of loss: various straining accidents and a variety of slip, trip and fall injuries. The various straining accidents represent 35% of claims and 45% of losses. The variety of slip, trip and fall injuries are 19% of claims and 32% of losses. Notably, the slip, trip and fall injuries have a higher average cost per claim. Together, these two accident types are almost 45% of total claims and 77% of the total incurred losses.

Exhibit 4 displays the claims data from the top 10 accident types, representing 66% of all workers’ compensation claims and 85% of their losses at 12 months.

Guide to charts

The following charts display the claims data from the top 10 accident types, ranked by the percentage of total incurred loss and profiled by accident types, cause of loss, nature of injury and body part injured.

- Blue bars represent the percentage of claims for the specific category.
- Tan bars represent the percentage of incurred loss.
- Red markers show the associated cost per claim for each type and provide some indication of the relative severity of these different categories.

The average cost for all workers’ compensation claims in this study is around $5,100, which is $100 less than last year’s report. The costs are evaluated at 12 months, so they are subject to further development.
Analysis by cause of loss

The exhibit of claims data for the top 10 causes (or agents) of loss represents the more serious injury and illness incidents, and we find similar patterns in workers’ compensation claims. Nearly 25 percent of claims are related to patient and resident interaction, particularly from patient handling. This supports Bureau of Labor Statistics data, which shows that a majority of worker injuries resulting in days away from work can be linked to patient interaction.1

Exhibit 5: Healthcare workers’ compensation claims profiled by cause of loss

Promoting healthy weight among employees

The U.S. healthcare industry, when compared with 20 other industries, has the second-highest prevalence of obesity.1 While many factors may contribute to this situation, there remains a direct relationship between Body Mass Index (BMI) and rate of workers’ compensation claims, associated costs and lost workdays.2

Consider the following strategies to help encourage a healthy BMI among employees:

• Provide an on-site fitness center.
• Offer nutrition programs to educate employees on food choices and weight management tactics.
• Promote healthy foods, such as fruits and vegetables, in the workplace.
• Offer incentives to improve health via weight loss or maintain a healthy weight.
• Encourage participation in group physical activities, such as corporate 5Ks or fun runs.
• Reduce stress in the workplace.
• Implement stretch and flex programs to reduce tension and repetitive-motion strain.

Sources:


Patient interaction and worker injuries

Healthcare workers experience some of the highest rates of occupational injuries and illnesses across all industry sectors,¹ with nearly one-quarter of all claims resulting in days away from work linked to injuries resulting from patient and resident interaction. However, this common source can have very different causes.

Patient-handling – from lifting, repositioning and transferring patients – accounts for the single greatest risk factor for overexertion injuries of healthcare workers.² In terms of wage replacement, the injuries incurred from patient and resident handling also can be among the most expensive type of worker injury.¹

Workplace violence is another, unfortunate cause of injury from patient interaction. Healthcare settings can be hazardous places to work, particularly when patients or residents have a history of mental illness, violence or are under the influence of drugs. Assaults constituted 10 to 11 percent of serious workplace injuries from 2011 to 2013, compared with 3 percent among the private sector as a whole.³ Bureau of Labor Statistics data from 2014 also shows a similar trend, with healthcare and social assistance workers experiencing significantly higher rates than those in other industries.⁴

Ensuring prompt claims reporting

Research shows that across all industries, workers’ compensation claims reported within the first two weeks result in the lowest median cost. Other benefits from timely reporting include expedited healing and a quicker return to work for the injured employee. Here are some ways healthcare employers can help create a culture that prioritizes prompt reporting:

Pre-incident recommended best practices:
• Conduct annual training for employees and supervisors.
• Be familiar with state rules for “first aid” claims versus claims subject to reporting.
• Establish and monitor reporting goals at the location level.
• Commit to modified return-to-work programs.
• Set expectations for supervisors to support return-to-work programs.

Post-incident recommended best practices:
• Complete an internal incident investigation and post-incident drug test immediately.
• Report the claim within 0 to 3 days.
• Take advantage of your carrier’s medical management program; provide employees with medical provider information.
• Help employees understand the process and minimize uncertainty.

Keep the conversation constructive by focusing on what happened and future prevention, not blame.

Understanding the role of opioids in treating worker injuries

By Joseph Semku, DO, FAAFP,
Associate Medical Director, The Zurich Services Corporation

Opioids have traditionally been formulated and reserved for severe conditions, such as cancer, and end-of-life scenarios. But as their role has expanded to treat less severe pain, including musculoskeletal complaints in the setting of workers’ injuries, it has fueled concerns surrounding the “prescription drug epidemic.” Since 1999, the amount of prescription opioids sold in the U.S. nearly quadrupled.1

Opioids work by stimulating receptors in the brain and blunting pain sensations. Among the most potent examples classified by the U.S. Drug Enforcement Administration are semi-synthetic and synthetic opioids such as hydromorphone (Dilaudid); methadone (Dolophine); meperidine (Demerol); oxycodone (OxyContin, Percocet); and fentanyl (Duragesic), as well as naturally occurring drugs such as morphine, opium and codeine.

Approximately one-third of the workers’ compensation population is being prescribed opioid pain relievers, with some states’ rates greater than 40 percent.2 The majority of workers’ injuries are soft tissue or musculoskeletal in nature.3

Clinical evidence does not support the use of opioids as initial treatment for musculoskeletal injuries. To treat acute pain, opioids should be reserved for post-surgery severe pain, or when alternatives such as non-steroidal anti-inflammatory drugs (NSAIDs) are not tolerated or ineffective. When opioids are prescribed, their administration should be limited to less than two weeks.4 Concern increases when prescribing continues for extended periods or is begun very early in the injury period without significant clinical reason.

Driving this concern is opioids’ link to addiction, dependency and adverse outcomes. In addition, opioid use is associated with morbidity (damage to health) and mortality (death). Death from opioids can be the result of overdose, withdrawal or interactions with other drugs, especially sleeping pills, benzodiazepines and alcohol.

The consequences of inappropriate opioid prescribing extend beyond the adverse effect to the injured worker. Some examples of the economic ramifications of this problem:

• Higher cost: For musculoskeletal back injuries without spinal cord involvement, both medical and indemnity costs can triple when higher morphine equivalent doses (MEDs) are prescribed, compared with no opioids being prescribed.4

• Lost time: Total disability days increase as opioid prescriptions increase; there also is an associated increase in payment for indemnity as well as for all claims.4 Post-injury opioid prescriptions are also associated with lower rates of return to work and work retention.5

Strategies beyond opioids can include NSAIDs where tolerated, as well as other prescription non-narcotic medications, including antidepressants and neuroleptics. Moreover, physical rehabilitation, through physical therapy and functional rehabilitation, is critical to the successful return of workers to their normal activities and pre-injury state.6

While opioids have a place in the treatment of severe or intractable pain, their usefulness is limited. Alternate pain management strategies need to be investigated early in the course of opioid treatment. Opioids should be considered a means to allowing a person to return to function rather than an end in themselves.

About the author:
Dr. Joe Semku joined Zurich in December 2007. His areas of responsibility include our Physician Peer Review program and Pain Management narcotics program. He also administers clinical educational programs and serves as an insurance medical resource. He completed his residency at Northwestern University’s program at St. Joseph Hospital in Chicago. He received his medical degree from the Chicago College of Osteopathic Medicine and his undergraduate degree in biology and psychology from Loyola University in Chicago.

References
Analysis by nature of injury and body part injured

Exhibit 6 represents the claims data for the top 10 injury types. Soft tissue sprains and strains account for the largest category of injuries at roughly 44% of claim counts and 41% of incurred loss – thus, just below half of all workers’ compensation injuries in healthcare organizations are soft tissue sprains or strains. Not as frequent, but much more costly, are fractures and dislocations. Collectively, these are just about 6% of the claims, but represent over 33% of the incurred loss recognized at 12 months. Other industries with material-handling activities display similar injury patterns, where stress on joints produces serious and costly back, shoulder and knee injuries – many of which will ultimately require surgery.

Working to prevent opioid abuse

Opioids can be effective painkillers. However, individuals who are prescribed these powerful prescription drugs have a high incidence of long-term overuse and abuse, which in turn can lead to increased workers’ compensation costs. Some guidelines to help mitigate the risk:

- Create educational programs for employees outlining the dangers of prescription painkillers.
- Promote your employee-assistance program. Also, post notices on employee boards about Alcoholics Anonymous and Narcotics Anonymous meetings. This gives individuals a private way to seek help.
- Evaluate your company’s drug policy in relation to prescription medicine: Does it include protections for risk management, injury prevention and liability?
- Train managers to identify employee impairment/intoxication as your company’s first line of defense.
- Collaborate with your healthcare and/or workers’ compensation insurance providers to benefit from their programs as well (i.e., nurse case-management programs, updates on state regulations, education on national data registries, etc.)
- Coordinate drug testing and medical management.

Exhibit 7 represents the claims data for the top 10 injured body parts. Low back area and finger(s) are the most frequent body parts injured at nearly 30% of the total claims. Shoulders, low back and knee are the leading producers of incurred costs with nearly 45%. Other than injured fingers at nearly 11% of claim counts, no other single injured body part represents more than 5% of either counts or incurred losses, at least at this early stage of development.

Given the relative immaturity of these claims, it’s also useful to evaluate these body parts using the National Council on Compensation Insurance’s designation of injured body parts as either “likely to develop” or “not likely to develop.” The mix between likely-to-develop (LTD) and not-likely-to-develop (NLTD) injured body parts has stayed consistent over this five-year term, ranging between 40% and 45% LTD and averaging 42%. At 12 months, the percent of incurred loss associated with the LTD claims is already higher, at 50% — or looking at average incurred, the LTD claims are 30% more costly, on average, than those injuries considered not likely to develop.
Special analysis:
The costly impact of sprains and strains

Sprains and strains represent about 35 percent of all workplace injuries involving days away from work, according to a recent report from the National Safety Council. Zurich’s data for healthcare workers shows that soft tissue sprains and strains account for roughly 45 percent of incurred loss. Additionally, more than one-third of all workers’ compensation injuries in healthcare organizations are soft tissue sprains or strains.

This echoes findings from the Bureau of Labor Statistics that show overexertion injuries in healthcare occupations among the highest of all U.S. industries. Sprains and strains can be caused by holding, lifting, pushing and pulling activities. In healthcare settings, the manual lifting, moving and repositioning of patients or residents represents a significant source of these injuries.

For sprain and strain injuries specifically in the healthcare industry, the majority are caused by lifting and pushing/pulling. These two actions cause over half of the total claims and total incurred in the healthcare industry.

Exhibit 8 displays the claims data from the top 10 sprain and strain types.

For sprain and strain injuries in the healthcare industry, the majority are caused by patient or resident handling. These types of injuries account for nearly half of the total claims and total incurred in the healthcare industry.

Exhibit 9 displays the claims data from the top 10 causes of loss due to sprain and strain injuries.

Many caregiver roles within the hospital involve a high degree of manual labor. Caregivers routinely reposition, lift, transfer and transport patients with limited mobility, increasing the frequency and severity of strain and sprain accidents. Mitigating the risks of these injuries involves:

- Proper safe lifting of patients and consistent use of mobility equipment and other appropriate devices
- Education and training, such as implementing stretch and flex programs
- Job assignment and placement
- Job rotation and breaks
- Redesign of tasks, workstations, environmental factors, tools, materials handling and equipment

Muscles and bones bear the brunt of most work-related injuries across all U.S. industries, and rates of musculoskeletal injuries are among the highest in healthcare occupations. These injuries include:

- Overextension: pulling, pushing, lifting, gripping, carrying or throwing, resulting in soft-tissue and ligament injury
- Repetitive motion: most commonly attributed in injuries involving shoulder and wrist soft tissue, ligaments and nerves
- Slips, trips and falls: resulting in soft-tissue injuries, as well as associated fracture, head trauma, ligament injury and nerve involvement

Sprains, strains and tears, also known as overexertion injuries, represent the leading type of injury or illness across all industries. Workers who sustained these injuries required a median of 10 days away from work, compared to nine days for all types of injuries or illnesses. The overexertion injury rate across all industries was 33 per 10,000 full-time workers, but for hospital workers it was more than twice that rate (68 per 10,000), and nursing home workers experienced even higher incidence (107 per 10,000). For healthcare workers, the single greatest risk factor for overexertion injuries is the manual lifting, moving and repositioning of patients, i.e., manual patient handling.

Beyond providing a safe working environment that can mitigate these risks, recognizing and helping employees address contributing or comorbid risk factors can also go a long way in decreasing incidence of soft tissue-related injuries. Comorbidities fall into three categories: controllable, non-controllable and hereditary.

Some examples:

- Obesity: Carrying excess weight contributes to reduced core strength, which directly impacts the lower back and knees, and worsens overall lifting dynamics. It also increases stress on weight-bearing joints.
- Diabetes: Whether Type 1 or Type 2 (adult onset), diabetes adversely affects multiple bodily systems. The significance of diabetes in relation to injury can involve impeded healing, which can result in higher infection rates and poor mending of tissues, including bones.
- Other comorbidity factors include smoking; drug use and/or abuse (this can include prescription or illicit drugs, and alcohol); vascular issues surrounding the heart or vessels, especially in the neck and legs; past orthopedic injuries; neurologic impairment; and psychiatric concerns.

Yet another factor to recognize is that Americans are living and working longer. Across all industries, including healthcare, government projections point to a continuing increase in workers age 55 and older. Optimizing the knowledge and experience of older employees may also mean implementing strategies to help offset the physical changes associated with aging.

Individuals as well as employers benefit when safety is promoted and risk is reduced. Healthy workers equal safer workers.

About the author:

Dr. Joe Semkiu joined Zurich in December 2007. His areas of responsibility include our Physician Peer Review program and Pain Management narcotics program. He also administers clinical educational programs and serves as an insurance medical resource. He completed his residency at Northwestern University’s program at St. Joseph Hospital in Chicago. He received his medical degree from the Chicago College of Osteopathic Medicine and his undergraduate degree in biology and psychology from Loyola University in Chicago.

References

Conclusion

Workers’ compensation claims present a world of challenges for everyone involved. For a healthcare employee, a claim can create anxiety, confusion and even unnecessary litigation. For the healthcare employer, it can represent lost production and continuity, as well as creating the potential for additional expenses and strains on existing resources.

Understanding your workers’ compensation claims data — including the data surrounding claims frequency, severity, causes of loss and accident type — is key to optimizing your overall claims program.

However, the importance of timely claims reporting cannot be underestimated in helping to reduce and control workers’ compensation loss costs. Claims reported in the first two weeks have been shown to have the lowest median cost per claim. Furthermore, median cost has been shown to rise for claims reported in the third and fourth weeks.1

It’s more than just dollars and cents. Delays in reporting also can represent missed opportunities to address safety issues that could lead to additional incidents. Following are some additional potential benefits to early claims reporting:

• Enables timely delivery of benefits - a major concern to the injured employee
• Leads to expedited healing and an earlier return to work for the injured employee
• Increases fraud recognition for the organization
• Minimizes attorney involvement
• Allows for preservation of evidence and timely compensability investigations

Consider adopting these steps to help elevate your claims program:

• Be an employee advocate/change agent within your company.
• Work to change the culture, including the attitudes and behavior of supervisors and front-line management.
• Minimize employee uncertainty, which can be a key reason why attorneys are hired.
• Conduct annual training/monitoring of employees and supervisors to create a sense of urgency regarding timely reporting.
• Know state rules for what constitutes a first-aid claim vs. a claim subject to reporting.
• Take advantage of your carrier’s medical management-related services.
• Commit to modified return-to-work (RTW) programs, and set expectations for line supervisors to support these programs.
• Complete internal investigations immediately, with the focus on prevention, not blame.
• Provide employees and supervisors with medical panel information, if applicable.
• Report claims within 0 to 3 days.
• Establish and track lag time goals in your company down to location level.

For additional information about healthcare solutions, visit zurichna.com/healthcare
