

# Keep workers' compensation costs under control

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## Reduce the frequency and severity of claims by implementing safety policies

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Workers' compensation laws provide benefits to employees who suffer an occupational injury or disease. This refers to an injury arising out of and in the course of employment that occurred when the employee was at work, during the hours in which they were expected to be performing the job they were hired to perform.

Workers' compensation is a no-fault system, meaning that the injured employee does not have to prove that the injury was someone else's fault in order to receive workers' compensation benefits. However, injuries that are deliberate, self-inflicted, caused by a willful failure to use safety equipment, or the result of intoxication are not usually covered under workers' compensation laws.

### Coverage and benefits

All 50 states and the District of Columbia have some type of workers' compensation laws, each with the same basic objective of providing benefits to workers who are injured on the job. But no two state workers' compensation laws are identical. For example, New Jersey and Texas have elective workers' compensation laws, meaning an employer has the choice of either accepting or rejecting workers' compensation coverage. Without workers' compensation coverage, the injured employee can file a liability suit.

The different categories of workers' compensation benefits include medical, disability, rehabilitation, and death. These benefits also vary by state.

Medical benefits include payments for the medical treatment of an injured employee, which accounts for almost 34 percent of the total workers' compensation benefit payments in the United States. Most states provide for unlimited medical benefits in terms of both dollar amounts and duration of medical care.

Disability benefits are used to replace a worker's loss of income or earning capacity that results from a work-related injury. One type of disability benefit is temporary disability, which is used to replace a worker's loss of income during the recovery from a work-related injury. Payment is usually limited to about 66 percent of the employee's average weekly wage and is subject to state minimums and maximums. Some states also place a limit on the number of weeks an employee can collect temporary disability benefits.

Permanent disability benefits are paid as a result of an injury that leaves the employee unable to perform the type of work they were performing at the time the injury occurred. This benefit is based on the level of permanent disability and the wages earned at the time of the injury, subject to state minimums and maximums.

Rehabilitation benefits are paid by some states to cover the expenses of retraining an employee to do a job other than the type they were performing at the time of the injury. This benefit is subject to state minimums and maximums.

Death benefits consist of a burial allowance and a weekly income benefit designed to help compensate dependents for the lost income of the deceased worker. Once dependents reach 18 years of age and/or the spouse remarries, the benefits end. The weekly benefits are usually expressed as a percentage of the weekly wages of the deceased worker and are subject to state minimums and maximums.

### Ways to control costs

There are several things churches can do to control workers' compensation costs. But in the end, it takes sufficient planning and an agreement from all employees to keep workers' compensation costs under control.

Keep employees healthy. Employees stay healthier when their health insurance plan provides for annual physicals and low-cost coverage for getting the necessary medical care when needed.

Prevent workplace injuries and illnesses. Examine high-risk areas of loss exposure by performing monthly inspections and tours of the work site. Implement necessary safety changes such as adding lights in dark walkways, removing slippery floor mats, and securing bookshelves to the walls to prevent them from tipping over. Ergonomic programs and proper training can also change the work environment to reduce or eliminate repetitive injury claims and symptoms. Hosting quarterly safety meetings is a great way to address any potential exposures that could result in an injury.

Keep employees happy. Good labor relations are crucial since unhappy employees are more likely to file a claim in retaliation for their unhappiness.

Promote early claim reporting. All supervisors and managers need to know how to properly handle a work-related injury or illness. Managers also should be trained to contact the correct personnel in order to ensure that claims are handled as quickly as possible.

Manage medical treatments. Designate a local occupational or industrial clinic to treat work-related injuries or illnesses. Have representatives from this clinic tour your workplace to help them better understand the work that occurs at your location.

Establish a return-to-work program. This will help bring injured employees back to a modified or alternate position as soon as possible. Benefits to employees include:

- Reinforces a sense of security and job stability.
- Promotes the physical health of injured workers.
- Encourages normal social interaction with other employees. Benefits to employers include:
- Controls insurance costs.
- Reduces potential litigation.
- Retains employees and their job knowledge.

Benchmark results to measure progress. Use internal data such as loss runs and OSHA 300 logs to capture the losses and to analyze the effects of your program. Then adjust the programs when needed to reduce the exposure of future losses.

Finally, get involved by encouraging a safe work environment.

In the end, the best way to control workers' compensation costs is by implementing safety policies and procedures. So get involved, take charge and make the decision to help control costs. CE

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