

How a Return to Work program can impact your cost

Typical situation: A worker with a history of low back pain, injures his back and is treated and released to work with restrictions. The employer has a return to work program. The worker earns \$15/hr plus overtime. His average weekly wage is \$800 and the workers' compensation weekly payment would be \$533.

Below are three typical outcomes for this type of claim. How the employer responds (with or without RTW) greatly affects the cost of the claim:

Scenario #1: Employer offers transitional duty, worker returns, worker is subsequently released to regular duty and returns regular duty. Total cost of wage loss benefits for this scenario should be less than \$13,858 (26wks of Total and/or Partial compensation)

Scenario #2: Employer offers transitional duty, worker refuses to return, or initially returns but then either abandons the transitional duty job or is separated from employment for cause. Total cost of wage loss benefits for this scenario could be up anywhere from \$60,000 to \$100,000 (26wks of Total and/or Partial compensation, + 52 weeks of benefits for litigation, + 3 years of benefits to settle claim for a Full & Final Agreement)

Scenario #3: Employer is unwilling to provide transitional duty, worker does not get a medical release to regular duty. Total cost of wage loss benefits for this scenario could be \$180,000 to \$240,000 (Total compensation initially for 26 weeks, + 52 weeks of benefits for litigation, + Vocational Rehab costs, + 5 – 7 years of benefits for a Full & Final settlement)

BOTTOM LINE: Employers that are not operating within the parameters of Scenario 1 or 2, will become a victim of unnecessarily high WC premiums due to an extremely high experience mod.

RULE OF THUMB: WC Judges generally do not look kindly on injured workers who refused to cooperate with a good faith offer of transitional duty work by an employer. Conversely, WC Judges are not quick to fully embrace the WC carrier's efforts to show that there is work for an injured worker in the general economy when no work was available at the employer.

CONCLUSION: Having a commitment to Transitional Duty RTW saves money and gives the employers we represent the greatest chance of not becoming a helpless victim of the WC system. Let's do all that we can to help them manage and control their experience.