



Job Ready Services

August 2012 Issue

8 Reasons Why You Need to Control Your Worker's Comp Costs

1. **Average claim in NC: \$231,000** (direct + indirect costs)

Amount of revenue necessary to generate to cover the cost of the average claim:
\$2 Million (assuming a 10% profit margin)

2. **Average time out of work in NC** after an injury (exceeding 7 days): up to **25 weeks!**

Being out of work for more than 6 weeks: may be as low as a 50% chance of returning to work.

3. **10% of the American Workforce is not physically able to perform their job duties.**

Out of that 10%, comes 75% of injuries and 80% of an employer's worker's comp and disability costs.

4. We have an **aging workforce** in America. Although the incidents of injury are lower among older workers, when they do get injured, they are out of work longer and have a much slower recovery time than do younger workers.

5. We have an **obese workforce**. According to a Duke study in 2007, morbidly obese workers (>40 BMI) had (compared to non-morbidly obese workers):

- **Twice** the number of claims
- **7 times** the costs
- **13 times more** lost days

6. **Six million workers have been unemployed for more than 6 months** (the "normal" is 1-2 million)

7. **25 million workers are competing for 3.5 million job openings**, which means there are limited RTW opportunities for injured workers.

8. Employers may be **paying benefits** for injured workers for extended periods of unemployment that are no longer clearly due to the injury.

6 Ways You Can Control Your Worker's Comp Costs Now

1. **Job Analysis** – Do your job descriptions accurately reflect the true PHYSICAL demands of the job? EEOC and ADA will not accept "guesstimations" of the physical demands. "Employee must be able to lift 50 lbs or more" is NOT accurate. What is the object that is being lifted? Is it 51 lbs or is it 100 lbs? How likely do you think it will be to return an injured worker back to work if the physical demands of the job are not known?

2. **Implement a Functional Testing Program** – By identifying that 10% of employees that are unable to do the job up front, after the job offer and BEFORE placement, employers can reduce 50%-80% of their worker's comp and disability costs.

3. **Eliminate Worker's Comp Fraud** – By identifying those persons who have pre-existing conditions that put them at imminent risk of injury in doing the job for which they are being considered, or, by documenting baseline functional abilities BEFORE placement, fraud is virtually eliminated.



Our Services:

- Functional Capacity Evaluations
- Work Conditioning
- Job Analyses
- Fit for Duty Testing
- Employment Testing

Debra Lord, President of Job Ready, will be the featured speaker at the NC ASSE meeting on September 13. Topic: **Industrial Ergonomics**. To register, visit www.nc-asse.org.



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- 4. Fit for Duty Testing of Existing, Uninjured Employees** – Testing existing employees' functional abilities as it relates to their job functions is legal as long as it does not include a medical exam. EEOC says that if there is a reasonable suspicion (much like a drug test) that someone may have a safety risk in doing their job, it is OK to test their physical safety to do that job. Further, testing employees on an annual basis to ensure their continued safety to do the job (remember, we have an aging workforce, an obese workforce, etc) protects not only the employees, but their co-workers and others.
- 5. Fit for Duty Testing of Injured Employees** – Testing employees who are returning from medical leave or worker's comp, is also imperative to obtain objective information on their true abilities and whether they match the job demands. Physicians provide medical treatment for their patients – asking them to release a patient to return to work, when they have no objective data on that person's abilities and no idea of whether the abilities match the physical demands of the job can be risky. Ask the physician instead, whether the worker is safe to participate in a functional test. At that point, a Fit for Duty test (one that actually matches the worker's physical abilities to the demands of the job) can be completed.
- 6. Work Conditioning** – If work deficits are identified in a functional test (or, if the worker is not being treated actively, but not back to work), then work conditioning may be appropriate to facilitate a safe return to work. This is a DAILY program designed to reduce or eliminate the functional, work-related deficits that are keeping the worker from returning to work safely. It includes job specific tasks for that employee that increases the worker's confidence, strength, endurance and work abilities to return to work as early and as safely as possible.

If you need help reducing worker's comp costs, contact Job Ready Services. We can assist you with any of the above services and more!

Upcoming Events

Visit Job Ready's Booth at the following conferences:

- NCPRI – September 10-12
- Carolina STAR conference – Sept 19-21
- Mid-State Safety Council Workshop – Oct 9
- NC Industrial Commission conference – October 10-12

October Lunch and Learn

Thursday, October 18, 2012

12:00 – 1:00pm

Topic: **Violence in the Workplace**

Speaker: Dennis Parnell, Director of Safety Education, NC I

Cost: \$10.00

CCM & CRC credits pending approval (1 hour)

OHN credits pending approval (1 hour)

To register, go to <http://www.jobreadyservices.net/index.php/contact/lunch-and-learn-registration/> or visit our website and click on "education"



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