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Developing an Effective Safety Committee

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On January 22, 2010, the Illinois Supreme Court passed a ruling entitling employees on light duty who are terminated (for cause) temporary total disability (TTD) benefits. In the case, of Interstate Scaffolding, Inc. v. The Illinois Workers' Compensation Commission (Jeff Urban, Appellant), Mr. Urban was on light duty when he decided to put graffiti on the storage room wall. Mr. Urban was consequently fired for damaging company property. Because he was on light duty at the time, the Illinois Supreme Court decided that Mr. Urban was entitled to TTD wages until his medical condition stabilized or until he reached maximum medical improvement. This new ruling opens up Pandora's Box for increasing the cost of claims.



Many healthcare employers have experienced the 1 out of 10 employee who has blatantly abused the system, malingered, and of course is legally represented. With this new ruling, there must be a greater emphasis placed on preventing injuries in the work place to avoid costly claims.

How does a facility protect itself against such employees and incidents? The typical healthcare facility's primary exposures are strains or sprains related to resident transfers and handling, slips/trips/falls, combative residents, and needle sticks. To address these concerns one must provide the following:

- Thorough physical exam on new hires
- Safe patient handling program
- Slip and fall prevention program
- Snow removal policy
- Staff education and training on addressing combative patients
- Exposure Control Plan which trains on blood borne pathogens including safety needles and performance management of frontline staff

Typically, the previously mentioned programs create a safety culture along with facilitating accountability for safe behaviors from the frontline staff. Facilities who continue to experience a relatively high frequency and severity in employee injuries need to take the programs to the next level. To do so, you could assemble a safety committee that meets on a monthly basis and is separate from the quality assurance meeting. These safety committee meetings are composed of representatives from each department and committee members should be rotated about every year. The purpose of the safety committee is to ensure a safe work environment, meet OSHA requirements, identify root causes of injuries, address potential safety concerns and review facility policies.

Facilities demonstrating accountability and responsibility for employee injuries from the management level to the frontline have the following in common: a lower frequency of injuries, lower total severity, decreased experience modifier leading to lower annual premiums and cost savings to the facility.

A decrease in the number of employees on light duty, heads off situations similar to Interstate Scaffolding, Inc. v. The Illinois Workers' Compensation Commission. Facilities implementing this higher level of commitment are reporting decreases in their experience modifier from 1.20 to .84. Healthcare employers can contact their insurance company's risk management department to assist with developing an effective safety committee and fostering a culture of safety within their facility.

Cost Containment Tool: Dependent Eligibility Audit

Reducing overall costs is a top priority in almost every organization and employee healthcare costs are a main focus. With no end in sight to rising healthcare costs and practically every option to curb healthcare spending exhausted, what can employers do? The answer may lie in something as simple as making sure the people you have covered under your health plan are actually eligible for coverage. A dependent eligibility audit may be an option.

Dependent eligibility audits are used to identify ineligible dependents that are enrolled in your benefit plans. Examples include children that have met maximum age or student status, divorced spouses, or children impacted by changes in custody arrangements. Estimates show that 3 to 12 percent of covered dependents are not actually eligible. This can translate into significant cost savings for employers.

When planning an audit, an employer should consider the following:

- Are all plan documents consistent in defining dependents?
- What will the scope of the audit be and who will perform it?
- What documents will satisfy proof of eligibility for various types of dependents?
- What will be the message communicated to employees?
- How will employees perceive an audit? Are there other employee relations issues going on?
- How will privacy issues be addressed?

One of the most essential aspects of a dependent eligibility audit is employee communication. Employees should be told in advance of the coming audit so they can gather the proper documentation. Also, they should be reminded frequently throughout the audit period to ensure the best possible participation rate. Use already established mediums for communicating the message, including your company intranet, e-mails, bulletin board postings, payroll stuffers, etc.

Typically there are two steps to a dependent eligibility audit.

Step One: Employers establish a period of amnesty where employees can voluntarily remove ineligible dependents. Employees are notified by letter, explaining eligibility rules. An employee can then review all covered dependents for status, and no penalty will apply to those dependents removed because they no

longer qualify. Employers generally give employees one month to respond. Ineligible dependents are terminated at the end of the following month.

Step Two: For all remaining dependents after the initial amnesty period, employers should require employees to provide documentation to verify dependent status/relationship. Documents must establish both a dependent relationship and that the relationship still exists. Examples may include:

- Marriage certificate
- Domestic partner affidavit
- Legal documents that establish custody, guardianship or foster care
- Birth certificate
- Tax status form
- Medical documentation of disability
- Adoption papers

If an employee is unable to establish a dependent relationship, employer may impose penalties or seek reimbursement for claims paid for ineligible dependents among other solutions.

Many companies find that hiring an independent audit firm may be desirable as the auditing process can be cumbersome and time-consuming. While an audit of this nature may seem extreme, so is unknowingly paying for healthcare services for people who are not eligible. A dependent eligibility audit provides compelling evidence and helps to preserve the integrity of your corporate benefits package.

For more information on dependent eligibility audits, contact your employee benefits advisor.



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