

Five Steps for Controlling Workers' Compensation Costs

If your facility is dealing with rising workers' compensation costs as a result of workplace accidents, it's time to take a new approach to safety. The key to spending fewer dollars on workers' compensation is more than just stopping a few accidents; it requires a comprehensive safety program designed to continuously improve. A safety program that is compliant with Occupational Safety and Health Administration (OSHA) standards can yield significant savings by reducing injuries and illnesses, saving workers' compensation dollars over the long run.

Building a Solid OSHA Program

You can control workers' compensation costs with five easily implementable steps designed to create a well-rounded safety program that produces a safer work environment, achieves OSHA compliance and reduces accidents—ultimately saving you money.

1. Develop the various programs required by the OSHA standards.
2. Integrate those programs into daily operations.
3. Investigate all injuries and illnesses.
4. Provide training to develop safety competence for all staff members.
5. Audit your programs and your work areas on a regular basis to stimulate continuous improvement.

Step 1: Develop Programs Required by OSHA

Standards

Aside from being a requirement for health care employers, OSHA standards provide a good pathway to incident reductions. Many accidents stem from poorly developed or implemented OSHA programs: back strains may come from poor patient handling procedures, needlestick injuries can occur without proper training and control measures, and a lax hazard communication program can result in unnecessary illnesses and injuries.

You can control claims costs by taking a proactive approach to reducing injuries and illnesses, saving workers' compensation dollars over the long term.

Many of the OSHA standards require that a written program be developed and communicated to all employees. Experience shows that companies with thoroughly developed OSHA-compliant programs have fewer accidents, more productive employees and lower workers' compensation costs.

Step 2: Integrate Programs into Daily Operations

Policies alone won't get results; your safety program must move from paper to practice to succeed. Putting a policy into practice requires a strategic plan clearly

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communicated to employees, good execution of that plan based on developed competencies, and a culture that inspires and rewards people to do their best.

When developing your safety initiative, there must be an emphasis on putting supervisors in the best position to succeed. If your management team understands the safety program and are motivated to make it work, the program succeeds; if not, it will be an endless drain on resources and energies. Providing supervisors with knowledge and skills through training is critical to the success of your safety program.

A solid OSHA program, integrated into your facility's daily operations and led by competent supervisors, is just the beginning. Successful safety programs focus on being proactive instead of being reactive. Accident investigations provide an excellent source of information on real or potential issues present in the workplace.

Step 3: Investigate All Injuries and Illnesses

Workers' compensation is designed to recompense staff for injuries or illnesses that arise from or out of the course of employment—the more injuries you have, the higher your workers' compensation costs. To reduce those costs, you must reduce your accidents. And the ability to reduce accidents is significantly enhanced when accidents are fully investigated instead of simply being reported.

Accident reports cite facts; accident investigations go deeper to uncover the root cause of an accident and make improvements to prevent its reoccurrence. To stop your workers' compensation costs from rising unnecessarily, you must have an effective accident investigation process. Unless you can determine the root cause of an accident, recommendations for improvement will remain fruitless. Again, training proves beneficial because a supervisor skilled in incident analysis is a better problem solver for all types of workplace issues.

All accidents should be investigated to find out what went wrong and why. Some may suggest investigating

every accident is a bit over the top and only those that incur significant costs are worthy of scrutiny. But if your emphasis is only on those incidents that have to be recorded on the OSHA 300 log, you ignore the single largest accident category: first aid-only incidents. Many companies focus on recordables or lost-time accidents because of the significant costs involved, but they don't realize that the small costs and high numbers of first aid-only incidents really add up.

Statistics show that for every 100 accidents, 10 will be recordable and one a lost-time incident. If you investigate only recordables or lost-time accidents, 89 go unnoticed. Reducing serious accidents means you must reduce your overall rate of all accidents—including first aid-only incidents. That only happens when every incident is fully investigated, and corrective actions are identified and integrated into your daily operations.

Step 4: Provide Safety Training

Training your staff plays a significant role in safety and in reducing workers' compensation costs. The goal of training is to develop competent people who have the knowledge, skill and understanding to perform assigned job responsibilities. Competence, more than anything else, will improve all aspects of your business and drive down costs. Supervisors must have the knowledge and ability to integrate every safety program into their specific areas of responsibility. Every staff member must know what is expected of them when it comes to implementing safe work procedures.

Step 5: Audit Your Programs

Once the programs are developed and implemented, they must be audited on a regular basis to ensure they are still relevant and effective.

These five steps might require a significant change in how you manage your safety program, but if your workers' compensation rates are high, it may be time to make the leap.

Tangible Benefits

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1. Studies indicate there is a return on investment and that companies see direct bottom-line benefits with a properly designed, implemented and integrated safety program.
2. A competency-based safety program is compliant with OSHA requirements and therefore reduces the threat of OSHA fines.
3. A competency-based safety program lowers accidents, which lowers workers' compensation costs. When incidents do occur, a competency-based safety program fully evaluates the issue and finds the root cause to prevent reoccurrence and provides a workplace that is free from recognized hazards.
4. A safer workplace creates better morale and improves employee retention. Auditing keeps your programs fresh and effective and drives continuous improvement.
5. A competency-based program produces people who are fully engaged in every aspect of their job and are satisfied and fulfilled producing high-quality services.

Rely on our Expertise

At HUB International, we are committed to helping you establish a strong safety program that minimizes the workers' compensation exposures at your health services facility. Contact us today at 918.747-8631 to learn more about our OSHA compliance and safety program resources.