

## TRANSITIONAL DUTY PROGRAM

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One of the steps in the 9 Key Safety Program Parameters, requires companies in the Workers Compensation Group Rating Program to develop and implement a Transitional Duty Program. Although this may be difficult for some companies, there are some good basic business reasons why this makes good sense.

The Ohio Bureau of Workers Compensation uses a formula reserving system when determining how much to reserve against a particular claim. It does not matter what type of injury, what matters is the length of time an employee is off work, how much Temporary Total Disability (TTD) that is paid out and when the employee is off work. Very high reserves can be set on claims that may not appear to be that serious. I have seen hernia claims that had a max value reserve placed on them.

When establishing a reserve the Bureau of Workers Compensation first looks at the amount of Temporary Total Disability paid on that claim. They then use a factor which could be up to five times what was actually paid during the claim year and then multiply this times TTD paid, to set the reserve. If the employee is off past April 1st of the next year or goes off in the new claim year the reserve factor can increase dramatically. Lets take as an example an employee with a hernia in August and is off work for 6 weeks. His weekly Temporary Disability rate is \$ 450.00 per week. The Bureau of Workers Compensation will pay the employee \$ 2,700.00 during this period, plus any medical expenses. If there is no additional activity on this claim the reserve in the claim could easily be close to \$ 15,000.00 or \$ 16,000.00 dollars.

Take the same type claim but the injury happens in December and the employee is capable of working until mid February, before he goes off. He stays off 6 weeks and comes back to work after December 31st. December 31st is the cut off date for determining reserves from the previous year, since this claim went past December 31st the reserve could be significantly higher than in this case. In some cases the reserves can go up to the max value for your size of company.

These reserves are what determines a companies experience rating. The higher the reserves the higher your loss ratio for the four year rating period. If your modified loss ratio is higher than the expected losses or limited losses for your size and type of company your company will be penalty rated. This could cause a company to be removed from the Group Rating Program or be denied entry into a group.

One way to avoid these large reserves, is to provide an aggressive Transitional Duty Program. The less time an injured employee collects temporary disability payments, the lower the reserve that is placed on that claim. I have heard from some employers that they do not want to pay someone who is unable to perform his regular duties. This in the past has been a standard argument. The fact is if the employee is collecting Temporary Total Disability from the Bureau of Workers Compensation you will be actually paying much more. It actually saves money and also in many cases speeds up the recovery process.

If you have not set up a program yet or are in need of assistance in writing up one, the following is a sample program that you may wish to use. Please feel free to make any modifications you feel necessary.

## **SAMPLE TRANSITIONAL DUTY PROGRAM**

Every effort will be made by our company to provide a safe and healthful work environment for all our employees. However, from time to time there may be the possibility of one of our employees being injured. If that happens, the employee will be transported to the nearest emergency medical facility for proper treatment. The employee will be returned to work if possible.

In the event an employee is injured but can not return to work immediately to regular duty, a Transitional Duty Program has been established. This program is designed to get valuable employees back to productive work as soon as possible, following an injury. Work requirements will be kept within any physical work limitations placed on the employee by his/her treating physician.

The company will work closely with our injured employee and their treating physician. The treating physician will be notified of our Transitional Duty Program and our desire to work with the physician to return our injured employee to productive employment in an expeditious manner. We will request a list from the physician of work restrictions. These will then be reviewed, and work activities within these restrictions will be identified and the physician will be advised so the employee can be returned to work. Once the employee returns to work, every effort will be made to ensure the work activities are kept within the employees medical limitations.

The Transitional Duty Program will be reviewed on an employee by employee basis. It may not be possible in every case to match up the physical restrictions with available work activities. In those cases the employee will be advised. Close follow up with the physician will be maintained and, as soon as the employee is physically capable, he/she will be returned to active employment. Once the physical limitations have been removed, the employee will be returned to full duty.

The length of time transitional duty is made available will be at the company's discretion. Every effort will be made to accommodate the needs of our injured employees, but transitional duty is not a substitute for normal work duties. If it is felt that the Transitional Duty Program is not achieving the desired goal for a particular employee, the program for the employee may be terminated at the company's request. The company will continue to work closely with the injured employee and his/her treating physician to ensure the employee returns to normal productive employment if possible.

If you have any safety related questions or need any safety services please call American Safety & Health Management Consultants, Inc. at 800-356-1274.