

The Hidden Price Tag:

Why Timely Return to Work Matters More Than You Think

WI Safety Council Annual Convention

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- The True Cost of Workplace Injuries
- How Wisconsin's 3-Year Rating System Impacts You
- Why Delays in Return to Work Happen
- The Psychology of Staying Connected to Work
- What an Effective RTW Framework Looks Like
- Practical Steps You Can Implement Immediately

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Let Me Tell You About Mike



- He is 38
- Solid employee
- Shows up everyday and does his job.
- The kind of guy supervisors rely on
- He strained his back lifting materials
 - No Ambulance or anything dramatic
- Dr. said 2 weeks off
- Company does not have modified duty, so he stays home
- 2 weeks turns into 4 and 4 into 6
- Indemnity payments have started stacking up. Production is down. Overtime is up. His crew is stretched.

\$55,400



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The Injury Is Only the Beginning

- Direct medical costs
- Wage replacement (indemnity)
 - *66.677% of employee gross wages*
 - *No pay first 3 days unless disability lasts more than 7 days*
- Overtime & production strain
- Administrative & supervisor time
- 3-year premium impact in Wisconsin



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How Wage Replacement Begins in Wisconsin

*Weekends and holidays count as calendar days.

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Example: Most Common Scenario

IMPORTANT!!

The initial day of injury **does not count** in Wage Replacement, **UNLESS** the employee misses an entire day of work.

Example:
Employee slips on ice in parking lot on their way into work before shift starts.

Partial day worked — Waiting period begins next calendar day

*Weekends and holidays count as calendar days.

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In Wisconsin, Claims Echo for 3 Years

- Experience rating uses a 3-year rolling window
- Current policy year is excluded
- Each injury is assigned a cost value
 - Lost-time claims weigh heavier than medical-only
 - 100% vs 30%
- Primary losses impact your mod the most



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What Does a 6-Week Delay Really Cost?

Scenario A: Delayed Return (6 Weeks)

- Medical: \$12,000
- Indemnity (6 weeks @ \$35 an hour)
 - (Loss of \$2,800 in missing wages)
- Total Incurred: \$17,600
- Overtime for 3 employees (1 hr @ \$15.75) = \$4,725
- Classified as Lost-Time Claim
- Primary loss fully applied = 100%

Then add:
 Estimated EMR increase example:
 Estimated 3-year premium impact: ~\$33,000 (or \$11,000 per year)

Total true cost impact: \$ 55,325


Scenario B: Transitional Duty After 3 Weeks

- Medical: \$12,000
- Indemnity
- Total Incurred: ~\$12,000
- Medical-Only Claim = 30%
- Primary loss impact
- EMR remains near 0.92
- Premium impact: minimal

True cost impact: \$13,000

Difference of approx.

\$42,000



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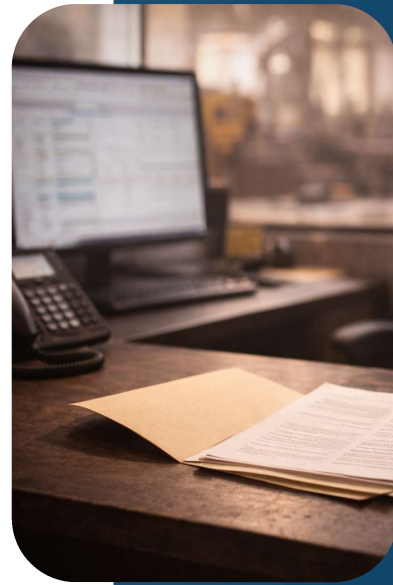
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Why Do Delays in Return to Work Happen?

Delays rarely happen because someone doesn't care.

- No formal RTW framework in place
- No identified transitional duty options
- Waiting for "100% healed"
- Uncertainty about restrictions
- Supervisor discomfort with the process



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What Happens When Someone Stays Home Too Long

- **Physical deconditioning begins quickly:** *It has been proven employees heal up to 30% faster if they return to work in a timely manner*
- **Routine and structure disappear:** *For many people work is structure. No structure can lead to depression and feeling of worthlessness.*
- **Identity & purpose feel disrupted:** *Work isn't just a paycheck. It's purpose. It's belonging.*
- **Isolation increases frustration:** *Frustration often invites outside influence. If you haven't reached out in 6 weeks, how do you think your employee feels?*



Time away from work changes more than the claim file.

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A Strong Return to Work Framework

Effective RTW doesn't happen by accident. It happens by design.

Five Framework Pillars

1. Written RTW Policy
2. Pre-Identified Transitional Duty Bank
3. Early & Consistent Communication
4. Physician Coordination
5. Supervisor Training & Accountability

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Pillar 1: A Written RTW Policy

If your RTW program lives in someone's head... it doesn't exist

- Defines commitment to transitional work
 - **Hidden cost controlled:** Prevents defaulting to lost-time classification.
- Establishes consistent process
 - **Hidden cost controlled:** Eliminates process lag. Delays create indemnity payments.
- Clarifies roles & responsibilities
 - **Hidden cost controlled:** Prevents hesitation-driven claim escalation.
- Prevents delay-driven confusion
 - **Hidden cost controlled:** When return to work is delayed, wage replacement stacks week after week – and so does the impact.
- Reduces costly decision hesitation
 - **Hidden cost controlled:** Protects claim classification (Lost Time) and EMR impact.

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Examples of Light Duty

- Inventory audits
- Safety inspections
- Quality Control
- Tool tracking
- SOP review
- Equipment inspection logs
- New Hire Training
- New Hire Mentoring
- Individual Improvement Training
- Paint Aisle Markings
- Shipping/ Receiving
- Update SDS Binder
- Vehicle Cleaning/Stocking

Pillar 2: A Pre-Identified Transitional Duty Bank

If you're creating light duty after the injury, you're already behind.

- Identify tasks before injuries occur
- Include administrative & operational options
- Match restrictions to pre-approved tasks
- Keep employees connected to the workplace
- Protect medical-only claim classification
- **Note-** Work must be meaningful- No sharpening pencils or counting paperclips in a box.

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Hidden Cost:

Silence breeds disengagement

- Disengagement increases time away
- Time away increases total incurred

If expectations are unclear, employees assume they are off until "fully healed"

- Delay crosses the waiting period threshold
- Indemnity begins


Pillar 3: Early & Consistent Communication

The first 24-48 hours set the trajectory of the claim

- **Make contact within 24 hours**
 - The moment an employee does not return to work after the date of injury, the claim begins moving toward lost-time status.
- **Express support and concern**
- **Communicate that transitional work is available**
 - *Ideally this is done before the employee seeks medical treatment*
- **Clarify that return will align with medical restrictions**
- **Maintain consistent follow-up**

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Hidden Cost:

- “An ‘off work’ note triggers wage replacement.”
- “Wage replacement increases total incurred.”
- “Total incurred impacts your mod and W/C increases for three years.”

* I can provide an example upon request.

Pillar 4: Physician Coordination

Don't ask if they can work and don't wait for the doctor's note. Ask what they can do!


Consider having an Injury Pack ready

That packet could include a letter to the medical provider indicating you have Light Duty available that will conform to restrictions given. You now control the dialog.*

- Provide written job descriptions to the provider
- Request specific functional restrictions
- Avoid accepting vague “off work” notes
- Match restrictions to transitional duty tasks
- Maintain communication when restrictions change

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Pillar 5: Supervisor Training & Accountability

This is the glue pillar. Because here's the truth: You can have the best written RTW policy in the world...and one uncomfortable supervisor can derail it.

- Train supervisors on RTW process and expectations
- Provide scripts and documents for early communication
- Reinforce restriction-based task assignments
- Require HR involvement in return-to-work decisions
- Measure timeliness of communication – not forced return

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Let's Rewind Mike.

Same injury. Different response when you have a RTW Program in place.

What Happens:

- Supervisor contacted him within 24 hours
- Transitional duty options already identified
- Job description provided to physician
- Restrictions clarified — not "off work"
- Returned to work within 3 days

Results:

- No wage replacement triggered
- Claim remained medical-only
- Lower total incurred value
- Minimal impact on 3-year premium

That's the financial payoff.



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What You Can Do This Week

Small adjustments now prevent hidden costs later.

1. Review your last 3 lost-time claims
2. Identify where delay occurred
3. Build a 10-task transitional duty list
4. Draft or update your written RTW policy
5. Train supervisors on first-call expectations

That's it.

Five. Clean. Implementable.



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You Can't Prevent What Happens Next. Injury.

Return to Work is not about speeding recovery.

It's about protecting people, culture, and the financial future of your organization.



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