

Controlling workers' compensation losses

Workers' compensation losses can quickly escalate a facility's insurance rates. Keeping a handle on the losses and enforcing loss control measures will lower insurance premium rates by lowering the workers' compensation experience modification rate.

The National Council on Compensation Insurance developed the "Experience Rating Plan" to calculate the cost of workers' compensation insurance to the actual loss control experience of an individual employer. The rate compares the losses and safety results of an employer to similar employers in most states. This loss rate is calculated by the amount of losses expected per \$100 of payroll. Fewer losses and accidents than the average results in a modification factor lower than 1.0 and a reduction in premium. Conversely, the more losses and accidents, the higher the modification number and higher the premium.

As a manager or administrator, it is important to keep the experience modification rate as low as possible. Having an employee safety program in place will allow you access to information needed to monitor and control accidents and injuries.

Following are two examples of workers' compensation claims with loss control measures. Compare how you evaluate your employees in work-related injuries/illnesses and determine if you should be monitoring them better.

While taking out the trash, Casey slipped and fell. Her left ankle was swollen, tender to the touch and painful when walking. After being

seen in the emergency room, Casey was noted to have a sprained ankle. She was given medications to decrease the inflammation and control the pain and placed in an air cast for several days. Casey continued to work on light duty and was released from her injury to full duty after three days. Medical costs were almost \$1,000 to cover the treatment.

During the investigation of this incident, it was determined that it was probably preventable, although there were extenuating circumstances, including recent snow fall. The manager/administrator would want to further investigate by obtaining answers to the following:

- Had anyone shoveled or applied sand or salt to the area prior to taking the garbage out?
- What time of day was it?
- Does the area have adequate lighting?
- Does the area need markers to define the concrete in the event of snow?
- What kind of shoes/boots were worn?

The manager can initiate several safety measures to reduce the likelihood of repeated injury. The facility can have several shovels available at frequently used exits to keep the walkways clear. A sand/salt mixture can be used after shoveling to prevent ice buildup and add traction to the surface. If not already



Darrel Dengel, owner of Woodland Court in Merrill, Wis., spreads salt near the entrance of the facility to reduce the risk of a slip or fall.

in place, lights with photo sensors can be placed in the area by the large disposal container.

The facility also can consider moving the trash container.

The next incident involves Sara, a certified nurse's aide, who experienced difficulty breathing after she inhaled fumes from an industrial strength cleaner being used to clean a whirlpool tub. Sara was taken to the emergency room and was treated for asthma. Following treatment, she was able to breathe without wheezing. She was sent home after being instructed in the use of an inhaler and not to smoke or being in smoke-filled areas for

Tracking illnesses, injuries iden

Oftentimes, there seems to be no connection between employee injuries and illnesses through the year. However, if these incidents are tracked, a connection is often identified.

For example, in May 2000, there were 10 reported cases of skin irritation within three days, one serious enough to require missing five days of work. Upon studying the cases, it was learned that all of the employees affected were nurses, and all worked within a week of the reported problems.

Other questions that needed answers included: Did all the employees work within a specific area? What products were used? Was there a new product?

After a complete investigation, it was determined that environmental services had a new contract with a new manufacturer for cleaning supplies. A new hand soap had been introduced on one unit and was to be extended into the rest of the facility within the month. The product was replaced with the previous product. No further skin irritations have been reported.

A periodic summary of incident experience is extremely valuable as a management tool. In order to create the summary, the selected data must be collected. Standardized report forms often are used to collect data in a consistent manner. To evaluate employee risks, "incident report" and "investigation report" forms are utilized.

The incident report collects information about the individual, description of the injury and whether medical attention was required. The investigation report identifies environmental contributing factors, unsafe practices, hazardous types of equipment and actions taken to prevent recurrence.

Management can look at a broader scope of data by selecting particular pieces of information that would

Table 1

Injury/Illness Log

Job Title	Department	Injury	Cases	Supervisor	Days Away	Restricted Days	Date of Injury
Cook	Dietary	Burn	1	Smith	0	0	7/15/01
Cook	Dietary	Burn	1	Smith	0	0	6/7/01
Cook	Dietary	Laceration	1	Smith	0	0	3/22/01
Dietary Aide	Dietary	Burn	1	Smith	0	0	7/1/01
Dietary Aide	Dietary	Laceration	1	Smith	0	0	4/1/01
Dietary Aide	Dietary	Fracture	1	Smith	5	20	11/26/01
Food Server	Dietary	Burn	1	Smith	0	0	2/14/01
Food Server	Dietary	Laceration	1	Smith	0	5	1/20/01
Housekeeper	Housekeeping	Laceration	1	Green	0	0	2/1/01
Housekeeper	Housekeeping	Laceration	1	Green	0	0	6/30/01
Housekeeper	Housekeeping	Puncture	1	Green	0	0	6/15/01
Housekeeper	Housekeeping	Strain	1	Green	5	10	2/14/01
Housekeeper	Housekeeping	Strain	1	Green	5	10	6/23/01
Laundry Aide	Laundry	Strain	1	Adams	7	14	2/8/01
Maintenance	Maintenance	Fracture	1	Jones	8	20	10/4/01
Maintenance	Maintenance	Puncture	1	Jones	0	0	6/19/01
Maintenance	Maintenance	Puncture	1	Jones	0	0	9/18/01
CNA	Nursing	Bite/Human	1	Miller	0	0	11/24/01
CNA	Nursing	Laceration	1	Miller	0	0	4/19/01
CNA	Nursing	Laceration	1	Miller	0	0	12/3/01
CNA	Nursing	Punched	1	Miller	0	0	3/3/01
CNA	Nursing	Punched	1	Miller	0	0	9/6/01
CNA	Nursing	Skin laceration	1	Miller	0	0	5/10/01
CNA	Nursing	Skin irritation	4	Miller	0	0	5/11/01
CNA	Nursing	Skin laceration	2	Miller	0	0	5/12/01
CNA	Nursing	Sprain	1	Miller	0	5	3/11/01
CNA	Nursing	Sprain	1	Miller	0	5	4/3/01
CNA	Nursing	Sprain	1	Miller	0	6	1/14/01
CNA	Nursing	Sprain	1	Miller	0	4	2/27/01
CNA	Nursing	Sprain	1	Miller	0	4	3/22/01
CNA	Nursing	Sprain	1	Miller	0	4	10/2/01
LPN/RN	Nursing	Needle stick	2	Thomas	0	0	9/30/01
LPN/RN	Nursing	Needle stick	2	Thomas	0	0	10/01/01
LPN/RN	Nursing	Sprain	1	Thomas	0	6	3/8/01
LPN/RN	Nursing	Sprain	1	Thomas	0	5	3/15/01
LPN/RN	Nursing	Sprain	1	Thomas	0	7	3/30/01
LPN/RN	Nursing	Sprain	1	Thomas	0	5	4/20/01
LPN/RN	Nursing	Sprain	1	Thomas	0	4	8/11/01
LPN/RN	Nursing	Sprain	1	Thomas	0	5	12/10/01
LPN/RN	Nursing	Sprain	1	Thomas	4	12	6/8/01

simplify the interpretation of the data provided. If the information is kept in a computer spreadsheet, data can be sorted in a variety of ways to assist in analyzing the information.

Collecting consistent data allows a facility to compare results by department, in various time periods or by facility, if part of a larger organization.

These selected tables provide a convenient method for identifying large patterns of incidents or multiple single events occurring within a short period of time, place or with a particular individual. It is easy to lose sight of the big picture if only reviewing individual injury or illness reports.

The summary of incident/investigation reports also provides a snapshot analysis of the safety program. Summaries do not need to contain detailed information and can be supplemented in simple charts or graphs to compare current incident rates with those of previous periods.

Injuries/illnesses

Employee injuries/illnesses are one of the highest risks involved in the long-term care industry. For example, Table 1 demonstrates 2001 employee injuries at ABC Nursing Home and Assisted Living. Collecting data by employee job classifications provides ease in isolating areas of concern.

ifies problem areas

Within the dietary department, there were three burns and three lacerations within a short time frame. The manager should have a good understanding of the causes of each event. Additional questions to consider are: What role did the environment play in the incident? Was the kitchen using some new equipment? Had the height changed with the installation of a new oven or warming unit? Was the employee working within the policies of the department? Did the cut come from the cleaning process?

From the data presented, we see that incidents of cuts and burns dropped sharply after July. It appears that possible prevention measures taken had an impact the rest of the year as there were no further injuries.

Another example of tracking and trending shows that the LPN classification had six needle sticks in two days. The cluster of needle sticks in this time frame was atypical for the facility. Questions to be evaluated are: What was different during this period? Were the facility's policies being followed? Has the policy been updated? Are environmental issues involved? Are needle boxes easily accessible? Are the needle boxes too small? Have new products been introduced? Has in-service training been provided?

Even the government tracks and trends employee data. For example, the U.S. Department of Labor (DOL) tracks information by incident rate through the use of occupational injury and illness recording and reporting requirements of the OSHA Act. The DOL tracks nonfatal occupational injuries and illnesses per 100 equivalent full-time workers (FTE).

The DOL 2000 rate for the health service industry was 7.4.

For a facility to determine its own rates in comparison to the national average, it would need to track information within the same parameters of measure. In this case, one of those parameters is to calculate employee data by FTE.

these trends are identified, then it is easier to target specific safety goals for each department to decrease the incident rates.

Intervention plans

Once the data is analyzed, strategic plans can be made to reduce the risks that will ultimately reduce the

Table 2 Incident Summary by Department

	Dietary	Housekeeping	Laundry	Maintenance	Nursing	Total
Total # Incidents	8	9	1	3	34	51
% of Total	16%	10%	2%	6%	62%	100%
Total Days Away	5	5	7	4	43	64
% of Total	8%	8%	11%	6%	67%	100%
Total Restricted Days	26	10	4	20	86	156
% of Total	17%	6%	9%	13%	55%	100%
# Employees	25	8	4	2	41	80
Incident Rate per 100 FTE Employees	32	63	25	150	83	64

Incident summaries

The second table provides a summary of the number of incidents by department—total days away and total restricted days with the percentage of the total for each category.

To accurately compare data with national statistics, find your number of incidents, multiply it by 100, then divide by the number of your facility's FTE. The example incident rate equals 64. Obviously, they need to implement a stronger safety plan.

Each facility should strive toward the DOL rate of 7.4 or less per 100 FTEs. To determine the rate, multiply 7.4 by the number of employees and divide it by 100. The facility in the example should have a goal of 5.9 or less. Obviously, they have some work to do. Decreasing their rate also will impact the facility's experience modification number by lowering the number.

Using this method, a facility is able to compare each department against the other using the same standard. The best department is laundry. The worst department is maintenance. Once

number of incidents. The facility and each department manager should evaluate the risks and events in their units. Specific plans are developed to reduce the risks in their areas.

Considering the examples above, the dietary department manager was able to determine that the burns were related to the installation of a new warmer unit. The unit was placed too high for most employees. The lacerations were related to several dull knives. Both problems were dealt with, and the chart shows that there have been no further incidents.

The high number of LPN needle sticks were related to the introduction of a new syringe. Not all staff members had been educated in how to use the device. Training classes were set up so that all current professional nursing staff was trained in the proper technique of using the syringes.

The department summary table rates all departments on an equal basis. Ongoing monthly, quarterly and annual statistics will evaluate the progress made in the elimination of incidents. ■

Loss of your business income

You have insurance on your building to repair or rebuild it if it is damaged by fire, wind, hail or lightning.

However, what will happen to your income if your building is destroyed or you have to close your facility while it is being repaired?

Most likely, you would lose a revenue stream.

All businesses have the potential of having a business income loss after damage to their building occurs. However, the financial loss can be reduced or eliminated with the proper insurance. The coverage is called business income coverage. Other names include business interruption or time element coverage.

When your building is damaged by an insured loss, business income coverage would replace the income lost while your building is being repaired or replaced. This coverage also will pay for normal continuing operating expenses that occur after the loss. These expenses can include taxes, insurance premiums, utilities and payroll.

To determine the amount of business income coverage you need, take your monthly gross earnings and subtract the monthly expenses that would not continue during the time of restoration. These expenses could include payroll for employees not retained, some utility bills and certain

contracts. The final number is the monthly net income you would lose while your building was being repaired or rebuilt. This is the amount of coverage your business requires.

Some key issues to look at in evaluating your needs are:

- The maximum amount of time your facility would be shut down
- Seasonal fluctuation in earnings and expenses (if any)
- Increased or decreased trends in earnings and expenses
- Determining which expenses are going to continue and which will not

Think for a moment how a relatively small change can interrupt your business operations. Now think what would happen if a portion or your entire building was damaged. Add on top of that the loss of income and how it would affect your ability to remain in business. These are some of the reasons why you need to make sure you not only have business income coverage, but you also have an adequate amount.

If you want additional information on this coverage or you are unsure if the coverage you have is adequate, contact your insurance representative. ■

Losses, from page 1

the next several days. She missed a half a day of work. Sara recovered without further incident. Her hospital bill was \$120.

Investigation of the events from the manager showed the bathroom door was closed, and the room's fan was off during bathroom cleanup. The cleaning solution used was designed to clean the floor—not the tub. The facility has clarified the written policy on the procedure for cleaning the bathroom and tub identifying the correct solution. The policy and procedure were not followed in that the exhaust fan was not used, and the door was not left open during cleaning.

Additional safety measures would include having the cleaning solutions clearly marked with clear instructions on the use of each product.

Reviewing and evaluating each incident will aid the manager/administrator in providing ongoing safety measures that lead to good risk management. ■



Long-Term Care Connection is designed to be a resource tool for the owners, operators and employees of long-term care facilities. Topics including insurance, risk management, health, safety and employment will be covered in the quarterly publication.

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Production Staff

Editor: Rick Schaber

Writers: Karen Osman, RN, BSN
Jim Mootz, Long-Term Care
Underwriting Coordinator

Document Services: Mary Akey and
Michelle English

Distribution: Tammy Gruling

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