

# 5 Cost Effective Programs for any Business

Presented by:

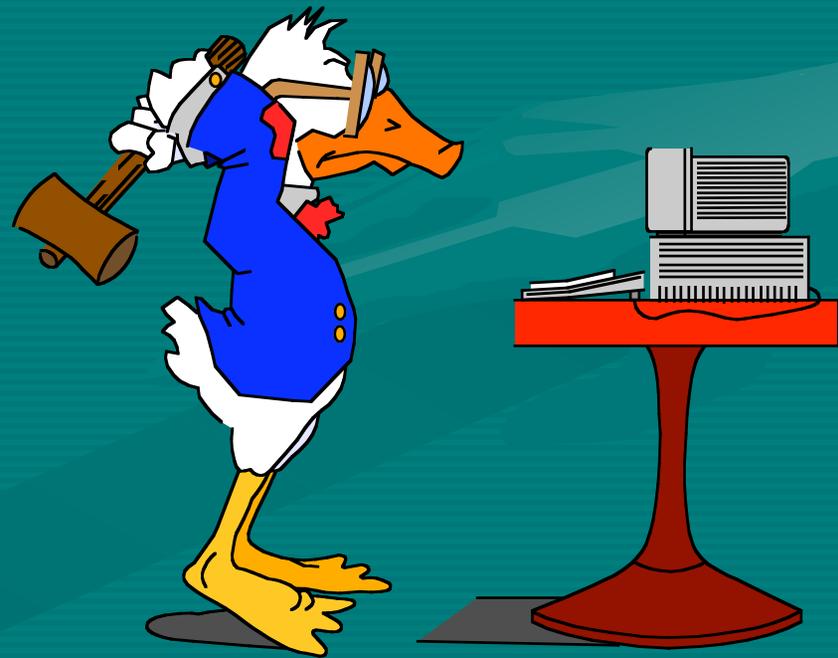
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# Objectives

- Name the 5 cost effective programs
- Identify 2 strategies that would benefit your workplace
- Describe the business case for implementation of one of these programs (return on investment)

# Why Talk about These Programs?

- Best BANG for your BUCK
- INTEGRATE
  - SAFETY
  - OCCUATIONAL HEALTH
  - WORKERS' COMPENSATION



# Alphabet Soup

RTW

FMLA

EAP

TWP

PPHS

ADA

DEWP

IIPP

MRO

# What are the 5 programs?

- 1) Pre-placement Health Screening
- 2) Injury and Illness Prevention Program
- 3) Drug Free Workplace Program
- 4) Employee Assistance Program
- 5) Transitional Work /Return to Work Program

#1  
#1

# Pre-Placement Health Screening



# 1) Pre-Placement Health Screening

- “Pre-Placement” defined (“PPHS”)
- POST-offer; PRE-placement –
- BEFORE the employee begins working



# Pre-Placement Health Screening

- Parameters should be in writing –Have a PPHS policy.
- Apply policy Uniformly and Equitably
  - “Uniform application is based on ‘similar circumstances’ ”.
- Utilize an appropriate examiner/testing facility (Occupational Health specialty)

”Legal Parameters with Pre-Employment Physical and Job Placement Assessments” by Glenn Jones Ohio Safety Congress; March 20-22, 2007; Jones, Funk & Assoc.

# Pre-Placement Health Screening

- Utilize Functional Job Descriptions/ Job Analyses
  - Identify essential functions of the job
  - Base your exams on the essential functions



# Pre-Placement Health Screening

- During the interviewing process pay attention to applicable laws: Americans with Disabilities Act (ADA), Ohio Civil Rights Act (OCRA)
- “It is permitted to ask general questions with regard to the applicant’s ability to perform functions of the proposed employment”

”Legal Parameters with Pre-Employment Physical and Job Placement Assessments” by Glenn Jones Ohio Safety Congress; March 20-22, 2007; Jones, Funk & Assoc.

# Pre-Placement Health Screening

- Utilize Functional Job Descriptions/  
Job Analyses
  - Ask the applicant – “Here are the essential functions of the job, can you perform them?”
  - Customize the kind of exam to the job

# Pre-Placement Health Screening

- “Withdrawal of the job offer...may only be made when those results impact on the specific job.”

*If you are performing physicals are you getting the results you desire??*

“Legal Parameters with Pre-Employment Physical and Job Placement Assessments” by Glenn Jones Ohio Safety Congress; March 20-22, 2007; Jones, Funk & Assoc.

# Pre-Placement Health Screening

- Health Screening:
  - Medical History (90%)
  - Physical Exam (10%)
- Goal is NOT to eliminate candidates but to SAFELY place candidates.

(Avoid hazards to the employee or to other employees)

# 1) Pre-Placement Health Screening

Why is it cost effective?

- Identify pre-existing conditions impact on work environment (WC)
- Less risk when work related injury occurs
- Safer worker ~ work environment interface



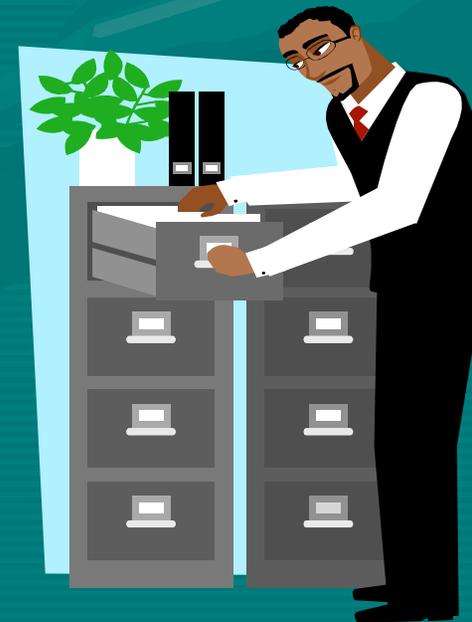
#2  
#2

# Injury and Illness Prevention Program



## 2) Injury & Illness Prevention Program (IIPP)

- Another name:  
HEALTH and  
SAFETY  
Program!!
- Specific to  
work you do



# Injury & Illness Prevention

## Program

- Management commitment with assignment of responsibilities
- Labor/Management safety and health committees
- Safe work practices with system for assuring employee compliance
- Scheduled inspections/evaluation system
- Accident investigation process with procedures for correcting unsafe/unhealthy conditions
- Safety and health training and instruction
- Recordkeeping and documentation

# Injury & Illness Prevention

## Program

- Accident/Incident Investigation & Reporting Procedure
- Asbestos Standard
- Benzene
- Cadmium
- Compressed Air Plan
- Demolition Plan & Explosive Blasting Plan
- Disciplinary Program
- Diving Operations
- Electrical Safety and Ground Fault Protection
- Excavation, Trenching & Shoring Procedures
- First Aid and CPR
- Hazardous Waste Operations and Emergency Response (HAZWOPER)
- Hydrogen Sulfide Injury & Illness Prevention Program
- Laser Safety
- Lead Protection
- Lock out Tag out Process
- Safety Management
- Radiation
- RF Energy and Microwave Radiation Safety
- Sandblasting Program and Silicosis Prevention
- School Emergency Action Plan
- Underground Construction

# Injury & Illness Prevention Program

- Lifting Safety
- Electrical Safety
- Forklift and Motorized Truck
- Landscape and Grounds Maintenance
- Respiratory Protection Program
- Bloodborne Pathogens
- Ergonomics
- General Shop/Work Area and Tool Safety
- Machinery & Machine Guarding Safety
- Roof Labor Safety
- Carpentry and Lumber Handling
- Hearing Conservation Program
- Motor Vehicle Safety
- Safety & Health Signs and Tags
- Chemical Safety
- Fall Protection
- Heating Systems and Boiler
- Office Safety
- Scaffold Safety
- Concrete and Masonry Construction
- Fire Prevention
- Housekeeping and Material Storage

# **Injury & Illness Prevention Program**

- BWC's 10-step business plan
  1. **Visible, active senior management leadership**
  2. **Employee involvement and recognition**
  3. **Medical treatment and return-to-work practices**
  4. **Communications**
  5. **Timely notification of claims**
  6. **Safety and health process coordination**
  7. **Written orientation and training plan**
  8. **Written and communicated safe work practices**
  9. **Written safety and health statement or philosophy**
  10. **Record keeping and data analysis**

\* Premium Discount for implementation of 10-Step Business plan for Penalty Rated companies only

[www.ohiobwc.com](http://www.ohiobwc.com)

## 2) Injury & Illness Prevention Program

Why cost effective?

- Prevention is the best risk management tool
- OSHA mandates we provide a safe and healthful workplace for all employees: Safety Risk to themselves OR others

\*\* BWC offers a Premium Discount for implementation of their 10-Step Business plan for Penalty Rated companies\*\*\*

[www.ohiobwc.com](http://www.ohiobwc.com)

#3  
#3

# Drug Free Workplace Program



## 3) Drug Free Workplace Program

Federal Oversight for any Drug Free Workplace Program is through the Department of Health and Human Services

[www.dhhs.gov](http://www.dhhs.gov)

# Drug Free Workplace Program

WHY have a DFWP???

- ◆ Substance abuse is widespread in society
- ◆ No workplace is immune
- ◆ Job applicants who can't pass a drug test apply to companies that don't test
- ◆ Provides an affirmative defense against a workers' compensation claim

# Drug Free Workplace Program

## Categories of Drug Use:

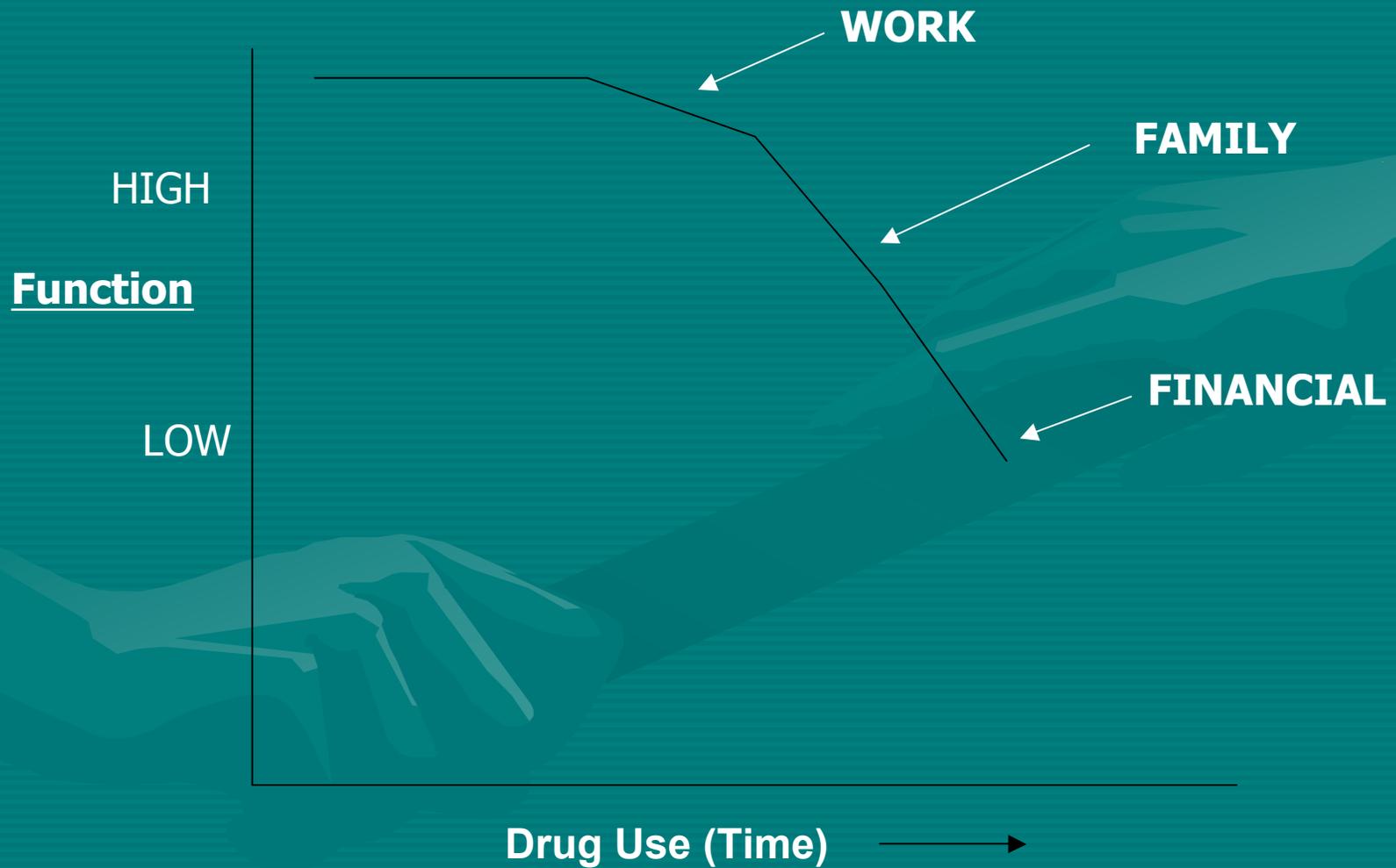
◆ User

◆ Abuser

◆ Addict

- Impacts on family life, work life and financially

# Drug Use becomes Abuse



# Workplace Substance Abuse

## Costs and Consequences

- \$ Increased accidents
- \$ Frequent turnover
- \$ Lower productivity
- \$ Inflated health care costs
- \$ Increased theft

- \$ Increased Workers' Comp claims
- \$ Poor product quality
- \$ Higher absenteeism
- \$ Property damage

# Components of DFWP

- Drug Free Workplace Policy\*
- Employee Education\*
- Supervisor Training\*
- Drug and Alcohol Testing (COC with MRO)
- Employee Assistance

\*\* BWC offers grants for development and training as well as a Premium Discount for implementation\*\*\*

# Drug Free Workplace Program

## Why Cost-Effective?

- ◆ Employers with successful DFWP report
  - Decreases in absenteeism, and accidents
  - Decreases in downtime, turnover, and theft;
  - Increases in productivity, and overall improved morale



"You're fired, Jack. The lab results just came back, and you tested positive for Coke."

#4  
#4

# Employee Assistance Program



# 4) Employee Assistance Program

- EAP is a comprehensive program that helps employees resolve personal problems that may adversely impact their work performance, conduct, health and well-being.



# Employee Assistance Program

- Prevention and Early Intervention
- Management of Behavioral Disorders
- Reduce the Health Care Costs overall for a company
- Maximize human resources: outcome of

**Productive and Healthy Employees**

# Employee Assistance Program

## *The Business case for EAP*

FOH study evaluated 16K clients after using EAP  
33% to 71% improvement in.....

- Overall Health
- Work attendance
- Productivity
- Day-to-day functioning and
- Social activities

Follow-up study with **60K** subjects validated  
this study (Selvik, Stephenson, Plaza & Sugden, 2003)

Federal Occupational Health (DHHS) [www.foh.dhhs.gov](http://www.foh.dhhs.gov)

# Employee Assistance Program

## *The Business case for EAP*

For every \$1 invested in EAP the expected savings for the first year would be \$1.27 rising to \$7.21 by Year 5 (Wrich, 1998)

# Employee Assistance Program

## *The Business case for EAP*

- Chevron Corporation realized a savings for \$14 for every \$1 spent on EAP (Collins 1998)
- McDonnell Douglas saved \$5.1 Million by instituting an EAP according to a four-year study (ROI 4:1) due to reduced absenteeism, turnover and medical claims

# 4) Employee Assistance Program

Cost Effective for  
small business?

Less research on this....

- Positive results using EAP and Case Management combined
- (manage work related and non-occupational conditions)



#5  
#5

# Return to Work Program



# 5) Return to Work Program

- Process for identifying returning to work SAFELY
  - Accommodating modifications in work
  - Re-evaluation of job performance abilities
  - Procedures should be based on:
    - ESSENTIAL FUNCTIONS OF THE JOB
    - Functional Job Descriptions/Analyses
- Can be used for both WORK related and Non-Occupational Conditions

# Return to Work Program

- Transitional Work Programs (TWP)
  - Work Related Injuries
  - Non-Occupational Injuries and Illnesses
  - Reasonable Accommodation (ADA)
- Case Management for RTW
  - FMLA or Workers' Compensation Issues
  - Oversee medical side of the claim

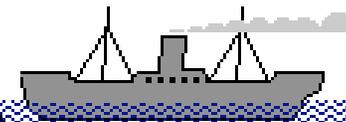


# Iceberg Analogy

Accident Cost

**Direct Costs**

- Medical Payments
- Compensation



Down-time

Overhead \$ while work disrupted

Breaking in substitute

Poor efficiency due to break-up of crew

Supervisor time to investigate

Overtime to make up production

Hiring costs

Lost time by fellow workers



Loss of production

Loss of good will

Damaged tools/equipment

Failure to meet deadline/fill orders



# Return to Work Program

Work related:

## Medical Claims

Average cost = \$750

## Indemnity (LT) Claims

Average cost = \$37,500

# Workers' Compensation

- **Benefits**
  - Medical Costs
  - Temporary Disability Costs

What happens when TD is paid????

A Reserve is Set

for the LIFE of the claim!

≈ \$1,000 per DAY off

# Return to Work Program

- Written policy and procedures
- JOB Specific
- Educate from the beginning: **RTW is part of healing process**
- Utilize an appropriate OH facility for injury care and RTW exams



## 5) Return to Work Program

Business Case for RTW programs:

- Reduce Lost Time Claims/ WC Costs
- Employee Retention
  - Return to Routine = healing
  - Keep moving – Less de-conditioning
  - Reduce Litigation (less dispute)

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# WRAP UP

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