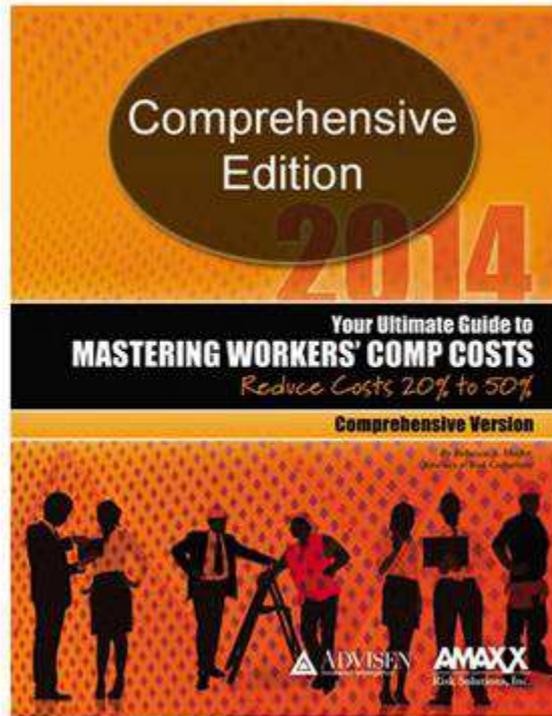


Lowering Workers' Comp Costs Best Practices

October 9, 2014

Your Ultimate Guide to Mastering Workers' Comp Costs

Learn more about Mastering Workers' Comp Costs: www.advisenltd.com/wcbooks



Price: \$249

Your Ultimate Guide to Mastering Workers' Comp Costs – 19 Chapters

- Workers Compensation Insurance Basics
- Fundamentals of Cost Containment
- Training and Building Commitment
- Injury Management Best Practices Roles and Responsibilities
- Reporting the Claim
- Post-Injury Response Procedures
- Communication with Employees
- Working with Your Adjusters or TPA
- Safety and Loss Control
- Wellness Programs
- Return to Work and Transitional Duty
- Other Indemnity Cost Containment Services
- Directing Medical Care
- Medical Cost Containment
- Fighting Fraud and Abuse
- Rehabilitating the Injured Employee
- Managing Prescription Drug Use and Abuse
- Claims Resolution and Settlements
- Federal Employees Compensation Act
- Appendix A – Glossary of Abbreviations
- Appendix B – Documents Referenced in Book

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Today's Moderators



David Bradford



Rebecca Shafer

David Williams

Senior Director of Risk Management, *California Pizza Kitchen*



Strategically-oriented risk practitioner with demonstrated expertise in assessing and controlling global array of risk to maximize employee health and safety, increase productivity, resolve long-term problems, improve morale, and management of reputation risk. Strategic risk leader with business process expertise, an intimate knowledge of the business and industry, broad-based operational perspective, company's risk leader, key player in due diligence, and pushes/pull leading practices across industries.

In summer of 2012 joined California Pizza Kitchen (CPK) as Senior Director of Risk Management, implementing and directing enterprise/strategic risk management program after several years of an operational risk management only department function. Oversees policy and procedure development and implementation for all corporate insurance program exposures. During brief tenure at CPK has introduced multi-million dollar corporate insurance allocation program to equitably distribute premium and loss expenditures; revised budgeting and risk financing programs to reduce collateral and interest payments for corporate insurance policies; achieved annual loss rate trend decreases in property and casualty programs; implemented risk information technologies to improve effectiveness and efficiencies of claims administration; and instituted various crisis management, business continuity, asset protection, food safety, and alcohol liability initiatives. Prior organizations consist of Raising Cane's Chicken Fingers, Dave & Buster's, and Electronic Data Systems.

Academic achievements include Bachelor and Master of Science in Management and Associate in Risk Management (ARM) professional designation. This fall participating in Spencer Education Foundation's 2014-2015 "Risk Manager in Residence" program (RMIR) at Florida State University, lecturing to students for several days on campus regarding a career in risk management. A proud native of Austin, Texas currently resides in Los Angeles, California, with extreme loyalty to Dallas Cowboys and Los Angeles Lakers.

Mark Newman

Director Special Investigations Unit, *Blackstone Consulting Inc.*



Mark Newman is the Director of Blackstone Consulting, Inc.'s (BCI) Special Investigations Unit (SIU). BCI is a self-insured Department of Defense and Fortune 500 contractor that employs 5,000 people, and provides food-service, janitorial and security services in 17 states.

Upon joining BCI in 2011, Mr. Newman designed, developed and implemented a comprehensive corporate anti-fraud strategy, which included the creation of an internal SIU.

In the 4 years since Mr. Newman created BCI's internal SIU, claim frequency fell 84%, the average cost per claim dropped 87%, the average cost per indemnity claim declined 74%, and total claim costs plummeted 97%. These dramatic declines occurred despite a nationwide increase in claim costs and suspected fraud during the same time period.

As the Director of BCI's SIU, Mr. Newman's duties include the overall responsibility for BCI's fraud mitigation program. This includes coordinating and managing all claim investigation activity, as well as conducting anti-fraud training for employees and managers.

Mr. Newman has over 20 years of in-house insurance company experience, most of which was spent investigating workers' compensation and disability insurance claims.

Mr. Newman is a Certified Insurance Fraud Investigator (CIFI) through the International Association of Special Investigation Units, and has been a licensed California private investigator since 1997. Mr. Newman began his investigative career as a police officer in Southern California

Bob Walker

Area Executive Vice President, *Arthur J. Gallagher*



Bob Walker is responsible for assuring that all resources available through Arthur J. Gallagher's global network are focused on providing our clients the highest level of service possible. In keeping with Arthur J Gallagher & Co.'s dedication to quality, Mr. Walker also plays a key role in seeing that the products and services that attracted a client to Gallagher are delivered on an ongoing basis. Bob is a principal in Gallagher's Global Risk Management Practice as well as our M&A Niche.

Prior to joining Arthur J Gallagher & Co., Mr. Walker held various executive positions with Jardines and Willis. His responsibilities included the management of large, global Property and Casualty accounts, business development and program sales management, and general management of the New York operations of these firms. In addition, while at Jardines, he was the President of their Employee Benefit Actuarial subsidiary and was responsible for a JV with a Japanese trading company.

Bob has over 30 years of experience in the insurance industry. He is licensed for Property/Casualty and Life/Health in New York, New Jersey and various other states. He has an ARM designation as well as a CLU in Group Life and Pensions. Bob also holds a certificate from the Wharton School's Advanced Risk Management Sciences course. He earned a B.S. degree from St. Peter's University.

Bob was a member of the Board of Directors of the Insurance Brokers Association of New York. He is active in various civic and industry groups and is a lecturer at Fordham University Graduate School of Business and an Executive in Residence at St. Pete's University.

Michael Stack

Principal, *Amaxx Risk Solutions, Inc.*, CPA



Michael Stack is the Principal of Amaxx Risk Solutions. He is an expert in employer communication systems and helps employers reduce their workers comp costs by 20% to 50%. He resides in the Boston area and actively works as a Qualified Loss Management Program provider working with high experience modification factor companies in the Massachusetts State Risk Pool.

As the senior editor of Amaxx's publishing division, Michael is on the cutting edge of innovation and thought leadership in workers compensation cost containment. He stays in tune with the latest industry challenges, and pursues partnerships with industry leaders to provide the go-to resource for best practices.

In almost every problem, Michael believes some facet of the cause is communication. In the case of Workers Compensation, poor communication is not only causing emotional strains on the employee and employer, but also unnecessary strain on the employer's bottom line. He believes the root of a good Workers Comp Cost Reduction system must be Win-Win to be successful.

Michael brings a unique CPA background to the workers compensation space, and is highly in tune with the impact of workers compensation cost containment on a companies bottom line. He is dedicated to writing, speaking, and masterminding with others for the purpose of continuous improvement in an area so vitally important to companies and individuals.

Rebecca Shafer

President, *Amaxx Risk Solutions, Inc.*



Rebecca Shafer is an **attorney and risk consultant** who is an acknowledged thought leader in the cost containment niche. She has **collaborated with companies — large and small — to help them significantly reduce their workers' comp costs by as much as 20% to 50%**. As the litigation manager of a Fortune 500 company with 89 operating units in the U.S. and Europe, Shafer cut workers' comp costs in half.

Shafer's passion is helping companies to **improve communications with employees**. She also dedicates her time to pinpointing the **exact cost drivers** that impact workers' compensation programs and finding solutions for integrating claims administration more effectively with internal operations.

Shafer created specialized, highly **successful cost containment practices for global insurance brokers** Marsh and Aon. She also managed workers' comp client cost reduction consulting practices for both. As CEO of Aon Management Institute, Shafer developed a CEU-certified training facility named Comp Camp®, where she trained employers from as far away as China. Shafer also developed the Workers Comp Tool Kit®, a patented process that identifies and implements workers' comp best practices simultaneously in multi-divisional organizations.

Shafer's work with employers has involved **touring and learning about the operations** of many facility types. Because of her field experience, she incorporates deep knowledge of manufacturing, distribution, printing/publishing, pharmaceutical, transportation, retail, food service, volunteer, and many other industries into her risk management expertise.

She has worked with **well-known industry leaders**, such as The New York *Times*, OfficeMax, First Group America, Wyeth, USAir and Universal Orlando. Shafer is licensed to practice law in Connecticut and New Hampshire, and her law firm experience includes insurance defense.

Shafer serves on the LexisNexis Executive Committee and the National Workers' Compensation & Disability Conference Committee, and is also a frequent writer and speaker.

WALL STREET JOURNAL.

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TUESDAY, OCTOBER 2, 1990

CHICOPPEE, MASSACHUSETTS

at's News—

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ssive campaign of Congress. idence the 4 votes for position. y could be ry of the s to stimu- gher taxes ds, mean- o makers. 43 and 81)

World-Wide

BUSH ADDRESSED the U.N., saying he wants a peaceful end to the Gulf crisis.

In a speech to the General Assembly, Bush said that after an Iraqi withdrawal from Kuwait, steps could be taken "for all the states and the peoples of the region to settle the conflicts that divide the Arabs from Israel." That seemed to be a nod toward Saddam Hussein's insistence that any resolution of the dispute over Kuwait be linked to an Israeli withdrawal from the West Bank and Gaza Strip. The Iraqi leader, meanwhile, ordered the release of nine French nationals believed to have been detained at strategic sites as shields against attack. (Stories on Pages A3 and A22)

Israel's armed forces announced plans to supply gas masks and other chemical-warfare protection gear to the Israeli public in coming weeks.

THE SUPREME COURT AGREED to hear several First Amendment cases.

Opening its new term, the high court agreed to decide whether the First Amendment's guarantee of freedom of the press protects a writer's use of altered or fabricated quotations. The case involves a libel lawsuit filed by a fired psychoanalyst against a magazine writer. The writer's sign-

Construction Spending

In billions of dollars, seasonally adjusted.



SPENDING for construction rose in August to a seasonally adjusted rate of \$442.5 billion from a revised \$442.4 billion in July, the Commerce Department reports. (See story on page A2.)

Marked for Death, Colombia's Top Cop Is a Tough Target

Other Passengers Flee Plane When the General Boards; A \$1.9 Million 'Contract'

By JOSE DE CORDOBA

Labor Letter

A Special News Report on People And Their Jobs in Offices, Fields and Factories

WORKERS' COMP claims are slashed by firms adopting aggressive stances.

Standex International Corp. shaves workers' compensation losses 60% in a year, to \$500,000, by making sure only the qualified are hired, responding quickly to injuries, actively managing care and getting injured workers back to at least limited work as fast as possible. Federal Express Co. says quickly returning the injured helps pare costs to half the industry average.

Dennison Manufacturing Co. holds managers accountable in its campaign, which has reduced costs 43% since 1985. Asea Brown Boveri Inc. hires a claims manager and takes a closer look at its injury data. While some companies try to curb costs by refusing to hire anyone who has submitted a claim at a previous employer, Schering-Plough Corp. balks at such screening.

That would be "discriminatory," it asserts. "We don't delve that far into a worker's past."

NEW LABOR DATA show Boston in recession, an economist contends.

Seven of 10 major cities posted downturns in the second quarter from the initial three months of 1990 in a labor index devised by NYU's Stern School of Business. But only Boston registered a decline for the

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Case Studies

Type of Company	Company Attributes	Company Savings
Major Pharmaceutical Company	<ul style="list-style-type: none"> • 12 U.S. Operations • RNs at each location • Traveling Sales force • Wanted to become Best-in-Class 	<p>40% Best Practice Improvement (15% cost reduction)</p>
Global Transportation Conglomerate	<ul style="list-style-type: none"> • 1000+ U.S. locations • Part-time & unionized workforce • One Safety Professional/Zero Claims Personnel • Light to Heavy Job Classifications 	<p>25% Loss Reduction</p>
Entertainment Theme & Water Park	<ul style="list-style-type: none"> • 10,000 Unionized Employees • One site • Hundreds of Departments 	<p>30% Reduction in Lost Days</p>

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What should the realistic goal be when reducing workers comp costs?



David Bradford



Rebecca Shafer



David Williams



Mark Newman



Bob Walker



Michael Stack

How soon is too soon to get involved with a workers comp claim?



David Bradford



Rebecca Shafer



David Williams



Mark Newman



Bob Walker



Michael Stack

What is the best way to develop and implement a Return-to-Work program?



David Bradford



Rebecca Shafer



David Williams



Mark Newman



Bob Walker



Michael Stack

What are the essential aspects of employee communication around a Workers Comp claim ?



David Bradford



Rebecca Shafer



David Williams



Mark Newman



Bob Walker



Michael Stack

How do risk managers and safety directors get senior management commitment?



David Bradford



Rebecca Shafer



David Williams



Mark Newman



Bob Walker



Michael Stack

How are leading experts establishing effective training programs ?



David Bradford



Rebecca Shafer



David Williams



Mark Newman



Bob Walker



Michael Stack

Facilitators Training Agenda

These are available in Chapter 2 of the [Ultimate Guide to Mastering Workers Comp Costs: Reduce Costs 20%-50%](#)

FACILITATOR'S TRAINING AGENDA				
Mix and match the agenda topics and elements below to customize your Facilitator's Agenda.				
Agenda Topics	Name	Key Elements	Materials	Exercises
Introduction <u>Time: 10 Mins.</u>		Welcome	Flip Chart & Markers	
Meeting Outline <u>Time: 25-30 Mins.</u>		<ol style="list-style-type: none"> 1. Introduce facilitators 2. Program schedule/lunch breaks 3. Outline workshop objectives 4. Building logistics/fire escapes 5. Greetings/introductions of participants 		Introduction Exercise: "Ice Breaker"
Cost Containment Fundamentals <u>Time: 40-45 Mins.</u>		<ol style="list-style-type: none"> 1. Describe why costs are high 2. Describe how workers' compensation costs can be controlled 3. Define and describe the basic players (broker, TPA, insurer, insured) 4. List the direct costs 5. List the indirect costs 6. Identify basic resources 7. List benefit levels 8. Describe the financial impact of workers' compensation and explain the ways losses are measured and types of reports measuring performance 	Chapters 1 & 2 Workers' Compensation Management Program Manual Analysis of WC Laws, U.S. Chamber of Commerce www.LowerWC.com/calculator.php	WC 101 Exercise Each group uses different resource to locate basic information Each group identifies indirect costs
Roles & Responsibilities <u>Time: 40-45 Mins.</u>		<ol style="list-style-type: none"> 1. Describe the injury coordinator's responsibilities in implementing an injury management program 2. Communication: describe the communication objectives for injury coordinators with injured employees, TPA or claims handler, medical personnel, supervisors, general managers, etc. 3. Medical coordination: what role does the injury coordinator play in coordinating medical care? 	Chapter 4 Workers' Compensation Management Program Manual	

Agenda Topics	Name	Key Elements	Materials	Exercises
Return to Work & Transitional Duty (TD) <u>Time: 40-45 Mins.</u>		<ol style="list-style-type: none"> 1. Explain necessity of a TD program 2. List types of TD programs available: Modified vs Alternate Duty 3. Elements of TD policy 4. Demonstrate Injury Guidelines to determine length of disability for the types of injuries employees may encounter 5. Weekly meetings 6. Calculate the savings of a reduction in lost-time days 7. Calculate the return-to-work ratio 8. List obstacles to returning employees to work (seniority, terminations, labor contacts) 9. Coordination with payroll 	Chapter 11 Workers' Compensation Management Program Manual Disability Guide TD Job Bank	Pick claim from loss run to discuss length of time out of work (OOV) Each team to develop TD Job Bank for one industry
Working with the Claims Adjuster <u>Time: 25-30 Mins.</u>		<ol style="list-style-type: none"> 1. Describe how the claims handler works with your company 2. Describe exactly what adjusters do 3. Explain when, why, and how follow-up occurs 4. What issues trigger communication with the adjusters & their supervisors 5. Demonstrate how to document communication with employee's doctors and adjusters 	Sample Account Instructions Chapter 8 Workers' Compensation Management Program Manual	"Call Your Adjuster" Role-Play
Communication <u>Time: 40-45 Mins.</u>		<ol style="list-style-type: none"> 1. Describe intentional communication: <ol style="list-style-type: none"> a. Formal vs informal b. Hard vs soft 2. Describe communication strategy for Post-Injury Response 3. Describe communication during convalescence 	Chapter 7 Workers' Compensation Management Program Manual	"Just Ask Joe" Weekly Meeting Role-Play
		<ol style="list-style-type: none"> 4. Describe communication "rules" (i.e., reporting injuries immediately, treating physician returns Work Ability Form within 24 hours) 5. Describe rollout plan 6. Describe communication responsibilities for: <ol style="list-style-type: none"> a. Injured employee b. TPA/claims handler c. The supervisor d. The injury coordinator e. General management etc. 		

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What does an in-house SIU Director do vs. an insurance company's SIU Director?



David Bradford



Rebecca Shafer



David Williams



Mark Newman



Bob Walker



Michael Stack

How does having an in-house SIU Director help a company's bottom line?



David Bradford



Rebecca Shafer



David Williams



Mark Newman



Bob Walker



Michael Stack

What is the important cost containment tip or strategy?



David Bradford



Rebecca Shafer



David Williams



Mark Newman



Bob Walker



Michael Stack

Contact our Panelists

David Williams

Senior Director, Risk Management, *California Pizza Kitchen*

dwilliams@cpk.com

Mark Newman

Director Special Investigations Unit, *Blackstone Consulting Inc.*

mark@blackstone-consulting.com

Bob Walker

Area Executive Vice President, *Arthur J. Gallagher*

bob_walker@ajg.com

Rebecca Shafer

President, *Amaxx Risk Solutions, Inc.*
Risk Consultant/Attorney

becki@reduceyourworkerscomp.com

Phone (860) 786-8286

LinkedIn Profile: www.linkedin.com/in/rshafer/

Michael Stack

Principal, *Amaxx Risk Solutions, Inc.*

mstack@reduceyourworkerscomp.com

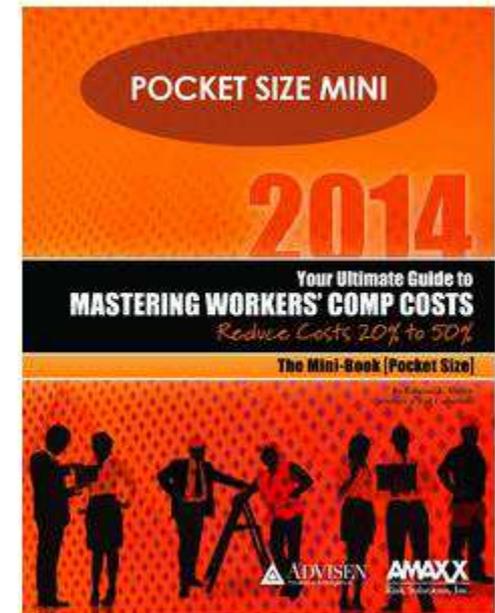
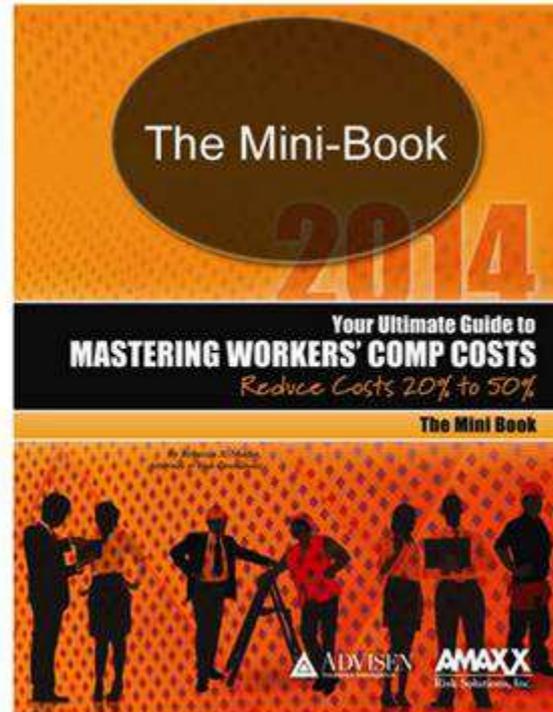
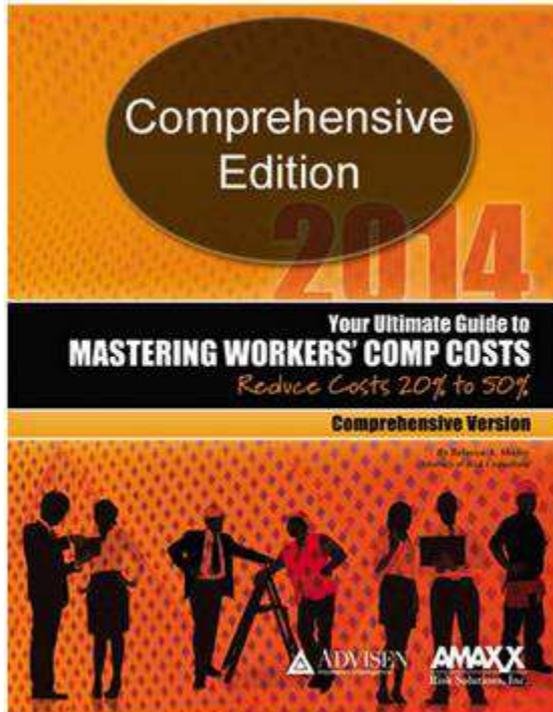
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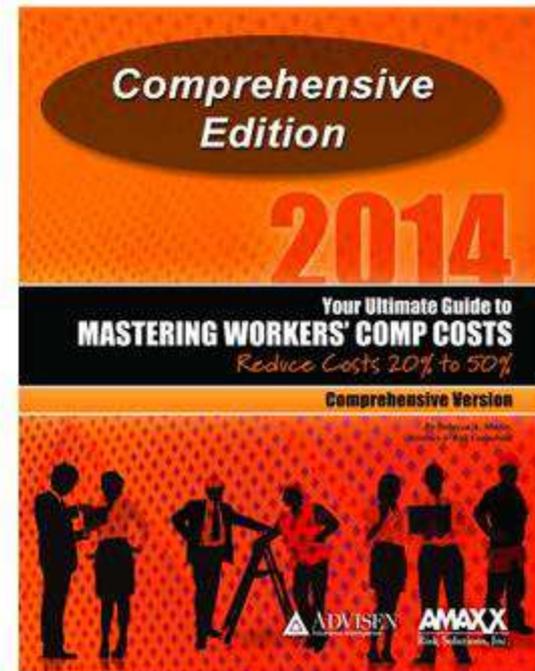
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The Comprehensive Edition

- The #1 training manual that covers how to assess your workers' compensation program, design the most cost-impacting strategy, roll out comprehensive changes to your organization, and monitor and manage the program going forward. 196 pages; \$249.
- The book is based on hands-on experience of industry leaders who have developed programs that reduce workers comp costs 20% - 50% for employers in every industry. The author, Rebecca Shafer, has worked directly with the largest organizations in the US developing practical, cost effective solutions to out of control workers' compensation costs.
- Our guidebook provides simple to advanced strategies — everything an employer CAN DO to reduce costs — an EMPOWERING experience.



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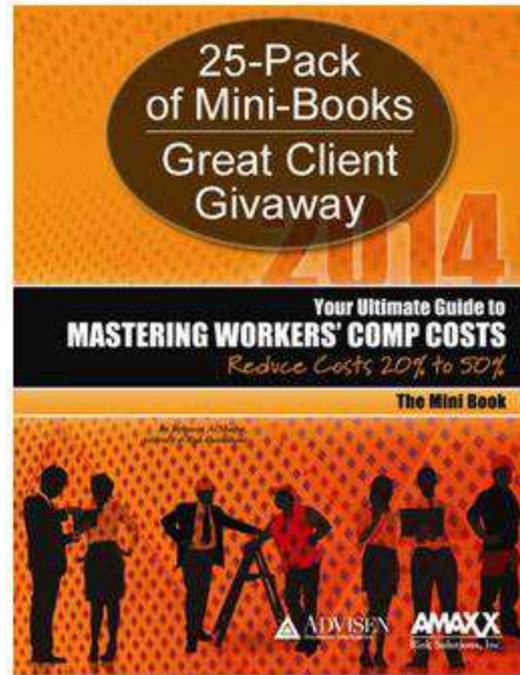
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Save the Date!

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Crown Plaza Times Square Manhattan

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Advisen's report examines the services delivered by brokers and the commissions & fees that come with these services.

Coming in early October

<http://www.advisenltd.com/research/broker-compensation-services-report/>

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