

## BUSINESS CASE FOR HAVING A RTW PROGRAM

In 2011 we were paying \$ 293,888.20 for workers to stay at home.

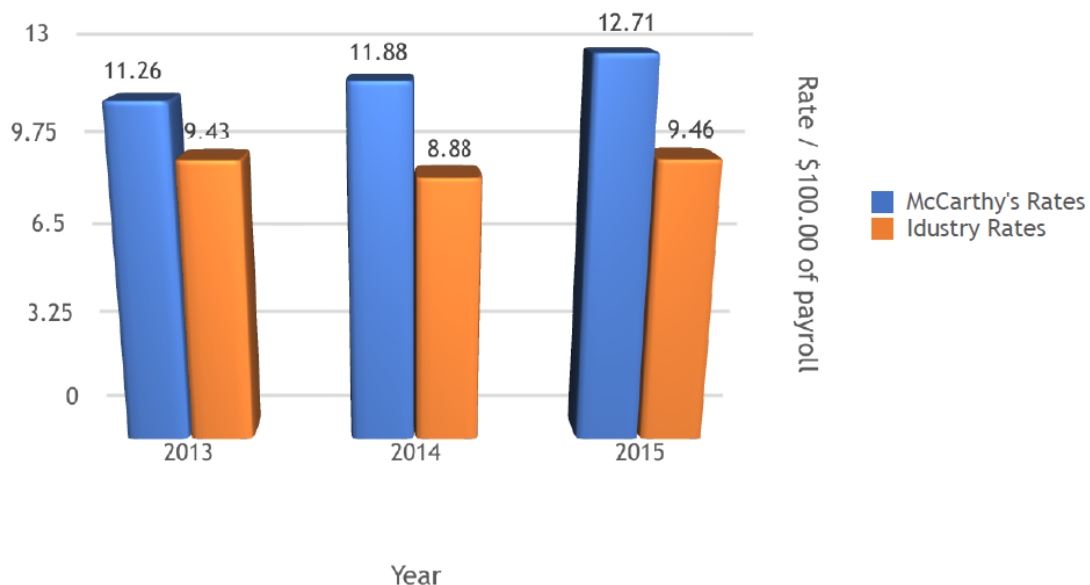
When I started with McCarthy's Roofing in 2011, my experience and knowledge with workers compensation was very limited.

I was hired in late June and when September came, I was asked why our rates were climbing so high and fast. I honestly didn't have an answer. So, I spoke with my then mentor, Michael; and together we approached WCB to see what was going on.

The first thing we learned about our rates was that there is a three-year trend within a company and a five-year trend for all companies within the same sector. To us, this meant we were paying for rates which were being affected by claims that happened three years ago within our company and further to that, our claims were being affected by injuries sustained in other roofing companies for the past 5 years.

By 2013, our rates were a staggering \$11.26 for every \$100.00 of payroll. It was evident that we previously were not managing claims effectively. In fact, we were not managing claims at all. And because we were only starting to take control, we knew we would see the negative effects of previous years for the next few years to come. A very defeating truth but a necessary one. So, in 2015, it wasn't a big surprise when we reached our highest rates ever at a whopping \$12.71 per \$100.00 of payroll.

WCB Rates 2013 - 2015



The second thing we learned from meeting with WCB was that there are several determinations and aspects which dictate how much money gets paid out and where that

money goes. We started to look at claims individually and separated them by loss time claims and medical aid claims.

A loss time claim is a claim where a worker is unable to perform their regular duties because of an injury and as a result, they would stay home and lose time from work. Sometimes for days, sometimes for weeks. Whereas medical aid claims are claims where a worker is injured and requires medical assistance such as stitches or doctor visit but they returned to work and therefore there is no loss of time for that worker. The only charge would be the medical aid.

We understood that if a worker was off work due to an injury, they would be paid out by WCB at approximately 65% of their regular wage. As mentioned above, this 65% gets charged back to the employer for the next three years and stays on the industry rates for five years. Therefore, it was imperative that we get them to work sooner but without jeopardizing their recovery.

The first thing we had to do was simply get away from the doctors. We noticed a pattern of workers being put of work for 4- 6 weeks for sprains and strains, yet they were returning to the workplace sooner in some cases and later in others. When we investigated it further, we found that despite a doctor's note, we as the employer could do physical testing through a certified physiotherapist and test our workers performance and physical abilities. This would not only bench mark what a worker can do safely but also gave direction to workers on how to safely proceed with high risk tasks and recover sooner. If a doctor note said to stay off work for 6 weeks but the physiotherapist tested and approved the worker to work full days with a restriction of lifting over 50 lbs., all we had to do was modify their work to avoid the loss time charge.

We started a return to work program that would give us direct access to physiotherapist and align injured workers with modified tasks so that they could safely return to the jobsite and work on progressing back to regular duties. The job demands given do have to be appropriate in nature and whenever possible closely match their regular job demands while working towards full recovery.

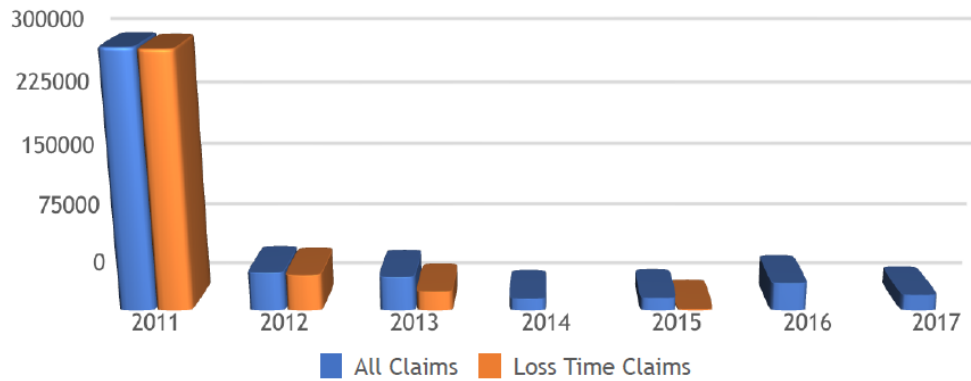
We started getting workers back to work the next day or within the week. With often very little restrictions. The problem then was accommodating the worker in construction with lighter transitional duties as well as calculating potential loss time for individual workers with no set schedules and working days often dictated by weather, something to be touched on at a later point.

The first challenge was explaining the benefits of having an injured worker on site doing less work for the same pay as the workers who were not injured. However, given the cost difference and ethical decisions behind it, it was not too long before the workers and even the owner understood how important this was. By placing workers back in the field, it saved us money down the road which could be returned to the safety department budget but more importantly, it also gave an injured worker a sense of pride in returning to the work force. This was mentally and physically better for the injured worker. Another positive yet unexpected result was that it seemed to encourage the odd seemingly fraudulent claim to surface and return to work sooner as there were no more "days off" for injuries.

The second challenge was convincing the owner to put money up now to save more money later. We knew we had to get the workers back to work but with limitations that meant each injured worker would get less work done for the same pay while compounding medical aid costs such as physiotherapy, prescriptions, cabs rides, etc.

After the first year the results were astounding, after paying into medical aid, transportation, online learning for sedentary workers etc. we were seeing an increase in health care costs and RTW costs but a major drop in the loss time where the largest costs were originating from.

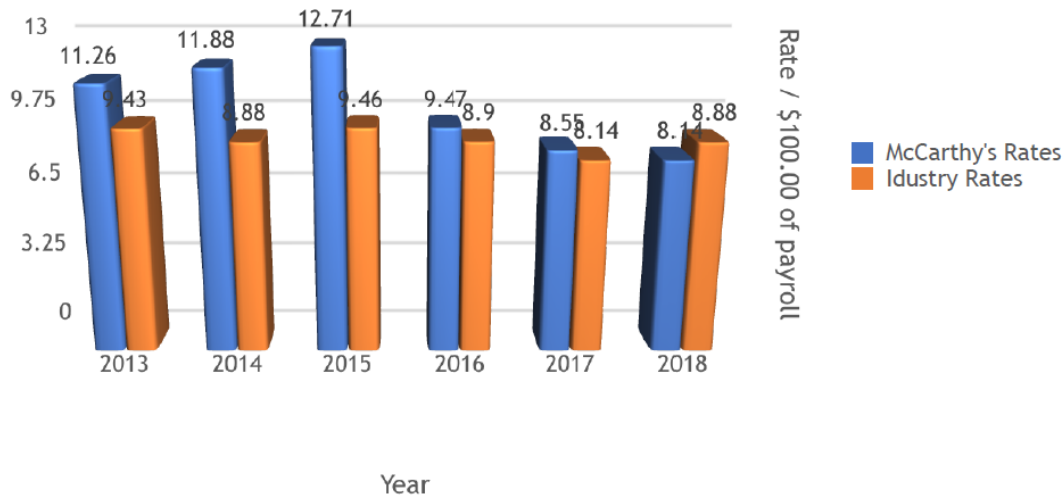
### WCB Claim Costs 2011 - 2017



In 2011 we were paying 296 thousand dollars in all claims. Time loss claims were 293 thousand dollars. **We were paying \$ 293,888.20 for workers to stay at home.**

In 2017 we paid zero dollars for loss time and a total claims cost were just over \$18 thousand all directly related to health care benefits. In 2015 there were two very short loss times claims and no loss time for 2014, 2016, 2017 or 2018 so far. As a result, our rates have dropped. So much so, that we are now lower than industry average and we will start influencing industry rates for the better.

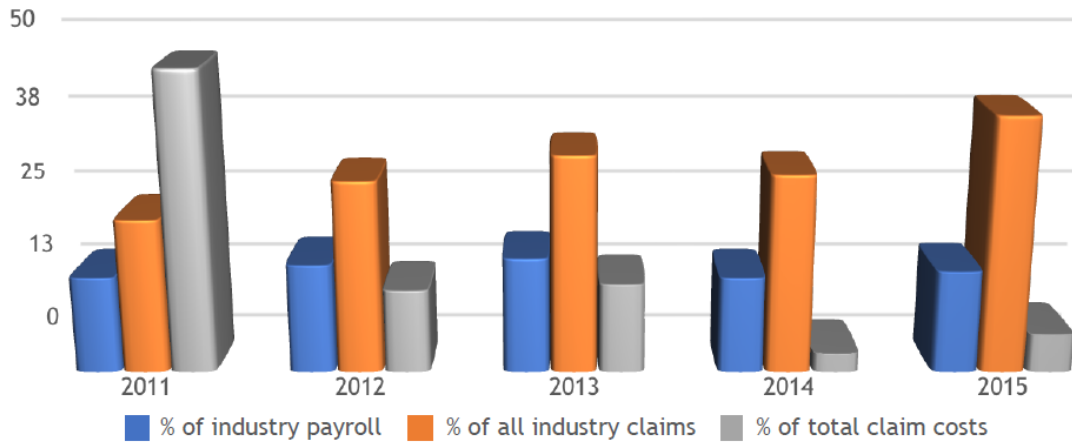
### WCB Rates 2013 - 2015



Looking back to 2011, we were 15% of industry payroll and 24% of all industry claims. Because of this we made up 47% of total claim costs.

By 2015 we made up 16% of payroll and 40% of all claims that were reported. (almost double the amount of reported claims form 2011) However, because we were managing our claims, specifically loss time, we only made up 6% of industry costs. A reduction of 41% as shown in the grey bars.

### Industry Comparison



In conclusion, we have avoided almost all loss time injuries after several years and have saved tremendous amounts of money which we have used to purchase new rescue gear, mobile anchors, training facility and more.

We knew there would be operating costs and startup costs associated with the return to work program; however, these costs are necessary and far less than the cost of not doing it.

A return to work plan is the best option for employers to gain control over WCB claims and rates and allow for workers to maintain active involvement in the workforce while preventing future injuries and costs.

Simply put, employers cannot afford to not have a return to work program.