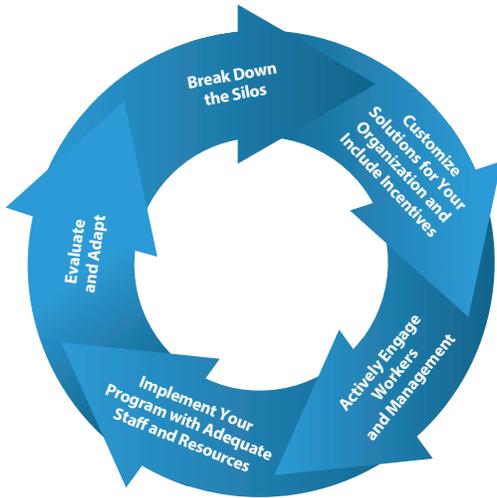




Risk Management and Wellness Programs

An Integrated Approach to Lower Medical Costs and Improve Workers' Comp Claim Outcomes



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For More Information

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Employees with chronic health conditions often have more workplace injuries and more costly workers' compensation claims. For example, businesses pay an average of \$2,189 in workers' compensation costs for smokers as compared to \$176 for non-smokers.

Another study found that workers who are morbidly obese filed 45% more claims than non-obese workers.

Medical inflation, narcotics abuse, and workers with pre-existing medical conditions that complicate their post-injury treatment are all factors that drive up medical costs. Additionally, pharmacy costs have risen dramatically and now represent 18 percent of the average medical spend of a workers' compensation claim. Among the chief concerns are conditions that can lead to a comorbidity diagnosis on a workers' compensation claim, including hypertension, diabetes, obesity, drug abuse and depression. Workers' compensation claims with a comorbidity diagnosis nearly tripled from 2000 to 2009, doubling related medical costs.

Taking an integrated approach to risk management and wellness cannot only reduce medical plan costs and increase productivity, it can also improve morale and health — and reduce the frequency and severity of workers' compensation claims. The program should address how the systems, organization and work environment impact the overall health and well-being of the individual worker.

Five best practices for integrating risk management with wellness programs include:

- Break down silos between occupational health & safety and wellness programs. Develop goals that benefit the entire company rather than just one of these areas.
- Customize solutions for your organization, including measurable goals and incentives.
- Actively engage workers and management in the program.
- Implement your program with adequate staff and resources.
- Evaluate your program regularly and adapt as needed to ensure its improving health and safety.

Contact your Walsh representative to assist with workers' compensation cost containment strategies that will result in improved profitability of your organization.