



Managing the Care and Return to Work of Injured Workers (and controlling your Workers' Compensation Costs)

This Guide was developed to provide you with valuable information regarding our managed care program, modified-duty program and workplace injury reporting.



PENN NATIONAL
INSURANCE



Dear Workers' Compensation Policyholder:

Thank you for choosing Penn National Insurance as your workers' compensation carrier. We value your business and recognize the importance of supporting you in managing the costs associated with workplace accidents.

Did you know that indirect costs, such as supervisor time, production delays, overtime, temporary labor, increased stress and property or equipment damage, make up 70 to 80 percent of the cost of a workplace accident? Employers can drive down the overall costs through their hiring practices, accident prevention initiatives, immediate reporting of injuries, and providing modified-duty work to employees while they continue to recover from an accident.

In fact, promptly reporting workplace injuries and establishing a Modified-Duty Program are the two most important steps you can take to help manage — and even lower — your workers' compensation costs.

We understand that accidents happen, even in the safest of workplaces. We hope that you will take the time to review this guide and take the necessary steps to establish a modified-duty program and prompt reporting system. And, if an injury does occur, we are here to assist you.

Should you have any questions, please contact your independent agent.

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Reporting an Injury

Avoid higher costs through prompt workers' comp reporting

Prompt reporting of an incident is key to keeping claims costs down, having satisfied employees and reducing the chances that the accident will result in a lawsuit.

So why are claims not reported promptly? There are many reasons, but most can be attributed to a lack of knowledge and confusion about the process, and who is to be contacted.

To encourage prompt reporting at the workplace, here are some simple steps you can take:

- **Establish a claim or accident reporting procedure.**
Everyone in the organization should know what to do in case of an accident or loss, and how to report a claim. Keep the procedures simple and post them in highly visible areas.
- **Provide annual training and emphasize prompt reporting.**
Training should be provided to all supervisors and employees that emphasizes immediate reporting of injuries.
- **Have a direct, easy-to-use claim reporting process.**
Penn National Insurance offers direct reporting of claims, completing the first report of the injury based on the information gathered in the call, with copies of the report distributed to the employer, insurance agent and any required regulatory agency. This process greatly simplifies matters for you.

Remember, by reporting claims immediately, you can:

- **Save money** through reduced medical and legal costs, reduced loss of productivity and reduced premium payments.
- **Save time** by recalling details and expediting the claim process.
- **Save relationships** with employees by maintaining employee morale, and assuring that injured workers get the appropriate care and information needed to allow for the appropriate rehabilitation and recovery from their injuries.

Studies have found that claims reported two weeks after the injury cost 18 percent more than those reported earlier. Four weeks later, and costs almost double. This ultimately translates to higher premium costs and lost productivity for the employer.



Reporting an Injury continued

Use the proper network medical facilities

Getting your injured employee to a doctor or medical facility that provides the best care is extremely important. Doctors in our network work with us to treat the injury and get your employee back to work. We also control the medical costs with preapproved discount pricing for services.



What to do when an injury occurs

- Determine if medical assistance is needed. **Call 911 for serious injuries.** For less serious injuries, call ahead to a network medical provider.
- Report the injury immediately to Penn National Insurance by calling 800-374-4990. Call even if you don't have all of the claim information.
- The supervisor should accompany the injured employee to the doctor or medical facility, and then back to work or home.
- If the employee is unable to work, you should call them to ask how they feel and when they will see the doctor again. Remind them that many people care about their recovery and want to see them return to their job as soon as possible.
- Returning your employee to work is a team effort. Please keep our adjuster informed of any changes or developments.

What information you'll need when you call

- Policy number
- Employer's name and address
- Employee's name, address, phone number and job title
- Employee's Social Security number
- Employee's date of birth, marital status and number of dependents
- Wage information and work hours per week
- Employee's length of employment
- Has the employee returned to work
- Place of accident
- Date and time of accident
- Complete description of the injury
- Complete description of the accident
- Names of witnesses or first person to arrive at the scene
- Medical status and physician/hospital name
- Name of person calling in the report

Before the call ends, the operator will give you the claim number, which can be used as verification that a notice was called in.

To report a claim or find a local network provider near you, call **800-374-4990**.

Establishing a Modified-Duty Program

With a commitment to temporary modified duty, you not only help injured workers remain productive — you improve your bottom line.

What is temporary modified duty?

Temporary modified duty is a short-term assignment that matches an injured employee's medical restrictions with temporary, light-duty tasks—lasting only until they are able to return to their regular jobs. Modified duty enables injured employees to continue working while they recover.

Virtually every workplace has light-duty tasks. These light-duty tasks may be performed by several different people or they may be useful tasks that no one has time to do. When thinking about these tasks:

- Take into account the skills of the employee and the specific medical restrictions.
- Match the employee to any light-duty tasks that are available.
- Your claims adjuster can help you with any local regulatory requirements.
- Modified duty doesn't have to be full-time. Your company can still realize the benefits of modified duty through part-time and even intermittent tasks.

The return on investment for a Modified-Duty Program

Typically, employers pay two-thirds of a day's pay for every day an employee cannot work, according to the International Risk Management Institute. If the employee returns to work for half a day, the employer has a financial gain — even if the employer pays the injured worker full wages.

In a recent study, researchers found that with a modified-duty program, workers returned to work three to four weeks earlier. Think of the savings to the employer: not paying overtime, hiring temporary workers, etc. Plus, the worker who returns to modified duty contributes to operations, while recovering from the workplace injury.



The moral:

It's better to pay full pay for half a day's work than two-thirds of full pay for no work.

Bottom line

Investing in a Modified-Duty program reaps the benefits financially.

How do I set up an effective Modified-Duty Program?



Establish a modified-duty policy.

Employees and supervisors need to know exactly what to expect. An established policy helps ensure that your program can be implemented effectively and consistently.

Appoint an injury coordinator.

The injury coordinator plays a key role in maintaining workplace safety and assisting in controlling claims costs and reducing injuries. The injury coordinator should have good interpersonal skills and should be able to work with injured employees, supervisors, senior management and Penn National Insurance.

Communicate the program to supervisors.

Supervisors should understand the importance of your Modified-Duty Program and their role in keeping injured employees productive and lowering the costs of workers' compensation.

Communicate the program to your employees.

Employees need to understand the modified-duty policy before injuries occur.

Discuss directly with your staff, emphasizing these points:

- We care about every employee.
- We have taken every possible step to provide a safe workplace, but accidents may still happen.
- If you are injured, we will take care of you.
- We will secure the best available medical care for you — at no cost to you.
- We will work with your doctor to speed your return to work.
- If your doctor restricts your physical activity, we will try to match the restrictions with temporary modified duty.
- Modified duty will enable you to recover on the job and maintain your regular wages.

Identify light-duty tasks

Be prepared in the event of an injury, and identify these tasks when establishing your modified-duty program.

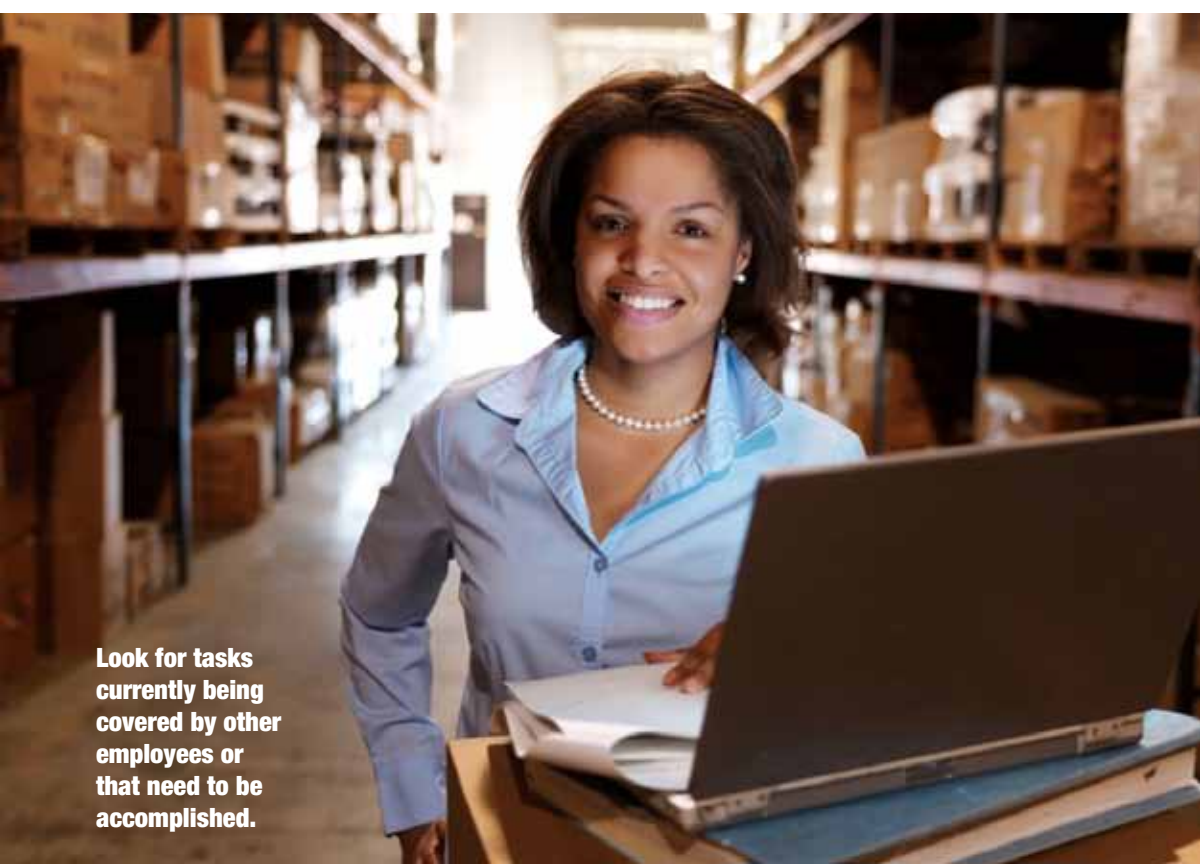
How do I create these light-duty tasks?

Answer these questions:

- What light-duty functions are a part of our company's daily tasks?
- What's on our wish-list of tasks to be accomplished (e.g., light painting, light cleaning, sorting, packaging, filing, light delivery, light organizing, training new employees, inventory work and reception duties)?
- Do we have any seasonal light-duty tasks?
- What light-duty tasks might be available for a few hours at a time?
- What light-duty tasks can be borrowed from other positions?
- Do we have any safety-related inspections that an injured employee could perform, if allowable?

The employee's supervisor, human resources manager or workers' compensation coordinator should make the modified-duty job offer to the employee. You may want to make the offer in writing for documentation purposes. Most employees will be glad for the offer and cooperate. If an employee is uncooperative or refuses the modified-duty job offer, contact your claims adjuster. A refusal to perform modified duty may be grounds for suspending the employee's indemnity (wage replacement) benefits.

Once you have a list of potential tasks, consider the physical requirements for each task to make it easier to match the physical restrictions of an injured employee with the physical requirements of the modified-duty tasks.



Look for tasks currently being covered by other employees or that need to be accomplished.

Maintaining an effective Modified-Duty Program



Report all injuries to Penn National Insurance as soon as possible. Prompt reporting of all injuries involving outside medical treatment is critical to the claims management process. Any delay in reporting the claim directly affects the adjuster's ability to properly investigate the loss and make the proper decision regarding the payment of statutory wage or medical benefits.

Train supervisors on their role of managing workplace injury. Supervisors play a key role in responding to injuries, in returning injured employees to productive employment, and in assisting with the investigation of accidents. Ensure that all supervisors understand their post-injury responsibilities and their key roles in prevention.

Set clear expectations for all employees. All employees must understand their responsibilities in preventing injuries, in working safely, and in reporting injuries to their supervisors. Employees also should understand that you have a system that will take care of them if they become injured on the job. The security that comes from this knowledge tends to reduce their anxiety over what may happen to them if they become injured.

Keep the focus on safety and analyze all accidents to prevent recurrence. A continuous focus on safety conveys two key messages to employees: You are serious about eliminating hazards and performing the work as safely as possible. And you care about the well-being of all employees. After an accident, carefully analyze the root causes and implement appropriate corrective action. When you do this immediately, it reinforces your basic safety message.





How long should temporary modified duty last?

In general, modified duty should not last more than 30 days, but can be renewable for another 30 days if medical circumstances warrant. When a medical condition requires that a worker be on modified duty for more than 60 days, you may need to retrain the worker and move them into another type of job. Regardless, you should determine the acceptable timeframe in conjunction with your claims adjuster and build it into your modified-duty policy.

**As a result of their accident,
could the injured employee recommend
safety rules and guidelines?**

Our Managed Care Program

Should an accident happen, we care for your injured employees while controlling your workers' compensation costs.



How we manage the care of your injured worker

- Toll-free 24/7 customer service ensures timely and appropriate medical treatment for all work-related injuries.
- We take care of the paperwork for you and complete the necessary forms.
- We resolve workers' injuries quickly, with less red tape.
- We help return workers to the job faster to minimize lost productivity.
- Serious injuries are promptly referred to medical specialists.
- Experienced registered nurses help coordinate and oversee the medical care for severe injuries.
- We control fraud through careful claims management right from the very beginning.
- We simplify medical bill processing and payment.

What we do when an injury is reported

- We complete the appropriate first report of injury form and file it with the appropriate state workers' compensation commission.
- We fax a copy of the first report of injury to you and your agent.
- If the claim involves lost work time, the claims adjuster will interview you, the doctor assigned to the case, and the injured worker.
- Whenever the injury is severe, we'll have a registered nurse talk with you and your injured worker on the day the injury is reported to us. The registered nurse will assess the medical situation and work with the treating medical provider on a treatment plan.



We resolve workers' injuries quickly, with less red tape.

How we work with our provider network

Together with you and the injured worker, we coordinate treatment with our medical providers, which include the treating physician and a registered nurse, to create a return-to-work treatment plan that suits everybody's needs.

Through a comprehensive selection of top-quality physicians, ancillary providers and hospitals, our network is cost-effective and offers every type of service an injured worker might need, including a network pharmacy program. Ask your intake nurse for details.

Even if the injured worker has received treatment outside of our provider network, we encourage the injured worker to use a physician in our network. For states without a managed-care program, we work directly with the physician that the worker has chosen. Working closely with our provider network, you will receive regular status reports on the injured worker's condition.

How we help control costs

Workers' Compensation.

To help contain workers' compensation costs, we review medical bills to make sure that a fair price is charged for medical services. Our goal is to ensure that:

- Charges are accurate
- Charges fit the usual and customary fees for the area where the services are provided
- Treatment type and duration are appropriate

Healthcare.

To keep a closer eye on healthcare costs, we look at how medical services are being used and review:

- Pre-admission certification for inpatient hospital admissions and outpatient services, where required or permitted by law
- Hospital stays
- Hospital discharge plans
- Medical utilization disputes

Our provider network


consists of top-quality, pre-screened healthcare providers and case managers, offering every type of service an injured worker might need.



One call. We do the rest.

We hope that no one is ever injured on the job. Even with the best safety efforts, accidents happen.

From completing the paperwork to finding the best possible care for your injured employee, our innovative, cost-effective managed care program provides quality medical care and attention to injured workers.

Tear off along perforation to display the 
What to do if you have an injured employee mini poster
(on back)

What to do when you have an injured employee



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What to do when an injury occurs

- 1** Determine if medical assistance is needed. **For serious injuries, call 911.** For less serious injuries, call ahead to a network medical provider. Review the information in the workers' compensation packet that explains your options for referrals to doctors and medical facilities.
- 2** Report the injury immediately to Penn National Insurance at **800.374.4990**. Please call us even if you do not have all of the claim information.
- 3** The supervisor should accompany the injured employee to the doctor or medical facility and then accompany the employee back to work or home.
- 4** If the employee is unable to work, you should call them to ask how they feel and when they will see the doctor again. Remind them that many people care about their recovery and want to see them return to their job as soon as possible.
- 5** Keep in contact with the doctor's office to find out when your employee will be able to return to work — at a time and work level that's appropriate.
- 6** Returning your employee to work is a team effort. Please keep our adjuster informed of any changes or developments.

Using the proper network medical facilities

- 1** Getting your injured employee to a doctor or medical facility that provides the best care is extremely important. Doctors in our network work with us to treat the injury and get your employee back to work. We also control the medical costs with preapproved discount pricing for services.
- 2** Call **800.374.4990** for a list of your local network doctors and facilities.

To report a claim or find a local network provider
near you, call **800-374-4990**.

Experienced. Strong.

We have been taking care of our customers since 1919, and we back our promise of protection with our strong financial position. We're more than \$1 billion strong in assets, and we rank among the top 10 percent out of approximately 1,000 U.S. property-casualty insurance groups (based on net premiums written).

The Best Agents.

We sell through more than 700 independent insurance agencies. We've carefully selected the finest independent insurance agencies to represent us. These insurance professionals are part of your community.

For more information, please visit
www.PennNationalInsurance.com

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