Workers' Compensation Roundtable: What's Next? OR-PRIMA 2014

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This is an Audience Participation Session

Most Or-PRIMA members are expert in managing work comp.

This session will tap that expertise to share ideas and solutions about managing the next wave of challenges in this vital component of your Risk Management Program.

Following slides provide the briefest overview for discussion purposes.

Proposed Topics for Discussion

The **Impaired** Worker – Opioids and Medical Marijuana

The **Aging** Worker – Age and Tenure

The **Fit** Worker – Lifestyle Diseases and Total Worker Health

The Affordable **Care** Act – "Obamacare" and Workers' Compensation

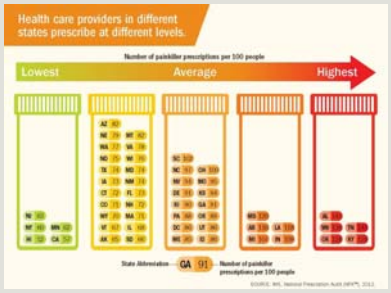
Ideas for legislative concepts for the 2015 Session

Impaired Workers –Drug Free Workplace

- 1988 Drug Free Workplace Act: employers receiving federal grants or contracts required to report employees convicted of a criminal drug violation in the workplace.
- 1998 Drug Free Workplace Act – was never passed by the Senate
  - **74 percent** of adults who use illegal drugs are employed;
  - **absenteeism is 66 percent higher** among drug users than individuals who do not use drugs;
  - **health benefit utilization is 300 percent higher** among drug users than individuals who do not use drugs;
  - **47 percent of workplace accidents** are drug-related;
  - **disciplinary actions are 90 percent higher** among drug users than among individuals who do not use drugs

Impaired Workers – Opioids

- 2013 NCCI Report – **25% of WC pharmacy** costs related to narcotics
- **Therapeutic** Goal: to **reduce pain** following injury. *Do Not* provide long-term improvement in function.
- **Habituation** – physiologic tolerance or psychological dependence, i.e. with long-term use, higher doses required to obtain same effect.
- **Addiction** – primary, chronic disease of brain reward, motivation, memory and related circuitry. (American Society of Addiction Medicine)
- **75% of drug overdose** deaths in 2008 involved opioids.



Impaired Workers - Medical Marijuana

- **Schedule 1** under federal Controlled Substances Act.
- Currently **23 states** plus DC have approved "medical" marijuana laws.
- Oregon has **64,838** medical marijuana card holders as of 7-1-14.
  - **62,095** list severe pain and 16,295 for non-MS muscle spasms

Impaired Workers –Medical Marijuana

- **Not FDA-approved** for any medical condition or disease treatment.
- **Not listed** in Official Disability Guidelines (ODG), American College of Occupational and Environmental Medicine (ACOEM), or any of the state medical treatment guidelines
- **No National Drug Code** (NDC) or procedure code for billing purposes.
- **Specifically excluded** as a compensable cost in Colorado, Michigan, Montana, Oregon and Vermont.

How are you addressing impaired workers and the drug free-workplace?

This is where you all talk

The Aging Worker – Age and Tenure

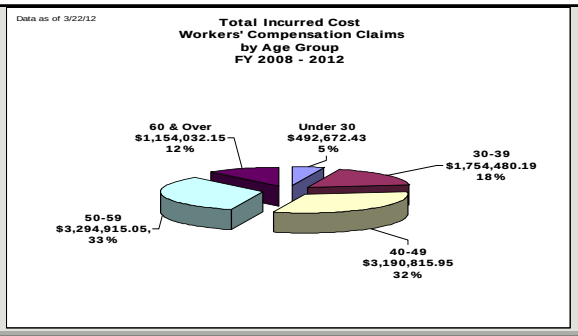
Impacts of Age

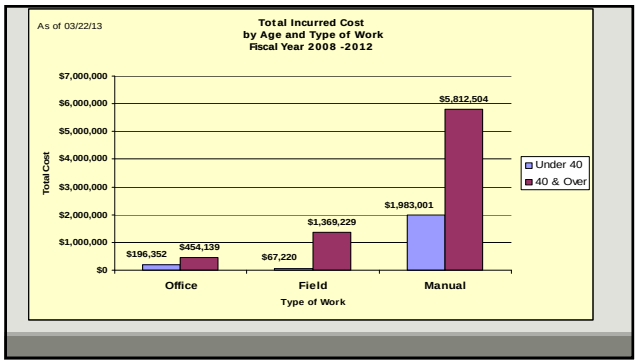
- Diminished **vision and hearing** acuity
- Slowed **reaction time**
- Reduced **strength, endurance, flexibility, and balance**
- **Sleep** disorders
- Increased **healing** time
- **Cognitive** function
- **Diseases** associated with aging – arthritis, cancers, cardio-vascular conditions

Participation in the Workforce

Age	1992	2002	2012	2022
16 Plus	66.4	66.6	63.7	61.6
16–19	51.3	47.4	34.3	27.3
20–24	77.1	76.4	70.9	67.3
25–54	83.6	83.3	81.4	81
55–64	56.2	61.9	64.5	67.5
65–74	16.3	20.4	26.8	31.9
75 plus	4.5	5.1	7.6	10.5

Source: BLS





The Aging Worker – Age and Tenure

Impacts of Tenure

- "Older" workers may not necessarily have longer tenure. Workers tend to move from physically demanding work to "lighter" jobs.
- Regardless of the worker's age:
  - **"Inexperienced" workers** usually those with tenure of less than one year have a high claim frequency
  - **Longer tenure in physically demanding jobs** takes a toll, mimics conditions associated with aging in "young" worker and increases severity of injury measured in cost

The Aging Worker – Age and Tenure

- **Exposure** (repeated and/or prolonged) to chemicals and physical hazards, i.e., **High noise** environments increase hearing thresholds across the speech frequencies
- **Wear and tear** on joints and connective tissue from repetition, awkward postures and poor body mechanics tends to accumulate over time.*

*AON calls the solutions "AGEonomics"

The Aging Worker – Age and Tenure

You again

Fit Workers – Lifestyle "Diseases"

Lifestyle "diseases": chronic conditions that are associated with diet, exercise, smoking, alcohol and drug use, "recreational" injuries (hobbies, brain injuries, loud music, etc…),"life" stress, etc… these lifestyles **may** result in conditions usually associated with "aging."

- Diabetes
- Hypertension and cardio-vascular disease
- Lung Diseases – COPD, emphysema
- Psychiatric / Emotional problems – "stress" due to relationships, anger management, finances
- Sleep Patterns – inadequate sleep time or quality, irregular patterns
- "Cumulative" Trauma – persistent pain, inflammatory injury
- Traumatic Injury – brain injury from falls while recreating, i.e. base jumping, biking, etc…

Fit Workers – Lifestyle "Diseases"

Chronologic Age – based on the year you were born

vs

Biologic Age – impact of lifestyle on how "old" your body is

http://www.biological-age.com/

Fit Workers –Work Capacity

Work capacity: ability to work a full shift or sustain a forty hour work-week.

- Obesity – The heaviest states 25 years ago had a lower level of obesity than the slimmest states today, according to 2010 figures from the CDC.10
- 2013 NCCI study: **duration of benefits** for obese claimants was **six times greater** than for non-obese claimants
- Hartford Insurance data mining of 1 million claims comparison of claim severity for injured workers at a healthy weight and obese claimants demonstrates that **claim severity was 310 percent greater** in the fifth year of development,

Fit Workers – Lifestyle "diseases" and Work Capacity

Disease Management and Wellness Programs

- Aim to influence individual health and health behaviors.
  - Educational and Inspirational
  - May be incentivized

Current Culture – Anti Aging

- Skin care and body shaping

Fit Workers – Lifestyle "diseases" and work capacity

Total Worker Health*: is a strategy integrating occupational safety and health protection with health promotion to prevent worker injury and illness and to advance health and well-being. CDC http://www.cdc.gov/niosh/twh/totalhealth.html

- **WORKPLACE:** ***Protecting Worker Safety & Health***
- **EMPLOYMENT:** ***Preserving Human Resources***
- **WORKERS:** ***Promoting Worker Health & Well-Being***

Issues Relevant to a Total Worker Health™ Perspective*

WORKPLACE *Protecting Worker Safety & Health*	EMPLOYMENT *Preserving Human Resources*	WORKERS *Promoting Worker Health & Well-Being*
Control of Hazards & Exposures: • Chemicals • Physical Agents • Biological Agents • Psychosocial Factors • Organization of Work **Prevention of Injuries, Illnesses & Fatalities** **Promoting Safe & Healthy Work:** • Management Commitment • Safety Culture/Climate • Culture of Health • Hazard Recognition Training • Worker Empowerment **Risk Assessment & Control:** • Making the Safety & Health Case • Assessing All Risks • Controlling All Risks • Root Cause Analysis • Leading/Lagging Indicators	**New Employment Patterns:** • Precarious Employment • Part-time Employment • Dual Employers • Changing Demographics o Increasing Diversity o Aging Workforce o Multigenerational Workforce • Global Workforce **Health & Productivity:** • Leadership Commitment to Health-Supportive Culture • Fitness-for-Duty • Reducing Presenteeism • Reducing Absenteeism • Workplace Wellness Programs **Healthcare & Benefits:** • Increasing Costs • Cost Shifting to Workers • Paid Sick Leave • Electronic Health Record • Affordable Care Act • HIPAA'T Health Information Privacy	**Optimal Well-Being:** • Employee Engagement • Health & Well-Being Assessments • Healthier Behaviors o Nutrition o Tobacco Use Cessation o Physical Activity o Work/Life Balance • Aging Productively • Preparing for Healthier Retirement • Policy & Built Environment Supports **Workers with Higher Health Risks:** • Young Workers • Low-Income Workers • Migrant Workers • Workers New to a Hazardous Job • Differently-Abled Workers • Veterans **Compensation & Disability:** • Disability Evaluation • Reasonable Accommodations • Return-to-Work • Social Security Disability Insurance

What's happening in your workplace to help workers address work capacity?

Yes, it's your turn again

Affordable Care Act (ACA)

- Health care in general –4% of US economy 1950 - grows to 18% by 2014
- National Health Expenditures
  - 1990 – growing at 12%/year
  - 1994 - plummets to < 6%
  - 2002 – reaches almost 10%
  - 2007 – flat lined at 4%, expected to hit 2.6% next year
- Estimates are that over 30% of care does not result in improved health
- Unpaid medical bills is the #1 cause of personal bankruptcy (~2 million people)
- Only 50 million people are "not satisfied" with the HC system. Over 250 m said "it's not broke."

ACA aka Obamacare

ACA Based on Massachusetts model – Reform, Mandate and Subsidies

- Ends pre-existing condition exclusions for children under 19; covers dependent children up to age 26, ends cancellations because of customer mistake, guarantees appeal of denial
- Ends lifetime limits; reviews premium increases; requires premium $ be spent on care not administrative costs.
- Covers preventive care; preserves physician choice; removes insurance barriers to emergency care.
- Play or pay – with subsidies.

Impact of the Affordable Care Act on Managing Workers' Compensation

SPECULATION on the Impact on Workers' Compensation – Good and Bad

- **Physician shortages?** – more covered people seeking care, doctors prefer urban to rural, retiring, or leaving primary care. Nurse Practioners and Physician Assistants adequately "trained' in occupational health?
- **Will "health" Improve?** – depends on population age, socioeconomic status, Medicaid expansion; takes a while to turn around the effect of lack of care and lifestyle impacts; expect injury susceptibility due to obesity, poor conditioning and co-morbidity complications to healing, recovery and return to work to be reduced.

Impact of the Affordable Care Act on Managing Workers' Compensation

SPECULATION on the Impact on Workers' Compensation – Good and Bad

- **Will "unnecessary" care decrease and costs be controlled?** Administrative cost limit mandate has providers consolidating
  - Midwest Employers Casualty Company - Four independent studies have shown that hospital mergers have actually resulted in cost increases of 20 to 40%
  - Closer scrutiny of services may result in more payment denials may shift costs to workers' comp from Health Benefits
  - WC fee schedule compared to ACA reimbursements and varies from state to state may "cost shift" to WC to Health Benefits

ACA and Work Comp

Once more with gusto!

Legislative Concepts: 2015 and Beyond

2015 Session begins in February

- MLAC
- 1990 Mahonia Hall "reforms" "undone"?