

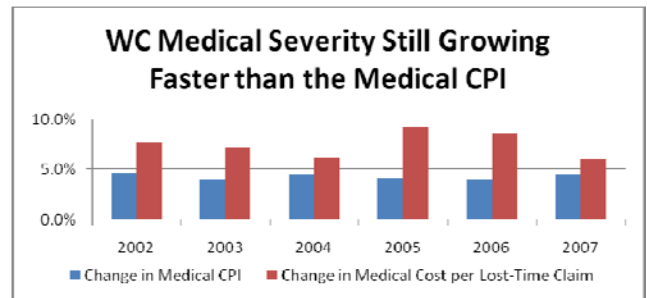


How the Weak Economy May Impact Workers Compensation Results

The National Council on Compensation Insurance (NCCI) has published new research on how the economy impacts workers compensation claim frequency, claim severity, and profitability. Their reports “Gauging the Economy – Spring 2008” and “Workers Compensation Claim Frequency Down Again in 2007 – Summer 2008” are available at www.ncci.com. Key points are summarized below.

- The weak outlook for employment suggests a reduction in claim frequency. NCCI attributes this impact to the fact that newer, less experienced employees are most likely to be laid off when employers cut staff.
- Slower growth in average weekly wages should result in lower increases in indemnity severity. NCCI projects a 2.7% average annual increase in average weekly wages in 2008-2009, down from nearly 3.5% in 2007.
- Volatility in the financial markets and low interest rates make investment income less certain. Carriers will need to focus on underwriting profits. *The Trust’s investment portfolio is primarily invested in bonds, which are less volatile than the equity market.*
- While overall claim frequency is down, the number of permanent total claims has increased significantly over the past three years. While small in number, these claims are extremely expensive, with medical costs that can continue for more than 40 years

- NCCI reports that medical severity has been growing on average at twice the rate of medical price inflation, with no apparent end in sight. Medical costs now account for almost 50% of workers compensation costs in CT, and almost 60% countrywide.



Medical cost containment remains one of the Trust’s highest priorities. In the most recent accident year, we have reduced medical costs by 8% bringing our total loss costs down by \$4,000,000. This is a result of our medical cost reduction programs that control both utilization and charges.

www.wctrust.com

INSIDE THIS ISSUE	
2	Trust Sets Expectations New Courses on Trust University
3	The Value of Trust Membership Top Safety Concerns for Nurses
4	Going Green Update on Report Center New EE’s more likely to be injured
5	The Legal Corner
6	The Medical Corner New/Returning Members
7	What do You Think? OSHA’s Proposed Rule New Staff member
8	Educational Calendar/ Focus Group

Trust Sets Expectations

For a while now, claim adjusters at the Trust have been accessing Work Loss Data Institute's – *Official Disability Guidelines* to help them get answers to the ever present question that arises once an injury occurs. How long should the injured worker reasonably remain out of work for this type of injury? Although the decision on return-to-work is ultimately in the doctor's hands, these evidence based guidelines have helped our adjusters estimate time away from work and identify potential problematic cases if and when the injured workers' disability goes beyond the norm.

They are derived from sources that pool millions of actual reported cases together from well known national health agencies such as the Centers for Disease Control, Occupational Safety & Health Administration and the Bureau of Labor Statistics. In the case of Work Loss Data Institute's – *Official Disability Guidelines*, the data is broken down as much as possible by outlining the average length of disability for multiple aspects of the injury or illness, such as type of treatment, type of job, severity of case, modified work possibilities, and factors specifically impacting return-to-work for that particular diagnoses.

This past May, the Trust expanded the use of these guidelines by notifying injured workers and their providers of Work Loss Data Institute's estimated return to work dates for both modified and full duty work. This information is shared at the time of a request for a surgical procedure, which is made through utilization review. At the same time, a tracking analysis program was implemented to monitor and determine if providers are falling in line with these guidelines.

The Trust believes that it is necessary to reach out to the provider community and to our injured workers to help set some reasonable expectations supported by medical evidence. Making these guidelines available upfront, it is the Trust's intent to provide assistance to the doctor in order to help determine reasonable return-to-work timeframes.

New Courses on Trust University!

The Trust announces the addition of 3 new interactive courses on the Trust University. The courses include **Winter Safety Driving, HIPAA Privacy for Providers** and **Forming Safety Committees**. All 3 courses are an hour in length and were added at the request of Trust members.



Winter Driving Safety covers safe driving techniques in adverse winter weather conditions. Topics include defensive driving, accident prevention methods, the impact of

drinking and driving, vehicle safety measures, vehicle maintenance, winter weather patterns and associated hazards, personal safety considerations, and actions to take for breakdowns or accidents. This is an excellent program for Trust members and their employees who drive on a regular basis. The course prepares members for the Northeast winter conditions and how to drive safely and avoid collisions.



HIPAA Privacy for Providers focuses on the HIPAA Privacy issues that are specific to employees in the healthcare industry. The course covers the history and overall function of HIPAA, the HIPAA "Administrative Simplification" standards and regulations for the

handling of Protected Health Information (PHI), the requirements for the protection of PHI under the HIPAA Privacy Rule, and additional requirements for the protection of electronic PHI under the HIPAA Security Rule. Health Insurance Portability and Accountability Act (HIPAA); Department of Health and Human Services 45 CFR Parts 160, 162, and 164.



Forming Safety Committees is an active joint employee-management required activity. A Safety Committee is one of the most effective means to consistently provide a safe

work environment. Not only does this course demonstrate how to establish a safety committee but also introduces managers to best practices in establishing and maintaining an effective safety committee, from planning through operations and training to evaluating and improving safety committees.

If you need any information regarding Trust University please contact Carol Fronczek at 203-678-0161.

The Value of Trust Membership

This is the third and final part of a continuing article that has appeared in the last two newsletters exploring the differences between the Trust and traditional insurance carriers.

Claims - Proper claims management is highly dependent on keeping the caseloads for claims representatives at manageable levels. This helps to ensure comprehensive case management and follow up to get injured workers proper treatment and return them to the work force as soon as they're ready. *The Trust keeps the caseloads of its claims adjustors at 40% less than that of most insurance companies.*

Network - Owning and managing our own medical provider network also plays an important role in keeping medical costs down. While many insurance companies lease someone else's network, the *Trust contracts directly with providers which not only allows for price negotiation, but establishes a relationship with the provider that is key.*

Educational Programs - Our efforts don't stop there. Each year we offer dozens of educational seminars free of charge to our members. These seminars cover a wide range of topics from OSHA 10 Hour General Industry Safety Training to De-escalation Techniques in Crisis Situations. *Be sure to check our educational calendar on our website at www.wctrust.com.*

Premium Returns - Last, but certainly not least is the advantage for active members to qualify and participate in premium returns. While premium returns cannot be guaranteed, the Trust has returned more than \$18,200,000 to its members since its inception. Last December the Trust declared a \$950,000 premium return to members and over 93% of members qualified. In a typical insurance company, this money would have been put in the corporate funds to boost shareholder prices.

In summary, there's only one Trust. The competitors may say they have your best interests at heart but a little investigation will reveal their true motives. We're truly here for your benefit and our history proves that. It's an honor to serve those whose career is serving others.

Top Safety Concern for Nurses

The American Nurses Association (ANA) recently announced the results of its 2008 Study of Nurses' Views on Workplace Safety and Needlestick Injuries, an independent national survey of more than 700 nurses. Nearly two thirds (64%) of those surveyed confirmed that needlestick injuries and bloodborne infections continue to be major concerns and 55% believe that their workplace is a threat to their personal safety. The threat to personal safety is stemming mainly from two major areas; medical equipment hazards and violent patients.

Needlestick Injuries – Number One Concern

Unfortunately, the findings show little improvement over the past two years as the 2008 survey results showed 79% of nurses receiving needlesticks as compared to 83% in the 2006 survey. It appears that the requirements of the 2000 Needlestick Act, which mandates the use of safety syringes, are not being met as 75% of the reported needlestick injuries involved a non-safety syringe.

Of the 64% of nurses reporting that they had received an accidental stick, 74% of those were with contaminated needles and the injuries occurred most often when administering injections, before activating safety features or during disposal of non-safety devices. This is actually up from the 2006 survey where 73% involved contaminated needles.

Workplace Safety

A vast majority (89%) of nurses responded that increasing workloads and workplace stress levels (84%) have negatively impacted workplace safety. Some 59% of nurses stated that as workload pressure increases they must work faster, even to the extent of taking shortcuts. When asked if they were often putting patient care before their own personal safety, 82% responded "yes".

Unfortunately, when asked how their employers would rank many of the key items in the survey, patient care and business reputation was number one, followed by patient safety, infection control, and then employee safety. Violent patients are also a continuing concern for nurses as nursing advocates and hospitals are pushing efforts to curb assaults,

particularly as the continued shortage of nurses will likely only make matters worse in coming months.

Education is Key – Trust Can Help

Many nurses felt that more could be done from an educational viewpoint with 62% responding that more preventative information regarding needlesticks would be beneficial. *As a Trust member, be sure to take full advantage of the loss control and educational programs available to your organization at no cost. We have multiple programs that can address all of the concerns raised in this survey. For more information contact Carol Fronczek, Director, Loss Control Services at (203) 678-0161.*

THE TRUST IS GOING GREEN!

In an effort to save costs and reduce our impact on the environment, the Trust will no longer be sending printed loss runs out on a monthly basis. For all current members, these reports are available through our **Report Center** located at www.wctrust.com.

Due to the sensitivity of the information, a signed confidentiality agreement and unique password are necessary in order to access the Report Center.

The Report Center currently contains 3 separate reports: Loss Run, Policy Year Summary and Injured Worker Claim Information. Reports provide current information as of the day prior to the run date. The Trust will be adding additional reports and functionality in the near future..... So log on!



Members Ask – Trust Responds Update to the Report Center

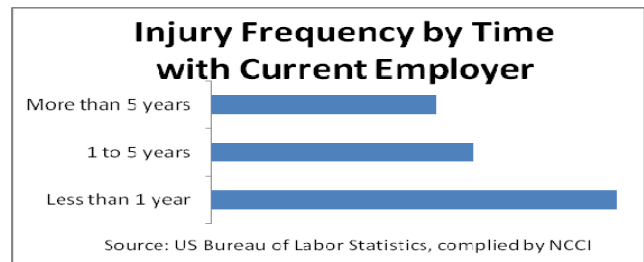
Members asked and the Trust responded to enhancing our online report capabilities. You can now sort the Loss Runs and customize the Report the way you want to see . Just go to Report Center, Log in, click on Loss Run. Instructions will appear for you to print out. You can then check the box so you can be directed right to the Report in the future. Data can also be downloaded to Excel or printed to a PDF document.

So, make sure you have your log in information! If you have any questions, call Rose Zimmitti at 203-678-0116.

New Employees more likely to be Injured

Loss prevention education is especially important for new employees, as they are more likely to be injured on the job.

Data from the US Bureau of Labor Statistics shows that employees in their first year on a job are 80% more likely to be injured than those on the job for more than five years. The Trust is available to develop customized training programs for their staff. In addition, we offer training seminars throughout the year, and our new Trust University allows members to offer immediate on-line training to their new employees.



Great Idea Award

Do you have a program that has been successful in reducing workplace injury and associated costs? We want to hear about it.

The Trust is looking for nominees. To apply for this award, contact the Loss Control Department at 203-678-0123 for a “Great Idea Nomination Form”.

“The reason why worry kills more people than work, is that more people worry than work”
”-Robert Frost

The Legal Corner

John M. Letizia, Managing Partner
LETIZIA, AMBROSE & FALLS, PC
New Haven, Connecticut

THE LEGAL OBLIGATION OF WITHHOLDING FROM PAYCHECKS, VACATION ADVANCES AND WAIVER OF MEAL PERIOD



Many agencies are not aware of the role that the Connecticut Department of Labor (CDOL) has in constructing and enforcing some common business policies relating to discretionary withholdings from paychecks, vacation advances and waiver of meal period breaks. Below is a brief description of the legal obligations with regard to these three areas.

Withholding from Paychecks - Prior written authorization from the CDOL is required before an employer can deduct anything from an employee's wages, except for Federal and State withholdings and co-premium health insurance payments. Deductions that require prior written authorization by CDOL include: pension plans, life insurance premiums, loans, employee purchases, United Way Contributions, payroll savings plan, Christmas/Hanukkah Club, credit union deductions, and *any other deduction that is not required by Federal or State law to be withheld from an employee's wages*. Any employer that wishes to deduct such items from an employee's wages must submit a request to the CDOL prior to making the deduction(s). Once approved by the CDOL, employers must obtain a signed authorization form from each employee participating in the deduction(s) and retain the authorization form in the employee's personnel file.

Advancing Vacation and the Ability to Recoup - Can an employer recoup advanced vacation from an employee who quits prior to earning all the vacation he received? Not unless the employee has previously signed an authorization agreeing to the same. This authorization must be filed and approved by the CDOL in each situation and placed in the employee's personnel file. Therefore, a blanket notification to employees of a company's procedure to recoup advanced vacation pay from the employee's paycheck is not sufficient, although an employer still has the right to bring a lawsuit for the money if the employee refuses to reimburse the employer. However, the court filing and serving fees, not to mention if you hire a lawyer, will sometimes cost more than what is recovered.

Waiver of Meal Period - The law requires that every employee who works 7 ½ hours or more consecutively have a 30-minute unpaid meal period break. An employee may waive his right to take this break with prior approval of the employer. The employer is not obligated to approve the request. A waiver must be signed by the employee and retained in the employee's personnel file.

Employee's Right to Revoke - An employee may revoke at any time and for any reason the employee's authorization on the discretionary deductions or the waiver of meal periods, but not the signed repayment obligation for the advance of vacation time. Although not required by law, any revocations should be in writing and placed in the employee's personnel file.

If anyone would like a copy of the CDOL forms authorizing discretionary withholdings and vacation advances or a sample waiver of the meal period that we have drafted, please do not hesitate to call us at (203) 787-7000 or e-mail Attorney John Letizia at letizia@laflegal.com or Ms. Amy Sarris at sarris@laflegal.com and the forms and sample will be provided at no charge.

Author's Note: The representations made in this advisory are the analysis of the law offices of Letizia, Ambrose & Falls, PC, which is responsible for its content. This information and analysis are provided gratuitously and for information purposes only. You are encouraged to consult with counsel prior to relying on this information or analysis.

The Medical Corner



Mark Russi, MD, MPH
Medical Director

SUPERSIZED HUMANS

We have a health crisis in this country. I'll summarize the numbers, which were obtained from the U.S. Department of Health and Human Services. They speak for themselves.

Two-thirds of Americans are overweight (body mass index > 25), and fully one-third are obese (body mass index >30). Only one-third of Americans have what is considered to be ideal body weight. Prevalence of overweight and obesity has increased among all ages, genders, socioeconomic groups, and races. The prevalence of obesity, for example, has increased from 1960 to 2004 from 13.3% to 32.1%. Approximately 17% of children are overweight as well.

Individuals who are obese have a 10- to 50-percent increased risk of death from all causes compared with healthy weight individuals, primarily due to cardiovascular causes. It is estimated that 112,000 excess deaths occur every year in the U.S. due to obesity. Estimated annual cost of overweight and obesity is \$117 billion. The cost of lost productivity related to obesity among Americans age 17 to 64 is \$3.9 billion.

Only 26 percent of U.S. adults engage in vigorous leisure-time physical activity three or more times per week (defined as periods of vigorous physical activity lasting 10 minutes or more). About 59 percent of adults do no vigorous physical activity at all in their leisure time. Even among young people (age 12 to 21) 25% engage in no vigorous physical activity. The direct cost of physical inactivity in the U.S. is estimated at \$24.3 billion.

It is not OK for us to accept this as being normal. Over 100,000 Americans die each year due to obesity; we are spending well more than 100 billion dollars a year to address the various burdens of obesity to society.

Why are we, as individuals and as a society, not exercising at least an hour a day? It's not for lack of time, not when you look at the statistics regarding how much time we spend watching television or "surfing the net". Why do we not tailor our caloric intake on a daily basis to our activity level? If we haven't worked out today, (swum, biked, walked, run, gone to the gym, done exercises at home) then we need to eat less. If you want to eat more, exercise more. This is common sense, not rocket science.

Information is available from multiple sources, and the workplace is a good place to disseminate it. The CDC website www.cdc.gov has educational materials that can be shared with employees. Workplace sponsored weight loss programs, exercise programs, and the establishment of more comprehensive Wellness programs have been shown to be effective in many settings. Time to get moving on this.



The Trust welcomes the following:

NEW MEMBERS

Alliance for Living, LLC
Careco Shoreline, Inc.
Community Partners in Action, Inc.
Connecticut Health of South Windsor, LLC
Families in Crisis, Inc.
Farmington Rehab Center, LLC
Green Grove, Inc.
Harvest Healthcare, LLC.
Liberty Community Services, Inc.
Miller Memorial Community, Inc.
Noank Baptist Group Homes, Inc.
Parent's Foundation for Transitional Living, Inc.
We Care Home Care, LLC.

RETURNING MEMBERS

ATB LLC DBA Action Nursing
Cobalt Lodge Health Care & Rehab Center, Inc.
Haven Health Center of:
-Danielson
-Norwich
-Waterford
-Windham
LEARN

What do You Think?



Was this injury deemed to be Compensable?

The client receives assistance from the Department of Social Services, which provides funds to enable him to hire home health aides. A third party vendor handles the administrative tasks of preparing payment forms and handling the withholding of payroll taxes, but the employer of record is the client. The client hired a home health aide. Her work week was limited to less than 26 hours per week. Her duties required her to perform physical therapy and spend a great deal of time on her knees. As a result, she suffered a repetitive trauma injury to her right knee. Her treating physician testified that her right knee condition was due to her work related activities. Was this injury deemed compensable and who was deemed to be the employer?

Please send your responses to: Robert MacDonald, Claims Manager, at macdonald@wctrust.com. The answer will appear in the next newsletter.

Answer to Case from the June
Thanks for the many responses. The injury was deemed to have arisen out of and in the course of employment

The Connecticut Review Board (CRB) concluded the following: 1) the claimant was in the period of employment (still on the employer's premises), 2) the act of attempting to cross the street to provide bracket for his car window was a rather incidental action, and 3) the claimant was at a place that he may reasonably have been. Further, the claimant used his car for work-related purposes on a daily basis, suggesting that the employer derived a small benefit from having the window function properly.

OSHA's Proposed Rule For Personal Protective Equipment

The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) announced in the Aug. 19 Federal Register that it is accepting public comments on a Notice of Proposed Rulemaking (NPRM) on *Personal Protective Equipment (PPE) and training standards* which may also impact the healthcare industry.

Under this proposal, if an employer does not provide the required PPE and training to employees, the employer may be assessed a violation on each affected employee, rather than assessed for one violation for penalty purposes, related to a single requirement under the standard.

The proposed rule does not add new compliance obligations, nor are employers required to provide any new type of PPE or training. The amendments merely clarify that a separate penalty may be assessed for each employee not provided the required PPE or training.

The agency will accept public comments on the proposed rule until Sept. 18. Interested parties may submit comments electronically at <http://www.regulations.gov>.

New Underwriter

We are pleased to announce that Barbara Natarajan has joined the Trust as an Underwriter. Barbara possesses a wealth of insurance, consulting and management knowledge with more than 30 years of commercial insurance underwriting and marketing experience with some of the industry's largest carriers. Her past experience includes handling workers' compensation coverages for numerous types of regional and national businesses, including healthcare. She has also worked closely with companies utilizing large deductible and self insured programs. Barbara has the CPCU (Chartered Property and Casualty Underwriter) designation and received her MBA from the University of Hartford. She has been an instructor in insurance at the University of Connecticut and at Post College. We are delighted to have her join our staff.

Educational Calendar

De-Escalation Techniques In Crisis Situations For Residential Child Care Facilities,

September 18, 2008 9:00 am-noon

This seminar introduces various approaches and techniques to help de-escalate potential crisis, reduce potential and actual injury to children and staff, and teach young people in residential settings appropriate coping skills.

Sexual Harassment Prevention Training For Supervisors

October 16, 2008 9:00 A.M. – 11:00 A.M.

This program conducted by Letizia, Ambrose & Falls, will meet the requirements of the law that requires proper training. The program will provide a complete understanding of the various areas of sexual harassment; including how employers should investigate a sexual harassment claim and how to avoid liability by acting promptly to address any sexual harassment in the workplace.

Application has been submitted to the Connecticut Nurses' Association for approval of nursing continuing education credit.

Members' Orientation To The Trust

October 23, 2008 9:00 a.m. – 11:30 a.m.

This program is essential for all claims and loss control contacts who wish to partner with the Trust to reduce their overall workers compensation experience. Trust staff will show you how to manage claims successfully, and reduce your company's workers' compensation costs. You will also learn about essential programs to control employee injuries in your organization.

For more information or to register for any of the above seminars, please contact Jennifer Garnett at (203) 678-0123 or email garnett@wctrust.com

Focus Group Meetings

The following focus groups have been scheduled for 2008. If you would like to join a focus group, please contact Alexandra Powitz at (203) 678-0119 or e-mail: powitz@wctrust.com. Meetings are held from 9:00-11:00 AM at the Trust.

Hospital Group

September 26th

December 5th

VNA / Nursing / Home Health, Group Homes and Community Organizations

October 3rd

Ambulance Group

October 10th

Focus groups are free to members of the Trust and are designed to provide an opportunity for similar peer organizations to share operational information, policies, procedures and work experiences that would assist their organization in loss and claims reduction.

Public Notice!

A Public Health Initiative to reduce the use of toxic cleaning products is being held October 24, 2008 8:30 am to 12:00 pm at the Mohegan Sun Convention Center. Additional information may be obtained under Upcoming Events at <http://publichealth.uconn.edu> .

