

Trust Intelligence

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47 Barnes Industrial Road South * P.O. Box 5042 * Wallingford, CT 06492 * (203) 678-0100 * www.wctrust.com

Joy, Joy, Joy!!! A Holiday Bonus for Trust Members... \$1,250,000 Premium Return Approved for 2013!



Not many business owners can say they look forward to hearing from their insurance carrier, especially around the holidays. But that doesn't hold true for Trust members! For seven of the last eight years the Trust has delivered its members news of a very nice holiday gift in the form of a premium return, and this year is no exception. At its recent November meeting, the Trust's Board of Directors declared a premium return of **\$1,250,000** for qualifying members! Even better than last year's return of one million dollars.

With this distribution, a total of \$22.8 million has been returned to members over our 32 year history!

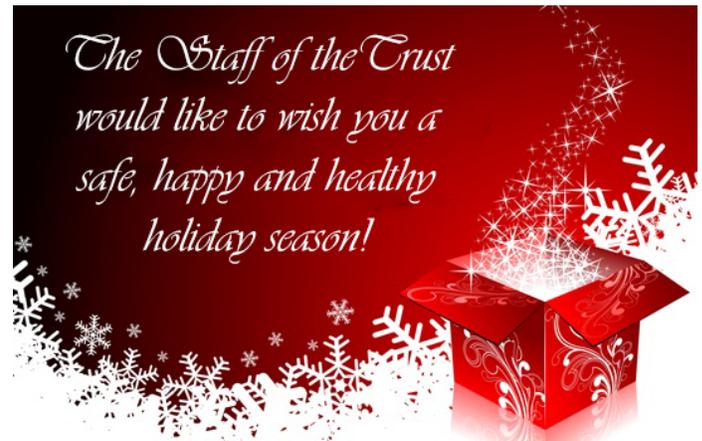
"We're delighted to once again reward our members for their continued support and commitment to working with our Trust team to control losses and provide a stable, cost effective workers' compensation alternative to the traditional insurance market." said Diane Ritucci, President and CEO. "In a year where traditional workers' compensation carriers have virtually disappeared from the voluntary market for many types of healthcare services, the Trust continues to provide an open market for those businesses, delivering exceptional loss results and ultimately lowering insurance costs for our members."

Results like this are made possible because of the effective working partnership between the Trust, members, insurance brokers and medical providers. These relationships, in unison with the Trust's firm commitment to loss control and aggressive claims management, help us to reduce claim frequency and to better manage overall claim results when

a claim does occur. Early and effective claim management involves all of these partners which plays a crucial role in keeping claim loss results under control.

You may be surprised to know that the healthcare profession accounts for some of OSHA's most hazardous occupations and that is why traditional workers' compensation carriers often shy away from this market, especially when investment returns are low.

The Trust has not shied away, We're here for you, we're strong, we're experienced and we're committed! Like you, we take our business seriously and we're here to serve you, our members. We greatly appreciate the selfless service you give to others everyday and we wish you the very best holiday season!



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Avoid Audit Surprises: Remember to Obtain COIs for Independent Contractors

Most businesses face staffing challenges on occasion and often they have to consider hiring independent contractors (IC's) to assist in this area. Advantages of hiring ICs over FT or PT employees include savings on payroll, FICA, Medicare and unemployment taxes; reduced costs for employee benefits; savings on workers' compensation costs; and the list goes on.

However, as with most things that look enticing, there are often pitfalls that, if overlooked, can cause employers serious financial and legal damage. One important thing to keep in mind is this; *"Employees aren't independent contractors just because the employer says they are!"* In fact, there is no simple test to denote that an individual is or is not an IC. The State of CT and the IRS use varying criteria to assess the employment relationship. The CT Department of Labor website provides valuable information on worker classification.

With the passage of The Employee Misclassification Act (Connecticut Public Act 10-12) in 2010, the stakes have gotten much more costly if an improper classification of an IC is made. The civil penalty for intentionally misclassifying an employee is now \$600 per day per violation, which can add up to tens of thousands of dollars very quickly. In addition, the employer could be ordered to pay certain state and federal related taxes as well.

Wait, that's not all... There are additional fines and potential felony convictions if it is determined that the misclassification was done with the intent to commit fraud on workers' compensation premiums, thus cheating the State out of Second Injury Fund and Workers' Compensation Commission assessments.

If your business utilizes IC's you should strongly consider talking with your legal counsel to make sure the IC's are properly classified. Both state and federal governments are stepping up enforcement on employee misclassification and are aggressively looking at businesses with 1099 payments to IC's.

From a Trust perspective, if you are using an IC, remember to obtain a certificate of insurance (COI) for workers' compensation if the IC's are performing work that is common to the types of services expected under the workers' compensation class codes applicable to your business. Make sure the COI does not exclude coverage for the owner(s) if he/she is doing work as well. If there is no COI on file at the time of the audit, the payments made to the IC will be picked up as chargeable payroll for the Trust.

Changes to Impact Calculation of 2014 Experience ModFactor

Last year the National Council on Compensation Insurance (NCCI) announced that it would implement a change in calculating experience modification factors (mods) by raising the limit on "Primary Losses" (PL). The proposed change was to begin raising the PL limit over three successive years, raising it from \$5,000 to a new limit of \$15,000 which would then be indexed for inflation each subsequent year.

The CT Insurance Department approved this change and implemented the first PL change on January 1st of 2013, raising the PL limit to \$10,000. On January 1, 2014 the PL limit will be raised to \$13,500.

The most important things you can do to maintain a low mod are:

1. Keep the Claim "Med Only" *Every effort should be made to keep each claim limited to medical costs only with no lost work time.*
2. Increase your loss control efforts by increasing awareness of hazards and safety, and conducting accident analysis within 24 hours to identify root causes and corrective actions.
3. Report all injuries to your insurer within 24 hours
4. Have an effective return-to-work program and accommodate every alternate duty return-to-work situation. This is critical to a cost effective program.

Our Loss Control personnel are always available to assist Trust members in these areas.

WCC Hosts Symposium to Celebrate the 100th Anniversary of the Workers' Compensation Act



On October 3rd, the CT Workers' Compensation Commission hosted a Symposium celebrating the 100th Anniversary of the adoption of the Workers Compensation Act. Over 500 insurance professionals, including a number of employees from the Trust, along with physicians, attorneys, employers and employee/labor representatives attended the full day event of educational programs which focused on the history and timeline of events shaping the first one hundred years of the Connecticut Worker's Compensation Act and the Commission.

The theme of the Symposium – “Yesterday, Today and Tomorrow” reflected on the presentations given by speakers from the evolution of the Workers' Compensation Act to the challenges that face us today, to possible solutions for a better system moving forward. All in all, it was a wonderful educational program that welcomed all stakeholders of the workers' compensation system to come together under one roof, for one day, and appreciate just how far we have come together to assist those employees in need when injured

on the job.

The Workers' Compensation Trust was one of several key sponsors of the program and considered it a privilege to acknowledge the 100 years of caring for injured workers in our state.

The Trust extends a sincere “Thank You” to the Chairman, his staff, and all those who participated in putting this very successful symposium together.

Over \$100,000 was raised for the Disability Scholarship Fund.



The Trust Welcomes 2 New Staff

The Trust is pleased to announce the hiring of 2 new staff members: JoEllen Crouth and Leslie Dorsey.



JoEllen joins us as an underwriting assistant. She will be responsible for assisting both the Underwriting and Sales & Marketing Departments with both new and renewal business. JoEllen has over ten years of experience in underwriting and holds a Property & Casualty Producer License.



Leslie Dorsey joins us as a Senior Claims Adjuster. She has over 13 years of experience handling workers' compensation claims in Connecticut. She will be handling claims for many of our private nursing homes, group homes, and other members.

We are thrilled to have them both on board and hope that our members will have an opportunity to meet them.



Winter Wellness: Plan Ahead to Make This Winter a Healthy One

While the winter months bring about a sense of holiday cheer for some they can also bring on many challenges which may impact health for others. By developing a “Wellness Planner”, you can face these challenges and plan ahead to maintain a sense of wellness during the winter season. Several stressors and triggers affect us including; environmental, emotional, financial, social, physical, occupational, and intellectual.

Develop a daily/weekly planner which lists out your top 5 strategies, the tools and support needed to achieve the goal(s), how often you will complete the task/activity and when you will start. Then track your activity as you go.

Consider the following when identifying strategies to reduce stressors:

Diet and Nutrition

- Eat several small meals so that you are not starving when it comes time to eat a holiday feast
- Drink water before meals to get full faster
- Look for ways to get plenty of fruits and vegetables during the winter months

Physical Activity and Environment

- Walk around the mall
- Clean your living and work area
- Choose outdoor activities you enjoy; go out and actually do them!
- Be aware of slippery surfaces when outdoors

Health Care

- Wash your hands often to reduce the risk of contracting cold and flu germs
- Be sure to get your vaccinations
- If you follow self-management for a chronic health condition, don't let holiday events, meals, travel, etc derail you

Family, Friends and Supporters

- Surround yourself with positive influences, negativity can be contagious.
- Make attempts to “give back” whenever possible
- Make holiday get-togethers a positive opportunity to renew acquaintances and/or friends you may not see or speak to very often

Finances

- Plan ahead in terms of spending and know your limits
- Consider ways to give gifts other than spending money

Don't let the winter get the best of you this year. Take control and get the most out of your winter season. Know your limits and plan ahead for proper balance of sleep, relaxation and activity.

The Legal Corner

Attorney John Letizia, Managing Partner
Letizia, Ambrose & Falls, P.C., New Haven

New Medicaid Payment Regs Mean Increased Obligations for Behavioral Health Clinics

Effective October 9, 2013, the Department of Social Services (“DSS”) implemented new payment regulations governing services rendered by behavioral health clinics to Medicaid clients. Behavioral health clinics that do not comply with these new requirements risk significant penalties in the event of a DSS audit of the clinic’s paid Medicaid claims. Among other things, the new regulations, which repealed the existing DSS Medical Services Policy governing mental health clinics, impose important new documentation and supervision requirements. Behavioral health clinics must implement policies and procedures and conduct periodic mock audits to ensure they are in compliance with the new DSS payment regulations and put themselves in the best possible position in the event of a DSS audit.



Behavioral Health Clinics. The new regulations apply to behavioral health services provided by behavioral health clinics, which are defined as facilities that are not part of a hospital and that are licensed as a day treatment facility, psychiatric outpatient clinic for adults, ambulatory chemical detoxification facility, chemical maintenance treatment service, day or evening treatment service, outpatient treatment facility for substance abuse, or outpatient psychiatric clinic for children.

Among other things, the regulations impose new requirements regarding clinical supervision and documentation.

What this means for the provider. The client’s treatment plan must include all of the services that are recommended and ordered by a physician. DSS will not

pay for any service that is not included in the plan of care. Providers must implement policies and procedures to ensure that plans of care are periodically reviewed and updated as necessary, and that physician signatures are obtained on all plans of care in a timely fashion.

If you would like a copy of the new regulations or more information about DSS audits of behavioral health providers, please email Attorney Phyllis Pari at pari@laflegal.com or Attorney John Letizia at letizia@laflegal.com or call (203)787-7000.

News from the Board of Directors

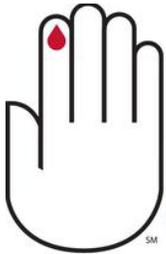
In November, the Board of Directors announced the board officers for 2014. Rob Stephens, Executive Director at Kuhn Employment Opportunities, Inc. in Meriden will serve as Chairman. Rob replaces Joe Milke, Executive VP & COO of Klingberg Family Centers in New Britain who completed his 3 year term as Chairman but remains an active member of the board.

David Tompkins, also of Klingberg Family Centers is the new Vice Chairman and Brian Carney of Western CT Home Care is the newly appointed Treasurer.

Pictured below, Rob Stephens (left) presents Joe Milke with a plaque in appreciation for his dedication and commitment to the Trust.



Using Wellness Programs To Reduce Risk of Diabetes



**STOP
DIABETES**

Several years ago in this column, I discussed employer-based wellness programs and their potential benefit to employees. Evidence from the medical literature continues to support strongly the impact of lifestyle modification as a tool to reduce chronic conditions such as diabetes and heart disease. Some striking results from one particular study of individuals at high risk for diabetes are worth sharing.

Current estimates are that approximately 35% of Americans are pre-diabetic. This means that they are at substantially increased risk for the disease due to obesity and some other factors. A large NIH-funded study was published that demonstrated in a population of more than 1,000 such individuals that a wellness intervention consisting of intensive lifestyle management education, 30 minutes of moderate exercise 5 times per week,

and an average weight loss of 5 to 7% over the course of a year, resulted in a 58% reduction in the risk of progression to diabetes.

The result is impressive. It has been confirmed by another large study, and a 10-year follow-up study has shown that those individuals continue to have substantially lower rates of diabetes compared to individuals who did not participate in a wellness intervention. The take-home message is that wellness programs with quite reasonable degrees of lifestyle modification can result in significant reduction in health risk, prevent disease and unnecessary suffering, and reduce healthcare costs.



What Do You Think?

The claimant suffered two separate knee injuries with different insurers. The treating physician recommended bilateral knee surgeries which the claimant decided to have at the same time. Under the Workers Compensation Act you cannot apportion liability between two separate and distinct injuries. The two insurers ultimately agreed to split the medical costs incurred from the surgery, but not the indemnity benefits. Which insurer was responsible to pay the indemnity benefits?

Answer

Both insurers are required to pay when indemnity is caused by two separate body parts injured in two separate injuries. The trial commissioner held that the first insurer was responsible to reimburse the second insurer 50% of the indemnity owed to the claimant. In upholding the finding, the Appellate Court felt the remedial purpose of the Workers' Compensation Act were fostered by the claimant undergoing the bilateral knee replacements at the same time which resulted in one period of recovery and lower medical costs.



Upcoming 2014 Educational Programs for Members

The following seminars are offered by the Trust for the first quarter of 2014. These programs are designed to assist our members in gaining knowledge of issues that surround and support the reduction of work related injuries and associated claims. Detailed information and more courses can be found on our website at www.wctrust.com. Most courses offer Continuing Education Units (CEUs). Your attendance is encouraged.

OSHA Injury & Illness Recordkeeping Standard

Tuesday, January 7	9:00 AM - 12:30 PM	Members: FREE	Value: \$100
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Agility Testing to Reduce Work-Related Musculoskeletal Disorders

Thursday, January 23	9:00 AM - 12:00 PM	Members: FREE	Value: \$100
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Partnering With the Trust

Wednesday, January 29	9:00 AM - 11:00 AM	Members: FREE	Value: PRICELESS
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Accident Investigation: Solving the Right Problem

Thursday, February 6	9:00 AM - 12:30 PM	Members: FREE	Value: \$100
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National Safety Council 4-Hour Defensive Driving Course

Thursday, February 20	8:30 AM - 1:00 PM	Members: \$40	Non-Members: \$60
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Companion Care Overtime and Minimum Wage Program

Wednesday, February 26	9:00 AM - 11:00 AM	Members: FREE	Value: \$100
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Dementia Care Specialist Training

Thursday, March 6	8:30 AM - 5:00 PM	Members: \$60	Non-Members: \$200
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