

LOSS CONTROL DATA GUIDE

Light/Modified Duty Program

Escalating Workers' Compensation Insurance and related costs adversely affect the profitability of many businesses. Because Workers' Compensation insurance premiums are determined by employee injury frequency and dollar cost, it is in the best interest of any firm to take measures which will reduce the likelihood and the costs of employee injuries. One way to accomplish injury cost containment is to develop and implement a Light/Modified Duty Program.

The Light/Modified Duty Program represents an effort to minimize the length and costs of temporary total disability associated with a work-related injury. The Program allows an employer to provide an injured employee who cannot perform the full duties of his/her pre-injury job classification with work having limited physical requirements.

Why get involved in a light/modified duty program?

Light/Modified Duty Program benefits include:

- Reduces Workers' Compensation Insurance Costs – Because Workers' Compensation premiums are determined, in part, by employee injury frequency and cost, it follows that if these costs are reduced as a result of the Light/Modified Duty Program, insurance premiums will also be reduced.
- Reduces Lost Time Injury Direct Costs – By assigning the injured employee to light/modified duty as soon as medically feasible, Temporary Total Disability

(TTD) payments are minimized. By minimizing TTD payments, Permanent Partial Disability (PPD) payments (if applicable) may also be reduced. In addition, medical and rehabilitation expenses are controlled.

- Reduces Lost Time Injury Indirect Costs – By returning the injured worker to his/her job as quickly as possible, costs associated with the temporary loss of the employee (decreased production, time lost by supervision, hiring and training a replacement, decreased efficiency of work crew, etc.) are minimized.
- Facilitates Injured Employee Recovery – Employee involvement minimizes the potential for malingering, and facilitates the injured employee's return to his/her regular job. In many cases, the "best medicine" is to get the employee back to work as quickly as practical.

Guidelines for developing a light/modified duty program

- Employee participation should be limited to those individuals having temporary physical restrictions which are the result of a **work-related injury**.
- Actual physical restrictions should be specified in writing by a licensed physician.
- Periods of restricted activity should be specified, and should be followed by an examination for the purposes of re-evaluation. Indefinite periods should not be accepted, and the medical provider should be so informed.

- Jobs included in the Program should not necessarily be the most desirable and stimulating work activity.
- Employees and/or employee representatives should be given prior notice and explanation of the Program **before** it is implemented.
- Supervisors should be innovative regarding work assignments, in order to make effective use of the employee, while at the same time observing the specified restrictions.

Formal implementation guidelines

- Develop, endorse, and distribute a Light/Modified Duty Program policy statement. For example:

“It is the intention of the (name of employer) to provide employees who have sustained work-related injuries with the opportunity to return to or remain on the regular payroll during periods of partial incapacity resulting from these injuries.

Employees who may work in a limited capacity, but who are temporarily not capable of performing the full scope of their regular job duties, may receive temporary job assignment through the Light/Modified Duty Program.

Job assignments will be based on specific medical restrictions provided by licensed physicians. If work is available for the injured employee, and the physical requirements of such work do not violate any of the medical restrictions, the employee will be required to perform the job assignment. This program will be coordinated by (name and title), and is effective (date).”

- Develop a list of potential restricted-activity jobs. Examples of Light/Modified Duty jobs include:

Equipment Cleaning

Filing and Clerical Work

General Housekeeping

Inventory

Painting

Repair Work

Security Patrol/Fire Watch

Tool Room Attendant

- Appoint a Program Coordinator. Coordinator should assure that basic program parameters are observed consistently. They should also serve as a contact and provide liaison to both injured employees and Workers' Compensation insurance carrier claims representatives.

The loss prevention information and advice presented in this brochure are intended only to advise our insureds and their managers of a variety of methods and strategies based on generally accepted safe practices, for controlling potentially loss producing situations commonly occurring in business premises and/or operations. They are not intended to warrant that all potential hazards or conditions have been evaluated or can be controlled. They are not intended as an offer to write insurance coverage for such conditions or exposures, or to imply that Great American Insurance Company will write such coverage. The liability of Great American Insurance Company is limited to the specific terms, limits and conditions of the insurance policies issued.