

The Alliance Advisor

A QUARTERLY PUBLICATION HIGHLIGHTING IMPORTANT INFORMATION FOR ALL OF OUR CLIENTS

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Loss Causes Are Not Lost Causes

As the administrator for over 200 New York municipalities, we have the unique opportunity to review a large number of public sector losses. When we review claims, we look for commonalities in the type, frequency, and severity of injuries. A recent assessment revealed two common loss causes that have been occurring rather frequently, resulting in some severe injuries. The first loss cause has occurred from lifting and

moving manhole covers. The second common loss cause is injuries that occur from entering and exiting vehicles.

Lifting and moving manhole covers is a heavy duty job. Manhole covers come in several different sizes. Usually made of cast iron, they can range in weight from 70 to over 300 pounds, while varying in size from twelve to over thirty six inches.

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The Comp Alliance is a Group Self-insured Workers' Compensation Program providing coverage for local governments in New York since 1994.

Comp Alliance Membership Continues to Grow

The Comp Alliance is happy to welcome the following new members who joined the Comp Alliance this past renewal season and look forward to developing a lasting relationship with you.

- Binghamton/Johnson City Joint Sewage Board
- City of Binghamton
- Village of Buchanan
- Village of Colonie
- East Fishkill VFD
- Village of Endicott
- Town of Geddes
- Village of Great Neck
- Village of Johnson City
- Village of Rye Brook

During these difficult economic times, we would like to thank all our members for their continued support. We remain committed to offering great service and to continue looking for opportunities to reduce administrative costs and to assist you in reducing loss experience. Our Management team is always available to assist you, and their contact information is listed on the back of this publication.

Maureen Gale
Senior Underwriter



**New York State
Municipal Workers'
Compensation
Alliance**

www.compalliance.org

What Can You Do As the Costs for Workers' Compensation in NY State Continue to Increase?

This is a real problem facing all employers in NY State. The recent reform legislation signed by the governor on March 13, 2007 increased the benefits to those who are injured by 85 % over the past 3 years, but did not save the employers in NY State millions of dollars, as predicted.

The New York State Municipal Compensation Alliance (Comp Alliance) has been meeting with decision makers and elected officials for those who are members of the Comp Alliance for about a year now. We have been explaining what NY State has recently done, and from our perspective what each employer can do to set a culture of reducing future insurance premiums by preventing controllable injuries.

This pro-active presentation caught the interest of the Binghamton Press while Roger Cuva and I were making the presentation to the Town Board of the Town of Vestal. The article "Municipalities focus on safety to cut workers' compensation costs," was published by Debbie Swartz on August 1, 2010.

The municipalities mentioned were City of Binghamton, Town of Vestal, Town of Union, Broome County, Village of Johnson City, and Village of Endicott.

The article says the results are measurable in Binghamton, which has cut its workers' compensation costs by 36% in the past two years, say city officials. Village of Johnson City says they have been making headway with fewer claims filed and fewer dollars paid out over the past few years. Lower claim figures could reduce the village's future insurance premiums, Tom

Augustini, Town of Union Councilman, said since premiums are based on the frequency and severity of claims. The Town of Vestal and Town of Union say they have seen declines in workers' compensation premium costs.

What are the common denominators for these reductions in workers' compensation costs, when all of the factors that are used to calculate the insurance premiums are going up?

The City of Binghamton summed up their solution using 3 components for reducing workers' compensation insurance costs the best:

1. Focus on safety;
2. Engaging in a NYS Certified Preferred Provider Organization, United Health Services which takes care of injured workers for the first 30 days following an injury; and
3. Joining the NYS Municipal Comp Alliance who manages workers' compensation to focus on future cost savings.

We encourage all of our members and prospective members to look for the training and education session that the Comp Alliance is offering at each of the NYCOM and Association of Towns sponsored conferences for further information and detail about how you can help reduce the future costs of workers' compensation premiums in this tough economic climate.

Loren Pratt
Marketing Manager

WCA MEDICAL BILL REVIEW – STEP UP TO SAVINGS

There is no denying there has been a huge upward trend in the cost of medical treatment, not only in general health care, but in workers compensation during the past twenty years. For that reason it is especially important that your TPA has a sound program in place to control medical claim costs.

At the Workers Comp Alliance, we have such a program in place. One of the services that the Comp Alliance provides to its members – at no extra cost – is a medical bill review program. In an age where many TPAs and carriers have outsourced this important function to an out-of-state, back-room operation, we at the Alliance understand the importance of retaining direct supervision of the medical bill review process in order to achieve a consistently high-quality product with high cost savings.

You may be surprised at the high volume of bills we receive each week, and the very high-demanding parameters of performance the state places on us. We receive an average of 2,500 medical bills every week. Under the WCB rules, each of these bills must be reviewed, approved or denied for payment, and a response processed within 45 days. There is an array of penalties strictly enforced by the state if we do not respond to medical bills within this required deadline.

Under the NY Workers Compensation law, doctors and testing facilities providing treatment and services to employees injured in the course of employment must adhere to a strict fee schedule. This fee schedule mandates the level of payment for virtually every type of treatment in the state, from a simple chiropractic visit to a complicated surgery.

Upon receipt of each bill, the designated claim adjuster has 10 days to review and approve or deny the bill for treatment. The adjuster reviews the bill to ensure the treatment is causally related to the injury, the bill was authorized in advance (if necessary), and the amount of treatment being claimed is not excessive.



The adjuster approves the bill by providing an initialed, written annotation and forwards the bill electronically to the Medical Bill Review Unit. Before issuing payment on the bill, the medical bill payers review each bill to ensure the guidelines of the New York State Fee Schedule are met. Each bill should contain a valid ICD-9 (diagnosis) code as well as a CPT code which identifies the specific medical procedure performed. The correct amount to pay on the bill is determined by inserting the invoice data into a software program, which matches the codes and the service provider's mailing address to the fee schedule. Should an overcharge be identified, the bill is reduced accordingly.

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Employees will often attempt to just pry up and slide the manhole cover on their own causing frequent injury; however, these injuries can easily be avoided. A written procedure plan should be created and adhered to in order to protect employees from injury. A list of appropriate tools, useful equipment, and adequate manpower for each task should be included in this plan. Knowing the size and weight of the manhole covers you will be working with on a regular basis is vital in determining the appropriate tools, equipment, and manpower that is required for the given tasks. Safety measures should also be included in this plan. It is important to remember that bare or even gloved hands never be placed between a cover and a hole or a cover and the ground. Also, it is essential to test the air quality before completely removing the manhole cover; possible explosive and/or low oxygen environments must first be identified. Being informed can keep you safe.

Different methods of removing a manhole cover require different types of equipment. Some covers are locked down and require a large wrench to be removed. Others may be cemented or paved in which would require the employee to chisel it out or pound it with a hammer to break it loose. The easiest scenario is if the cover has a notch in it where a hook tool, or "Gulley Key," can be placed to lift the manhole cover. A Gulley Key is usually thirty two to thirty six inches long which allows the employee to lift the cover from nearly waist high rather than bending over to lift and risking injury. Manhole covers that weigh over 100 pounds should have two or more employees involved in lifting so that the cover is moved safely. There are also some specialized tools designed to assist in lifting heavy manhole covers. These tools, if used properly, will allow one employee to perform a job that would normally be handled by two or more employees. The tools that can give support to the employees include hydraulic manhole lifters, manhole dolly

systems, and manual or electric winch systems which would attach to the tow hitch of a truck. The cost of these tools is less than the cost incurred by providing adequate manpower to move manhole covers safely. The value is far greater than the cost of a single severe injury to a valued employee.

Another loss cause that was associated with frequent injury was entering and exiting a vehicle. One way to prevent these types of injury is to maintain a three point stance. A three point stance is simply having two feet and one hand or one foot and two hands in contact with the ground or vehicle access points at all times. An employee should never jump when exiting the back of a pick up truck. Also, no employee should mount or dismount a vehicle while carrying a heavy tool. Tools too heavy to be attached to a tool belt should be move before getting in the vehicle or after getting out. Proper footwear is also essential to prevent injury because it provides the best traction and protection for the job in all environments.

Planning for the job ahead and safely performing the task at hand are necessary to ensure personal safety while at work. Whether removing a manhole cover or simply getting out of a vehicle, employees must recognize the hazards and make sure the proper tools, equipment, and manpower are available to carry out the job safely. Employees should be reminded of the proper safety procedures regularly. Addressing these loss causes now could prevent injury and reduce costs in the future.

Jay Lewandowski
Loss Prevention Specialist

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Once the day's bills are processed, a warrant report is printed which includes all of the information on each payment. The warrants are checked, along with the bills, to ensure that the payments were made to the correct provider, the amount is correct, and the bill is being charged to the proper claim. If the payment is correct, a check is issued to the service provider accompanied by an Explanation of Benefit letter which informs the physician of any reductions under the fee schedule.

Because the WC law levies no penalties against physicians who do not conform to the fee schedule, overcharges are customary. During 2008 and 2009, our Medical Bill Review Unit reduced charges on incoming medical bills by 48.6%. This represents bottom line savings that help reduce funding contributions from our members.

Besides processing medical bills, our Medical Review Unit also calculates and processes mileage and transportation requests from claimants. The unit additionally processes pharmaceutical bills which have not been assigned to a contracted vendor using an additional fee schedule.

The Medical Review Unit is supervised by Serena Wilkinson, who has been employed with Wright Risk Management for 8 years. Serena credits her ability to manage in this area as a result of her own years as a medical bill payer prior to her promotion. Joining Serena in the unit are Loretta Bahrenburg, Lena Jarrett, Kelly Georgens, and Chuck Shnepp. We want to recognize all the members of the Medical Bill Review Unit for the excellent job they do in controlling our clients' medical costs!

Howard Bitner
Account Manager

Meet Gail Schwarting

Gail has over 23 years of experience in the insurance industry. She started her insurance career with Liberty Mutual Insurance Company. Gail has experience handling First and Third Party Auto, Home Owners, Property and Workers' Compensation claims for national accounts as well as construction companies. She currently holds the State of NY Insurance Department Casualty License as well as Motor Vehicle No Fault & Workers' Compensation License.



She is one of a three panel Appeals Committee member. Gail has tutored several lost time and medical only adjusters in studying for their NYS Casualty Adjusters License. Since joining Wright Risk Management in 2008, she has been a Workers' Compensation adjuster for the NY State Municipal Comp Alliance.

When not adjusting claims, she can be found designing/sewing costumes for an annual school event, reading, swimming or dancing. She is active in her school district and community.

Did You Know.....

DID YOU KNOW THAT IN THE THREE YEARS SINCE THE INCEPTION OF THE REFORM LEGISLATION DESIGNED TO LOWER EMPLOYERS' WORKERS' COMPENSATION COSTS.....

- That the workers' compensation rate for weekly benefits has risen by 85%?
- That there is a plan to raise the Fee Schedule for medical treatment by as much as 30% this coming year?
- That the "loss cost" rate on the manual classifications for police, DPW, and Parks & Recreation employees has been raised by 23%?
- That employers are still being charged increasing Special Fund assessment costs even though the Second Injury Fund was abolished?
- That there is no formal resolution to describe how serious injury cases will be finalized?

Each of these items will bring increased WC costs to employers during 2011 and beyond. That is why it is particularly important to stop claims at their point of origin – before they ever happen! We have a variety of risk management programs available to you, at no extra cost, to help you avoid accidents through improved safety practices at your jobsites. For more information, feel free to contact Roger Cuva, our Loss Control Supervisor, at 518-437-1171 or 1172 ext 345.

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