PROTECT & DEFEND

Take Control of Workers' Compensation

What you can do before, during, and after a claim to protect your bottom line.

BY BILL BUTLER, CIC, CISR, CWCA

Two veterinary practices can have the same payroll, the same number of employees, and even the same insurance carrier, yet one practice pays thousands more each year for workers' compensation insurance. The difference is often not the policy. It's how injuries are reported, how claims are managed, and whether the practice owner understands the hidden drivers of workers' compensation costs. Here are four tips for properly handling — and preventing — workers' compensation issues in your practice.

1 Document Injuries Immediately

Studies show that delaying a claim by just 10 to 14 days can increase costs by 30% to 50%. Delays often lead to higher medical costs, a longer time away from work, and a greater likelihood that attorneys will become involved.

Workers' compensation carriers would prefer to have all claims requiring medical treatment reported within 24 hours of the incident. Human memory is imperfect. Details that seem obvious right after the injury can quickly become unclear as days or weeks pass. The who, what, when, where, and why of the incident that led to the injury are important when reporting a claim. Practices that don't document injuries as they occur, even if no immediate treatment is needed, are setting themselves up for potential issues down the road.

One recent incident with a practice we insure: A team member hit her head when she was knocked into an exam table by a large dog. She was the only person in the exam room when the incident occurred. The injury happened on a Thursday, but it wasn't reported to management until the following Tuesday, when she complained of headaches and asked to go home from work. A claim was filed five days after the incident for a potential concussion. While it might seem like no big deal, the incident involved lost time from work, an MRI, and thousands of dollars in claims expenses. Here's the wrinkle to the story: The team member was reported to have been snowboarding between when the incident happened and when it was reported. Did she hit her head on the exam table or while snowboarding? Nobody knows because an incident report was not collected immediately.

All injuries should be reported and documented the same day they occur, regardless of whether medical treatment is needed or a claim is filed. This creates accountability, helps identify patterns, and ensures you have a record.

2 Reduce Missed Work Hours

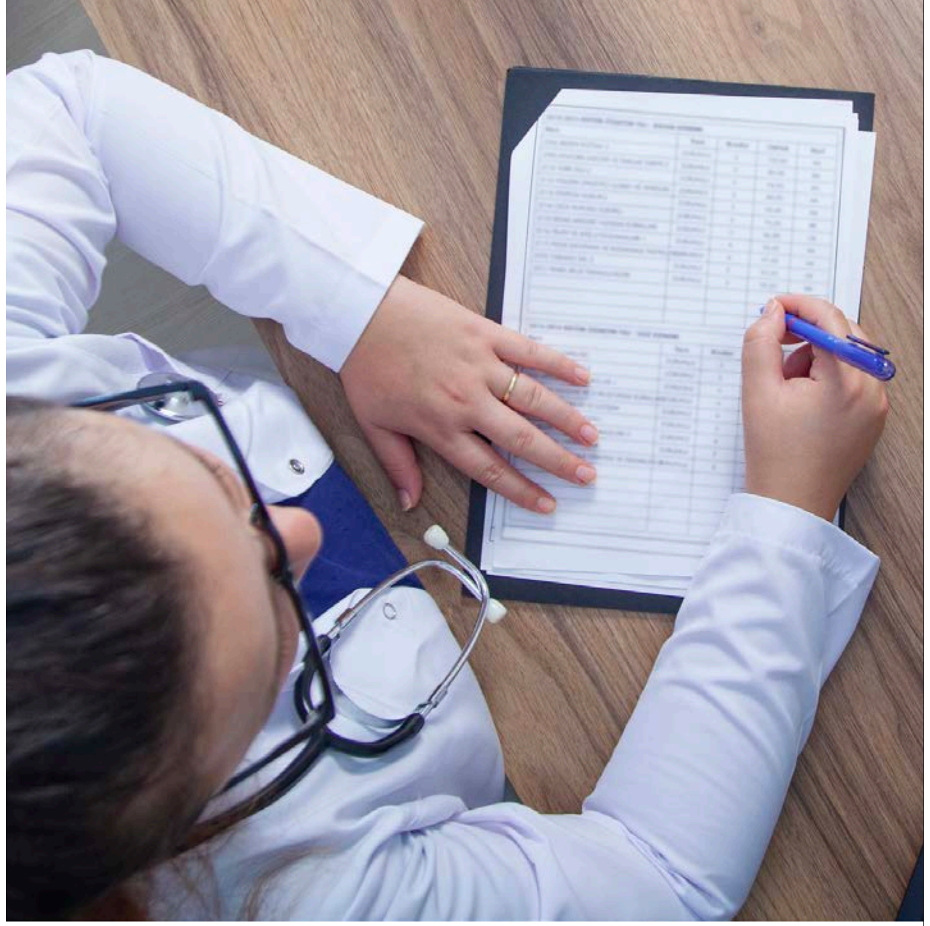
Allowing an employee to recover at home increases claim costs through lost wages. While these wages are paid by the insurance carrier, they are included in the total cost of the claim and directly impact your loss history and future premiums.

Medical expenses are only one part of a workers' compensation claim. Once lost wages are added to the medical expenses, claim costs can rise quickly. What may seem like a minor injury can become expensive, simply because the team member was out of work longer than needed.

Additionally, insurance carriers view lost time claims less favorably due to the increased claim severity, longer duration, and greater influence they have on experience modification calculations.

Return injured employees to work in modified roles to reduce lost-wage costs and control claim expenses. It also keeps the injured employee engaged in the practice and improves the likelihood of a full recovery. In many cases, an injured employee may be unable to perform their normal duties but still be capable of answering phones, assisting with inventory, or handling administrative tasks.

According to research from the Workers Compensation Research Institute, employees who remain connected to the workplace during their recovery experience better return-to-work outcomes than those who don't. The longer an injured employee remains away from the work-place, the more difficult it can become to successfully return to their pre-injury role.



3 Make Safety a Priority

Frequency matters more than most practices realize. Reducing small injuries not only protects your team; it also reduces the number of claims that show up on your loss history. Having 10 $1,000 claims can look much worse than having one $10,000 claim. One large claim is often an outlier in the veterinary world — something severe that may happen once every seven to 10 years. It's easier for underwriters to dismiss one catastrophic claim — like a dog biting someone in the face — over a proven track record of five to seven claims every year.

Regular safety meetings that include training on animal handling, lifting techniques, and sharps protocols, along with reviewing incidents as a team, can reduce injuries and improve outcomes. This isn't just about compliance; it's about creating a culture where safety is part of daily practice procedures and operations.

Another way to reduce injuries — and claims — in your practice is to use low-stress handling and fear-reduction techniques.

4 Develop a Pre-Renewal Strategy

Review open claims, check claim reserves, and update payroll estimates before renewal. This allows you to correct issues before they impact your renewal pricing and helps avoid surprises.

Many owners are shocked to learn that the amount paid on a claim is only part of the story. Most owners focus on what has already been paid on a claim, while insurance companies focus on the potential total cost of the claim.

Think of a reserve as the insurance carrier's best estimate of the total cost of a claim before it's closed. For example, a claim may only have paid $5,000 in medical bills, but if the adjuster believes there will be additional treatment, lost wages, or a settlement, they may establish a reserve of $25,000 or more. To the insurance company, that's not a $5,000 claim. It's a $30,000 claim.

As your renewal approaches, review any open claims with your agent and carrier. If the employee has returned to work, treatment has concluded, or the claim is progressing better than expected, the reserve may no longer accurately reflect the exposure. While reserves cannot simply be reduced because you ask, they should reflect the current facts of the claim.

Workers' compensation insurance is more than just coverage for a cat bite and a prescription for some antibiotics. It runs through your hiring process, onboarding, training, injury reporting, incident documentation, and recovery of injured employees.

Claims will happen at your practice. How you handle them is just as important as trying to prevent them. TVB

INJURY INCIDENCE

According to the U.S. Bureau of Labor Statistics, the veterinary services industry reported 10.6 nonfatal injuries and illnesses per 100 full-time workers in 2023, while the average rate for other industries was 2.4 per 100 workers. Animal bites, scratches, and handling-related injuries were the leading contributors.

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