



**Kentucky Workers' Comp - Safety - Return-to-Work Program  
Personnel Cabinet  
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In accordance with Executive Order 2005- 567, the Personnel Cabinet was directed to establish an Executive Safety Advisory Committee (ESAC) to address the increasing cost of workers' compensation and increase the awareness and cooperation with respect to this issue; establish a comprehensive safety and return-to-work program as an integral facet of controlling costs and that many accidents and resulting injuries can be prevented with a comprehensive safety program.

The Kentucky Workers' Comp – Safety – Return-to-Work Program was completely redesigned in 2005 to procedurally be under one program. Prior to 2005, these programs were managed separately lacking a holistic approach to analyzing injury and loss cost trends and implementing specific strategies to preventing injuries and losses by severity and frequency. Internally and in the ESAC, our programs now function as one providing the expertise, analysis and technical support state-wide. Our program utilizes the same claim database for analysis and the program works together under workers' compensation to impact state government by increasing safety awareness, increasing the use of transitional/modified duty and to provide strategic, proactive workers' compensation claims management. The ESAC provides a proactive venue for cabinet/agency communication, training, analysis and specific intervention to address workers' compensation, safety and Return-to-Work issues and problems.



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**1. Please provide a brief description of this program.**

The Kentucky Workers' Comp – Safety – Return-to-Work (RTW) Program has the responsibility for the delivery of workers' compensation benefits, managing the safety program and RTW program for the employees of the Commonwealth of Kentucky. The Kentucky Workers' Comp – Safety – Return-to-Work Program has been integrated into one program for greater efficiency utilizing a full team approach to reduce accidents, lost time from work and workers' compensation costs. All three programs utilize the same claim database and work together under workers' compensation to impact state government by increasing safety awareness, increasing the use of transitional/modified duty and to provide strategic, proactive workers' compensation claims management.

**2. How long has this program been operational (month and year)?**

All programs have existed for years; however, the programs have operated separately. Since *July 1, 2005*, the Kentucky Workers' Comp – Safety – Return-to-Work Program link to a single database and work together to address all the complicated issues of risk management within state government as one comprehensive program.

### **3. Why was this program created?**

This program was transformed to create a more unified approach to preventing injuries and reducing costs. State government is complex to analyze by the number of locations and job classes. We decided to totally change the focus of our program to: increase technology to provide real time reports for strategic planning and safety training; coordinate the workers' comp, safety and RTW programs together to controls costs; implemented a managed care/PPO and pharmacy program to reduce medical costs and dedicate staffing to the development of agency specific RTW plans. The program was completely redesigned to coordinate all of the injury reduction, cost reduction and data analysis efforts for the Commonwealth of Kentucky. It is a very complex task to impact all state government programs with a unified workers' compensation, safety and RTW program. Through the Kentucky Workers' Comp – Safety – Return-to-Work Program a unified approach to workers' compensation, safety and RTW is being coordinated together throughout state government.

### **4. Why is this program a new and creative method?**

Many state workers' comp programs operate separately from a safety program and sometimes separately from a RTW program. We wanted to completely redesign the program and the services provided to state government. A safety consultant was hired to assist with compiling a state safety manual every agency could use to assist with our training needs. An Executive Order was signed by Governor Fletcher establishing and Executive Safety Advisory Committee (ESAC) to engage in strategic planning at all cabinet/agency levels to promote a workplace safety program to reduce accidents/illness, ensure employees receive appropriate benefits and return to work. The Kentucky Workers' Comp – Safety – Return-to-Work Program works together in ESAC to change

the climate and culture of state government to increase safety awareness, promote RTW and cost containment programs. In addition to utilizing a safety consultant to assist us with a safety manual and providing safety training state wide, we changed our communication strategy. We have made all of our procedures, forms and initiatives available on a website and began to send state wide email announcements regarding our program. We changed our technology to provide real time reports. We provided managed care and pharmacy cards to increase cost saving and also make it easier for injured employees to seek medical care.

**5. What was the program's start up costs?**

A safety consultant was hired under contract for \$260,220.00 for one year. We do not expect to use the entire contract amount; \$29,646.86 has been paid in nine months. An assistant safety director was hired (monthly salary \$4897.28). A computer imaging system was designed for workers' compensation (cost \$24,500); this amount will be recouped by eliminating paper in approximately two years. Employee positions remained the same with redefined job duties and training. Employee training totaled \$9489.19. We changed third party administrators to provide the latest technology, however, this was not a spending increase.

**6. What are the program's operational costs?**

The operational costs for the program are the same except for the addition of the assistant safety director.

**7. How is this program funded?**

The Kentucky Workers' Comp – Safety – Return-to-Work Program is funded under the workers' compensation budget, Personnel Cabinet for the Commonwealth of Kentucky.

**8. Did this program originate in your state?**

We are not aware of another state operating similarly.

**9. Are you aware of similar programs in other states?**

We are not aware of similar programs in other states. Workers' compensation often is a stand alone program without direct involvement of a safety program.

**10. How do you measure the success of this program?**

The tangible measurement of the program is a decrease in the number of work-related injuries, reduced expenditures in medical benefits due to electing managed care and a pharmacy program and reduced indemnity benefits by implementing transitional/early return to work programs throughout state government. An annual report will be submitted to the governor detailing the accomplishments based on the Executive Order. Of utmost importance is the increase in state wide communication regarding safety awareness, workers' compensation costs and the benefit of early return to work.

**11. How has the program grown and/or changed since its inception?**

The Kentucky Workers' Comp – Safety – Return-to-Work Program has become increasingly responsive to the needs of government. We provided specific training for the Department of Parks, at their request, and are training supervisors state-wide in safety. We are assisting individual agencies with specific safety and RTW programs. The program provides liaisons to all cabinets to assist with workers' compensation issues/ procedures. We have provided training in computer technology, workers compensation law training and safety training for our personnel. Our website requires maintenance for the managed care program and training which provides easy access to our program information. We developed direct web reporting of the 1<sup>st</sup> Report of Injury for efficiency and convenience (no cost) and can provide ad hoc reporting to analyze injury trends and costs. The program now responds to the needs of state government and to meet those

needs with a holistic and technological approach. Costs were minimal as stated above as the programs were in place operating separately.