



Preparing for Catastrophes in the Workplace

Workers' Compensation Challenges

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Background

- In the wake of the 9/11 terrorist attacks, numerous task forces have been convened and charged with developing catastrophe preparedness/catastrophic claims management guidelines for multiple jurisdictions.
- Today, many jurisdictions, continue to struggle with these issues, particularly with those relating to the human capital aspect of administering claims which result from a single, broad scale, devastating event.

CATASTROPHE PREPAREDNESS

Recommendations and Considerations

- Recommendation 1: Develop a Detailed Catastrophe Plan.
- Recommendation 2: Obtain Ability to Reassign Workload Without Disrupting Ongoing Business.
- Recommendation 3: Standardize Processes and Procedures.
- Recommendation 4: Promote Organization and Customer Service.
- Recommendation 5: Undertake Comprehensive Review of Laws, Rules, and Regulations.
- Recommendation 6: Communicate and Coordinate with Constituents.

Recommendation 1: Develop a Detailed Catastrophe Plan

- Whether an agency has a sophisticated computer system or paper case folder, it should formalize plans to deal with a catastrophe that destroys its ability to provide essential services.
- Agencies should ask themselves: “What would we do if an industrial accident resulted in a 10%, 20%, or 30% increase in our workload?” The answer is different in each jurisdiction. Each jurisdiction should analyze its vulnerabilities in these areas and document a formal plan for handling large scale workplace accidents.

Recommendation 2: Obtain Ability to Reassign Workload Without Disrupting Ongoing Business

- Key to success in handling the increased workload resulting from a catastrophic event is an agency's ability to reassign workload away from the affected offices. This is a problem faced in larger jurisdictions that have multiple offices that service particular geographic regions/localities within the jurisdiction.
- The solution to this problem for many agencies may be found in technology. Ideally, a paperless operation will afford an agency the greatest capabilities and flexibility.

Recommendation 3: Standardize Processes and Procedures

- In larger organizations, divided into different district offices, processes and procedures often begin to differ over time. Soon the way work is processed in one office differs substantially from the way it is processed in another.
- Standardizing processes and procedures, ensuring that staff is well trained in those procedures, and providing an easy procedural reference tool may allow an agency to transfer work across districts with assurances that staff in the receiving offices will understand the work that is being assigned to them and will produce a uniform work product.

Recommendation 4:

Promote Organization and Customer Service

- Any agency's ability to meet the challenges of a catastrophe will depend upon a well-trained, motivated staff that can respond quickly to catastrophes and are willing to accept new assignments. Agencies need to attend to their most important asset, their staff.
- Agencies also need to determine who is going to pick-up the additional workload associated with a large catastrophe. In addition, agencies should consider the effects of any staff reassignment on day-to-day work.
- Customer service and responsiveness is always important in administering any workers' compensation system. Its value is immeasurable when dealing with a catastrophic event. Workers' compensation staff should be prepared to respond to an influx of inquiries from anxious and concerned callers and should have the skills and support to respond accurately, promptly and compassionately to each and every constituent as needed.

Recommendation 5: Undertake Comprehensive Review of Laws Rules, and Regulations

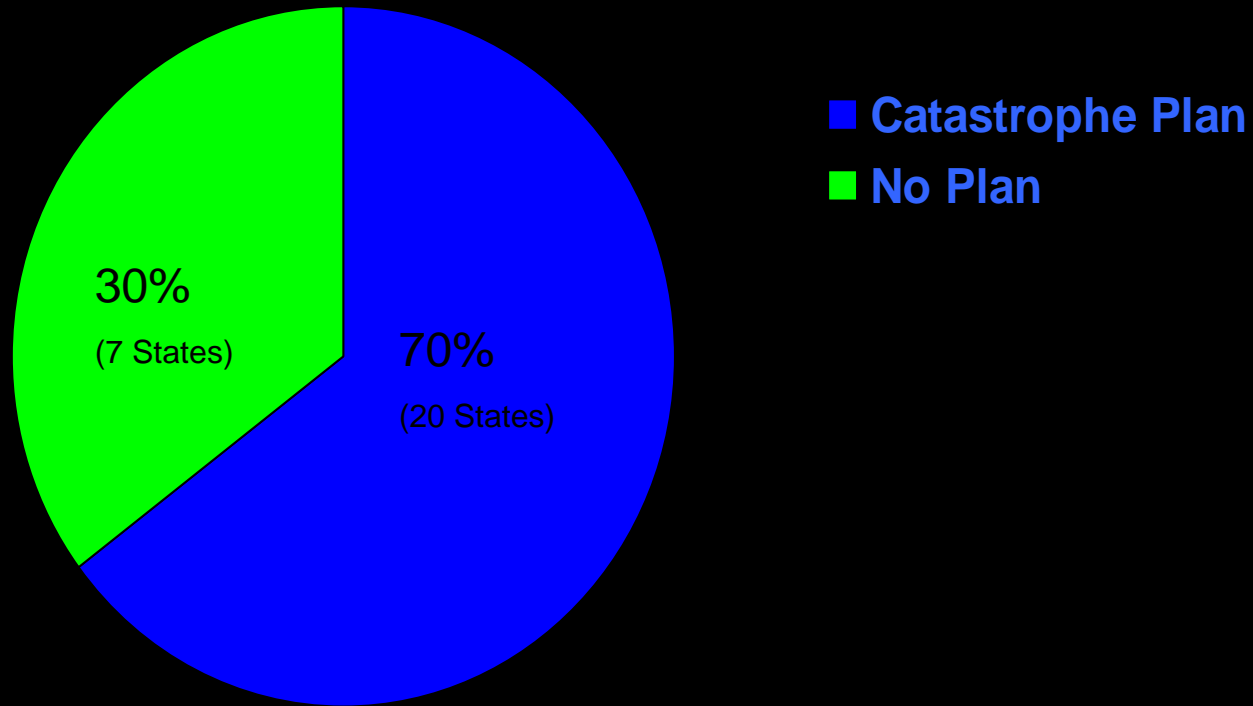
- Well ahead of any catastrophe, agencies should conduct a complete review of its governing laws, rules, and regulations to determine if there are any impediments within those provisions that would make it difficult or impossible to implement any part of a catastrophe plan.
- Work should be done with the jurisdiction's legislature, regulators, and other policymakers to resolve any impediments which may exist.

Recommendation 6:

Communicate and Coordinate with Constituents

- Any workers' compensation system has many participants. Even if a jurisdiction's workers' compensation agency has a comprehensive plan to manage a catastrophe, others in the system such as the jurisdiction's state fund, major carriers, attorneys, or, most importantly, health care systems may not be prepared. As a result, services to the injured workers and their families undoubtedly suffer.
- Agencies should specifically work with their jurisdiction's Health Department to ensure that the health care delivery system is prepared to provide both acute and long-term care for the influx of injured workers and to provide accurate data and reports regarding such care to the workers' compensation agency.

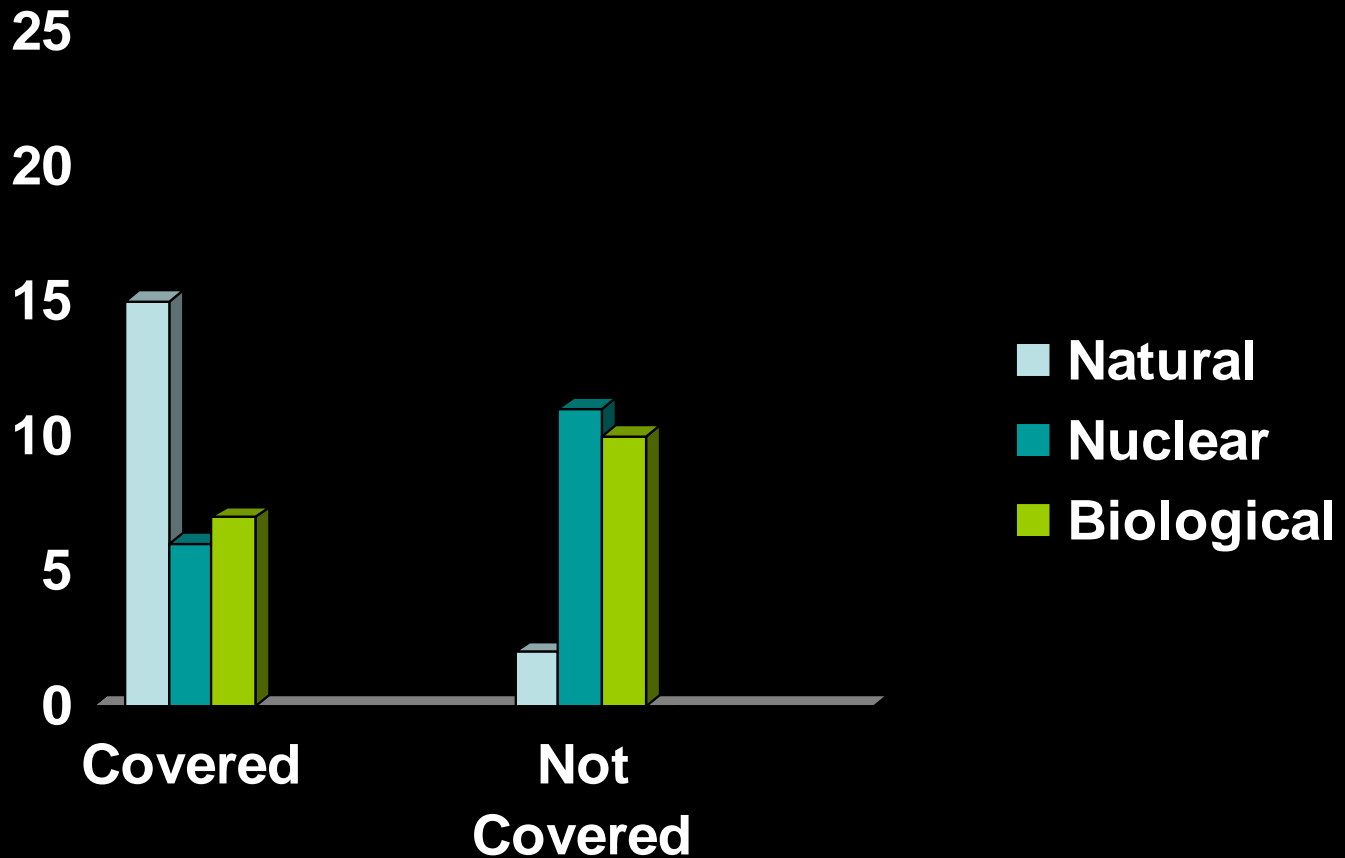
Does your agency have a disaster plan in place?



Graph Results Based on 2005 Survey

27 Respondents

Does your plan include Natural, Nuclear, and Biological Disasters?



Survey results based on 2005 Survey

27 Respondents

Consider This

- The U.S. Bureau of Labor Statistics (BLS) has reported that in 2005, there were an estimated 5,702 fatal occupational injuries across the United States.
- Think about your own Jurisdiction's annual rates for fatal occupational injuries:*

(*based on BLS 2005 data)

○ Texas	495
○ California	453
○ Florida	404
○ Pennsylvania	223
○ Virginia	186
○ New York	151
○ Minnesota	87
○ Oregon	65
○ Maine	15

Consider This (con't)

- Now imagine a natural, nuclear or biological catastrophic event in your jurisdiction which, within a very finite period of time, results in fatalities equal or greater than the annual fatal occupational injury rate for the entire nation (5,702).

For **Texas**, the influx of fatality claims would be **11.5** times its total annual fatality rate.

For **Pennsylvania**, the influx of fatality claims would be **25.6** times its total annual fatality rate.

For **Maine**, the influx of fatality claims would be **380.1** times its total annual fatality rate.

- Bear in mind, that the influx of these fatality claims will be taking place within a matter of weeks or months, not years.

How would your jurisdiction fare in terms of its ability to compassionately and efficiently process these claims?

- Do you have a catastrophe management team in place to demonstrate leadership and provide organization and guidance to staff?
- Are there laws, rules, practices, or policies which may hinder the speedy delivery of benefits to survivors?
- Do you have the capability of spreading the workload amongst agency staff members throughout the state without negatively impacting the processing of the existing claims within the system?
- Do you have standardized procedures in place to ensure that claims are processed and adjudicated by agency staff in a consistent and competent fashion?
- Does your system allow you to assign a unique designation to the pool of claims related to the catastrophic event in order to allow for effective tracking of these matters?
- Does your agency have readily available means of counseling and supporting agency staff who are responsible for the processing of these catastrophic claims?
- Is your agency's public information/communications staff prepared to develop and disseminate timely, sensitive, and accurate information and data relating to the handling of the catastrophic claims?

Conclusion

- It is essential for workers' compensation agencies across the country to evaluate their catastrophic claims management capabilities and to take the proactive steps discussed today in order to enhance their preparedness to address potential occurrences which were, only a few years ago, unimaginable to most.