



# Loss Control TIPS

## Technical Information Paper Series

*Innovative Safety and Health Solutions<sup>SM</sup>*

---

## What is Benefits Integration?

### Introduction

The term *Benefits Integration* refers to an integrated workers' compensation and disability benefits insurance plan. The program offers employers easy administration, timely benefits for disabled employees, prompt return to work for employees disabled on or off the job, and control over all disability costs.

Most employers provide disability benefits to their workers through separate coverages. If the cause of the disability is job-related, workers' compensation coverage applies. If the disability is due to non-occupational causes and is relatively brief, a salary continuation, short-term disability or sick leave plan may apply. If the disability continues, a long-term disability plan may apply.

A variety of insurance carriers and claim administrators provide these coverages, applying different claim management and return-to-work philosophies. It can be difficult to determine which coverage should apply, and the disability claims are managed by independent and unconnected claim handling organizations. In fact, managing programs separately results in redundancies, inconsistencies in how claims are managed and unidentified abuse. In addition, separate administration results in confusion and inefficiency for the insurer, with extra letters, extra phone calls and many requests for information already on file.

### Integrated Benefits Streamline Administration

The Hartford's Integrated Workers' Compensation and Disability Benefits Program integrates the management of all disability claims, whether the condition is work-related or not. It also ensures that claims receive optimal management, benefits are easy for employers and employees to access, and all eligible disabled workers receive timely benefits. Having one source administer for both workers' compensation and disability claims bridges the information gap and promotes consistent, proactive care management.

By bridging the information gap that traditionally exists between workers' comp and group disability, and by providing consistent, proactive case management, integrated benefits helps get employees back to work as quickly as appropriate, bringing employers' total disability costs under control.



## Separate Coverages, Integrated Claim Management

Customers are eligible to enroll in our integrated claim management program when both workers' comp and group disability coverages are purchased from The Hartford. Although workers' comp and disability insurance are separate products, our claim operations work as a team to ensure that:

- Claim reporting procedures—including those for telephone reporting—are efficient for both employer and employees.
- New claims are reviewed by the claim representative, nurse case manager and vocational rehabilitation consultant to make sure that every injured worker receives effective case management.
- Employees experience a smooth transition between short-term disability, long-term disability and workers' compensation.

## How Benefits Integration Works

All claims, whether work-related, non-work-related, or questionable if work-related, are reported to a single source. Each claim is processed by a single team consisting of a nurse care manager, claim representative, and vocational rehabilitation consultant, that knows both workers' compensation and group disability. Claim experience is reflected in integrated loss reports.

## Program Benefits

Benefits of the integrated program include:

- *Easy administration.* There is a single point of service with one toll-free phone number to report all disability claims, and one toll-free customer service number. Customer service and claim representatives, nurse care managers, and vocational rehabilitation consultants work together and are knowledgeable in both workers' compensation and disability benefits.
- *Prevention of temporary coverage gaps.* Disability benefits are provided to eligible employees signing a reimbursement agreement right away on claims with questionable compensability for workers' comp. This provides continued income to the employee who is less likely to pursue costly litigation. Adjustments are made later if it is determined that workers' compensation benefits are payable.
- *Shared claim information.* Information submitted when an employee files a workers' compensation claim is used to determine eligibility for group disability benefits so that information does not have to be submitted twice.
- *A comprehensive managed care approach to all disability claims.* Our program brings together the employer, the employee's doctors, nurses and vocational rehabilitation counselors to help the employee reach maximum functional ability and return to work quickly.
- *Integrated loss reports.* Loss reports include disability and workers' compensation medical/lost-time claims, providing a comprehensive picture of loss experience. Loss reports can be produced in a variety of ways to meet the employer's needs.
- Efficient claim management and processing.

## What Employers Should Look For In an Integrated Disability Plan

An employer shopping for an integrated disability plan should look for the following features:

- The plan should provide access to both workers' compensation and group disability claim history, and review of this prior data for possible bearing on the current claim.
- Representatives should be cross-trained to handle all aspects of occupational and non-occupational claims and customer service. This helps identify possible abuse situations and minimizes multiple requests for information.
- The provider should have processes in place to ensure that claims eligible for benefits under both workers' compensation and group medical or disability are not managed by multiple nurses or multiple rehabilitation specialists.
- Only one claim submission of medical documentation should be required to determine benefits under either the workers' compensation or group disability plan.
- There should be a single toll-free number for reporting occupational and non-occupational claims, and for obtaining information about these benefits.
- The provider should issue ongoing, comprehensive reports of occupational and non-occupational claim activity and a comprehensive summary of the results.

### Loss Control

The Hartford's activities in insurance plan management have evolved to an integrated approach to claim management, and have broadened to encompass health benefits as well as workers' comp and disability insurance. Through this process, we have learned the importance of looking at employee benefits from a total health perspective.

The occupational environment and the home environment are integrally related. Neither can be seen in isolation. Conditions off the job tend to affect performance on the job, and vice versa. Therefore, it is necessary to take a comprehensive, holistic approach to employee wellness, safety, rehabilitation and productivity.

The potential value of Loss Control services and programs to the disability management process for both occupational and non-occupational injuries can readily be seen. Some examples of Loss Control services that are effective elements in integrated insurance plans are:

1. Consultation through participation in disability management team meetings.
2. Onsite workstation assessment to identify ergonomic, and possibly other, health and safety risk factors and to provide recommendations directed toward operational and/or workstation improvements designed to keep employees on the job or to return injured employees to work.
3. Workstation assessment through videotape review.
4. Ergonomics training for nurse care managers and vocational rehabilitation consultants.
5. Onsite ergonomics training for the employer's ergonomics team.
6. Consultation to employer regarding return to work and the development and implementation of a return to work program. Training of the employer's return to work team.
7. Back injury prevention
8. Industrial Hygiene
9. Loss Control Management training

## Summary

The Hartford's strong position in both group disability and workers' compensation insurance supports the integrated approach. The Hartford is the only company that delivers nationwide, integrated disability claim management services that create opportunities for cost savings and employer and employee satisfaction that wouldn't exist otherwise. The company's confidence in the approach is demonstrated by implementation of integrated programs for its own offices.

## References

1. *Integrated Workers' Compensation and Disability Benefits from The Hartford*. (Publication number 102951. Hartford, CT: The Hartford, 1997.
2. "Group Disability and Workers' Compensation: No Longer the Odd Couple." *Managed Disability Solutions*. (Hartford Life's Quarterly Newsletter on Controlling the High Cost of Disability) Vol. 4, No. 2, Summer 1997.
3. Manners, Wendy. "Unified Approach: A Better Way To Control Health Costs." Reprint from *Global Risk Manager 1997*, The Winchester Group.
4. Manners, Wendy. "Toward 24-Hour Coverage: Integrating Workers' Compensation And Disability Benefits." *Workers' Comp Perspectives*. The Hartford, Fall 1997.

For more information, contact your local Hartford agent or your Hartford Loss Control Consultant. Visit The Hartford's Loss Control web site at <http://www.thehartford.com/corporate/losscontrol/>

*This document is provided for information purposes only. It is not intended to be a substitute for individual legal counsel or advice on issues discussed within. Readers seeking resolution of specific legal issues or business concerns related to the captioned topic should consult their attorneys and/or insurance representatives.*