

2014 Hospital Workers' Compensation Benchmark Study



We are about to complete our fifth review of Hospital Workers' Compensation Claims Data. Have you seen how your facility compares?

HOW DO YOUR HOSPITAL'S WORKERS' COMPENSATION CLAIM COSTS COMPARE TO YOUR PEERS?

OUT OF EVERY TEN CLAIMS, HOW MANY CLAIMS AT YOUR FACILITY RESULT IN TIME LOST FROM WORK?

ARE YOUR EMPLOYEES REPORTING LOSSES AS PROMPTLY AS THEY SHOULD OR COULD?

Over the last four years, we have been honored by the participation and efforts of professionals throughout the hospital industry to support and contribute to our Benchmark Study. We are pleased to notify you of the launch of our fifth analysis of workers' compensation costs specific to hospitals.

We greatly appreciate the feedback and interest from hospital organizations to get this analysis underway. In the spirit of that enthusiasm, now is when we ask your organization for its investment of time and energy – **the data request**. The effectiveness of this analysis is dependent on your participation and response. With this in mind, we have made every effort to make this request both comprehensive and realistic in the scope of the data needed.

To generate this report as quickly as possible, we are asking for the information to be submitted on or before **March 1, 2014**. Prior to that time, we will send out at least two reminders.

Each contributing organization will receive an executive level presentation providing your facility's results in comparison to the other organizations.

If you would be interested in participating in the **2014 Hospital Workers' Compensation Benchmark Study** or have any questions regarding the study or data collection, please contact Kevin Gabhart at (615) 277-9850 or by email at kgabhart@beechercarlson.com. We appreciate this opportunity to continue our support of the healthcare industry and look forward to your participation.

DATA REQUEST

Each participating organization is asked to provide three sets of data:

1. **LOSSES**
2. **EXPOSURES**
3. **SECURITY SURVEY**

This year we have several ways to submit the information to ensure confidentiality, accuracy and to help make the process easier for the participants. Details are outlined on the next page in the section **Data Submission**.

LOSSES:

We need each participant to provide a comprehensive loss run for workers' compensation claims for the last five (5) calendar years that occurred between January 1, 2009 and December 31, 2013 valued on or about 12/31/2013 or as close as possible. (If you have less than five years of data, please include the number of years available.)

In the loss run, include ground up (first dollar), unlimited claim payments and reserves formatted as listed in the attached Excel spreadsheet on the first tab titled "Loss Run".

If you would prefer, we can provide a Non-Disclosure Agreement and work directly with your TPA or carrier to obtain the loss data needed. Please email or call [Kevin Gabhart](#) if that is your preference.

To ensure accuracy of the comparison, loss runs need to match the template format presented. If you or your data administrator would like to submit a "flat file" or csv-limited file of the data elements, please contact [Kevin Gabhart](#) to discuss that format and option.

EXPOSURES:

To effectively evaluate the cost of claims, we seek to analyze total loss costs in comparison to both **payroll** and **manhours**. Payroll addresses the cost of claims and impact of workers' compensation losses against an existing expense. Manhours eliminate the impact of employee compensation and consider a base exposure associated with providing hospital services.

1. **Payroll:** For the five (5) calendar years that occurred between January 1, 2009 and December 31, 2013, please provide payroll information broken down by state and class code. This may be readily available in your insurance marketing submission or renewal materials. Payroll information for past loss years may also be obtained from carrier Audit Results.
2. **Manhours:** For the five (5) calendar years that occurred between January 1, 2009 and December 31, 2013, please provide the total number of manhours worked. This would include overtime hours, but not vacation or sick time.

Some organizations track FTEs (Full Time Equivalents) for each 40 hour week of the year. This information can also be utilized if provided as an aggregate figure for the entire year.

DATA SUBMISSION:

The attached Excel spreadsheet illustrates the ideal format and information requested for both Loss and Exposure information. Beecher Carlson can also contact your broker, TPA or carrier with your authorization to assist with gathering the appropriate data.

Once collected, the data can be submitted to Beecher Carlson in a variety of ways:

- **Email:** Send the files to Beecher Carlson and, if your organization has encryption capabilities and/or encryption providers, we will access the data through that method.
- **CD Rom or DVD Data Disc:** You can mail these directly to Kevin Gabhart at the address below. We would encourage you to put a password protection on the file and/or send it by either registered mail or another delivery service to improve confidentiality.
- **Secure FTP Site:** Beecher Carlson has a site in place for this analysis. If you would like to use that form in order upload the data from your computer to the site, call or email Kevin Gabhart for your organization's individual link.

For all forms of submission of the data and to ensure your information is received, please call Kevin Gabhart at (615) 277-9850 to notify the data has been transmitted and in what format. You will receive confirmation once the data is received.

If you are a non-subscriber in the state of Texas, please include losses separate from your workers' compensation data and note it appropriately.

If you have any questions regarding the state specific studies, please email or call.

If you have any questions about the Benchmark Study, need assistance in gathering the requested data or any other inquiries, please contact:

Kevin Gabhart

Phone: (615) 277-9850

Email: kgabhart@beechercarlson.com



FAQs

How will I know my data is secure?

We are offering a variety of methods to submit the loss and exposure information. Further, we will not accept any data with employee identifiers such as social security numbers or full names. In addition to the possibility of burning the data to a disk or zip drive, our IT Department has created a secure file transfer protocol site for our use. When a participating organization is ready to provide information, the specific directions for the SFTP can be provided. A number of facilities also have their own encryption sites and resources available for the transfer of the information needed.

Can I be assured of confidentiality?

Our Legal Department has prepared a standard non-disclosure agreement preventing our use or release of your organization's data for any purpose beyond this confidential analysis. While the information will be summarized and aggregated, no individual organization's results or benchmark findings will be presented to anyone other than a designated representative.

Can my broker or consultant submit the data used from a recent renewal process?

We are very willing to work with our peers in the brokerage industry to obtain the appropriate data. We assure you and them that we maintain the strictest confidentiality. Through that process, we would encourage the involvement of an organization's representative to ensure the data provided is up-to-date and accurate.

What does Beecher Carlson get out of this?

Beecher Carlson has remained committed to the healthcare industry since the formation of our healthcare team in 2005. With that commitment, we answered the request of some of our own clients, along with a number of other organizations that work with other brokerage organizations. We see this as a value add for our existing partners and a way we can give back to the healthcare industry that has supported us. We have conducted a similar study for the American Hotel and Lodging Association for over eighteen years.

Is there a cost to participate?

There is **no** financial transaction associated with the data collection and preparation of the executive reports. The only "expense" associated with your participation is the time and effort involved with gathering and submitting your information.

How did this get started?

As the industry identifies opportunities to improve workplace safety and put regulatory requirements into place that affect hospitals and healthcare providers, it is essential for the hospital industry to be able to evaluate the impact of those initiatives in comparison to the associated costs. Further, as organizations invest in initiatives focused on the reduction of workers' compensation claims, a measure or benchmark to validate the results is essential. Through a concerted effort by several organizations, Beecher Carlson was asked to undertake this analysis.

With time, this initiative and the consolidated effort of the participating organizations may identify opportunities to reduce workers' compensation losses, improve patient and employee safety, identify various safety initiatives worth additional investments and seek out those initiatives that are not generating the benefit or improvement as expected.