

Workers' Compensation Losses

In 1992, the OMP program took over the case management of the workers' compensation program in an effort to control the spiraling costs of claims. In FY-92 the workers' compensation program paid out 990 thousand dollars in claims. Adoption of a light work philosophy where medical and management work to return an injured employees to work quickly and close case management have significantly reduced the workers' compensation losses. Research shows that an employer is more likely to retain an employee after an injury if they are urged to return to work as quickly as possible by management even at a temporary lighter assignment. Immediate results were seen in the first year, with a saving of \$153 thousand, and a greater reduction in the following two years. Over the last three years the direct savings total over 1.7 million dollars. In 1996, the insurance administrator cut the monthly premiums resulting in a substantial monthly savings.

Lost/Restricted Workday Rate

A comparison of the most recent National Safety Council and U.S. Bureau of Labor Statistics data available on lost/restricted workday rates reveal that in FY-92 the INEL lost/restricted workday rate was about half the national rate. That rate has been cut in half the last two years and to date is at a rate of only 24.3. The Department of Energy and National Safety Council calculate that each lost day of work costs the company approximately \$1,000 and each restricted day costs \$400 dollars in lost productivity. Using conservative cost estimates based on national statistics, the overall reduction in lost/restricted days as seen over the last four years equates to a savings of 4.9 million dollars in lost work days and 2.4 million dollars in restricted work days.

Severity Index

Not only has there been a major reduction in the number of lost and restricted work days, but also a significant reduction in the severity of those cases reported. The Department of Energy uses a unique index to categorize the severity of the injuries and illness types expressed in workers' compensation data. Every recordable injury or illness is assigned a value of 200,000; a restricted work day-40,000; a day away from work -100,000; job transfer due to injury - 50,000,000 or fatality 100,000,000. The total of the values from occupational injuries and illnesses are added together and divided by the total hours worked. In FY-92 the severity index was only slight below the Department of Energy average. That index has been dropping at a consistent rate over the last three years and reached its' lowest level in four years. The drop in the recordable cases and severity index indicates the INEL OMP program is more effective among similar programs within the Department of Energy.

Workers' Compensation Loss Ratios

The loss ratio is a standard reference statistics that indicates how claims are spent and how well the workers' compensation case load is being managed. The ratio is calculated by dividing the incurred claims losses by the earned premiums. In the last four years the loss ratio has dropped dramatically from a baseline high of 92.0 in 1992 to an average of 43.0 the last two years.

Total OSHA Recordable Case Rate

All occupational injuries and illnesses are recorded and reported to OSHA on a monthly basis. Analysis of the databases reveal that the recordable case rate for the INEL is sixty percent lower than the national average established by the National Safety Council and the U.S. Bureau of Labor Statistics. The reduction in case rate can be attributed to the emphasis placed on health and safety awareness, identification of hazardous work conditions, ergonomics audits by the physicians and the organizational changes that has occurred over the past four years.

Cumulative Trauma Disorders

Over the past ten years the incidence of cumulative trauma disorders claims has increased dramatically due in part to an increased in public awareness and changes in work environments. The CTD data presented to the right is a summary of all the cases documented for FY-93 (the first year CTD cases were tracked) through FY-95. During this sampling period time the program increased ergonomic training, ergonomics audits of employee work places, and educated employees on how to minimize risks of developing serious problems. A dramatic 72% drop in the number of reported cases has been observed. This is significant because research is still showing a continued rise in reported cases. Last year only seven CTD cases were severe enough that they required serious medical intervention. The savings realized by this reduction are difficult to determine or estimate and are therefore not factored into the return on investment calculations. The direct savings from lost and restricted work days over the three year period were calculated at \$398,000 using the same formulas discussed in the previous section on calculating lost and restricted days.

Medical Claims Analysis

For years prior to the implementation of the "Living Well" health promotion program Lockheed Martin Idaho Technologies medical claims paralleled national averages for large corporations according to Foster-Higgins data. The data from FY-92 and FY-93 illustrate this trend. Significant reductions in medical claims were not seen immediately, but took several years before the health education and self-help programs began to have an effect. The medical claims summary data on the right shows that for FY-92 and FY-93 the corporation medical claims met or exceeded the national average and were increasing at an average rate of 9% per year. However, in FY-94 annual growth of the medical plan costs slowed to only 2% compared to 10% nationally. In FY-95 the medical plan increased one-third as fast as other larger corporations (4% vs.

12.3%). The savings per employee is \$958 with a total savings over the last two years calculated at 5.1 million dollars. Because of these savings employees are required to pay a smaller percentage (17%) of the monthly premium than employees of similar corporations (23%).

Smoking Cessation

In January 1992, the smoking cessation program was launched, by announcing a six month transition to a smoke-free work environment. Through employee interest surveys the two major identified obstacles to quitting were the costs (physician visits and prescriptions) and weight gain. In response, Lockheed Martin Idaho Technologies extended the medical benefits to pay for any physician visits related to smoking cessation and any prescription medications for a six month period. A weight management series was also developed especially for smokers. In addition to implementing a strict company no-smoking policy, a series of self-help smoking materials were provided to those individuals who chose or contemplated quitting. Baseline data indicated that the smoking rate was already below national averages at 21% but that rate had been reduced further over the past four years to below 14%. Comparisons of groups that availed themselves of the health risk assessment program and subsequent health counseling versus a control group showed that in the intervention group the smoking rate was reduced by 12% where the control group remained unchanged.

Health Risk Reduction

Important changes in employee health status were observed since the inception of the program. Employees have shown positive changes in almost all test parameters. Significant decreases in percent body fat, inactivity rates, total cholesterol levels, reductions in dietary fat intake, reductions in blood pressure and as well as CHOL:HDL ratios have been observed. At the same time, significant increases in aerobic capacity, and flexibility have also been reported. The only area that did not change were the HDL cholesterol values, despite the fact there was an increase in activity levels, reduction in smoking rate, and reduction in weight. Patient education has been increased in this area.

The prevalence of obesity data was based on percent body fat measurements instead of relative weight or body mass index and the inactivity levels were based on reported recreational and exercise habits. Both these criteria are more stringent than those used by the Healthy People 2000 proposal but are of greater value to the program. Using percentage increases and decrease in any statistical comparison can make results look better than they actually are particularly if they are based on smaller groups. However, a small percentage change in a population as large as the INEL's 8,000 employees has a huge impact. For example, the 7% decrease in overall smoking rate means that 584 people have succeeded in quitting smoking in the forty eight months on intervention. Studies from Johnson and Johnson and the University of Michigan

calculate the potential savings in insurance premiums for each smoker that quits at \$1,110 a year, placing the overall savings at \$648,000. Currently these savings have not been substantiated, but it is safe to say that a portion of the medical claims savings seen over the past two years is a result of the smoking cessation program.

Employee Participation

Measuring the utilization and effectiveness of the "Living Well" health promotion program has been an important component of the ongoing evaluation. This has been achieved by tracking each employee's participation in the incentive programs, presentations, training, health risk assessment usage and contact hours. Participants in FY-95 were: 3,300 Health profile, 4,000 Incentive Program, 7,300 Education Program, 7,500 Awareness Programs. The numbers indicate how many of the total eligible employees participated in one of the four major program divisions of the INEL "Living Well" Health Promotion Program. The total number of contact hours is significantly higher than all four columns summed.