

Prevention and Management of Musculoskeletal Injuries

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The Facts

- #1 workers' comp injury across all employers, including Costco, is **strain/sprain** or MSD injury.
- For non-occupational conditions, strain/sprains are in the top 5 across the nation and #1 for Costco.
- For Costco, 28% of claims in CA; 42% in WA require PT.
- For Costco, 17% of claim dollars in CA are spent on PT; 30% of claim dollars in WA are spent on PT.



The Vision

- To reduce costs associated with work-related injuries by preventing them from occurring and facilitating efficient recovery for employees who are injured.
- In collaboration, create & implement solutions for ergonomic problems that increase risk of musculoskeletal injuries.
- To partner with case managers, claims examiners, treating physicians and warehouse management to facilitate an efficient return to work.

The Model

Integrate onsite Prevention, Treatment and RTW Job Coaching services using cross trained clinicians who are assigned to a location or multiple locations. The clinician is present in each location a set number of hours per week.



Approach to Prevention

Goals:

Assess and reduce risks for strain/sprain BEFORE an incident happens.

Reduce unnecessary work to increase productivity and reduce employee fatigue.

Provide education and early intervention for employees experiencing discomfort or excessive fatigue.



Prevention Services

- Early Intervention Screenings
- Job Coaching
- Work-n-Stretch/Conditioning Classes
- Wellness Programs
- Manager & employee training classes
- New employee orientation
- Safety team participation
- Ergonomic Assessments & Recommendations
- Project Consultation

Approach to Treatment

- One-on-one care up to one hour
- Conditioning & education at the workstation
- Focus on Return to Full Duty
- Identify Transitional Duty jobs
- Portable equipment & supplies
- Use tools of the job to condition injured worker
- Dedicated treatment space
- “Real life” communication to physician, claims adjuster and NCM



Approach to RTW

- Objective: Move employee more efficiently & safely back to full duty.
- Bridges the gap between off-site medical provider and worksite.
- Minimizes chance of re-injury.
- Promotes communication between vendor partners.
- Communicates employee's ability to safely complete essential job functions



PreCare Clinicians

CLINICIANS	TREATMENT	PREVENTION	RTW JOB COACHING
Physical Therapist	X (Whole Body)	X	X
Occupational Therapist	X (Diagnoses specific)	X	X
Athletic Trainer		X	X

Case Study

Problem:

Awkward and sustained posture of neck and wrists when decorating cakes, causing increased risk of injury.

Solution:

Cashiers “Register Closed” sign is perfect size, material and angle to provide cake decorators with an appropriate platform.

Testimonial:

“This is the first time in years that I have been able to decorate a cake with absolutely no pain.”



Case Study

Problem: Fork lift accident left individual with ankle sprain with a delay in brake response time.

Solution: Task assessment during treatment identified problem and allowed for task specific rehab.



Case Study

Problem: Awkward posture of shoulder and wrists when reaching for ingredients in the deli.

Solution: angled platform to prop up ingredient boxes.

Outcome: reduced shoulder flexion from 90° to 65°, neutral rotation, neutral wrist flexion, eliminates wasted movement.



Costco's Philosophy

A key component of Costco's Code of Ethics is to "Take Care of Our Employees".

Costco believes in investing in our employees' overall health, safety & well-being.

Healthier employees are:

- more productive, happier and loyal
- turnover rate at Costco is 14.9% annually and only 6.9% after 1 year of employment.



Costco's Customized Model

- Created collaboratively
- Geographic clustering of warehouses
- Prevention / Safety / Ergonomics
 - 4 - 6 hours per week - per warehouse
- Return to Work Coaching
 - for work comp injuries only
 - pilot project in WA State since 10/1/08
- On-site physical therapy for work comp injuries only
- Clinicians are hired specific to the warehouses and cover the same warehouses on a regular basis.



Implementation

Strategy:

- Cooperation of Workers' Comp and Safety
- Company involvement at all levels: Corporate, Regional, District and Warehouse
- Integration with vendor partners:
 - SCMS
 - Bunch
 - Preferred Provider Physicians

Hurdles:

- Uniform approach across warehouses
- Treatment space
- Treatment on the clock
- Implementation of best practices across all warehouses



Integration with Vendor Partners

Nationally:

- PreCare's National Account Manager collaborates with Costco Corporate and Regional Workers' Comp. and Safety leaders
- Collaboration with Sedgwick and Bunch National Account Managers
- Sharing of data

Locally:

- Clinicians build relationships with warehouse employees and managers
- Communicate with Sedgwick claims examiners
- Case manage with Bunch nurses
- Communicate weekly with treating physician



Costco Treatment Outcomes

- Purpose is to provide in-depth PT information for Key states
- Bunch has bill review and claim data for integrated analytics – claims grouped by ICD9 codes
- Data is full year – FY07
- PT provider identified if associated with the most PT dollars paid on the claim

NJ Treatment Outcomes

	<u>PreCare</u>	<u>Network #1</u>	<u>Network #2</u>	<u>NJ Average</u>
Treatment Duration	44.00	67.37	36.46	55.29
Avg. PT Cost Post Surgery	\$1,226	\$3,117	\$1,631	\$2,992
Avg. PT cost per Visit	\$116	\$134	\$90	\$133
Avg. PT cost per Claim	\$873	\$1,681	\$810	\$1,447

CA Treatment Outcomes

	<u>PreCare</u>	<u>Network #1</u>	<u>Network #2</u>	<u>CA Average</u>
Treatment Duration	32.95	58.67	37.65	57.43
Avg. PT Cost Post Surgery	\$867	\$918	\$649	\$905
Avg. PT cost per Visit	\$114	\$81	\$63	\$88
Avg. PT cost per Claim	\$363	\$977	\$250	\$539

OR Treatment Outcomes

	<u>PreCare</u>	<u>Network #1</u>	<u>Network #2</u>	<u>OR Average</u>
Treatment Duration	35.93	60.88	31.63	41.72
Avg. PT Cost Post Surgery	N/A	N/A	N/A	N/A
Avg. PT cost per Visit	\$119	\$130	\$154	\$124
Avg. PT cost per Claim	\$787	\$1,674	\$903	\$857

WA Treatment Outcomes

	<u>PreCare</u>	<u>Network #1</u>	<u>Network #2</u>	<u>WA Average</u>
Treatment Duration	41.18	87.11	160.73	68.04
Avg. PT Cost Post Surgery	\$861	\$1,263	\$1,105	\$1,411
Avg. PT cost per Visit	\$112	\$79	\$109	\$96
Avg. PT Cost per Claim	\$623	\$935	\$1,653	\$852

Carena/PreCare Outcomes

- Purpose is to provide analysis of Carena/PreCare claims compared to PT Other claims
- PT Other are claims with PT with medical visits from an AP other than Carena
- Bunch has bill review and claim data for integrated analytics – claims grouped by ICD9 codes
- Data is from closed claims that opened and closed in a 2 year period
- Claim totals – 1,519

WA Outcomes

	<u>PreCare & Carena</u>	<u>PT Other</u>	<u>PreCare All States Avg.</u>	<u>PT Other All States Avg.</u>
Treatment Duration	88.70	118.21	96.14	110.77
Frequency of Care	14.34	22.33	13.46	14.74
Surgery Cost per Claim – Top 10 ICD9 codes	\$136	\$601	\$571	\$433
Surgery Cost per claim – all Codes	\$201	\$833	\$467	\$628

WA Outcomes

	<u>PreCare & Carena</u>	<u>PT Other</u>	<u>PreCare All States Avg.</u>	<u>PT Other All States Avg.</u>
Indemnity Rate	21%	53%	17%	25%
Indemnity Paid Avg.	\$981	\$2,635	\$667	\$1,277
Medical Paid Avg.	\$2,170	\$3,631	\$2,134	\$2,211
Total Paid Avg.	\$3,595	\$6,948	\$3,122	\$3,781

Costco Prevention Outcomes

- Difficult to quantify as varying factors have impact
- Certain outcomes are subjective, e.g. “employee satisfaction”
- Direct measures can include:
 - Overall number of strain/sprain claims
 - Total cost of strain/sprain claims
 - Number of strain/sprain indemnity claims
 - Average cost of strain/sprain claims

NJ/NY Prevention Outcomes

Based on claim data at 12/31/08

PreCare Commencement Date : January '07

Number of Sites : 15

	Total # S&S Claims	# S&S Indemnity Claims	Total S&S Claim Costs (\$'000s)	Ave Cost per S&S Claim
2006	171	52	\$1,906k	\$11,148
2008	198	36	\$1,032k	\$5,214
Change %	16%	(31%)	(46%)	(53%)



CA (Bay Area) Prevention Outcomes

(Based on claim data at 12/31/08)

PreCare Service Commencement Date : July 2004

Number of Sites : 15

	Total # S&S Claims	# S&S Indemnity Claims	Total S&S Claim Costs (\$'000s)	Ave Cost per S&S Claim
2005	317	47	\$3,630k	\$11,450
2008	256	46	\$1,265k	\$4,940
Change %	(19%)	(2%)	(65%)	(57%)

Overall Prevention Outcomes

2008

(Potential cost avoidance based on average S&S Claim Cost for Costco in 2008, i.e. \$5,961)

	Total Closed Cases	Percentage Resolved	Prospective Cost Avoided
Early Intervention Screens	1,346	78%	\$6,258k



Return on Investment

A safer work place:

Trained clinicians observe our employees in their actual work environment allowing for appropriate and immediate corrections.

Increased communication:

PreCare clinicians are able to alert management to issues before they become serious.

Less severe & less expensive workers' compensation claims: When injuries do occur, PreCare has a significant impact on our workers' compensation costs.



Review Key Points

- Integrated onsite services address pre and post claim to reduce frequency, severity and recurrence.
- Weekly dedication, individual attention.
- Identify risks then implement variety of solutions.
- Employee and management relationship with clinician is critical to “buy in” to solutions.
- Cross communication amongst stakeholders.

Questions and Discussion

Thank you!

