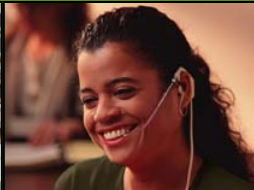


CareWorks Quarterly

WINTER 2008



To learn more about any of CareWorks' services, contact your individually assigned Account Executive.

1.866.CAREWORKS

www.careworks.com

Governor's Excellence in Workers' Compensation

For more than a decade the Governor's Excellence in Workers' Compensation Award has recognized exceptional Ohio businesses and public employers who provide a safe, cost-effective workplace and a proven return to work program for their employees. We are pleased to report that three of the six 2007 award recipients were CareWorks customers. We appreciate each of them sharing details about their award-winning practices with us and other CareWorks customers.

City of Cuyahoga Falls Cuyahoga Falls, Ohio

For the City of Cuyahoga Falls, the fundamental key to their quality injury management program is people. Having an employee to coordinate and document communication with physicians, injured employees and their MCO really makes the difference in creating positive outcomes for their injured employees.

Debi Megenhardt, Human Resources Director for the City, has experienced the difference people can make and is quick to give credit to Human Resources Coordinator, Nancy Henry and their CareWorks Team.

"The number one key is making sure you have someone on staff to oversee your claims. I've seen how this can have a dramatic impact on your bottom line," said Megenhardt. "Working together with CareWorks, Nancy does a great job of staying on top of all our claims. Getting timely, accurate and logical return to work releases, as well as any work restrictions, helps employees return to work as quickly and safely as possible."

please see **City of Cuyahoga Falls**
continued on page 2

D-A-S Construction Co. Cleveland, Ohio

The vision at D-A-S Construction Co. is to be one of the most well known and sought after General Contracting, Construction Management and Design Build firms by making their name synonymous with quality construction and unparalleled service.

As Safety Officer/Field Personnel Coordinator at D-A-S, David Netzband has taken this same focus on quality to managing the company's workplace injury claims. Netzband shared with us three fundamental components to their award-winning injury management program: safety, preferred providers and

alternative return to work options.

Safety and Education

"We conduct a thorough upfront education process with all our new employees, training them on the importance of safety in our operation as well as the support services they can expect from us should they experience an on-the-job injury," said Netzband.

D-A-S conducts a formal three-step process for all new employees that

please see **D-A-S Construction Co.**
continued on page 2

Montgomery County Dayton, Ohio

Five years ago, the leadership of Montgomery County knew they needed to do something to better promote safety and quality management of their workplace injury claims.

"When we started our county-wide Safety Initiative Program, we wanted to send a strong message that the best accident is the one that does not occur and that employee safety is very important to us. We believe every employee has the right to a safe work environment," said Kathie Burns, Insurance Specialist in Montgomery County's Risk Management Department.

Active involvement of the County's senior management, including the County Commissioners, reinforced this focus on safety and quality care.

Montgomery County took time to provide OSHA 30-hour training to all departments, offices and boards under their risk. This further elevated safety and health awareness as each department created long-term safety goals and enhanced employee safety training.

"We recommend all departmental

please see **Montgomery County**
continued on back cover

MCO Operations Report

Governor's Excellence, Open Enrollment and Customer Service highlight this issue.

In this issue, we are pleased to share with you some best practices from three CareWorks customers who were recognized by BWC in late 2007 as Governor's Excellence in Workers' Compensation Award recipients.

By sharing their success stories with us, our hope is that other customers will gain insight or creative ideas to improve or refine their own injury management program. You will see a few consistent themes intermingled into each of these stories – active employer involvement, early return to work strategies and a commitment to safety.

Yet, each of the recipients has their own unique story to creating a winning injury management program that improves the health of their employees and the health of their bottom lines.

2008 MCO Open Enrollment

We have received formal notification from BWC that there will be an MCO Open Enrollment period held from Monday, May 5 through Friday, May 30, 2008.

Staying enrolled with CareWorks means you will continue to be partnered with Ohio's consistent performer in two critical areas of MCO service: **return to work** and **medical cost savings**.

We realize lost time claims are the number one cost driver in workers' compensation and that's why we work closely with our customers to utilize alternative, transitional and other early return to work strategies that control your claim costs and ultimately lead to healthy, successful recoveries for your injured employees.

Our exclusive provider network partnership with Medical Mutual has never been stronger. We continue to work together to deliver significant medical discounts below BWC's fee schedule, which allows our customers to visit high quality Medical Mutual providers throughout Ohio and receive significant medical cost savings.

Customer Service Means Everything
Please remember that as a current CareWorks customer you need not do anything during MCO Open Enrollment to remain with CareWorks. Your re-enrollment with us is automatic.

Our top priority is retaining 100 percent of our current customers and we'll continue to refine and personalize our services to earn your business.

We ask our customers what services they need to be successful and then, better than any other MCO, deliver services that exceed your expectations. If our service ever isn't up to your expectations, please let me know. I've never had a problem brought to my attention that couldn't be fixed.

Thank you for your continued support of CareWorks as your selected MCO. The feedback we've received from our customers over the years has helped us create a special company founded on customer service.

Richard J. Poach
President & Chief Operating Officer
richard.poach@careworks.com



Megenhardt said.

The City has also increased its focus on safety. Quarterly safety meetings are held, where a primary message is reinforced to their employees – **you are the eyes and ears of the City's operations and we value your input.**

"The communication we receive from our employees is one of the best ways to find out what is really going on out in the field and what safety measures we need to adjust moving forward. The reports we get from CareWorks further help us identify where we need to focus our efforts," said Henry.

Return to Work

This focus on safety promotes the old adage, the best workplace injury is one that never occurs. However, in a busy and diverse operation like the City's, accidents do still happen. In response, the City has developed a structured early return to work program utilizing alternative, transitional and modified duty strategies.

"When transitioning an injured employee back to work, our primary goal, first and foremost, is to help them restore their normal day-to-day routine as quickly as possible. By doing so, it maximizes the employee's chances for a successful, long-term recovery," said Megenhardt. Whenever possible, duties are modified within their home department to provide a familiar environment for recovery.

One example cited was a sanitation worker who had injured their wrist, preventing them from performing their normal trash collection route. Instead of the employee staying home from work, they were able to return to the Sanitation Department and perform pre-established alternative tasks that were within the scope of their physician's work restrictions. These tasks included answering the radio, dispatching calls and creating welcome packets for new Cuyahoga Falls

residents.

"We are always very anxious and open to welcoming an injured employee back to the workforce. We keep a close eye on them during their transition to ensure the tasks they are performing don't inhibit their recovery process. Supervisors have been a great help in developing alternative duties for our employees whether in their home department or in another department," said Megenhardt. From data entry to paper shredding to creating new resident packets, they can accommodate the wide range of work restrictions they get from providers. Megenhardt's advice to other employers - Be Creative!

Thinking Outside the Box

One of the most effective changes the City made was its pursuit to automate its sanitation routes. Sanitation workers were performing constant heavy lifting day in and day out when collecting and dumping full trash cans. The City took a hard look at adding new trucks equipped with automated two-prong lifts that could greatly reduce an employees' risk of injury and increase productivity.

To get the project rolling, in 2004, they applied for and received a safety grant from the Ohio Bureau of Workers' Compensation (BWC). This grant enabled the City to purchase their first automated truck. The impact was immediate. A one-year analysis of this first route showed a drop from twenty workplace injuries to only one. By eliminating injuries, there were no corresponding medical costs and no additional administrative costs to negatively impact their future workers' compensation premium.

"Even though the safety grant didn't cover all of our expenses, it enabled us to take that first important step in a new direction. Now, we're seeing safer, healthier employees with the added financial impact of going automated," said

Megenhardt.

As a retrospectively-rated employer, reducing medical costs directly impacts the City by helping control their premium. In addition, fewer claims reduces the administrative premium calculation rate which determines their costs.

Knowledge is Power

As a public sector employer, the City has also taken advantage of the Public Employment Risk Reduction Program (PERRP) provided by BWC's Division of Safety and Hygiene. The goal of PERRP is to prevent on-the-job accidents, injuries and illnesses and reduce workers' compensation costs for public employers such as cities, townships, county and state workplaces, schools and hospitals.

PERRP consultants conduct on-site hazard evaluations, safety and hygiene training and industrial hygiene services as well as review required written programs to ensure compliance with federal workplace safety regulations.

"We've had a great experience with PERRP. For other public employers, it's a great way to positively impact your safety program, at no cost, other than the workers' compensation premiums you already pay. Many times, public sector agencies do not have the resources to invest in safety, and PERRP lets them take advantage of the videos, safety consulting services and training tools BWC has made available," Megenhardt said.

Statistically Speaking

There was one telling statistic on the City's Governor's Excellence application that clearly illustrated the bottom line impact of their efforts.

From 2006 to 2007, the City saw a 33% reduction in their administrative payment and 32% drop in medical costs from workplace injuries.

That's the kind of lift any organization could use.

D-A-S Construction

CONTINUED FROM PAGE 1

includes a background interview, a post-offer lift evaluation that confirms a candidate has the physical requirements of a position and a post-offer drug test. This sets an expectation to their employees that they are a quality company that requires quality employees.

"We take safety and quality a step further than some other companies might. A lot of times, taking these extra steps costs us more money. Yet, we have been very successful in marketing ourselves as a company that prides itself on protecting our employees, which in turn enables us to deliver products and services of uncompromised quality to our customers," said Netzband.

As an example, when D-A-S is installing lead-lined drywall on a project, they require their employees to be pre-trained on proper respirator use and how to avoid any dangerous lead exposure. This keeps their employees safe on the job, prevents any contamination to family members when they go home at the end of the day and ensures the safety of the current or future occupants of the facility they are constructing.

"To us, it's simply the right way to do things. These are extra steps we take to ensure quality and we want our clients to understand that these extra measures do have an impact. At the end of the day, we are always able to stand by our commitment to quality and safety. There have been a number of times when our safety record has made the difference in us being awarded a new construction contract or not," Netzband added.

Preferred Providers

When Netzband first started at D-A-S he found himself spending a lot of time performing claims management functions and treatment reviews.

"I have experienced first hand the difference a proactive MCO can make. When we decided to change MCOs, we conducted a thorough interview process to ensure we would receive the services we needed to successfully manage our claims. Since our very first meeting with

CareWorks, they have done a nice job in helping us maintain a high level of communication and information flow between all parties involved in our claims," he said.

One of the biggest challenges D-A-S faced was communicating and working with healthcare providers. Netzband took the lead by interviewing and selecting preferred initial treating providers that D-A-S' employees could see for initial treatment. He made appointments to visit each provider's office first-hand, experiencing the office environment, wait times and professionalism. Often he would even strike up conversations with patients in the waiting room to get their input on the services they were receiving.

"We need providers who understand how we proactively manage our claims and how we must document our claims and treatment plans for the records we are required to maintain. When we have an injury at a job site, our employees are able to see one of our preferred providers immediately. The injury packets and wallet-sized MCO I.D. cards CareWorks provides help us avoid any delays or complications when a new claim is initiated," he said.

This immediate, high-quality, upfront treatment gets the claims management process off on the right foot. D-A-S stays in regular communication with CareWorks, their TPA and providers to review injury management objectives, improve claims management and make sure they are on top of every claim. This includes investigating every accident and near-miss that occurs to ensure claims are work-related and that treatments and medications are appropriate for the injury as opposed to any pre-existing conditions.

"The online, external access into CareWorks' case management system allows us to visibly track the status of each claim and see the back and forth communication and coordination they provide throughout the life of a claim," he added.

Return to Work Options

Prior to developing their current return to work program, D-A-S was experiencing several

incidences each year that were required to be documented on their OSHA log. Most of the claims were medical only, but a few would result in lost time. The lost time claims always posed the greatest challenge in regard to treatment costs, time away from work and the potential negative impact on future premiums.

Today, they have nearly eliminated the occurrence of lost time claims through transitional work. The first step was having their transitional work developer conduct a thorough job analysis of each position in the company, from carpentry, cabinet making and construction positions to office and administrative functions. These analyses would later help identify appropriate work tasks for transitioning employees with work restrictions.

Netzband shared a sample scenario of transitional work in their day-to-day operations.

"When we have a carpenter injured that prevents them from performing their normal job, we transition them into our in-house cabinetry department so they can perform light duty tasks like filling, sanding or hardware installation that are in line with their restrictions. After some training, we also utilize the employee in the field to conduct safety inspections at our project sites. As an employee already familiar with our day-to-day construction work, they really know what to look for in these inspections, helping us prevent future accidents," said Netzband.

When the time comes that the employee is ready to go back to full duty, they are required to again complete a lift evaluation test, ensuring they are 100 percent physically capable of returning to their original position.

Return on Investment

All of the time and effort D-A-S has invested in their injury management program has paid dividends. The company recently achieved 800 work days without a lost time claim, clearly illustrating the positive and healthy impact their program has not only on the lives of their employees, but on their health of their business.

Effectively managing FMLA and disability

CareWorks' sister company – CareWorks USA – is delivering new services focused on helping people get back to work and reducing lost productivity.

CareWorks USA is building a strong reputation for helping employers focus on the health and productivity of their employees and their bottom line.

Two new services in particular that have been experiencing a large amount of interest are our **Family Medical Leave Act (FMLA) and Long Term Disability (LTD)** management services. Employers face two challenges in regard to these claims:

- When an employee is absent from work, the negative impact on productivity is the same for any illness/injury (on the job or off) or family medical leave issue.
- While the Family Medical Leave Act (FMLA) provides a valuable job protection benefit to employees, administering and tracking FMLA claims can require significant resources and administrative time. With the growing use of FMLA by employees and the emergence of state-specific regulations, ensuring compliance can be challenging.

Our disability management solutions can provide a streamlined, cost-effective solution for your FMLA administration. Through our state-of-the-art software and administrative and medical expertise, we offer a comprehensive package of services for employers, that includes:

- 24/7 absence reporting through toll-free phone, toll-free fax or online.
- Employee and worksite education on FMLA reporting procedures.
- Experienced leave administration specialists.
- Disability Nurse Case Manager availability for review of leave requests.
- Close communication with employers and their employees.
- Fair and consistent administration of FMLA leaves.
- Compliance with federal and state-specific leave requirements.
- Accurate tracking of absences, including intermittent and reduced schedule leaves, in any increments of time using any 12-month calendar period designated under FMLA.
- Concurrent administration of FMLA with disability and workers' compensation benefit programs.
- Timely correspondence and reporting.
- Electronic data interfaces.

In today's workplace, the value of people or "human capital" is critical to driving productivity and ultimately your bottom line.

With the rising costs of illness or injury-related absences, employers recognize the need for outcome-based solutions focused on the health and productivity of their employees.

New FMLA Military Leave

On January 28, 2008, a new law, the National Defense Authorization Act for FY 2008, was signed that includes amendments to the Family and Medical Leave Act of 1993 (FMLA). The two new provisions allow for:

- Up to 12 weeks of leave for qualifying exigencies arising out of a covered family member's active military duty; and,
- Up to 26 weeks of leave in a single 12-month period to care for a covered service member recovering from a serious illness or injury. Eligible employees are entitled to a combined total of up to 26 weeks of all types of FMLA leave.

The Department of Labor (DOL) is preparing comprehensive guidance regarding rights and responsibilities under this new legislation. Visit www.dol.gov/esa/whd/fmla for additional information.

Our customized services are designed to ensure that your FMLA program is administered according to all national laws as well as your organization's values and policies, making the implementation process easy for you and your employees.

To learn more about any of CareWorks USA's management services, please call me, toll-free, at 1-888-627-0065, Ext. 3536, direct at (614) 760-3536 or send me an email at scott.vaka@careworks.com.

Scott F. Vaka
Vice President
Sales and Customer Relations
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The positive impact of work on health

Scientific evidence is changing the way we think about health at work, showing that the beneficial effects of work often outweigh the risks.

National and international studies now widely support the common notion that work is generally good for health and well-being and worklessness is generally bad.

A recent information pamphlet titled "Work & Health - Changing How We Think About Common Health Problems" addresses a number of common myths on early return to work and covers the importance of changing the culture of work and health.

To download an electronic copy of this

pamphlet please visit www.backpain.org/pdfs/work-health-leaflet.pdf.

We'll continue to share news and information on national trends in future issues.

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Education Update

A quick review of CareWorks' internet site, educational materials and injury reporting tips.

Redesigned Internet Site

CareWorks recently unveiled a new look for its internet site at www.careworks.com. We are always looking at how we can best utilize technology to interact with our customers. Often, the suggestions we get from customers help us add the services or content most important to you. Both our online injury reporting and provider search features are located in the upper right hand corner of every page of our site. For injury reporting, setting up a "User Account" allows all future injury reports to be pre-populated with your account information – company name, address and contact information. Proper injury reporting is a vital first step in effectively managing your claims, and we've designed our online reporting system to help you report injuries to us as quickly and accurately as possible.

Educational Materials

Customized education has always been a key offering of CareWorks. We've developed a resource section on our internet site with links and downloads of educational materials we've developed to help our customers manage their workplace injuries.

Talk with your CareWorks Account Executive to get started on educational materials personalized to your unique program, including:

- Injury Reporting Packets
- Customized MCO I.D. cards
- First Report of Injury (FROI) forms
- Initial Treating Provider posters
- CareWorks contact sheets

Our Customer Service Department is always available to take your order as well, toll free, at 1-888-627-7586.

Injury Reporting 101

For first reports of injury (FROIs), we strongly encourage our customers to report all new injuries directly to CareWorks.

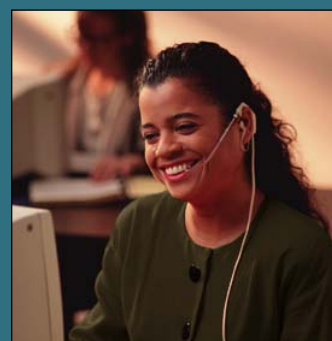
When a new claim is filed through our FROI system, a notice is automatically sent to the case manager assigned to an employer, immediately initiating our triage process.

Our case managers quickly evaluate initial medical information, determine severity of injury and begin facilitating appropriate treatment paths with a focus on a safe and timely return to work. The FROI and any corresponding medical and claim information is imaged into our system so our case managers have access to the same information as the FROI department, with no waiting for internal routing of paperwork or inbound FAXes.

Employers have four injury reporting options:

- Toll Free FAX: 1-888-711-9284
- Toll Free Phone: 1-888-627-7586
- Email: cwfrois@careworks.com
- Internet: www.careworks.com

Please rely on CareWorks for all of your new injury reports. This is a key first step in making sure we can immediately begin to manage and promote optimum treatment and return to work outcomes.



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Corporate Headquarters
5555 Glendon Court Dublin, Ohio 43016 USA

Cleveland Headquarters
24650 Center Ridge Road Cleveland, Ohio 44145 USA

1.888.627.7586 TOLL FREE CUSTOMER SERVICE
1.888.711.9284 TOLL FREE INJURY REPORTING FAX
1.888.627.0074 TOLL FREE PRIOR AUTHORIZATION FAX
www.careworks.com



Current CareWorks customers need not do anything during this year's MCO Open Enrollment. YOU WILL BE AUTOMATICALLY RE-ENROLLED WITH CAREWORKS.

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Each and every issue of the CareWorks Quarterly is designed and written by in-house CareWorks associates for our customers.

Montgomery County CONTINUED FROM PAGE 1

safety programs be geared toward recognizing and rewarding employees who work safely, while holding individuals and management accountable for safe work practices," said Burns.

Montgomery County's Liaisons and CareWorks are Vital to Prompt and Successful Return to Work

"For a large public entity employer with a diversified operation like ours, I can't stress enough the importance of having a key liaison in each department to spearhead injury reporting and coordinate return to work initiatives," said Burns.

The County's success in their transitional duty program can be attributed to their strong working relationship with their CareWorks team and local medical providers throughout the county. For most occupational medical providers in Montgomery County, Burns along with David Jacobsen of CareWorks, makes appointments to meet with the providers face-to-face.

"I appreciate CareWorks attending these meetings with me, so we can develop a successful team approach to the care and recovery of our injured workers. We cover the flow of communication for appropriate care and the underlying goal of helping our injured workers get back to work safely and promptly. It really makes a difference to make a face-to-face contact with the individuals who treat our employees," said Burns.

Getting a release to return to work from a provider is sometimes not enough. The County encourages medical providers to provide a treatment plan along with temporary work restrictions if an employee is not released to full duty following treatment. Burns stressed that if you don't see the full picture of an individual's situation upfront, then the recovery process could be set up for failure.

CareWorks and the Workers' Compensation

Liaisons play a big role in the success of the transitional duty program with vital communication occurring between CareWorks, the medical provider, the injured worker and the Liaison. Obtaining restrictions from providers is a fundamental step in creating transitional duty that works.

"We are committed to creating transitional duty positions that are meaningful, structured and add value to the workplace," added Burns.

"CareWorks shines in communicating with our injured workers as well. The feedback we get from our employees is that CareWorks is their advocate, often acting as a direct line of communication between them and providers. CareWorks relays what the employee is experiencing during their recovery to the provider, so that the treatment plan and work restrictions can be adjusted to meet the employee's capabilities, leading to a safe and prompt return to full duty," said Burns.

Workers' Comp Allocation System

The County also holds each department accountable by allocating the cost of the workers' compensation program based on exposure and loss back to each department. Factors such as payroll and the frequency and severity of the department's losses are used in the formula.

"Without active participation in our safety program to prevent and reduce the severity of injuries, departments are likely to pick-up a larger share of the workers' compensation premium," noted Burns.

Risk Management Support

While each department may be individually accountable, the County offers a number of support mechanisms. Their quarterly Workers' Compensation Liaison training includes CareWorks, their TPA, BWC, medical providers

and outside experts and professionals. Risk Management also conducts quarterly departmental claim reviews with CareWorks, their TPA and BWC to focus on resolution of difficult cases.

Wage continuation and transitional duty programs are tools their front-line managers can use to eliminate or reduce lost time and assist injured workers during their recovery.

"We train new employees on the importance of properly handling workplace injuries from their first day of hire," said Burns.

This training focuses on correctly and expeditiously addressing injuries. The County also places a high value on the reporting of near-miss injuries. They understand that addressing a near-miss today, can help reduce the possibility of an injury tomorrow.

Bottom Line Results

When analyzing the County's claims from 2003 - 2007, there are two strong indicators of how their efforts are starting to pay off.

First, in 2007, the county saw a 45 percent reduction in the number of lost time claims from 2003. Second, using transitional duty and wage continuation has helped the county dramatically lower the occurrence of the most expensive claims. Their average claim cost was 51 percent lower in 2007 than in 2003.

The county's winning accident prevention efforts will continue to result in fewer injuries, a more productive workforce and lower costs.

Congratulations on a job well done!

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