

There are many factors in controlling the cost of workers' compensation claims. The simplest and most cost-effective is to report claims promptly. Not only is prompt reporting required by many states and, in some cases OSHA, but **reporting a late claim can also negatively impact the employer financially and affect employee morale.**

Indecision by the injured employee or the employer is the most common reason for late reporting. For instance, the employer may turn a blind eye to an incident in the hopes that it will resolve itself or may not be sure if an injury is work-related.

In some cases, employees may fear retaliation if they report an injury and by doing so, face possible termination. Many times, the employee may think the injury is minor and that it doesn't need treatment, and in turn, will not report it.

On average, late reported workers' compensation claims are significantly higher for many reasons:

- ✔ Lack of immediate treatment often delays recovery time and the ability to return to work.
- ✔ As the amount of time between the accident and reporting grows, the claims handler's ability to investigate and identify incidents of fraudulent claims as witnesses and physical evidence may no longer be available. After a while, the company cannot deny non-compensable claims in many states.
- ✔ For obvious reasons, late reporting can affect a company's ability to deny a claim due to a worker being under the influence of drugs or alcohol.
- ✔ When a company reports an accident promptly, initial treatment can be more easily directed to an occupational health clinic specializing in workers' compensation injuries and coordinated with the employer's Return to Work (RTW) program. This opportunity is lost with delayed claims are not reported immediately.
- ✔ Late reporting limits the benefit of using managed care plans (such as nurse case managers) to oversee the treatment of the employee.
- ✔ In some states, employers may face fines if they don't meet reporting requirements. OSHA has reporting requirements for claims that may not be met if reported late (note that effective January 1, 2015, new, more stringent OSHA reporting requirement apply).

The effects of late workers' compensation claim reporting on workforce morale:

- ✔ Maintaining trust between an employee and their employer is crucial during a workers' compensation claim. When a claim is delayed, trust and loyalty are often negatively impacted.
- ✔ When remaining employees are taking on additional work for an injured worker, they are often discouraged when a co-worker's claim is delayed.
- ✔ Ongoing communication between employee and employer that encourages an employee to return to work is delayed when claims are not reported promptly.

Reporting all claims (including minor ones) promptly provides an opportunity for an accident investigation that helps prevent future losses. As the delay in reporting increases, this opportunity decreases.

In order to encourage prompt reporting of workers' compensation claims, follow these basic guidelines:

- ✔ Stress to managers/supervisors the significance of reporting claims promptly and the impact it has on the claim costs.
- ✔ Written procedures on the reporting process should be developed.
- ✔ Assign and train a back-up employee if the manager is unavailable.
- ✔ Train and encourage all employees to report all claims, even if they don't think they are serious. Reassure employees that they will not face negative consequences for reporting a claim.

Reporting all workers' compensation claims promptly provides an opportunity to properly investigate and potentially learn how to prevent future, similar accidents. By doing so, it can also help keep insurance costs down.

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