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# The Renaissance Guide to Temporary Modified Duty

**A GUIDE FOR EMPLOYERS**



## **The Renaissance Guide to Temporary Modified Duty**

Many employers are aware that temporary modified duty (TMD) is a good option to help injured workers return to work and lower the cost of a claim. It's the most effective tool in the employer's comp control tool box, but like any tool, it has to be used properly. When it comes to modified duty, one size definitely does not fit all.

The following White Paper provides a summary of TMD essentials: what it is, how it works and why it holds the key to controlling workers comp costs.

### **What is Temporary Modified Duty?**

Most injuries at work are relatively minor, involving some physical limitations in what injured employees are able to do. While many treating doctors routinely put people out of work for these minor injuries, the time away from work is usually not medically necessary. At the request of the employer, doctors are often willing to specify restrictions: things that the injured person can do, and things that the injury prevents him or her from doing. Instead of assuming that any injury requires time away from work, the employer should work with the doctor to evaluate the specific, medically necessary restrictions and determine whether there are short-term jobs that the injured employee could perform at work while recovering.

**Temporary modified duty** is just what the words say: a time-limited reassignment to keep workers in the work environment while recovering. As recovery takes place, the treating doctor will gradually lift the restrictions, week by week, until a full duty release allows the worker to return to the original job.

There are number of circumstances where TMD might not be available. Examples of situations in which TMD might not be appropriate include:

- severe injuries that totally incapacitate a worker
- multiple restrictions on physical activity
- the injured worker's lack of transferable skills
- the unavailability of lighter duty jobs in the workplace.

In these instances, the recovery process is prolonged. People out of work recover slower than those who are able to keep working; in some cases, the inability to provide TMD may even jeopardize the prospect of any return to work. There is much at stake for employers, their workers and insurance carriers in the recovery process; modified duty is frequently the best tool for ensuring a positive outcome.

### **Why bother?**

The goal of TMD is not simply to save money on insurance, although it often does reduce future premiums. The goal is to maintain the productivity of valued workers

and make sure that their recovery from work-related injuries is as quick and efficient as possible. Bad things can happen to people who are out of work: they may lose their identities as workers, become dependent upon pain medications and even succumb to a “disability syndrome” that is self-perpetuating and destructive. Studies have shown that after six months of being away from work due to injury, the likelihood of ever returning to work declines substantially.

By providing TMD, the employer ensures that the worker gets up, gets dressed and comes to the workplace. In performing these simple functions, workers retain their identities as workers: instead of sitting at home, bored, focusing on pain, going as often as possible to doctors, relying more and more on pain medications and thinking of themselves as “disabled,” these valued workers remain active, visit doctors less often and recover much faster than when left to their own devices.

TMD is a win-win situation: workers benefit from quicker recovery with little or no loss of income; employers benefit from some productivity throughout the recovery period and the higher likelihood that their workers will return to full duty sooner rather than later. By demonstrating a caring approach to injured workers, morale for all workers is strengthened.

## **When and How to Use Temporary Modified Duty**

Conventional wisdom says that modified duty should always be used, whenever possible, for indefinite periods of time. If medically necessary restrictions can be accommodated, do it. Two weeks before surgery? Do it! Nothing but “make work” jobs available? Do it! Restrictions continuing for months? Do it! At times this conventional approach might be appropriate, but most often this approach to TMD is not in the best interests of the insured, co-workers or the injured employee.

From the employer perspective, modified duty should be viewed in terms of what is best for the key stakeholders. As a general rule, it is most effective to use modified duty when return to full duty is no more than 30-45 days away. If an injured worker is awaiting surgery, or if the restrictions are a severe hardship on the employer, modified duty should be reserved for the time when full recovery is a few weeks away.

### **Here are six essential employer “to do’s” for an effective program:**

- 1. Develop a plan:** Employers should not wait for an injury to establish a TMD program: Written policies that explain TMD should be developed: what it is, how it works and how it will be deployed for injured workers.
- 2. Train supervisors:** Supervisors need to be on board with the program: they need to understand the goals of the program and its importance for controlling costs. They also need to understand their key roles in developing an effective TMD program.
- 3. Set parameters:** In general, TMD should be available for up to 30 days, extendable to 45. As the worker recovers, restrictions should be lifted. Do not allow injured workers to “root into” light duty jobs – this slows

recovery and is bad for the morale of co-workers, who often must pick up additional duties during the recovery period.

- 4. Be flexible:** TMD need not be full time: a few days a week and/or a few hours a week in modified duty is better than none at all. As the injured worker recovers, time on the job can be gradually increased.
- 5. Provide full pay if possible:** Employers should pay full wages during TMD. If not, workers' comp will pay about 2/3 of the differential between full duty and modified duty pay.
- 6. Communicate:** While managing an injury, employers should establish ongoing communication with the treating doctor, injured employees and their families and the claims adjuster.
- 7. Evaluate:** After injured workers return to full duty, evaluate the effectiveness of the modified duty provided. Employers may want to survey injured employees, co-workers and supervisors to secure valuable feedback.

### **Focus on the Waiting Period**

The one circumstance where modified duty should always be used involves the waiting period. In most New England states, injured workers do not receive indemnity (lost wage) payments for the first three days away from work after an injury. Indemnity payments usually begin on the fourth (calendar) day of disability (the 8th day in Maine). In all states except Massachusetts, if the employee does not receive any indemnity (lost wage) payments, the total cost of the claim in the experience rating process is reduced by 70 percent. Because these initial dollars of a claim are primary losses, 100 percent of the value is included in the calculation of the experience mod; the 70 percent discount on primary loss significantly reduces the future cost of insurance.

When employees have relatively minor injuries and treating doctors put them out of work for 4 or 5 days, employers should – with written consent from the injured worker – call the doctor and discuss modified duty options. Most doctors will release injured workers to jobs that comply with medically necessary restrictions. Simply by bringing these employees back to work prior to the fourth lost day, employers receive a substantial financial benefit in future premiums, while at the same time communicating to the employee – and co-workers – that you value their presence in the workplace and want them back as quickly as possible.

**NOTE:** Given the 70 percent discount on primary losses for medical only claims, it is neither cost effective nor good policy for employers to pay medical-only claims directly.