The Effective Rehabilitation of Compensation Cases—And Its Values

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The word *Rehabilitation* has assumed so many definitions that today any project from finding a new home to the actual physical restoration of the disabled is termed Rehabilitation. It is with the latter, that is, physical restoration, that you as the professionals furnishing the appliances, and we, as the rehabilitation advocates, are concerned.

Forty years ago the first compensation law was passed providing injured employees with a certain measure of security. Over the past forty years, compensation laws have changed radically. They have been enlarged to the point that today twenty-one of our national compensation laws provide weekly benefits for as long as the worker is disabled.

In 1951 there were 46,401,000 individuals (exclusive of agricultural, but including state fund and self insured) who were covered by Workmen's Compensation Laws. In 1951 there were approximately 6,000,000 Workmen's Compensation accidents reported. 25% or 1,500,000 of these accidents were of a disabling nature, or to put it in another way, one worker out of thirty suffered a disabling injury.

A breakdown of these disabling injuries is given in Table I, page 11.

Private carriers write approximately 80% of the countrywide coverage. Liberty Mutual writes approximately 10% of the private carriers' total, or 8% of the countrywide coverage. Therefore, our data times 12 approximates the 6,000,000 Workmen's Compensation accidents reported in 1951.

Liberty Mutual's share of accidents and costs is shown in Table II, page 11.

Is it any wonder then, that insurance companies gave some serious thought to how those concerned might be benefited? It was quite apparent that there must be a new "approach."

This new "approach" had its inception in the minds of S. Bruce Black, the President of Liberty Mutual Insurance Company and Stanwood L. Hanson, Assistant Vice President of the Claims Department.

An immediate survey was made to determine wherein lay the fault. The results were quite obvious. In the majority of cases the seriously injured worker was receiving the best that medical skills could provide in diagnosis and surgery, and the best that hospitals could provide in medical care. It was therefore evident that these seriously injured workers were in need of further treatment.

Many man hours and thousands of dollars were expended in an effort to determine where such treatment and just what type of treatment could be obtained.

It was concluded that if we were to supply this additional treatment, we must undertake a project of our own. As a result, we opened our first Rehabilitation Center in Boston in June of 1943 and our second Center in

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TABLE I

Disabling Accidents in 1951 (Workmen's Compensation Cases)

	12,000	Deaths
(Loss of two limbs or paraplegia	2,000	Permanent total disabilities
(Seriously affected function — arm or leg — Spinal fusion)	22,000	Major permanent partial disabilities
(Not seriously affecting function, loss of toe, finger, bad fracture)	53,000	Minor permanent partial disabilities
(No residual loss of function)	1,411,000	Temporary total disabilities
Total	1,500,000	

TABLE II

Liberty Mutual's Share of Accidents and Costs in 1951

514,084 accidents reported

The Indemnity losses were	$ 38,708,636
The Medical losses were	18,853,397
For a total of	$ 57,562,033
The approximate cost of the 6,000,000 Workmen's Compensation accidents was: For Indemnity payments	$450,000,000
and for Medical payments	210,000,000
Total	$660,000,000

Chicago in January, 1951. We engaged the services of eminent orthopedic surgeons to act as medical directors for our Centers. Under their guidance and prescription, we incorporated the services of Physical and Occupational Therapy at both Centers to treat any Liberty insured worker upon referral by the attending physician.

Within a short time it became evident that amputees and paraplegics were in need of a specialized program over and above anything that had been conceived to that date.

Allow me to illustrate the need for a specialized program by giving you the statistics of one of our hundreds of amputee cases which have undergone this specialized treatment program: Mr. X, age 36, who sustained third degree burns of the back of his head, right shoulder and both arms when he came in contact with 7200 volts. It was necessary to amputate both arms approximately three inches below the elbows. A large portion of the deltoid muscle of the right shoulder was also destroyed. Long hospitalization and immobilization during the healing period resulted in limitation of motion in the right shoulder and both elbow joints.

Upon his referral to the Boston Center, he was given a complete physical examination. This was followed

One Section of the Rehabilitation Center. The bilateral L/E Amputee is having "an ambulatory fault" checked by the physiotherapist. In the background, newly-arrived amputees hear a discussion of prosthetics.

by complete evaluation of the muscle power and joint motions of the affected parts. Intensive physical therapy was instituted and within a short time, he was adjudged ready to be fitted to prosthetic devices.

Over one hundred man-hours were necessary to adjust and fit the prostheses to the stumps before he was capable of approximating the distal-end appliances to all parts of the body. Twelve weeks later he was discharged from the Center completely independent even to driving an automobile equipped with standard controls.

Under the law covering his injury, he will be paid compensation amounting to approximately $20,000. There was no provision in the state law for the carrier (i.e. the insurance company) to provide prostheses. The medical bills on this case amounted to $2,836.00.

We anticipate subsequent payments of $500 to cover possible contingencies in the future. Repairs and replacements of the prostheses were estimated to be $750.

The cost of rehabilitation was $1,891. The total cost was $2,641.

TABLE III

Rehabilitation Costs for 26 Paraplegia Cases

Total estimated compensation cost if not rehabilitated	$ 526,813	
Total compensation cost with rehabilitation	—495,613	
Total estimated saving in compensation cost by rehabilitation	$ 41,200	
Total estimated medical cost if not rehabilitated	$2,188,800	
Total medical cost with rehabilitation	—784,000	
Total estimated saving in medical cost by rehabilitation	$1,404,800	
Total estimated medical and compensation costs:	$2,188,800	(M)
	+536,813	(C)
If not rehabilitated	$2,725,613	
Medical and compensation costs with rehabilitation:	$ 784,000	(M)
	495,613	(C)
Total of the estimated medical and compensation costs if not rehabilitated	$2,725,613	
Total medical and compensation costs with rehabilitation	—1,297,613	
Gross saving	$1,446,000	
The gross savings	$1,446,000	
The cost of rehabilitation	—223,089	
Net saving on just 26 paraplegia cases	$1,222,911	

We estimated that without rehabilitation, it would have been necessary to provide him with attendant care during his lifetime at an estimated cost of $30,800. Thus, $30,800 less rehabilitation cost ($2,641) equals $28,159, the estimated savings through rehabilitation. Of greater importance, he returned to work as a line foreman seven months and one week following his injury.

About 2300 cases have been admitted to the Boston Center. The average length of stay at the Center is 42 treatment days. The average cost including room and board for these 2300 cases is $480.00. 67% of those who completed treatment have returned to work.

A study of 200 amputees admitted to the Center shows that all of them are wearing their prostheses and 74% have returned to actual jobs. Twelve of these amputees lost two limbs; eight of these twelve bilateral amputees are working and earning their living. Two have retired (over 65) and two failed to return to work.

Lest the orthopedic appliance profession feel this discussion is primarily that of amputee problems, I should like to point out a few pertinent facts: Many of our cases come to us with brace supports or are in need of some supportive measure. Many times the problem is a simple one but there are those cases who are wholly dependent upon the use of orthopedic appliances to ambulate or go about the task of daily living.

At the present time, we have 59 open paraplegia cases on which we are carrying a reserve of almost $3,000,000. We have undertaken active

rehabilitation on 38 of these cases. Rehabilitation has been completed on 26 cases. Of that number, 17 or 65% have returned to work or are in business for themselves.

A statistical study of of the 26 cases rehabilitated is shown in Table III, page 13.

All of the aforementioned has only served to bring me to that point of this discussion which influences us: Namely, of what interest is this to the Orthopedic Appliance and Limb Manufacturers profession.

As you all know, we do not have a commodity or product to sell. The insurance business is the sale of service. Our success can be measured in the terms of Service. Our policyholders demand service, and, in turn, the employee who works for our policyholder is entitled to that service.

Our policyholders are anxious to have these seriously injured workers returned to employment as quickly as possible because the longer they are out of work and collecting compensation, the more their experience rating is affected. Increased experience rating means increased cost of insurance.

The employee, in most cases, is anxious to return to work because he has a family to support and needs to get back to his normal income.

The insurance carrier is most anxious that the seriously injured worker be re-employed since, the longer he is out of work and requires medical attention, the more money it is going to cost. The only means we have to meet our obligations is provide SERVICE.

We have no hesitation in paying for the services that are required to do the job.

We do, however, believe, as the old army saying goes, that we are entitled to a "fair shake." All in all, those cases requiring orthopedic appliances or artificial limbs are dependent upon quick and efficient service at a fair cost for that service.

Just as in any other business, we seek to cooperate with concerns or individuals best qualified to render these services. Other professions have governing bodies to pass on the qualifications of hospitals, nurses, doctors, therapists, etc. It is through the standards that they have set, that, we, as individuals and companies, are assured a measure of protection. Qualifications based upon the standards of the governing bodies establish public confidence.

In my opinion, the greatest advancement in this field was instituted with the advent of Certification. Our American Board for Certification has promoted us from the ranks of mechanics to the position of professionals. As such we must conduct ourselves in a manner best suited to that title.

For the benefit of all concerned, you should know that the medical profession, insurance companies, state and federal agencies and private individuals are rapidly becoming aware of what "the Mark of Merit" means to them. It is rapidly becoming the consensus of opinion that one should deal only with certified firms and fitters.

Furthermore, I predict that, within five years, those concerns and individuals not certified will find themselves in the position of lacking the necessary qualifications to compete in this profession.

In conclusion, let me remind you that we as an insurance company are willing to pay for service. Time means money to the patient, the employer, to you and to us.

We sincerely solicit your cooperation in expediting the services of your profession to those who make your profession necessary.