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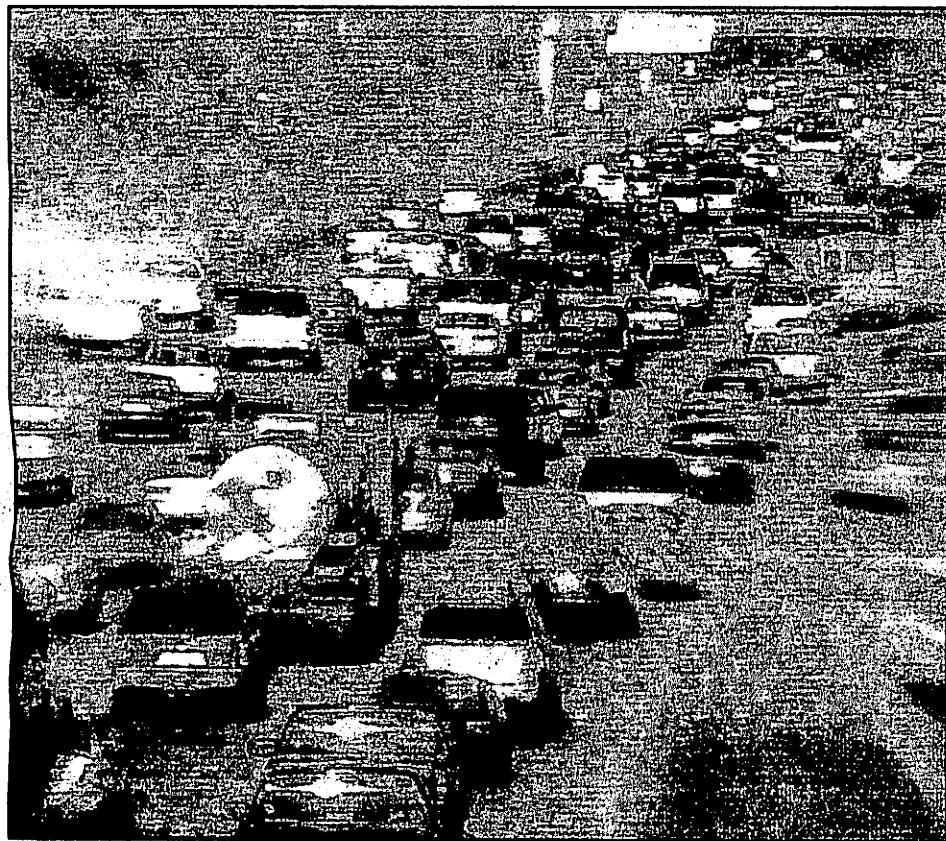
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irvine
CHAMBER

BUSINESS CONNECTION

OFFICE OF THE IRVINE CHAMBER OF COMMERCE

Commission Denies for OC Commuters



City to Recognize Top Local Company

Do you think your business has what it takes to become Irvine's Business of the Year? The Irvine Chamber and the City of Irvine are now accepting nominations for the annual Business of the Year award.

Irvine is a bustling hub of business activity, and it is important to acknowledge businesses that go above and beyond to contribute to the city, the economy and the community at large. Prior recipients of this coveted award include Wells Fargo Bank, Hall & Foreman, Baxter Healthcare Corporation and Option One Mortgage Corporation.

The award, established in 1993, is specifically for businesses located in Irvine. Nominated companies should have considerable participation in community service, civic affairs and professional organizations. The award recognizes companies' monetary contributions and volunteer support of charities. Companies may have recognition and educational

McCain Win Over State as



The Costs of Misconduct

by [Name], Senior Consultant, JorgensenHR

edgeable of the policies, and the ramifications if they're not followed, form the basis for response, remedy and defense by the company.

- Training management on the deleterious effects of misconduct, and how to effectively address misconduct situations, especially on a preemptive basis, is critical. It's ideal to train employees on their obligations and expected responses to misconduct to provide full circle coverage.

Reporting mechanisms for misconduct need to be established, communicated, and made readily available for employees to use. It's preferable to have several reporting methods available. Supervisors, managers and Human Resources professionals who

are available and responsive to reports of misconduct are your front line. In addition, many companies find that a confidential hot-line system, that permits anonymous reporting by employees, is a valuable investment. And senior leadership's support of employee reporting systems is critical to their success.

- Investigation is a necessary step for many misconduct situations. Even with effective policies, training and

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The Changing World of Workers' Compensation

Submitted by D. Winston Cheshire, MD QME, Chief Medical Officer, ProCare Work Injury Center

Workers' compensation costs are dropping and this insurance line has dramatically improved, with about 13 percent return on investment in 2005 and elevation to the middle of the pack in profitability among insurance products. The year 2006 was reportedly even more profitable. It is now a good business rather than a tertiary line of the insurance industry. Even state funds are doing well and are turning from government-sponsored social insurance safety nets (acting as the insurer of last resort) into government-owned insurance businesses. In the residual market, served by state funds, losses are much reduced these days and so relatively easily managed in the total picture. Reserve deficiencies have been slashed, which implies greater stability in the future in the industry.

This improvement in the worker's compensation business has been driven by dramatically reduced lost-time frequency and reduced severity, not compensation for lost wages. Although indemnity (wage replacement) costs per claim are increasing in excess of the increase in the wage index, indemnity is becoming relatively less of a factor in escalating costs. Major uncontrolled costs in the workers' compensation system continue to rise primarily due to escalation in medical costs.

In 2005, it cost \$23,000 per lost-time injury for medical benefits alone (177 percent increase since 1993), rising faster than the Consumer Price Index. Prescription drug costs, in particular, have broken out as a disproportionately rising cost. Compared to general health care coverage, the costs

within the workers' compensation system is about double. Also compared to the health care system, the basic consumer-oriented cost-reduction strategies that work in individual coverage, such as co-payment, cannot be applied.

So, what are the best options for employers in a rising cost environment? A recurrent theme of recent occupational medicine physician meetings I have attended was the need for better outcomes, documented by evidence, and a more cost-effective approach to comprehensive case management, including resolution of access issues (such as transportation and language translation). Another was the need to reduce the transactional costs of communication between carriers, employers, and providers and to track productivity gains from modernizing the system. A third was to utilize board certified occupational medicine physicians whenever possible to manage costs and early return to work programs.

Articles in the New York Times and the Washington Post note that board certified occupational medicine physicians offer a significant advantage to employers and are a major trend in health care. Occupational physicians have been found to be more versatile than other physicians, know clinical medicine as well as population health and program management, and offer more today than in the past in disability management, wellness, managed care and utilization review, environmental health, medicolegal work, and emergency preparedness.

Under managed care and workers'

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At JorgensenHR, we know Human Resources management is among the most challenging aspects of running a successful business. For more than 20 years, we've worked to bring clarity to complex situations. We answer questions, develop practical solutions, and successfully implement them. Our approach is based on teamwork, trust, and an overriding commitment to doing what's best for our clients. We stand ready to partner with

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the party will still want debates and publicity for the national election. In addition, if a candidate did withdraw, then it would "pull the heart out of supporters." However, some McCain critics, like Ann Coulter, would rather "campaign for Hillary if McCain is the nominee." In this regard, Probolsky said that the party will likely rally around their nominee, but McCain has a serious problem.

Regarding the two Democratic candidates, Probolsky finds little difference between them. With regards to policies, they are both very similar except for the war. However, Probolsky said that some critics find Clinton to be "shrill" and having "sharp elbows." He adds that these attributes are typically associated with the stereotype of a powerful woman and that these obstacles will be a difficult hurdle to overcome. Conversely, according to Probolsky, Obama's problems lie in the fact that while his messages are full of "hope and optimism," he offers very little substance and policy. However, Probolsky said that people like that. He also believes that this will be a "brawl to the end," which will prepare either person for the national election.

The next states that will be voting are Mississippi, Ohio, Rhode Island, Texas and Vermont in March. There are Democrats-only caucuses in Wyoming on March 8. In April and May, voters in Pennsylvania, Indiana, North Carolina, Nebraska, West Virginia, Kentucky, Oregon, and Idaho will be heading out to the voting booths. Rounding off the last of the primaries are Montana, New Mexico, and South Dakota on June 3.

compensation the administrative and non-clinical burden on physicians practicing occupational medicine has increased and frequently brings duties outside of clinical care. The academic training that a board certified occupational medicine physician undergoes makes them well-positioned to introduce gains in quality of life for injured workers and reduced costs, services that go far beyond the provision of acute care for work-related injuries by family medicine physicians practicing in urgent care clinics.

From a return on investment point of view, it is widely acknowledged that occupational medicine physicians' advanced disability management skills, determination of work injury causation issues and adherence to Governor Schwarzenegger's 2004 ground breaking legislation mandating the use of the American College of Occupational and Environmental Medicine (ACOEM) practice guidelines in the State of California

for treatment of work related injuries are the cornerstones for medical cost reduction that help employers reduce their insurance premiums.

In this respect, board certified occupational medicine physicians are a model for the modern practice of medicine (oriented to ambulatory care, cross-training, case management, good outcomes, and versatility).

D. Winston Cheshire, MD QME is a consultant to State Compensation Insurance Fund, California's largest worker's compensation insurance carrier and is the Chief Medical Officer of ProCare Work Injury Centers in Irvine and Huntington Beach, the only 24/7 private medical practice facilities in Orange County that have board certified physicians in occupational medicine and toxicology. You can contact Dr. Cheshire at dwc@procareworkinjurycenter.com, or 949-752-1111x231.

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reporting, situations occur that require investigation, by law or by circumstance. In-house Human Resources professionals, trained in investigatory techniques, are typically companies' primary resource. However, there are times when, in the interest of expediency, resources, skill or objectivity, companies look outside for help. It's important to know that, for many situations, the law requires third party investigators be licensed private investigators or attorneys.

Proactively establishing a comprehensive system to address potential and actual employee misconduct situations pays off for companies of all sizes. Potential costs

are averted by having effective policies, training, and reporting and investigatory systems in place and functioning before situations arise.

Mary Ellen Johnson is a Senior Consultant with JorgensenHR, providing service to Orange County. JorgensenHR is a full service HR consulting firm with consultants throughout southern California. In addition, JorgensenHR holds a Private Investigator license (#23947) and offers clients the "We Want to Know" anonymous employee tip line.

