

The Direct and Indirect Costs of Workplace Injuries

LOWER YOUR COST PER TRANSFER USING LIFTAEM™

Average \$12.50 Per Transfer
(\$100 mat/patient, 8 transfers¹ per hospital stay²)

- In today's fast paced healthcare environment, you're challenged to do more with less. The Liftaem mat provides the lowest "cost per transfer" of its kind in the industry.
- For an average of \$12.50 per transfer, you can prevent one back injury, one day lost wages and one unhappy employee.
- With its unique single patient reusable design, the "cost per transfer" of the Liftaem mat will be reduced with every use.

¹ Calgary Regional Health Authority, Calgary Canada.

² Agency for Healthcare Research and Quality's Healthcare Cost and Utilization Project 2007 national statistics.

- **Direct costs associated with occupational back injuries of health care providers average \$37,000. Indirect costs associated with back injuries can range from \$147,00 to \$300,000.** - "AORN's Position Statement on Workplace Safety"
- **A total of 626,000 lost workdays due to musculoskeletal disorders (MSDs) are reported to the Bureau of Labor Statistics, accounting for \$1 of every \$3 spent for workers' compensation in that year.** - "Bureau of Labor Statistics DEPARTMENT OF LABOR OSHA Administration 29 CFR Part 1910"
- The average cost of a back injury related workers comp claim can be **\$40,000 - \$80,000 per employee**. The direct employee costs include musculoskeletal injuries, cost of turnover (hire and train replacement employees), over-time and temporary help, days away from work, transition duty days, sick days used, and administrative costs of handling compensation claims. Indirect costs such as employee satisfaction and efficiency must also be taken into account.
- During the 6-year period, from January 1995 through December 2000, 1,728 nursing personnel were followed before and after implementation of the intervention. After the intervention, there was a significant reduction in injuries involving resident handling, workers' compensation costs, and lost work day injuries. When injury rates associated with patient handling were examined, workers' compensation claims rates per 100 nursing staff were reduced by 61%; Occupational Safety and Health Administration (OSHA) recordable injury rates decreased by 46%; and first reports of employee injury rates were reduced by 35%. The initial investment of \$158,556 for lifting equipment and worker training was recovered in less than 3 years on the basis of post-intervention savings of \$55,000 annually in workers' compensation costs and potentially more quickly if indirect costs (lost wages, cost of hiring and retraining workers, etc.) are considered.
- **Indirect Costs:** Indirect costs, while much harder to quantify, have a significant impact on quality patient care. Many experts estimate that indirect costs are four to seven times higher than direct costs

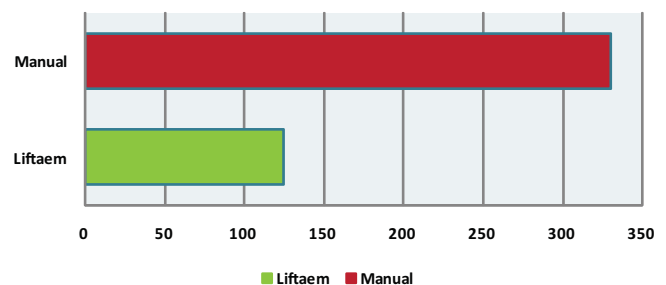
and may cause: decreased employee morale, continual employee hiring and training, use of replacement workers, overtime, medical management, incident reporting and other paperwork, the increased costs of workers' compensation insurance, and the increased costs of employee healthcare.

- The long-term benefits of proper equipment far outweigh costs related to nursing work-related injuries. In nine case studies evaluating the impact of lifting equipment in healthcare facilities, the incidence of injuries decreased from 60-95%, workers' compensation costs decreased by 95%, insurance premiums dropped 50%, medical and indemnity costs decreased by 92%, lost work days decreased by 84%-100%, and absenteeism due to lifting and handling was reduced by 98%. (Bruening, 1996; Fragala, 1993; Fragala, 1995; Fragala and Santamaris, 1997; Logan, 1996; Perrault, 1995; Stensaas, 1992; Villeneuve, 1998; and Werner, 1992)
- Cost-benefit analyses demonstrate that the initial investment in lifting equipment and employee training can be recovered in two to three years through reductions in workers' compensation expenses. (Collins et al., 2004; Tiesman et al., 2003; Nelson et al., 2003; Garg, 1999)

\$205K Cost Savings (Annualized)

Average 300 Bed Hospital Annualized Costs

(thousands)



SAVE DOLLARS, SAVE BACKS, SAVE TIME

Cost associated with manual transfers

6 FT Employees (3 Nurses/3 Aides) @ an average of \$22³ = \$132 per labor hour
\$132/hr x .25hrs (15 minutes) = \$33 per transfer

Cost to transfer with Liftaem

\$100 mat/patient used for 8 transfers per patient stay⁴ = \$12.50 per transfer

Total labor savings 62%

\$33 per transfer - \$12.50 per transfer with Liftaem = \$20.50 per transfer Cost Savings

An average 300 bed hospital that requires 10,000 transfers per year will generate an estimated \$205,000 in annualized Labor Cost Savings to transfer.

³ http://swz.salary.com/salarywizard/layouthtml/swz_compresult_national_hc07000183.html#bottom

⁴ Calgary Regional Healthcare Authority