EZ Way Lunch & Learn Webinar Series
Presented by Equitable Safety Group

Loss Analytics
Building The Business Case for Safe Patient Handling

Welcome to the EZ Way Lunch and Learn Series. My name is Jason Bridie and I'm the national sales manager for EZ Way, Inc. Thank you all for tuning in for today's presentation. This webinar on "Loss Analytics" is the second in the series, and was also produced by Equitable Safety Group. For a more general presentation on safe patient handling, please view the first webinar in this series, "Making Cents: The Business Case for Safe Patient Handling" – available for viewing on the EZ Way website.

Loss Analytics

Your Lunch & Learn Presenter

Don Maynes

Director of Operations for Equitable Safety Group (ESG), has spent 27 years in the insurance industry focusing on loss prevention, risk management, reinsurance, capital investment, and claims.

It is my pleasure to introduce you to Don Maynes, Director of Operations for Equitable Safety Group and one of the managing partners in the company. Don has spent most of his career working toward program development with the insurance industry, and has a background in several forms of claims, risk management and capital investment.

Loss Analytics

Goals

- To familiarize you with our methods
- To assist you in determining the nature and extent of worker injuries
- To provide you with tools that can be used to assist others in your organization to become better familiar with your findings

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The primary goals of this webinar are to familiarize you with the methods developed by Equitable Safety Group for making the business case; to assist you in determining the nature and extent of worker injuries; and to provide you with the tools needed to help you further familiarize other members of staff safe patient handling and movement practices.

Loss Analytics

Overview

- Preventing injuries on the job is a socio-economic process.
- You can review that process by using the text…

"A Fresh Approach to Workplace Safety"

Workers' compensation claims happen when people exceed their capabilities. Attempting to quantify the nature of that risk is best done by talking with the people directly involved to determine precisely the tasks that each does everyday, and to open channels of communication that will lead to a safer working environment. Preventing those injuries is a socio-economic problem because it includes both social and economic components. For those who are interested, we can provide an article that we wrote entitled "A Fresh Approach to Workplace Safety" that delves into this issue in depth. Simply drop me a note at the email address shown at the end of this presentation, and we'll be happy to forward a copy to you. For our purposes here today please understand that we approach this matter both from an analytical perspective and from that involving human interaction.

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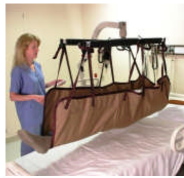
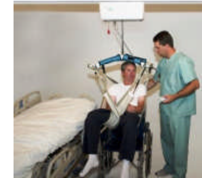
Basic Requirements

Safe patient handling typically consists of:

- Specifically designed equipment that is needed to safely move or transfer a patient…
- The knowledge of how to safely and effectively use the equipment that is present





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As is the case with any type of programmed format, there are basic requirements of operating safe patient handling programs; and prior to making any investment into any safe patient handling program you should create the business case directed at its ultimate outcome or desired result. As you will see, that consists of measuring known risks, and identifying means of mitigation through specifically designed equipment, that will assist in making the overall environment safer for your staff and patients alike.

As I mentioned on the first slide, all programs consist of both hardware (the equipment) and software (the education, support and measurement functions) that are designed to assure that the human and physical aspects become and remain integrated.

Loss Analytics

Developing Your SPHP

Safe Patient Handling Practices are developed in four phases:

1. An investigative and discovery phase;
2. The planning and audit phase;
3. The implementation phase;
4. Ongoing operations.

The protocols for every hospital are different, although we have certain underwriting criteria that we use to accomplish our ultimate recommendations. Those recommendations are based on information that we develop during this investigative and discovery phase. These efforts, in turn, lead to the creation of the original business plan for safe patient handling. We refer to that report as more of a "living document" because it must be flexible to changes as they occur, and when we put it together, it is provided to in electronic format so that it can modified as changes happen. It is the first step in the planning process, with an audit of those findings to occur following its initial presentation. Once the audit is complete, it is then to move towards implementing the program itself, and then to continue to support, educate, and assist fellow employees to remain consistent with safe patient handling practices.

Loss Analytics

Phase 1

The investigative phase is further subdivided into two components:

- The Loss Analysis; and
- The Risk and Exposure Survey.

This first phase of our investigative efforts involves both an analysis of your workers' compensation history, and the Risk and Exposures Survey that takes place in your facility. The purpose of the Loss Analysis is to give of a "picture" of what kinds of risks have historically caused injuries to your staff. The Risks and Exposures survey shows what tasks are being completed, the nature of the population that you currently serve, and takes into account the types of equipment that you currently have present to help with the people and the tasks. Ultimately the combination of reports results in the general business approach to safe patient handling, and includes recommendations for implementation, operation and protocol support, which we will talk more about in future presentations.

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Phase 1 - The Loss Analysis

- Provides a series of summaries that defines what work related injuries have cost your hospital, and how much money can be saved by operating a safe patient handling program
- This is a statistical analysis rooted in your workers' compensation loss run information

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As I said on the previous slide, the Loss Analysis is included in the total report, and serves as the basis for the financial arguments in favor of safe patient handling practices. This report is based on loss run information that can be supplied by your workers' compensation insurer, third party administrator, or members of your risk management department who oversee your self insured operations. As you will see, the information is then broken down into several different forms of summary to enable you to readily identify where the initial focus of safe patient handling practices should be directed.

Loss Analytics

Loss Analytics

The Basis of the Financial Report

- Is found within workers' compensation listings or what are called "Loss Runs"
- That information is available from the insurer, your self insured trust, or third party administrator
- This information provides a financial "snapshot" of what has historically been the case at a given location

The first step to accomplish a comprehensive Loss Analytics Report is to secure the loss run information. A loss run is simply a listing of all claims that have occurred within a specified time period. We always work with three complete years (whether fiscal or calendar – either way), so that we can establish a baseline for use in trending out what the future will hold; particularly if the environment remains unchanged. This baseline can also be used to show what will happen if a safe patient handling practice is established and operated within your facility.

While this information provides only a "snapshot" of what your expenses have been, it is accomplished using statistical information, and is therefore useful in communicating your findings with financial management members of your staff. Particularly in today's environment, capital investment and programming expenses must be carefully quantified to assure that prudent decisions take place.

It should be noted that the values shown on any loss run reflect the experience "estimate" as to what the ultimate value of the claims will be. Because claims develop over a period of time, that too should be taken into account within your analysis or the values will end up being understated. We'll talk more about that in a few minutes.

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Claim Handling Techniques

- The first fifteen minutes
- The art of communication
- Various approaches to select
- Supervisory role and reporting mechanism

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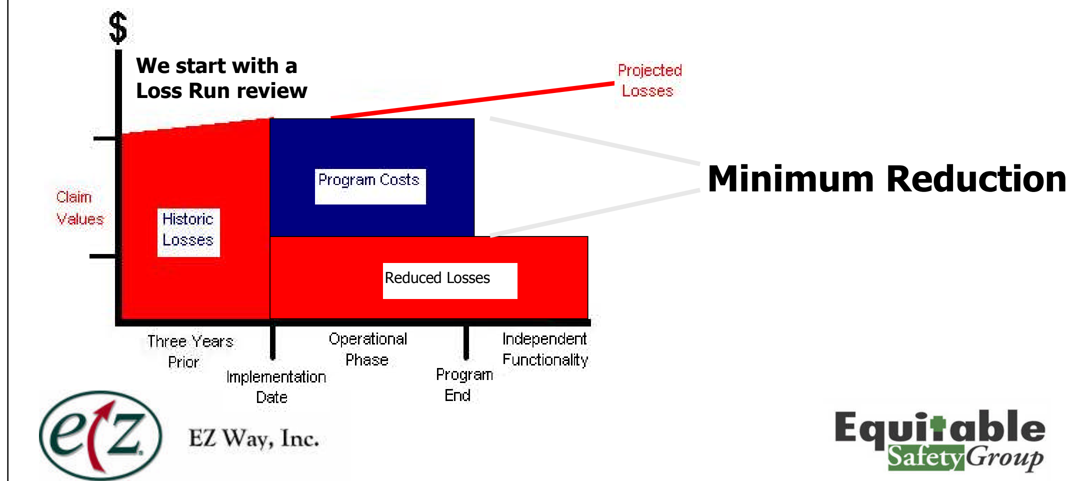
As part of the overall "development" of claims, it's important to know that claims handling practices have an impact of the values of claims as they are identified in any loss run. As an old claims person, I can tell you from first hand experience that the first fifteen minutes following the occurrence of any claim is the most important. It is during that time that the direction of the claim and many of the medical decisions are made, and that has a huge impact on where claims values go from there. Communication is, indeed, an art form when it comes to talking through a traumatic injury that just occurred to a staff member. There are various approaches that can be taken to any claim, but basically the "rule of thumb" says that the least confrontational the approach the better. We mention this here because once your safe patient handling practices are put into place, there will still be claims of one form or another, and we have protocols that we recommend for handling of those whether they arise from lifting a patient or falling down a set of stairs. Our goals are to reduce any and all costs associated with the risks that are identified in your facility.

Loss Analytics

ESG Performance Specifications



Because this slide transitions in “pieces”, and because we may well have some time lag, I’m going to go through this a little slowly.

We have successfully used the performance specifications as we will show them here, and have taught them at various seminars over the past fifteen years. These techniques are based on insurance company experience rating methods, and have proven reliable time and time again. We’ll look at that in more detail in a moment, but this is the general financial argument that needs to be made to effectively enable management to achieve prudent decisions regarding the various investments needed to accomplish full programming.

To start the analysis, we have review your hospital’s workers’ compensation loss run information for the previous three complete calendar years. From that we can determine what the most likely case will be in the future through simple trending techniques.

We have always based our approaches on conservative forecasting, so next we factor in what the program costs will be (as determined in the current investigative phase). That, then, forces us to determine exactly what the minimum reduction in claims costs HAS to be in order to maintain budget neutrality.

Historic Experience

From the Loss Runs

- “Experience Rating” is used by all experienced insurance underwriters and actuaries to determine what future trends will be
- We can determine the changes in values of claims as the “develop” over time
- We can identify the “systemic risk” that is in any given location

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The technical phrase that applies to the method we use is “Experience Rating”; That’s because we are simply reviewing your various claims “experiences”. As mentioned, we must also take into account the fact that claims DEVELOP over a period of time and build that into the future projections. Finally, we look for the bull’s eye or driving force behind all losses through identification of what’s known as the “systemic nature of the risk”. By identifying the nature of the risk and where it’s located, you can control it or at least modify it to acceptable levels. While you may not be able to totally eliminate the risk, through your efforts you can reduce its impact, significantly reduce the costs associated with it, and create a much better environment for your staff and patients to enjoy. As a rather significant aside, that revised environment leads to greater patient satisfactions scores, and that (in turn) leads to enhanced revenues for your hospital.

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The Analysis

- Summarizing claims by "group"
  - ✓ By location in which the claim occurred
  - ✓ By nature of the causation
- Total cost of claims over the last three years in each department
- Total cost of claims related to patient lift and transfers in each department

The first thing that we do is summarize the claims by grouping them together in such a way that we can determine what happens the most frequently in any given area. And, since we're building the business case for safe patient handling we need to pay special attention to the details associated with any claim involving a patient or resident lift or transfer.

Grouping Claims

By Claims that happened because of:

A – Lifting Patients
B – Repositioning Patients
C – Cumulative Trauma
D – Slips, Trips and Falls
E – Not Otherwise Classified

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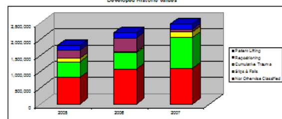
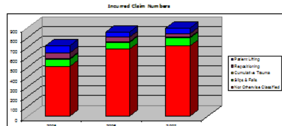
When we summarize the information, we do so into one of the above categories. For clarification purposes: Category A is any type of vertical lifting activity where the patient or resident was the subject of the lift; Category B is any activity involving laterally moving the patient or resident (such as repositioning or transferring from a bed to a gurney); Category C is used for all forms of cumulative trauma (such as carpal tunnel and other forms of injury that develop over a longer period of time); Slips, trips, and falls from any surface to any surface; and Claims of all other types and origins.

Loss Analytics

Sample Summaries

Historic Experience
Anytown Hospital
Valued as of April, 2008
Historic Losses
Losses by Period





Future Trend

Projected Losses without Intervention

Average Values	Causative Agent	Claim Code	Number of Claims	Average Value	Developed Claim Values	Percent Of Total	Projected 3 Year Total	Percent of Projected
	Patient Handling	A	61	100,427	158,195	7%	474,586	7%
	Repositioning	B	44	166,580	244,987	11%	734,961	11%
	Cumulative Trauma	C	9	66,241	110,890	5%	332,670	5%
	Slip & Falls	D	75	383,265	642,317	30%	1,926,952	30%
	Not Otherwise Classified	E	635	622,166	998,803	46%	2,996,408	46%
	Total By Period		824	$ 1,338,680	$ 2,155,192	100%	$ 6,465,577	100%

Additional Projected Savings

Expected Three Year Savings	Causative Agent	Claim Code	Reduction Percentage	Annual $ Reduction	Total 3 Yr Savings	Percent of Projected
	Patient Handling	A	64%	101,245	303,735	5%
	Repositioning	B	64%	156,792	470,375	7%
	Cumulative Trauma	C	8%	8,871	26,614	0%
	Slip & Falls	D	5%	34,685	104,055	2%
	Not Otherwise Classified	E	3%	26,968	80,903	1%
	Total By Period		N/A%	$ 328,561	$ 985,682	15%

All Department Disbursement of Claims

Claim Code	Claim Type/Unit	3215	#	4011	#	4891	#	4202	#	4204	#	4285	#
A	Patient Lifting	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0
B	Repositioning	$ -	1	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0
C	Cumulative Trauma	$ -	0	$ -	0	$ 38,287	1	$ -	0	$ -	0	$ -	0
D	Slip & Falls	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0
E	Not Otherwise Classified	$ -	0	$ 626	2	$ 27,252	1	$ 133	1	$ 1,627	1	$ 23,628	1
	Total	$ -	1	$ 626	2	$ 57,639	2	$ 133	1	$ 1,627	1	$ 23,628	1

Claim Code	Claim Type/Unit	4231	#	6004	#	6005	#	6007	#	6008	#	6011	#
A	Patient Lifting	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0
B	Repositioning	$ -	0	$ -	0	$ 3,572	1	$ -	0	$ -	0	$ -	0
C	Cumulative Trauma	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0
D	Slip & Falls	$ 11,938	1	$ 4,376	1	$ 2,884	1	$ 32,809	1	$ -	0	$ 2,036	1
E	Not Otherwise Classified	$ 7,885	1	$ -	0	$ 6,017	10	$ 2,974	2	$ 74	1	$ 2,225	1
	Total	$ 19,823	2	$ 4,376	1	$ 12,473	12	$ 35,783	3	$ 74	1	$ 4,261	2

Claim Code	Claim Type/Unit	6015	#	6016	#	6020	#	6021	#	6027	#	6028	#
A	Patient Lifting	$ -	0	$ -	0	$ -	0	$ 473	1	$ -	0	$ -	0

In it's final form, the Equitable Safety Group report is contained in a Microsoft Word document, an Excel file, and a PowerPoint presentation. For now, we will have a quick look at just the Loss Analytics portion of the Excel file. This portion of the report is designed to cover the workers' compensation losses that have occurred in the preceding three year time period, and we'll look at it's components individually in the slides that follow.

Loss Analytics

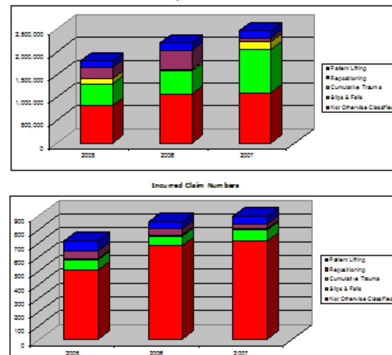
Historic Experience

This report is designed to provide summaries of each category, for each of the past three years. It takes information directly from the workers' compensation loss run and provides the statistical baseline from which we make further calculations and (ultimately) determine such things as internal rates of return and return on investment.

Historic Experience
Anytown Hospital
Valued as of April, 2008
Historic Losses
Losses by Period

	Causative Agent	Claim Code	Claim Count	Incurred Values	Development Factors	Developed Incurred	Percentage Total
Period: 7/01/04 - 6/30/05							
	Patient Lifting	A	71	117,494	1.273	149,570	8%
	Repositioning	B	55	188,732		240,255	13%
	Cumulative Trauma	C	10	91,572		116,571	6%
	Slips, Trips & Falls	D	71	377,203		480,179	27%
	Not Otherwise Classified	E	509	641,527		816,664	45%
	Total By Period		716	$ 1,416,528		$ 1,803,240	100%
Period: 7/01/05 - 6/30/06							
	Patient Lifting	A	56	110,027	1.514	166,581	8%
	Repositioning	B	41	273,411		413,945	19%
	Cumulative Trauma	C	9	22,180		33,581	2%
	Slips, Trips & Falls	D	72	335,573		508,058	23%
	Not Otherwise Classified	E	681	712,139		1,078,178	49%
	Total By Period		859	$ 1,453,331		$ 2,200,344	100%
Period: 7/01/06 - 6/30/07							
	Patient Lifting	A	57	73,759	2.148	158,435	6%
	Repositioning	B	37	37,598		80,761	3%
	Cumulative Trauma	C	9	84,971		182,517	7%
	Slips, Trips & Falls	D	81	437,018		938,714	38%
	Not Otherwise Classified	E	714	512,833		1,101,565	45%
	Total By Period		898	$ 1,146,179		$ 2,461,993	100%
Grand Totals:			2473	4,016,039		6,465,577	

Developed Historic Values



Incurred Claim Numbers

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First off, I apologize for the size of the print in this slide. If you download the presentation later, you can expand the photo above, and make it much easier to see.

As the title says, this is a sample of our historic experience report. From this report, you can see the breakdown of claims in each of the categories we showed a couple of slides back. When a report is designed like this, it is easy to tell the nature of the claims that you're experiencing and where you should focus your safety initiatives in the future. In this example, and by the graphs down below, you can tell that claims are generally increasing, both by count and in value each year.

Also, I'll point out here, that this is where you will see the first use of what are called "development factors". Because workers' compensation claims develop over a period of time, it is important to calculate what the true values of those claims will be when all is said and done. These factors are maintained and used by your insurers or consulting actuarial firms to determine what your costs will be in the future. These statistical factors "gross up" the incurred values shown on the loss run, because (remember) those values are more art form than science. The development factors are an Actuary's way of converting that art into science.

Future Trend

For this report, we take the average of the three preceding years for each of the categories, and project it out over the course of the next three. Finally, we calculate the savings we expect, and convert those into dollar values.

Future Trend

Projected Losses without Intervention

Average Values	Causative Agent	Claim Code	Number of Claims	Average Value	Developed Claim Values	Percent Of Total	Projected 3 Year Total	Percent of Projected
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	Repositioning	B	44	166,580	244,987	11%	734,961	11%
	Cumulative Trauma	C	9	66,241	110,890	5%	332,670	5%
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	Not Otherwise Classified	E	635	622,166	998,803	46%	2,996,408	46%
	Total By Period		824	$ 1,338,680	$ 2,155,192	100%	$ 6,465,577	100%

Additional Projected Savings

Expected Three Year Savings	Causative Agent	Claim Code	Reduction Percentage	Annual $ Reduction	Total 3 Yr Savings	Percent of Projected
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	Cumulative Trauma	C	8%	8,871	26,614	0%
	Slip & Falls	D	5%	34,685	104,055	2%
	Not Otherwise Classified	E	3%	26,968	80,903	1%
	Total By Period		N/A%	$ 328,561	$ 985,682	15%

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To calculate the future trend, we work with simple averages. These averages come from the Historic Experience Summary that we looked at on the previous slide. To achieve the averages, we add together all of the claims of like type (such as all the patient handling claims, all repositioning claims, etc.) and divide that sum by three (because we have three years of data). We do that for both the incurred numbers and for the developed values. We then add those averages together to look at what the expenses will be over three years if you simply continue your operations the way they are today. We have clients who like to factor in such things as inflation as well, because many of these claims tend to arise from medical treatments only, and medical inflation has a tendency to be much higher than inflation effecting the rest of the economy. Our position has always been conservative, and therefore, we don't take that into account.

In the lower box, we show projected savings. The percentages that are shown here were originally used by the London Insurance Market, who (at the time) underwrote an insured "guarantee". Again, we take a conservative approach to calculating the savings, because the percentages shown assume that a hospital or long term care facility would have "skin in the game" as well as the portion of the risk taken by the Underwriters. These numbers are easily adjusted in our reports, and we have clients who go both ways with those percentages. Some increase the amount of savings in the upper two categories, while zeroing out the lower three. Others apply similar percentages across the board. It really depends on the type and nature of the safety focus being created.

There's one important point to grab out of this: The typical hospital that embraces safe patient handling as practice, will save 70 percent of the claims costs following its implementation, when you compare that to the pre-program era. The thing that has always amazed me is that the savings occur in ALL categories. While I wouldn't suggest using that number in any calculations, it is important to know that they impact of such programming goes far beyond its original focus.

Loss Analytics

Unit Disbursement

This report shows the same breakdowns of claims, and additionally, it shows where those injuries actually occurred. This points you in the direction of where to concentrate your further investigative efforts as the program is designed.

All Department Disbursement of Claims

Claim Code	Claim Type/Unit	3215	#	4011	#	4091	#	4202	#	4204	#	4205	#
A	Patient Lifting	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0
B	Repositioning	$ -	1	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0
C	Cumulative Trauma	$ -	0	$ -	0	$ 30,287	1	$ -	0	$ -	0	$ -	0
D	Slip & Falls	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0
E	Not Otherwise Classified	$ -	0	$ 525	2	$ 27,252	1	$ 133	1	$ 1,627	1	$ 23,628	1
	Total	**$ -**	**1**	**$ 525**	**2**	**$ 57,539**	**2**	**$ 133**	**1**	**$ 1,627**	**1**	**$ 23,628**	**1**

Claim Code	Claim Type/Unit	4231	#	6004	#	6005	#	6007	#	6008	#	6011	#
A	Patient Lifting	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0
B	Repositioning	$ -	0	$ -	0	$ 3,572	1	$ -	0	$ -	0	$ -	0
C	Cumulative Trauma	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0
D	Slip & Falls	$ 11,938	1	$ 4,376	1	$ 2,884	1	$ 32,809	1	$ -	0	$ 2,036	1
E	Not Otherwise Classified	$ 7,085	1	$ -	0	$ 6,017	10	$ 2,974	2	$ 74	1	$ 2,225	1
	Total	**$ 19,023**	**2**	**$ 4,376**	**1**	**$ 12,473**	**12**	**$ 35,783**	**3**	**$ 74**	**1**	**$ 4,261**	**2**

Claim Code	Claim Type/Unit	6015	#	6016	#	6020	#	6021	#	6027	#	6028	#
A	Patient Lifting	$ -	0	$ -	0	$ -	0	$ 473	1	$ -	0	$ -	0

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The slide pretty much says it all where it says, "This report shows the same breakdowns of claims, and additionally, it shows where those injuries actually occurred. This points you in the direction of where to concentrate your further investigative efforts as the program is designed." Remember, in the next step, we will be looking into the types of risks that are present, define methods of mitigation, and create the initial strategic approach to take for programmed implementation.

Loss Analytics

Unit Demand

This report is used in conjunction with the report shown on previous slide to allow you to see what risks are being offset by the equipment that's recommended.

Unit Demand

Unit Name	Ceiling Track Rooms	Percent Track in Unit	Ceiling Track Required	Ceiling Track Cost	Ceiling Track Systems Required	Ceiling Track Systems Cost	Powered Gurneys Required	Powered Gurneys Cost	Powered Vertical Floo[r] Required	Powered Vertical Floo[r] Cost
ACIU	36	0%	0	$ -	0	$ -	0	$ -	1	$
Acute Therapy services - PT, OT & Speech	0	0%	0	$ -	3	$ 15,000	0	$ -	0	$
Antepartum	16	0%	0	$ -	0	$ -	0	$ -	1	$
Behavioral Health - 2 E Senior Unit	8	0%	0	$ -	0	$ -	0	$ -	1	$
Bronch / Perc Trachs / PH Probes in NICU	0	0%	0	$ -	0	$ -	0	$ -	0	$
Burn Center	9	100%	0	$ -	9	$ 45,000	0	$ -	0	$
Cardiac Cath / EP Lab & Cath Lab	0	0%	0	$ -	0	$ -	0	$ -	0	$
CCU - CPCU	32	100%	15	$ 22,500	17	$ 85,000	0	$ -	1	$
Chemo.Infusion	0	0%	0	$ -	0	$ -	0	$ -	0	$
CVIC	12	100%	6	$ 9,000	6	$ 30,000	0	$ -	0	$
Dialysis	8	0%	0	$ -	0	$ -	0	$ -	0	$
ED (Trauma Center)	0	0%	0	$ -	0	$ -	1	$ 9,100	1	$
Family Focused Care	66	0%	0	$ -	0	$ -	0	$ -	1	$
GI	0	0%	0	$ -	0	$ -	0	$ -	1	$
Heart Hospital Operating Room	0	0%	0	$ -	0	$ -	0	$ -	0	$
Imaging	0	0%	0	$ -	0	$ -	0	$ -	2	$
IVC - Cath Lab	20	0%	0	$ -	0	$ -	0	$ -	0	$
Ambulatory Outpatient Clinic	0	0%	0	$ -	0	$ -	0	$ -	0	$
Labor & Delivery	26	0%	0	$ -	0	$ -	0	$ -	0	$
6 A Medicine	13	77%	5	$ 7,500	5	$ 25,000	0	$ -	0	$
Med Psych	7	0%	0	$ -	0	$ -	0	$ -	1	$
6 B Med Surg	27	22%	0	$ -	6	$ 30,000	0	$ -	0	$
Med/Surg ICU	54	100%	0	$ -	54	$ 270,000	0	$ -	2	$
Med/Surg Stepdown (Moving to new tower)	16	100%	0	$ -	16	$ 80,000	0	$ -	0	$
MPCU Medical Progressive Care	32	19%	0	$ -	6	$ 30,000	0	$ -	0	$
3 B Neuro Surgical	26	0%	0	$ -	0	$ -	0	$ -	2	$
NICU	0	0%	0	$ -	0	$ -	0	$ -	0	$
Non-Invasive Cardiology & Vascular	0	0%	0	$ -	0	$ -	0	$ -	0	$
Oncology	25	52%	7	$ 10,500	6	$ 30,000	0	$ -	0	$
OR, Pre-op, PACU	40	0%	0	$ -	0	$ -	0	$ -	0	$
Ortho	30	100%	0	$ -	30	$ 150,000	0	$ -	1	$

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This slide jumps ahead in the entire investigative process. This report is not completed until after all of your investigative questioning has been completed. It is the result of further analysis of the risks that are resident in your facility, and is accomplished through application of our equipment underwriting guidelines. This information is supplied in generic format initially, and will need to be revised in consultation with your equipment vendors. Here we're using the report strictly for its comparative value, because if you look at the information on the previous slide, and compare it to this one, you would see that the unit or department is receiving particular types of equipment needed to offset the exposures hazards identified.

Investment Summary

In the end, you will want to have a precise investment summary that shows the returns available, based upon the savings that you defined using loss analytics.

Investment Summary	Annual Values	Notes
Claims Experience for All Departments	$ 6,465,577	1
Projected Annual Savings of Injury Prevention Programming	$ 1,030,852	2
Equipment Depreciation Costs (Seven Year Straight Line)	$ 193,501	3
Cashflow Savings	$ 837,352	4
Capital Requirement	$ 1,354,505	5
Internal Rate of Return	318.45%	6
Return on Investment	1.31 years	

Values shown are developed claims costs. No consideration is given to any additional staff costs, loss adjusting expense, or legal fees.
Savings projections calculated based on underwritten method.
Straight-Line seven year method used, equipment life expectancy is ten years.
The difference between claims savings and annualized equipment costs.
Initial investment based on generic pricing (actual pricing should be less).
IRR based on seven year time period.

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The Investment Summary shows the primary components of the investigative work that you've now done. It starts with a summary of all previously paid claims costs, and the savings you expect to generate. Next it shows the actual equipment "cost" by looking at the amount of depreciation that will be taken into account each year. Next, it shows the difference between the savings and the depreciation costs. Finally it shows the amount of capital that will be required to be invested into the program, then measures the internal rate of return and return on investment against only those savings. This results in a conservative approach to the application of capital resources that have a truly meaningful impact on all members of staff. And that's what the such programming is really all about.

Loss Analytics

Supporting the business of healthcare workplace safety, the people who make it work, the equipment manufacturers who serve that need, and the patients who experience the result.

At Equitable Safety Group, we support the business of healthcare workplace safety, the people who make it work, the equipment manufacturers who serve that need and the patients who experience the result. It has been our pleasure to provide this information to you, and remain available whenever questions or further needs for our service arise.

Contacts

…to learn more how ESG and EZ Way can help you implement your program

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Thank you for attending today.