Health Risks and Higher Workers Compensation Costs*

High-risk employees are twice as likely to have a workers’ compensation (WC) claim and seven times as expensive in total WC costs.

A University of Michigan study(1) of Xerox employees found that healthy lifestyles decrease the likelihood that employees will file a workers’ compensation claim, and are associated with shorter durations of absence for injury.

The percent of employees filing claims increased as the number of risk factors increased.

Rate of filing:
Low risk (0-2): 4.9%
Medium risk (3-4): 5.4%
High risk (5+): 8.9%

The excess WC costs associated with medium and high risks (compared with a population of low risk people) indicates that 85% of WC costs were avoidable.

Those who participated in Health Risk Appraisal (HRA) experienced a decrease in WC costs over four years (compared with non participants) of more than $1200 per participant per year.

Published in: