



## **CASE STUDY: The “Right Call” for Workplace Injuries**

# **Arkansas McDonald’s Self-Insurance Trust**

An Injury Hotline Ensures the Right Time, Right Care, and Right Results

Workers’ compensation (WC) insurance costs are highly volatile, dramatically increasing one year and decreasing the next. Due to these conditions, McDonald’s restaurants in Arkansas found it difficult to anticipate and budget for WC costs from year to year. In 1993, the Arkansas McDonald’s Self-Insurance Trust (AMSIT) was founded as a means to provide competitive coverage at a stable price.

“At first, the Arkansas McDonald’s were considering participation in a heterogeneous self-insurance trust. In a heterogeneous group, McDonald’s would be grouped together with other restaurants,” said Philip H. Merry, Jr., manager of AMSIT and president of BMB MERRY, an independent, privately owned insurance agency that is also an affiliate of Houston-based Bowen, Miclette & Britt.

“However, when we performed a feasibility study, we realized McDonald’s had many safety protocols in place,” continued Merry. “For example, they bought their meat pre-cut before it arrived at their individual restaurants. They had installed heat controls on their fryers and various non-slip floor treatments. Overall, they had a standard for safety in place that well exceeded the industry norm. Due to these measures, we knew they could save money by establishing their own homogeneous self-insurance trust. BMB MERRY helped create the trust, and since that time, we’ve been hired to manage it.”

As the fund manager, Philip H. Merry, Jr. helps to select and oversee consultants and service providers, who offer additional value to AMSIT members. In this case study, we spoke with Mr. Merry about the benefits McDonald’s restaurants have received from Company Nurse’s Injury Hotline.

### **Company Nurse Injury Hotline: The “Right Call” for Workplace Injuries**

In 2002, AMSIT implemented the Company Nurse Injury Hotline. Since that time, the trust has experienced the following key benefits:

#### **1. *The Right Time: Prompt Reporting of Injuries***

“In the past, the injury reporting process was slower and less efficient,” said Merry. “Many times there would be two or three-day delays. With Company Nurse, reporting is so easy that there is

really no excuse for being late. The injured employee immediately notifies the supervisor, and together they call Company Nurse to report the incident.”

“Having injuries reported as soon as possible enables us to tighten up every phase of the claims-handling process, and consequently, we’ve been able to reduce claims costs,” said Merry. “Automation is another benefit. After the Injury Hotline receives a call, Company Nurse immediately sends us an injury report—usually on the same day.”

“In addition, Company Nurse is electronically connected to our third-party administrator, Risk Management Resources (RMR),” said Merry. “Since RMR receives injury reports electronically, claims adjusters can immediately initiate investigation and claims management to facilitate the best-possible outcomes.”

## **2. The Right Care: Nurse Triage Ensures the Most Appropriate Level of Care**

“I liken Company Nurse to our initial injury response,” said Merry. “When employees are hurt on the job, they may be worried about receiving the right care. Speaking with a triage nurse eases their anxiety and also takes pressure off the supervisor. Triage nurses are trained medical professionals, who properly assess an injury to determine the most appropriate level of care. In some cases, this might be simple first aid. In most cases, it’s an occupational clinic.”

“We identified providers and clinics that perform well in treating occupational injuries,” said Merry. “We then pre-loaded Company Nurse’s call center system with the providers located near each McDonald’s restaurant. If someone calls from the Malvern location, Company Nurse can quickly identify and refer injured employees to preferred providers in that area.”

“Triage nurses are able to reduce unnecessary ER visits,” said Merry. “The reduction in ER usage is about 25 to 30 percent of the program’s overall benefit. Unless it’s truly an emergency, using the ER doesn’t benefit anyone. When employees with minor injuries go to the ER, they often have to wait two or three hours to be treated, as more critical patients are seen ahead of them. As a result, injured employees often do not receive the best level of service, and AMSIT ends up paying \$1,000 for the visit.”

“With Company Nurse, we’re now able to refer injured employees to an appropriate level of care. For example, an occupational clinic will provide employees with both quality care and service—and at a lower cost, approximately \$200-250 per visit,” said Merry. “From the employee’s perspective, McDonald’s really cares, as it has implemented a program highly responsive and compassionate to their injuries and medical needs.”

## **3. The Right Results: Savings & Employee Satisfaction**

“We’ve reduced claims, achieved increased savings, improved efficiency, and enhanced our overall understanding of claims activity,” said Merry. “The owners have achieved tremendous success, which shows that they were extremely smart for having the foresight to invest in and implement Company Nurse.”

“For 2008, we received an ‘Outstanding Performance Award’ from the Arkansas Workers’ Compensation Commission,” said Merry. “The Commission tracks the timeliness in which notices, contact points, and payments are made. We achieved a 100% perfect score in the timeliness with which we facilitate these practices, such as the first notice of injury. This speaks volumes to the dedication and professionalism the AMSIT team exhibits in each phase of the WC claims process.”

“Due to our success, AMSIT continues to grow. We started with 10 members; we now have 29. We started with 33 stores; we now have 130 stores, which represent 93 percent of the AMSIT target market for McDonalds in Arkansas. We started with a total of \$326,389 in annual premiums; we now collect approximately \$1.1 million a year. When we started, the Arkansas chargeable WC rate for restaurants was \$3.88 per \$100 of payroll, today after dividends, the AMSIT rate for its members is less than a dollar,” said Merry.

In 2008, the AMSIT loss ratio—the ratio of incurred losses to paid premiums—was 39 percent. This illustrates how effective AMSIT’s safety and loss control services are, as the overall property and casualty industry experienced a 71 percent loss ratio for that same year.

“Due to this level of performance, we’ve been able to provide members with 40 to 50 percent in dividends, which means they receive as much as half of their premiums back. At our March 2010 annual meeting, we returned \$975,000 in dividends to trust members,” said Merry.

### **AMSIT Combined Strategies for Success**

How did AMSIT achieve such phenomenal results? There are several strategies BMB MERRY employed in combination with Company Nurse’s Injury Hotline. Integrated together, these programs fostered an even higher level of success for AMSIT members.

“You can’t just sign up for Company Nurse and say, let’s see if this works. Our AMSIT members really had to buy into the program. They had to commit to following the proper steps and procedures, and as a result, they’ve seen tremendous results over the years.”

BMB MERRY has created a sophisticated system of oversight. “With an insurance company, you pay a premium whether or not you receive quality service,” said Merry. “BMB MERRY strives to ensure AMSIT members have a wealth of resources available, and each consultant and service provider is accountable for their performance and must substantiate their results. This approach ensures the trust gains significant value from its partners.”

“In the end, there’s no demarcation of responsibilities. Instead, all of us work together as a team, contributing to the success of the trust. We don’t tolerate an attitude of ‘that’s not my job’ from a vendor or service provider,” said Merry.

“Company Nurse operates on the front end to ensure injuries are reported early. Their nurses triage injuries to an appropriate level of care. Company Nurse then notifies all other stakeholders, so they can initiate their respective roles in the claims process,” said Merry.

“From there, RMR performs claims management and ongoing communication with the injured employee,” said Merry. “They have accumulated an extensive amount of injury information. With in-depth statistics on member claims, we can see which stores have a high incidence of slip-and-falls, cuts and burns, and back injuries. We can analyze the quality of care injured employees receive and which providers offer the highest level of discounts.”

“When a critical accident occurs, BMB MERRY orders loss control and safety specialists to visit the site to immediately investigate the claim,” said Merry. “We identify the root cause of the injury to determine how it can be avoided in the future. We also perform an in-depth analysis of quarterly and annual reports to identify new and emerging trends, which can be addressed with ongoing safety and loss control initiatives. For example, we are soon to embark upon a safety program for forklift operators at warehouse facilities.”

“Our approach has been very successful, and we hope to continue to grow and bring our combined capabilities to other states,” said Merry.

### **Injury Management into the Future: Commitment and Customization**

“Within the trust, McDonald’s owners have a strong sense of solidarity, in which they want to share information and see all the restaurants benefit,” said Merry. “This dynamic also creates a healthy level of peer pressure. Every loss becomes public knowledge among trust members. They know who’s performing well and who’s not. If a member starts accumulating a lot of claims, it will proactively take action to address the problem. Even when owners sell their stores, they think highly enough of the trust to refer the new owners to AMSIT.”

“When Paul Binsfeld first founded Company Nurse, he was a visionary,” said Merry. “No one else offered an injury hotline and nurse triage program. Throughout the years, Paul and his team have served as an engaged partner, truly invested in AMSIT success.”

“Although cost drivers are pretty much the same, every organization has a unique dynamic, and Company Nurse can help to build a custom-tailored program to meet your unique needs and address your specific WC challenges. A lot of customization can be done, so the Injury Hotline is responsive to the ways in which your organization operates,” said Merry.

“BMB MERRY ensures McDonald’s employees and supervisors step up to the plate and immediately report injuries to Company Nurse,” said Merry. “From this one simple step, all of our results have significantly improved. Our members have reduced their claims, and the claims they do experience are handled much more quickly. If I sound like a commercial, it’s because the Company Nurse system works, our members benefited greatly from it, and I believe in it.”

For more information about BMB MERRY, visit [www.bmbmerry.com](http://www.bmbmerry.com) or contact Philip H. Merry, Jr. at 479-494-1721 or [pmerry@bmbinc.com](mailto:pmerry@bmbinc.com).

---

### **About Company Nurse**

The Company Nurse Injury Hotline enables organizations to make the “Right Call” for workplace injuries. As an independent facility, our triage nurses are compassionate and objective when assessing employee injuries and medical needs. Our injury-triage process is founded on three important elements for workers’ compensation success: 1) Right Time, we respond on the Day of Injury, the earliest point at which to influence costs, outcomes, and employee satisfaction; 2) Right Care, our nurses refer employees to an appropriate level of care, whether ER, clinic or first aid; 3) Right Results, clients experience dramatic savings and a 200% return on investment.

For more information, go to [www.companynurse.com](http://www.companynurse.com) or call (888) 817-9282.

---

**Company Nurse, LLC**  
8603 East Royal Palm, Suite 110  
Scottsdale, AZ 85258  
Ph: 888-817-9282  
Email: [dennisc@companynurse.com](mailto:dennisc@companynurse.com)  
Web: [www.companynurse.com](http://www.companynurse.com)