Do You Need Workers’ Compensation Insurance Coverage for your Medical Practice?

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In Texas employers are not required by law to provide workers’ compensation insurance coverage to their employees. Employers have the option to operate their business without coverage which creates the question:

“What do you as a small business need the coverage?”

Example: Your employee is assisting a patient and the employee hurts their wrist.

During the accident investigation the employee states that they are fine and do not need to see a doctor. It is important to have the employee sign a release stating that they do not want to seek medical care for the injury. Doing so will limit your risk weather or not you have workers’ compensation insurance coverage. This action shows that you are a responsible employer and are looking out for the best interest of the employee regardless of cost.

The following day the employee states that they cannot go to work because their wrist is swollen and would now like to see a doctor. If your company operates with workers’ compensation insurance coverage you would be able to send the employee to a doctor within the workers’ compensation insurance network. These network doctors are more likely to help the employee return to work quickly, on a light duty basis (restricted work program) while they are recovering and they are more likely to resume their regular job. On the other hand, employees that stay home from work as a result of an injury are less likely to return to work once their injury heals.

An important reason to use workers compensation insurance is to minimize your liability.

When you have workers’ compensation insurance coverage, the insurance company controls the network of doctors, the reimbursement to doctors, the assessment of the claim and investigation of potentially fraudulent claims. Having this coverage removes your company from the line of fire. If you feel that the injury may not have been caused at work you can inform the insurance company and they can hire investigators to look into the matter. The insurance company will be the one to determine if they will accept or deny the claim which again removes your company from the line of fire.

Limit future medical cost due to workplace injuries.
Some injuries can cause extended medical costs (therapies and surgeries) and the employee will want to be compensated for these costs. Workers compensation insurance coverage provides lifetime medical benefits for the injured worker. Without the coverage you as the employer would be responsible for these costs.

Protect your practice through the sole remedy clause in workers’ compensation insurance coverage!

Also without coverage if the employee feels that they are not being compensated fairly they may choose to sue the company. Costs can skyrocket with lawyer fees or settlements. Employees covered under workers’ compensation insurance coverage are not able to sue their employers because of the sole remedy clause.

So to answer the question: “Do you need workers’ compensation insurance coverage”? The answer in my opinion “YES” unless you are willing to take the risk on workplace related injuries!

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