

THE DR. JOHN E. DONLEY REHABILITATION CENTER

ANNUAL REPORT 2005

INTRODUCTION



Rehabilitation means the procedures whereby a disabled person (whether by illness or injury) is restored to the fullest degree of physical, mental, social, and financial ability of which he/she is capable. The efficient practice of rehabilitation demands certain conditions in the way of facility, apparatus, time, and personnel that are not commonly available to doctors or to their patients. To fill this gap in the rehabilitation of injured workers, in 1943 the Rhode Island legislature established the Curative Center, now known as the Donley Center, as a division within the State Department of Labor. The Donley Center continues to operate as a non-profit outpatient facility under the Rhode Island Department of Labor and Training, established under Section 28-38-19 of Rhode Island state law.

The Donley Center provides a comprehensive group of services including: Case Management, Physical and Occupational Therapy, Aquatic Therapy, Work Hardening/Job Simulation, Psychological Counseling, and Vocational Counseling. The facility is funded by a portion of the Workers' Compensation premium assessed to each Rhode Island-based company.

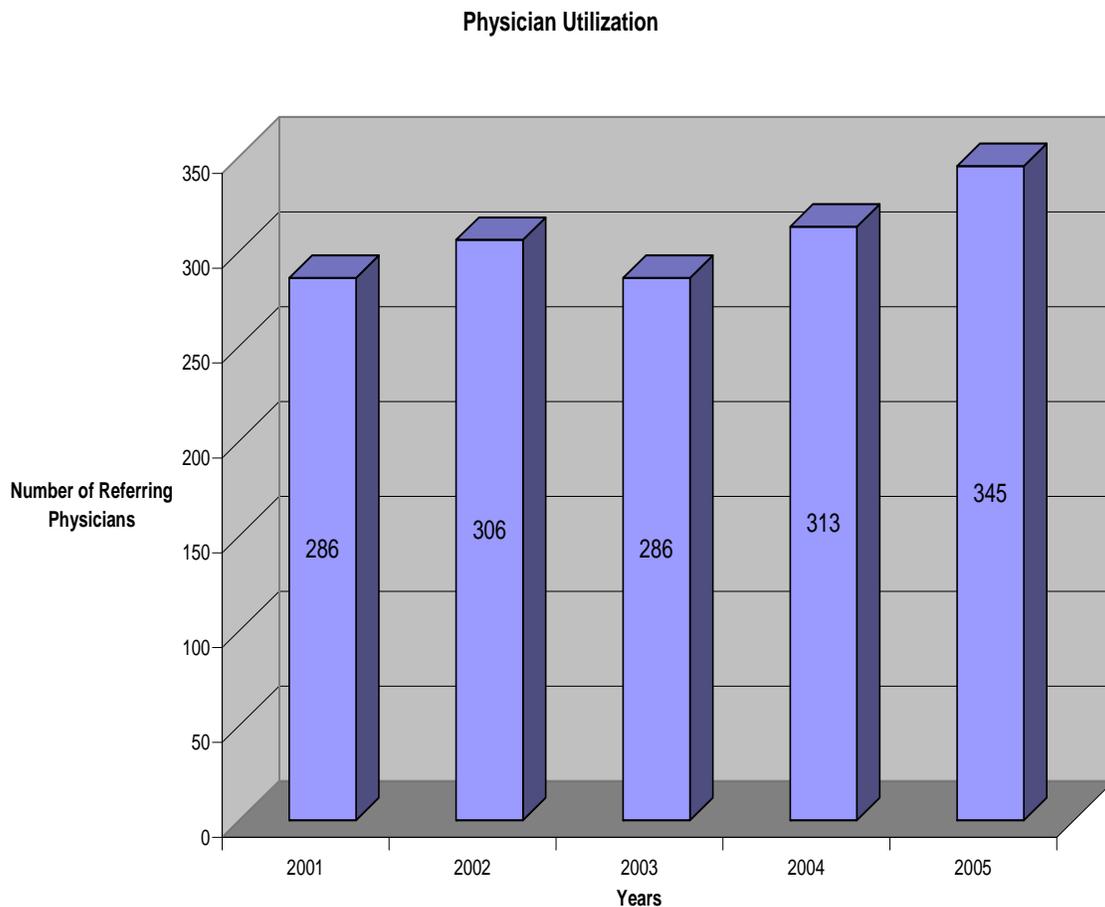
Through the Donley Center, the state of Rhode Island provides a unique opportunity for injured workers who are covered by the Rhode Island Workers' Compensation Act to obtain comprehensive rehabilitation services. The Donley Center has served the injured worker population for 62 years, and remains dedicated to improving the services we offer by collecting and analyzing data on the population we serve and the outcomes we achieve.

It is a pleasure to present the Annual Report for the Dr. John E. Donley Rehabilitation Center covering the period of January 1, 2005 to December 31, 2005. The data presented primarily focuses on the utilization of the Donley Center and our treatment outcomes. At the conclusion of the data presentation, you will see how our outcomes impact cost in the Rhode Island Workers' Compensation System.

Highlights/Accomplishments

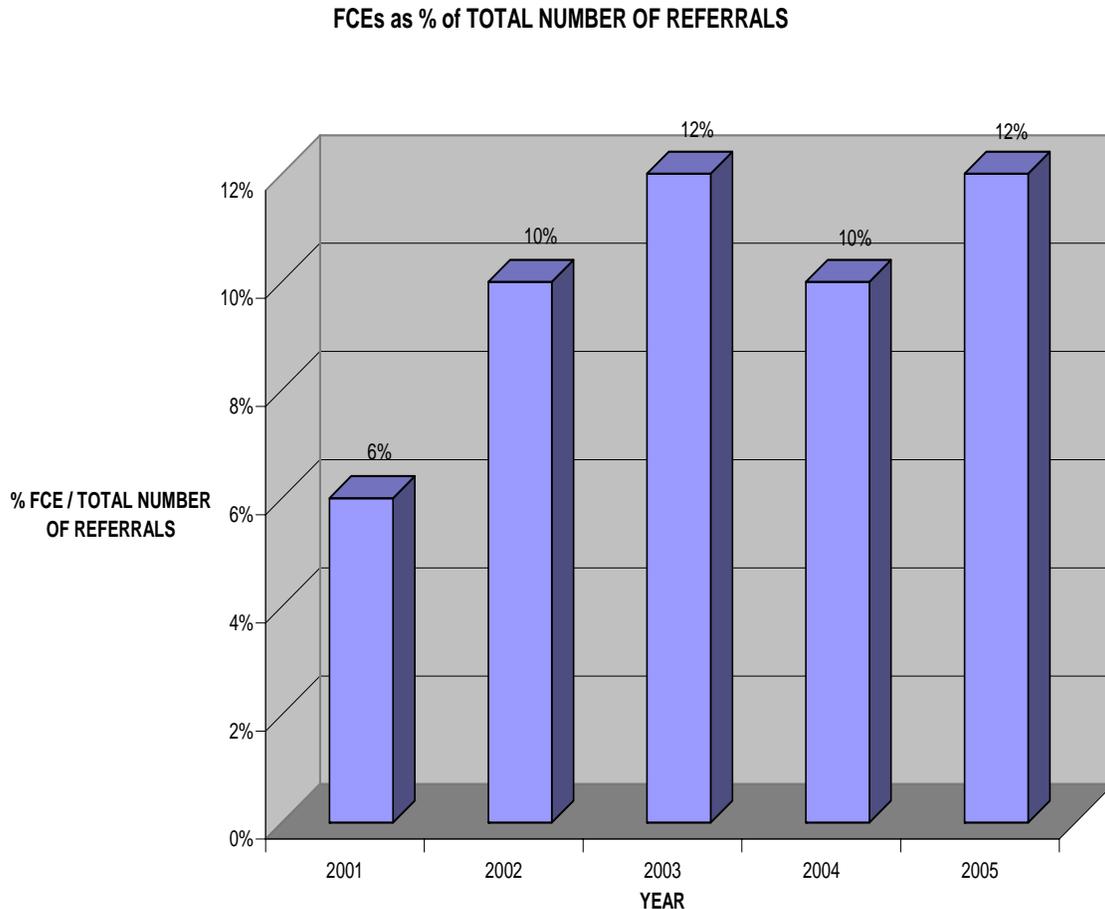
Referrals

In 2005, we had a 10% increase in the number of referring physicians with 345 physicians referring patients to the Donley Center during this year, totaling 1,137 referrals. The physician community makes up 79% of all of our referrals.



Requests for Functional Capacity Evaluation (FCE) continue to be significant with 12% of our admissions being referred specifically for this service. Following an increase in 2001, we have observed consistency in the number of FCE referrals. During an FCE, results from a structured, performance-based physical therapy evaluation are compared to the demands of a specific job description. Specifically, the FCE incorporates how tasks are accomplished (i.e. lifting, pushing, pulling, climbing, etc.), the degree of effort and/or complexity that is

associated with a particular task, and the frequency and duration of the task. This analysis of the job and worksite, coupled with the assessment of the worker's capacities, assists physicians by providing valuable information to be used in determining an employee's readiness to return to work (RTW). When this data is combined with information from the employer about accommodation options and/or alternative transitional jobs, the RTW decision becomes better defined and lessens the decision-making burden in releasing an injured worker back to work.

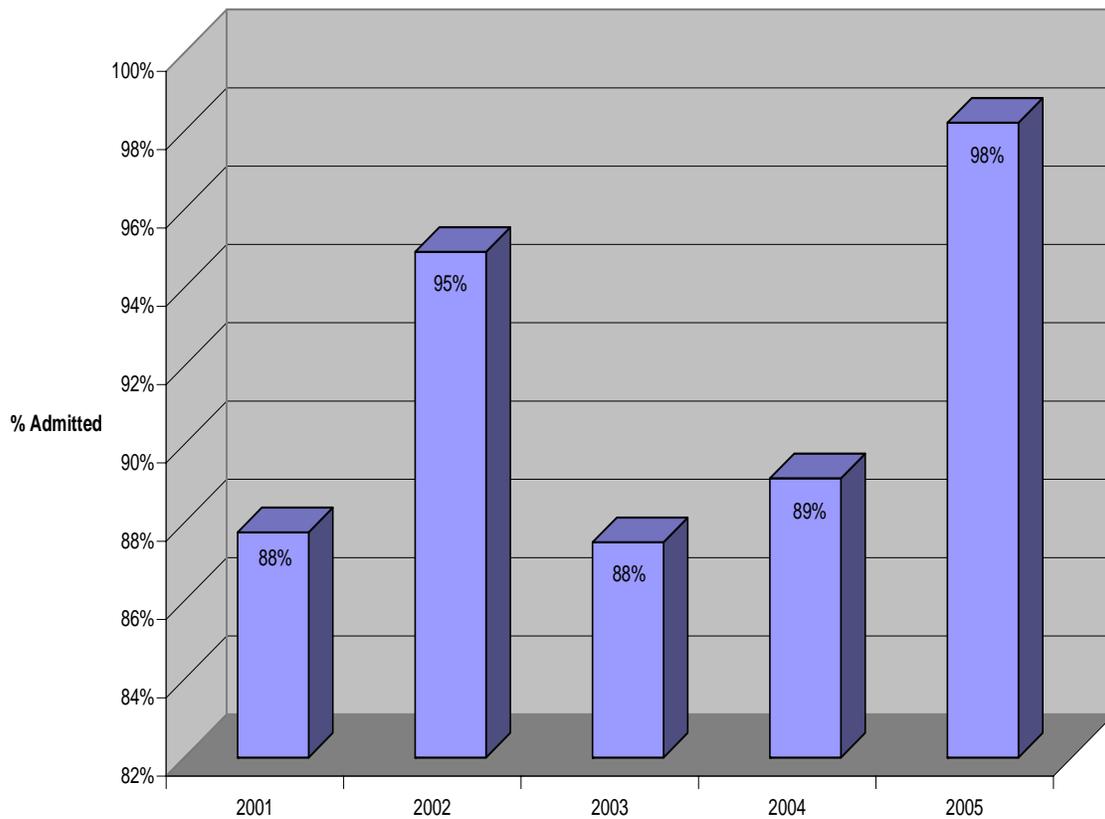


New Services

Vocational Our vocational department continued to expand our Vocational Development Center this year by offering a new two-week employment seminar, designed to provide injured workers with testing to identify areas of interest and aptitude, assistance with resumé preparation, and job-seeking skills education. In this seminar, injured workers also learn how to keep well-organized employer contact records so that they can document their job search. This encapsulated program is especially useful for clients who wish to conduct an independent job search and is also offered to injured workers who may be working with a private vocational counselor. The group format is also advantageous in providing a vehicle

for injured workers to support and motivate each other. In 2005, we promoted these vocational services by sending letters to injured workers out of work for one year and longer. We also initiated an outreach program to all Qualified Rehabilitation Counselors (QRCs) and Claims Representatives, encouraging them to refer their injured workers to utilize these services. This expansion of services within the Vocational Development Center has resulted in a 10% increase in injured workers admitted to the Donley Center for vocational services.

VOCATIONAL SERVICES
% of SELF REFERRALS ADMITTED



Website In 2005, we continued to develop our website, by adding a referral form that physicians can complete online, download and send to the Donley Center via e-mail or fax. We also added a detailed confidentiality statement, both in English and Spanish, to confirm readers' peace of mind concerning our handling of patient information. Both English and Spanish language versions of our website are fully updated and actively used.

Chronic Pain The Donley Center prides itself on the multidisciplinary rehabilitation offered to injured workers, especially those with delayed recovery. In 2005, we initiated a program with a particular emphasis on the needs of injured workers with the challenging problem of Chronic Pain Syndrome. Preliminary results of this program are encouraging. In 2005, 45 patients referred to the Donley Center for pain management were directed to this

program. Of these referrals, 31 were from physicians and 14 were from the Workers' Compensation Court. These cases clearly represented the delayed recovery population with 64% having a DOI (date of injury) of more than one year and 29% having a DOI of more than two years before referral to the Donley Center. Of those injured workers who completed the program, we achieved a return to work level (RTWL) in 71% of the cases. This is significant because it allows vocational initiatives to take place. Of these successful outcome cases, 25% were injured less than a year, 42% were injured between one and two years, and 33% were injured two years or more before referral to the center.

Looking Ahead

Tracking New Data Recognizing that the majority of injured workers treated at the Donley Center are part of the delayed recovery population, we are focusing upon contributing factors to delayed recovery. Two such characteristics we are beginning to enter into our database are the number of surgeries related to the injury diagnosis and the level of education the injured worker has achieved. Such factors directly influence how we plan our rehabilitation programs to meet the needs of our clients. In addition, we plan to develop a method that tracks the duration of our long-term and recurring cases, to better understand the background of our chronic patients. We look forward to being able to further elaborate on these factors in the upcoming year.

Outreach We are invested in continuing to reach out to the community to promote awareness of vocational resources at the Donley Center. Many Donley Center patients achieve a return to work level (RTWL) upon completing their physical rehabilitation, but for compelling reasons do not return to the same employer or profession, and are thus seeking to develop new skills and opportunities. These patients have always utilized our vocational services with excellent outcomes. With the ongoing expansion of our vocational services (as noted above), we are aiming to reach injured workers who may not require the other rehabilitation services of the Donley Center, and offer them equal opportunities for a productive life.

After a client has been discharged, we continue to measure our successful return to work (RTW) outcome data. A questionnaire is sent to all clients who return to work one month after discharge. In 2005, 92% of clients who returned their questionnaires remained at work after one month. The questionnaire also inquires about adjustment since RTW. If the client reports difficulties at work, a Donley Center staff person will intervene and offer assistance, including a worksite visit, to help the client overcome any difficulties. This represents the quality of our rehabilitation services by providing our clients with a recovery program that has a firm vocational foundation, ensuring they are sufficiently prepared to sustain working.

We will continue to build on these efforts and accomplishments as we advance into this current calendar year, 2006.

Respectfully Submitted,

Kathleen A. Sohar

ADMINISTRATIVE STAFF

Matt Carey	Assistant Director of Workers' Compensation, Department of Labor and Training
Kathleen Sohar, RN, BS, CCM	Director of Patient Care Services
Susan Rand Celico, PT	Physical Therapy Director
Joanne Fowler, Ph.D.	Manager of Psychological Services
Cindy Baldwin, MA, CRC, QRC	Manager of Vocational Services
Vincent Pera, M.D., D.A.B.D.A.	Director of Medical Services
Brittan K. Bates, MS	Office Manager

DATA SUMMARY

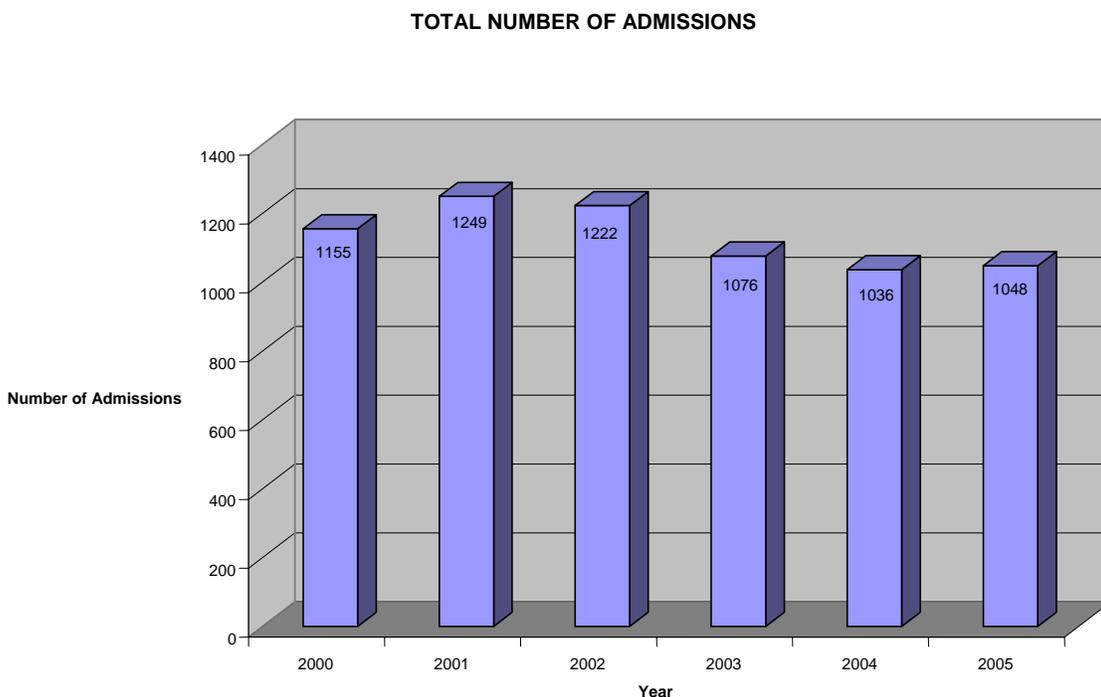
The following pages of this report provide detailed information and graphic representation of Donley Center admissions, outcomes, and savings impact.

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| GRAPH 1: | TOTAL NUMBER OF ADMISSIONS, PER YEAR |
| GRAPH 2: | ADMISSIONS BY REFERRAL SOURCE, PER YEAR |
| GRAPH 3: | ADMISSIONS BY SERVICES, 2005 |
| GRAPH 4: | VOCATIONAL SERVICES UTILIZATION, 2004 TO 2005 |
| GRAPH 5: | RETURN TO WORK DISCHARGES, 2005 |
| GRAPH 6: | NON-RETURN TO WORK DISCHARGES, 2005 |
| GRAPH 7: | RETURN TO WORK OUTCOMES AFTER PROGRAM COMPLETION, PER YEAR |
| GRAPHS 8 & 9: | ESTIMATED SAVINGS REPORTS |

ADMISSIONS

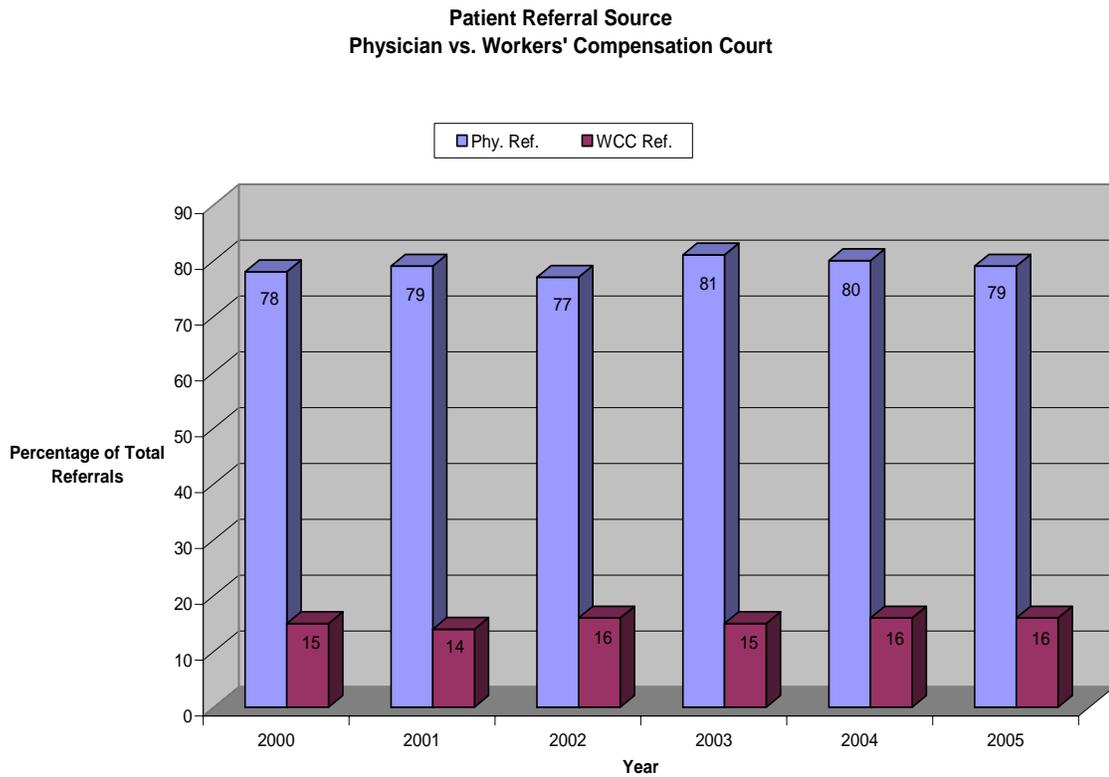
The following three graphs illustrate admissions data for the Donley Center over the past six years, charting our total admissions, sources of referrals, and various case types of referrals. In summary, these graphs demonstrate that the Donley Center continues to be utilized as a significant and valuable resource in the Workers' Compensation system.

Graph 1 demonstrates that the total number of admissions to the Donley Center in 2005 was virtually identical to that of 2004. This represents stabilization in the number of admissions over the past three years despite a downturn in the number of work-related injuries in Rhode Island over the past few years.



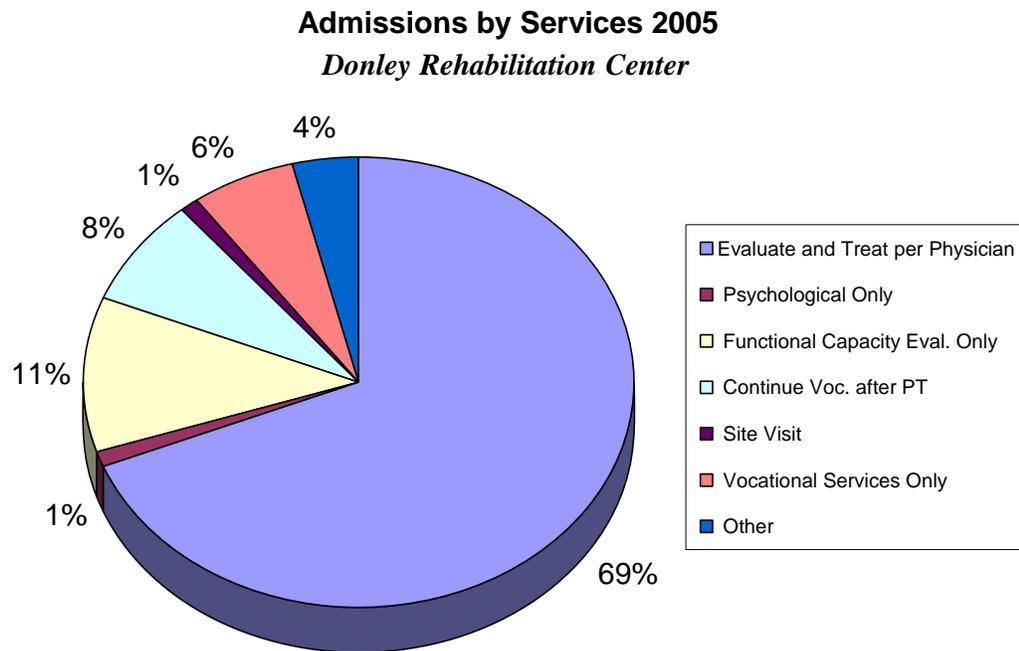
Graph 1

Graph 2 depicts Donley Center admissions from our two main sources of referrals: physicians and the Workers' Compensation Court. This graph also illustrates stability in Donley Center admissions, this time comparing utilization between the court and physicians. Physicians account for 79% of Donley Center referrals and referrals from the Court account for approximately 15% of Donley Center referrals. As noted earlier in this report, the trend of a greater number of physicians referring to the Donley Center each year continues, with more than 345 physicians referring patients to the Donley Center in 2005.



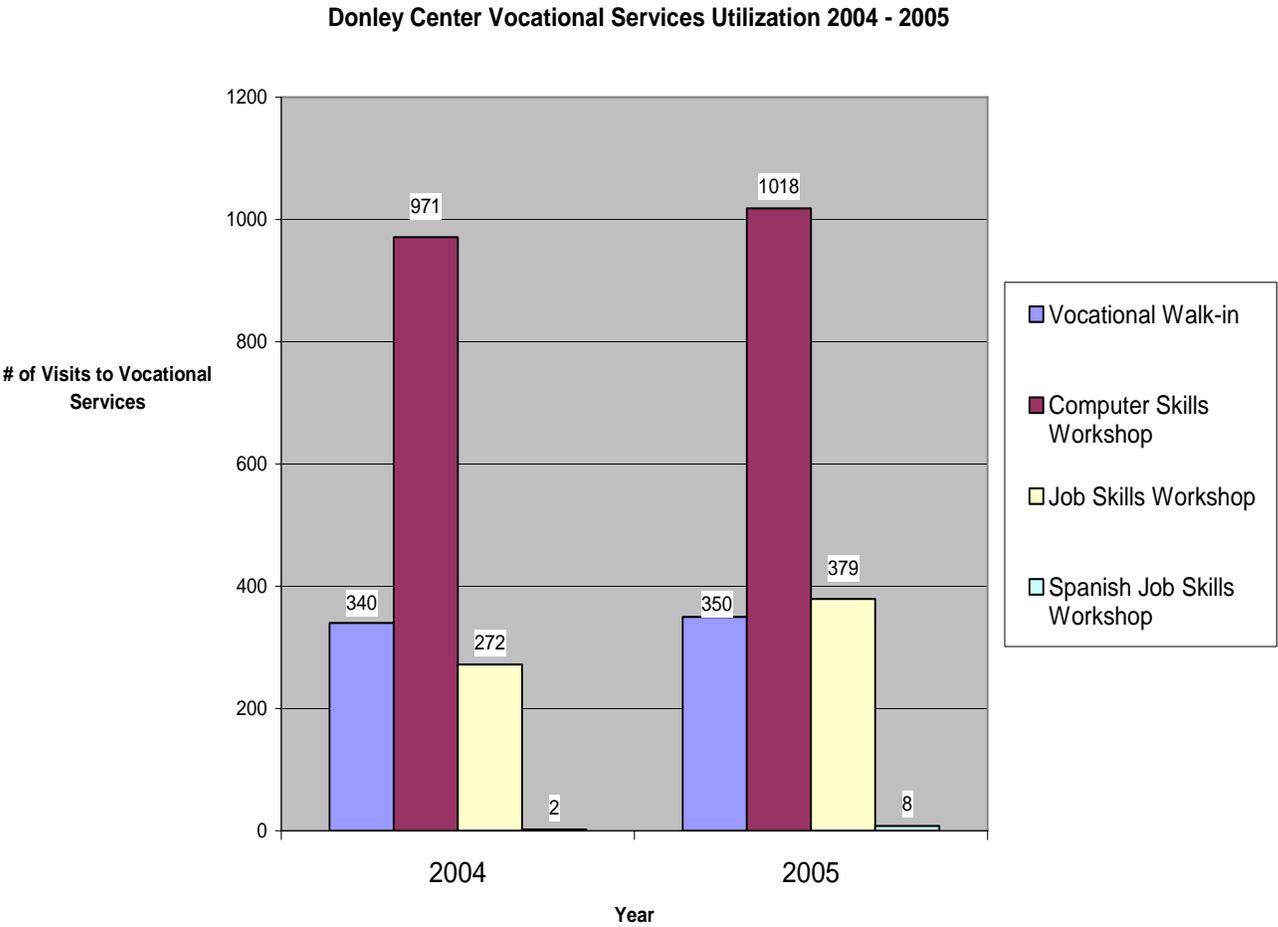
Graph 2

Graph 3 portrays a breakdown of Donley Center admissions by “service type,” thus demonstrating the spectrum of treatment and rehabilitative services offered by the Donley Center. Referrals for “Evaluation and Treatment” continue to be the largest category of admissions, accounting for 69% of admissions in 2005. With this type of referral, physicians rely on the Donley Center to develop a treatment plan that incorporates the services most likely to result in successful rehabilitation. The other 31% of admissions represent specific requests for identified services made at the time of the referral. Please review the graph for information regarding these other admission categories.



Graph 3

Graph 4 compares the usage of the Vocational Department Development Center, Computer Skills Workshop, Job-Seeking Skills Workshop and Spanish Job-Seeking Skills Workshop in 2005 to 2004. This graph illustrates a 72% increase in participation in the Job-Seeking Skills Workshop, a 9% increase in walk-in use of the Development Center, a 9% increase in participation in the Computer Skills Workshop and a 25% increase in participation of clients in the Spanish Job Workshop compared to 2004.



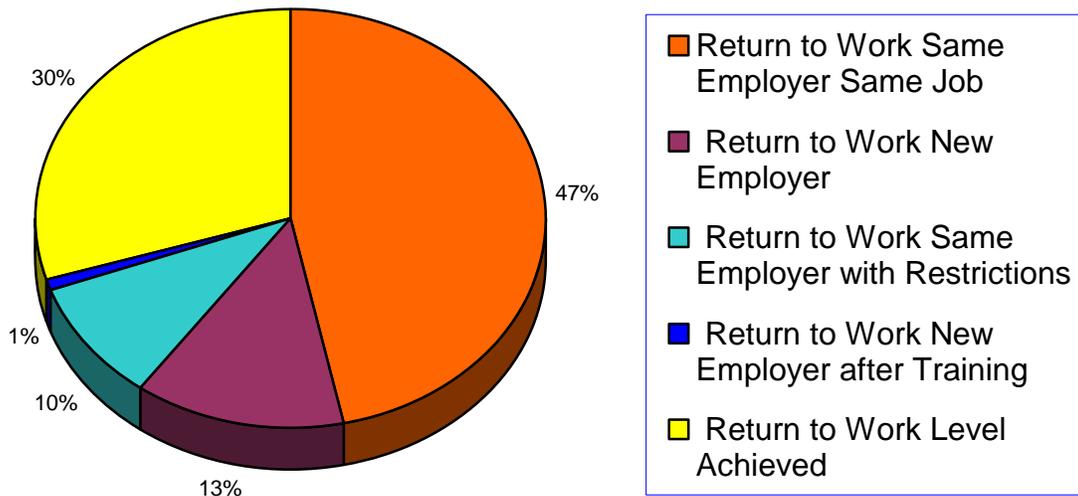
Graph 4

OUTCOMES

The following four graphs illustrate outcome data for the Center. The focus of our outcome statistics remains the return to work (RTW) rate. In 2005, these outcomes were achieved with a chronic patient population, in which more than 71% were admitted to the Donley Center for treatment more than six months after their date of injury. Graph 5 includes information on patients achieving a successful RTW and/or achieving a RTW functional level, Graph 6 provides detailed information on patients discharged from the Center with a Non-RTW status, Graph 7 compares our results over the past six years, and Graph 8 represents a new look at the Donley Center RTW outcomes by displaying results of our one-month questionnaire followup to our injured workers who return to work.

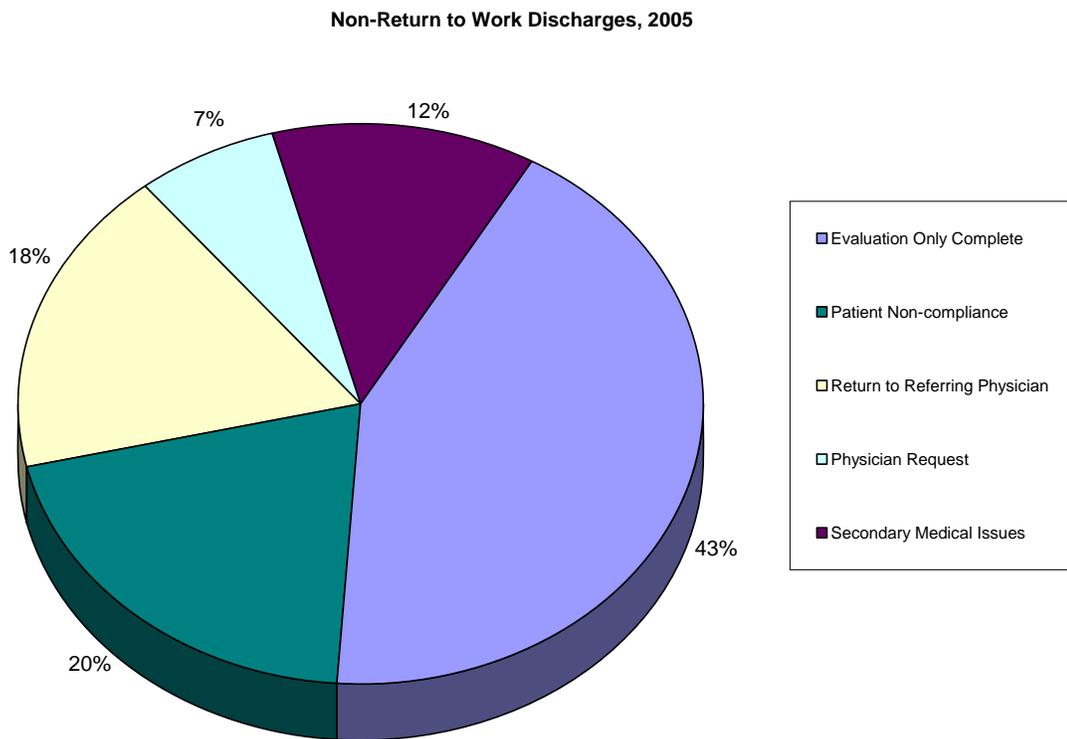
Graph 5 demonstrates the disposition of the Donley Center patients whose successful treatment outcomes allowed them to return to work. The Donley Center continued to achieve excellent return to work (RTW) outcomes in 2005. 191 patients, representing more than 55% of our RTW discharges, were returned to work in the same job with the same employer. 39 returned to the same employer working with restrictions, representing 9% of our RTW discharges. 54 patients returned to work with a new employer. An additional 121 patients achieved a functional level consistent with return to work (RTWL). Overall, in 2005, 70% of Donley Center patients completing a treatment program achieved a functional level consistent with return to work and 64% of these patients returned to work.

Return to Work Discharges, 2005
Donley Rehabilitation Center



Graph 5

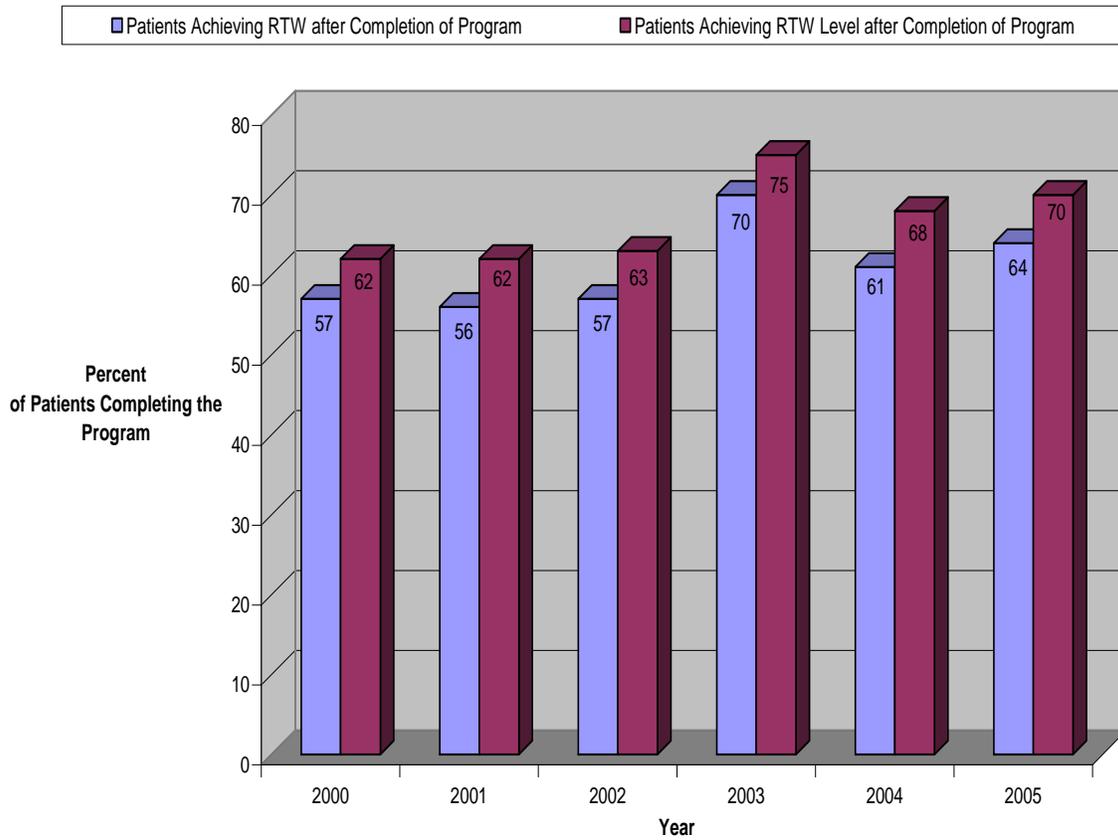
Graph 6 demonstrates the disposition of Donley Center patients discharged with a non-return to work status (NRTW). As depicted by the graph, 43% (224 patients) of the non-return to work discharges had been referred to the Center for evaluation only. Of interest, 66 patients (12%) were discharged for secondary medical issues that represented a health risk from a medical disorder not related to the injury. In many of these cases, Donley Center patient care coordinators (PCCs) played an important role in coordinating followup of these problems with the patient's primary care physician, or through other medical resources identified by the PCCs.



Graph 6

Graph 7 compares the number of patients over the last six years who returned to work or achieved a return to work level of function after completing their treatment program at the Donley Center. As shown, the Donley Center treatment program has consistently achieved excellent outcomes in returning injured patients to work. These outcomes become even more significant when looking at our patient population. In 2005, more than 45% of Donley Center patients admitted for treatment had been out of work due to their injury for more than one year. Even with this chronic (and thus more difficult to treat) population, 64% of our patients returned to work and 70% of our patients achieved a return to work level of function (RTWL) in 2005.

**Return to Work Outcomes, 2000 - 2005
Donley Rehabilitation Center**



Graph 7

IMPACT REPORT

ESTIMATED SAVINGS REPORTS 2005

Time between Injury and Admission	Injured Workers Returned to Work	Estimated Weeks of Indemnity Saved	Estimated Amount of Indemnity Saved
3 to 6 months	30%	19,148	\$7,800,750
6 months to 1 year	32%	18,926	\$7,710,364
Over 1 year	38%	16,578	\$6,753,667
Total	224	54,651	\$22,264,781

Graph 8

Graph 8 displays the estimated financial impact of successful RTW on Workers' Compensation in the state of Rhode Island as measured by indemnity dollars saved. This estimate was obtained by subtracting the return to work date from the date of the "312-Week Gate" and calculating the amount of indemnity that would have been paid. This estimated savings of \$22 million confirms the importance of returning the more chronic population to work.

Type of Insurer	Injured Workers Returned to Work	Estimated Weeks of Indemnity Saved	Estimated Amount of Indemnity Saved
State Fund	57%	32,089	\$13,072,832
Self-Insured State Employees	13%	6,354	\$2,588,723
Group Self-Insured	6%	3,008	\$1,225,396
Insurers	0%	226	\$92,188
Risk Trust	22%	11,587	\$4,720,523
Total	2%	1,387	\$565,119
	224	54,651	\$22,264,781

Graph 9

Graph 9 demonstrates how the estimated financial impact of successful RTW is distributed among Workers' Compensation insurers in the state of Rhode Island, as measured by the percentage of cases attributable to each type of Workers' Compensation carrier in Rhode Island.

Total savings reach beyond indemnity savings alone. Many patients at the Donley Center participate in valuable therapeutic, psychological, and vocational programs and workshops. These services help restore both physical and social functioning for injured workers, thereby reducing the cost of future palliative care and/or social programs.

END REPORT