

THE DR. JOHN E. DONLEY REHABILITATION CENTER

ANNUAL REPORT 2006

INTRODUCTION



Rehabilitation is frequently the core of a successful outcome for those who are dependent upon the Workers' Compensation system. In addition to the valuable sense of well-being and the restoration of function it gives the recovering injured workers, rehabilitation significantly reduces cost (both immediate and long term) for insurers and employers. Restoring injured workers' health so they may return to work in the timeliest manner has a profound financial impact on the Workers' Compensation system.

The Donley Center is an outpatient facility under the Rhode Island Department of Labor and Training, established under Section 28-38-19 of Rhode Island state law through the Rhode Island Workers' Compensation Act. 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. These services include Case Management, Physical and Occupational Therapy, Aquatic Therapy, Work Hardening/Job Simulation, Behavioral Medicine and Vocational Rehabilitation services. The Donley Center facility is funded by a portion of the Workers' Compensation premium assessed to each Rhode Island-based company.

Having served the injured worker population for over 63 years, the Donley Center remains dedicated to improving the services we offer to those who we serve.

Once again, I am pleased to present the Annual Report for the Dr. John E. Donley Rehabilitation Center. This report presents data summarizing the utilization of the Donley Center and our treatment outcomes covering the period of January 1, 2006 to December 31, 2006. You will also note in this report our undertaking to broaden our database. This year, we are able to report more demographics of our chronic population. During the next few years, we will be using this data to better match our services to the population we serve, thus improving our treatment outcomes. We will also be able to benchmark our data to other Workers' Compensation data.

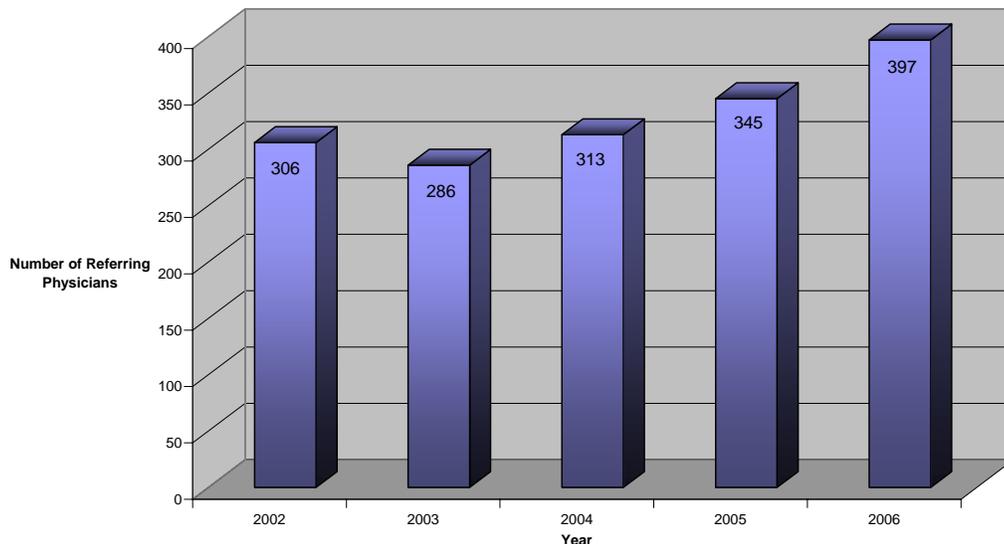
Summary of Achievements

Our focus continues on meeting the challenges central to serving the chronic population. In 2006, 68% of our admissions were out of work longer than six months with 42% out of work for over one year. Thus, the vast majority of our admissions continue to be long term injured workers who have already attempted but not found success with treatment programs elsewhere. In these chronic injuries, it is appropriate, and integral to the Donley Center philosophy, to shift the focus of treatment to a rehabilitation model that applies behavioral management strategies to the array of problems resulting from work injuries. Multidisciplinary intervention, integrated with practices to heighten patient motivation and responsibility, yields effective, comprehensive treatment for optimal recovery.

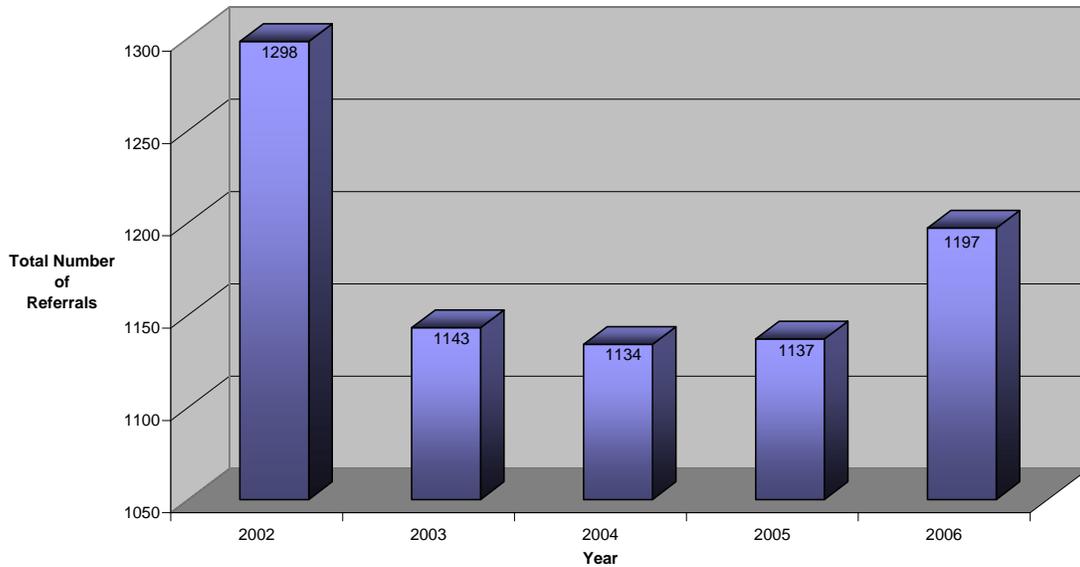
Referrals

In 2006, the physician community comprised 80% of our referrals. 397 physicians referred patients to the Donley Center, resulting in an increase of 14%. This is another record for the Center. Showing increased utilization in 2006, the Donley Center noted a 5% increase in referrals. We directly involve the treating physician in their patient's rehabilitation program, recognizing that the physician's role in rehabilitation is paramount to the success of their patient. At the end of 2006, we sent a Physician Satisfaction Survey to our referring doctors and will report on its outcomes in 2007.

PHYSICIAN UTILIZATION
2002 - 2006



**TOTAL NUMBER OF REFERRALS
2002 - 2006**



Physical Rehabilitation

Aquatic Therapy

Starting in September 2006, we enhanced our Aquatic Therapy program by adding a full time Aquatic Therapist to our physical therapy staff. This improves our ability to provide individualized treatments for specific injuries. Aquatic Therapy particularly benefits our post-surgical and chronic pain patients, since it uses the physical properties of water to assist in healing and exercise performance. From this therapeutic process, the constant tension and pressure on the body, along with the usual stress on joints and muscles, are eliminated.

Occupational Therapy

This year, the Donley Center noted an increase in patients with upper extremity injuries, which now account for 31% of our admissions. As a result, we added a new position for a COTA (Certified Occupational Therapy Assistant) and extended the schedule of our Occupational Therapist, to better serve the rehabilitation needs of our patients with this type of injury.

Vocational Highlights

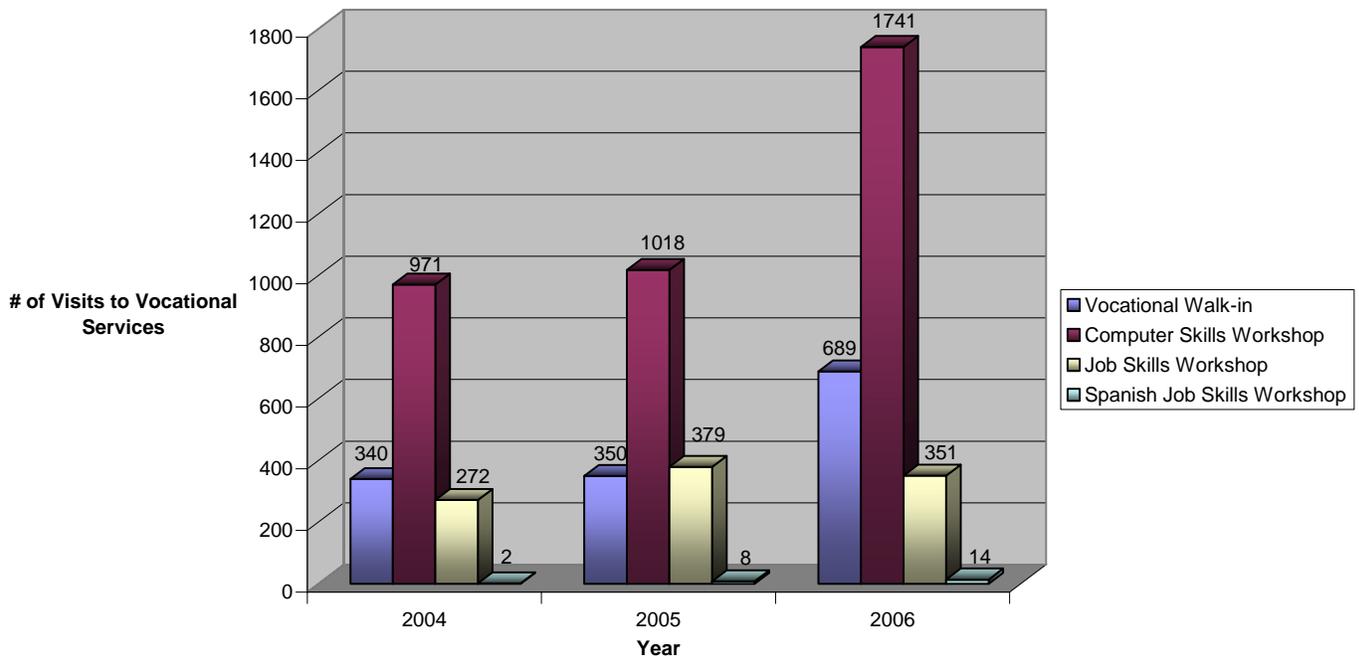
The Vocational Department experienced a 58% increase in utilization of the Vocational Resource Center. We offer weekly vocational services orientation sessions and job clubs, in addition to monthly job-seeking skills workshops. We invite injured workers to use the services in the resource center to explore return-to-work options. This has greatly assisted the injured workers' physical rehabilitation program by giving them optimism regarding new job opportunities, and also improves the clients' focus on meeting their treatment goals. Individuals striving to recover and be released to

return to work have found valuable support in these weekly group meetings, as they share their experience in seeking work within the local labor market. In 2006, 71% of all clients using our vocational services were discharged having achieved a successful return to work with previous or new employers and/or the skills necessary to independently become employed.

In collaboration with the Institute for Labor Studies and Research (ILSR), the Donley Center is in our fifth year of offering injured workers a six-week computer skills workshop. The successful outcome for injured workers participating in this workshop continues to rise. On average, 90% of those who commit to the six-week workshop complete the program, and 94% pass the final exam and receive certification for having completed both Basic and Intermediate Microsoft Word and Excel.

41% of all those who completed the workshop have returned to gainful employment. A portion of these injured workers were able to return to either their pre-injury employer, or a new employer, in a new and improved job as a result of the workshop providing them with the skills to perform clerical/administrative work.

**VOCATIONAL SERVICES UTILIZATION
2004 - 2006**



Behavioral Medicine

The Donley Center continues to base its multidisciplinary rehabilitation on the biopsychosocial model that acknowledges the complex interaction of physiological, psychological and environmental factors. All case conceptualizations and treatment plans reflect this integrated multidisciplinary focus, but in addition to this, we offer specialized services within our

Behavioral Medicine Department to address the needs of injured workers. These services include individual consultation, psycho-educational workshops, and the chronic pain program.

In 2006, referrals to the Donley Center requesting only rehabilitation psychology consultation doubled from the number of these referrals in 2005. While this type of referral reflects only about 2% of our total referrals, we believe that it affords injured workers a resource that is often not easily obtained. Approximately 40% of the patients receiving rehabilitation at the Donley Center participated in at least one of the workshops. These include pain management, stress management and anger management, and pain management offered in Spanish. In 2006, the individualized chronic pain program had 38 referrals. Physicians referred 84% of these cases and the Workers' Compensation Court referred the remaining 16%. Of these cases, 68% had dates of injury of six months or longer, with 18% being over two years from their date of injury. Following multidisciplinary evaluation, each individual received treatment tailored to specific aspects of their pain. Overall, we achieved a 68% return-to-work level (RTWL) in those injured workers who completed this program.

Looking Ahead

New Data Development

Continually analyzing our database to further identify characteristics of the population we serve, we are reporting additional demographic information on our clients who were admitted in 2006. This includes the educational level achieved by the injured worker, the number of surgeries related to his/her injury diagnosis, and the specific body part associated with their injury. As we go forward, we will examine this data with respect to our outcomes. Ultimately, we will benchmark our outcome statistics against the corresponding national data.

Please refer to Graphs 5, 6 and 7 in the Data Summary section of this report for the presentation of this specific data.

Outreach

We welcome and encourage you to visit our website: www.dlt.ri.gov/donley available in both English and Spanish. Here you will find our referral form for physicians provided on-line. Updated schedules and descriptions of Donley Center events, programs, workshops and classes are included, such as the computer classes and employment development workshops offered by our Vocational Resources, and pain management workshops available from our Behavioral Medicine Department.

In-service seminars presenting topics of mutual interest continue to take place at the Donley Center, to which members of the Workers' Compensation professional community are invited, both as speakers and attendees.

On a regular basis, we mail letters to all injured workers with an active Rhode Island Workers' Compensation claim of three months or longer, introducing them to our rehabilitative services and programs.

We look forward to continuing to build upon these efforts and accomplishments as we progress into this current calendar year 2007.

Respectfully Submitted,

Kathleen A. Sohar
Director of Patient Care Services



The Dr. John E. Donley Rehabilitation Center
A Unit of the State of Rhode Island and Providence Plantations
Department of Labor and Training, Division of Workers' Compensation

ADMINISTRATIVE STAFF

Department of Labor and Training, Division of Workers' Compensation

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Donley Rehabilitation Center

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Physical Therapy Director **Susan Rand Celico, PT**

Manager of Psychological Services **Joanne Fowler, Ph.D.**

Manager of Vocational Services **Cindy Baldwin, MA, CRC, QRC**

Director of Medical Services **Vincent Pera, M.D., D.A.B.D.A.**

DATA SUMMARY

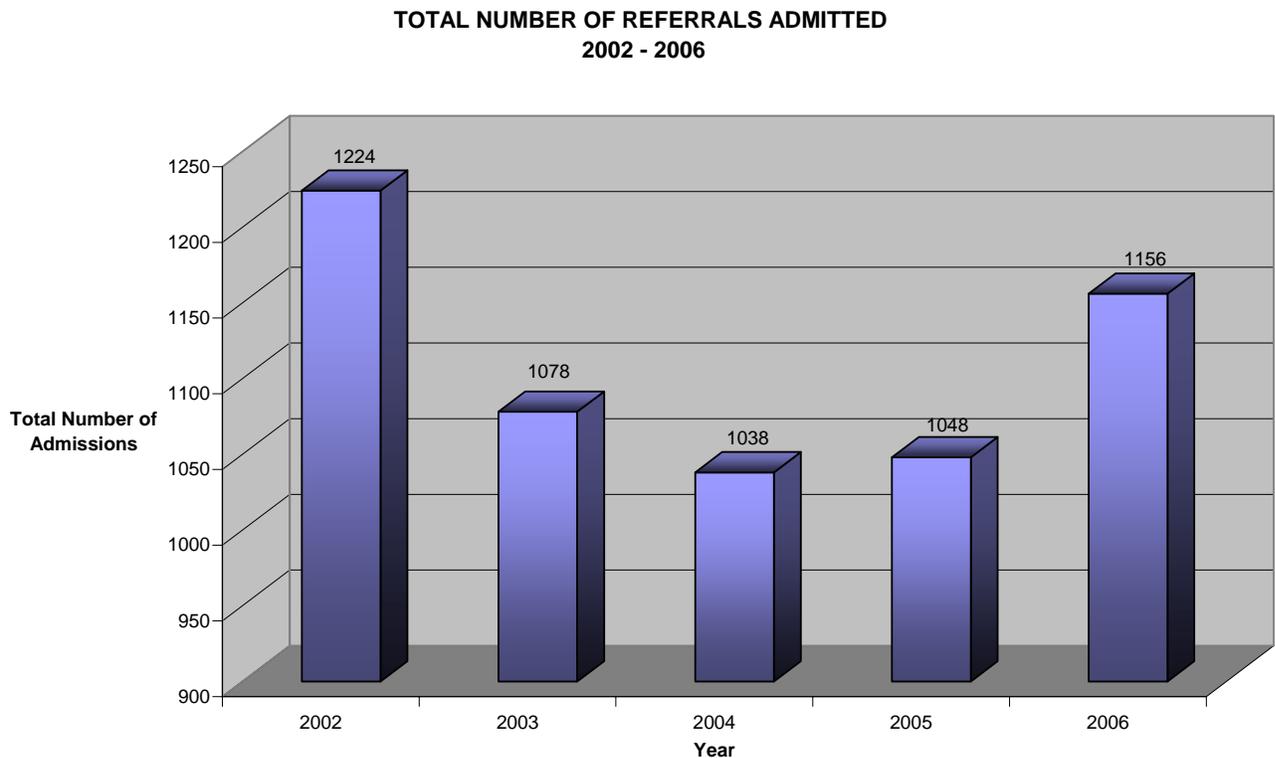
The following pages of this report provide detailed information and graphic representation of Donley Center admissions, demographics, outcomes, and savings impact.

GRAPH 1:	TOTAL NUMBER OF ADMISSIONS, PER YEAR
GRAPH 2:	LENGTH OF TIME FROM INJURY TO ADMISSION, 2006
GRAPH 3:	ADMISSIONS BY REFERRAL SOURCE, PER YEAR
GRAPH 4:	ADMISSIONS BY TYPE OF SERVICE REQUESTED
GRAPH 5:	ADMISSIONS BY LEVEL OF EDUCATION, 2006
GRAPH 6:	ADMISSIONS BY NUMBER OF SURGERIES, 2006
GRAPH 7:	ADMISSIONS BY INJURED BODY PARTS, 2006
GRAPH 8:	RETURN TO WORK DISCHARGES, 2006
GRAPH 9:	NON-RETURN TO WORK DISCHARGES, 2006
GRAPH 10:	RETURN TO WORK OUTCOMES AFTER PROGRAM COMPLETION, PER YEAR
GRAPH 11:	PATIENTS STILL WORKING ONE MONTH AFTER BEING DISCHARGED, PER YEAR, 2004 – 2006
GRAPHS 12 & 13:	ESTIMATED SAVINGS REPORTS

ADMISSIONS

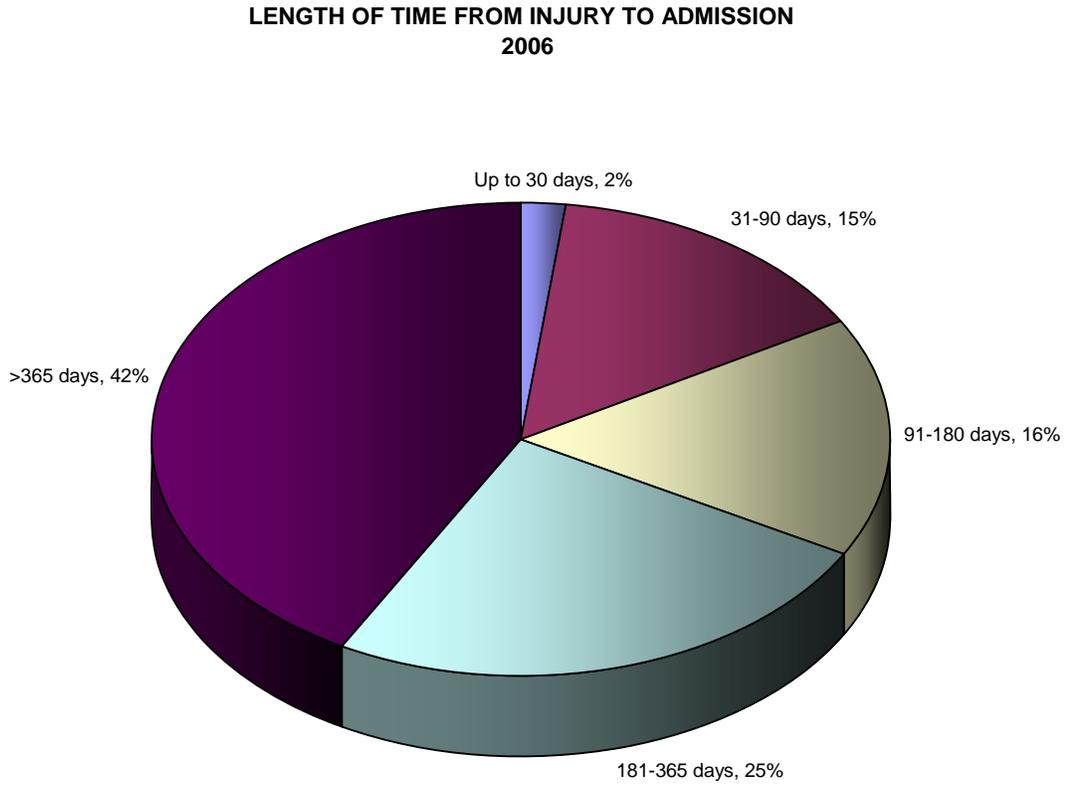
The following four graphs illustrate admissions data for the Donley Center over the past five years, charting our total admissions, sources of referrals, and various case types of referrals. In summary, these graphs demonstrate that the Donley Center continues to be utilized as a significant and valuable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

Graph 1 demonstrates that the total number of admissions to the Donley Center in 2006 was increased by 10% over 2005. This represents a steady increase in admissions over the last two years despite a downturn in the number of work-related injuries in Rhode Island during the past few years.



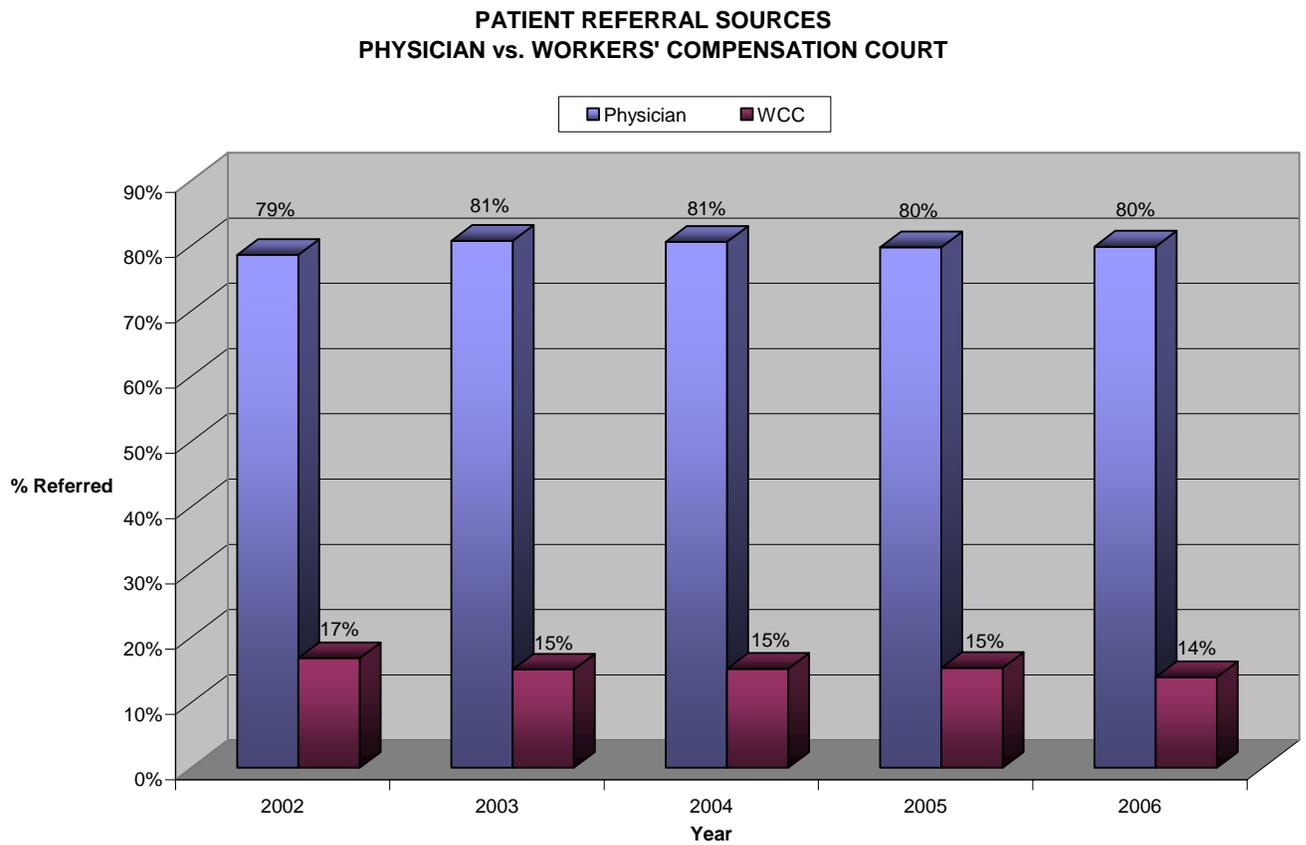
Graph 1

Graph 2 portrays the length of time from an injured worker's date of injury (DOI) to her/his admission into rehabilitation at the Donley Center. The durations between DOI and admissions further illustrate the chronic nature of the majority of our patient population.



Graph 2

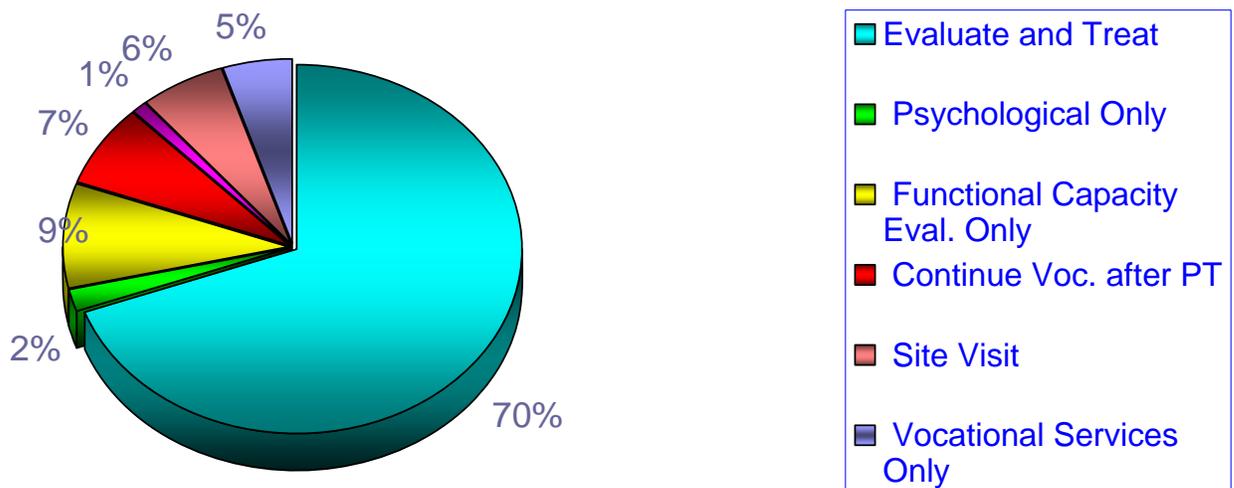
Graph 3 illustrates Donley Center admissions from our two main sources of referrals: physicians and the Workers' Compensation Court. This graph also demonstrates stability in Donley Center admissions, when comparing utilization between the court and physicians. In 2006, physicians accounted for 80% and referrals from the court accounted for approximately 14% of Donley Center referrals. As observed earlier in this report, more physicians referring their patients to the Donley Center each year is a prevailing trend. 397 physicians referred patients here in 2006, a 14% increase over 2005. In addition, 6% of self-referral admissions for our vocational services in 2006 are not reflected in this graph.



Graph 3

Graph 4 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 70% of admissions in 2006. With this type of referral, physicians depend upon the Donley Center to develop a treatment plan that incorporates the services most likely to yield successful rehabilitation. The other 30% of admissions represent specific requests for identified services made at the time of referral.

Admissions by Services, 2006
Donley Rehabilitation Center



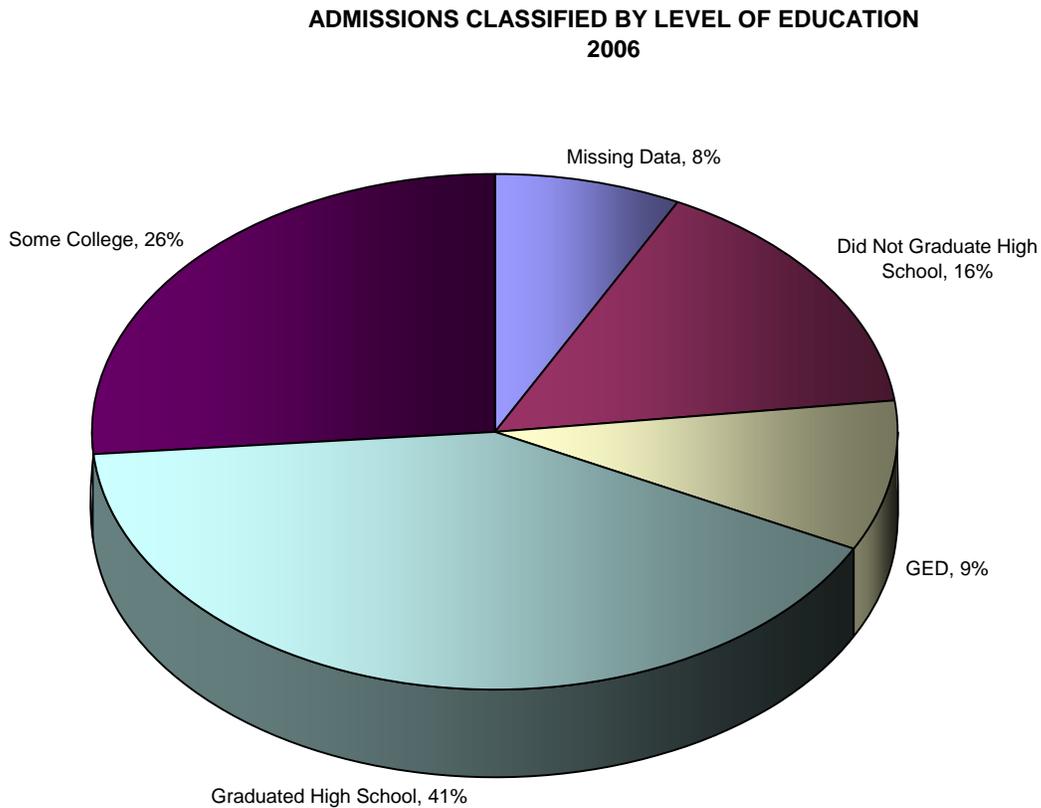
Graph 4

DEMOGRAPHICS

The following graphs capture the data elements that we will continue to examine over the next several years.

Graph 5 Level of Education

66% of our admissions are high school graduates, have earned a GED, or earned secondary education credits. These demographics are important in planning the services provided by our Vocational Department. This information will help us continue to develop programs and workshops that may better prepare our injured workers for re-entry into the labor market.

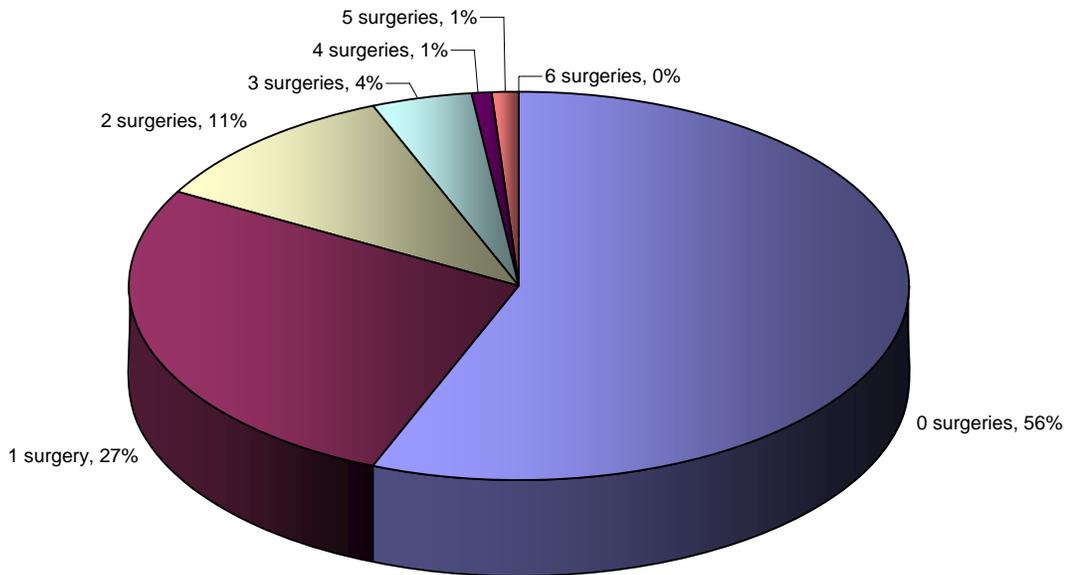


Graph 5

Graph 6
Number of Surgeries

In 2006, 44% of Donley Center patients had undergone at least one surgery. We are very interested in examining the outcomes of our patients' functional restoration programs as related to the number of surgeries they have had. As we develop our database, we plan to refine this examination by looking at the range of surgeries within each body part, to determine the impact this has on rehabilitation outcomes. We will also look for trends in the relationship between the number of surgeries, the body part, and the rehabilitation outcome.

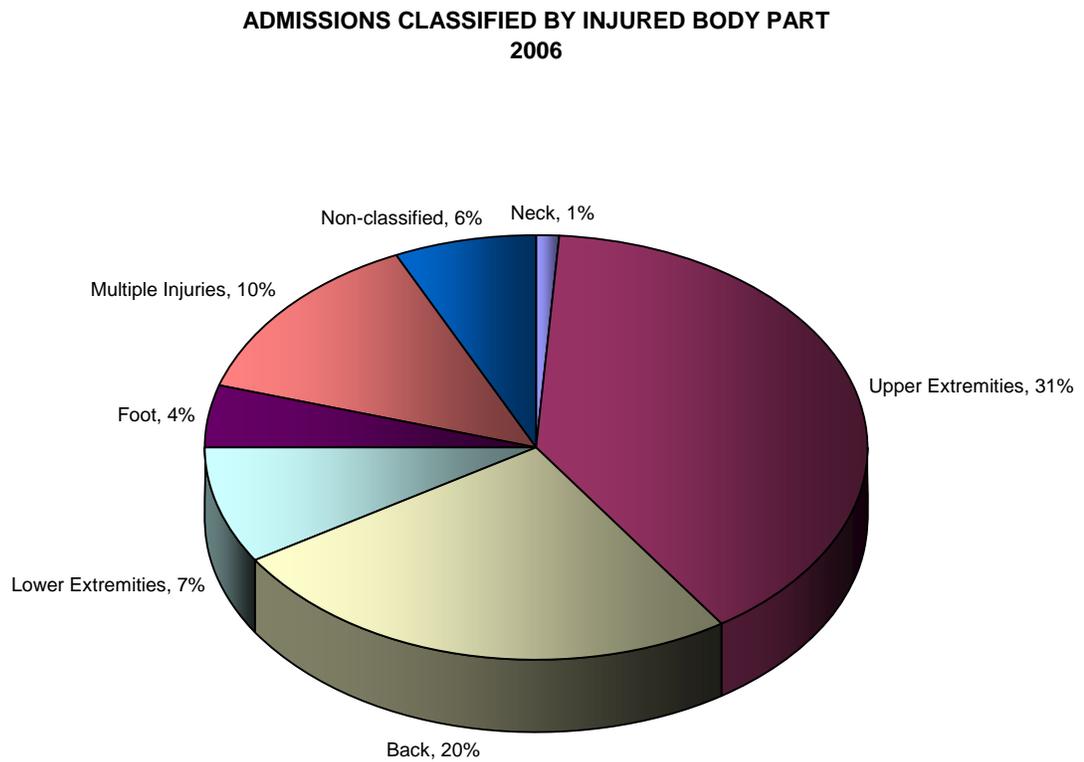
**ADMISSIONS CLASSIFIED BY NUMBER OF SURGERIES FOR THE WORK INJURY
2006**



Graph 6

Graph 7
Classification of Admissions by Injured Body Parts

This information is helpful in examining the parts of the body most frequently injured by workers in Rhode Island. The data can then be analyzed for the development of potential strategies to achieve loss prevention. This will help us define the types of injuries that occur in our delayed recovery population, enabling us to better meet the treatment needs specific to each kind of injury.



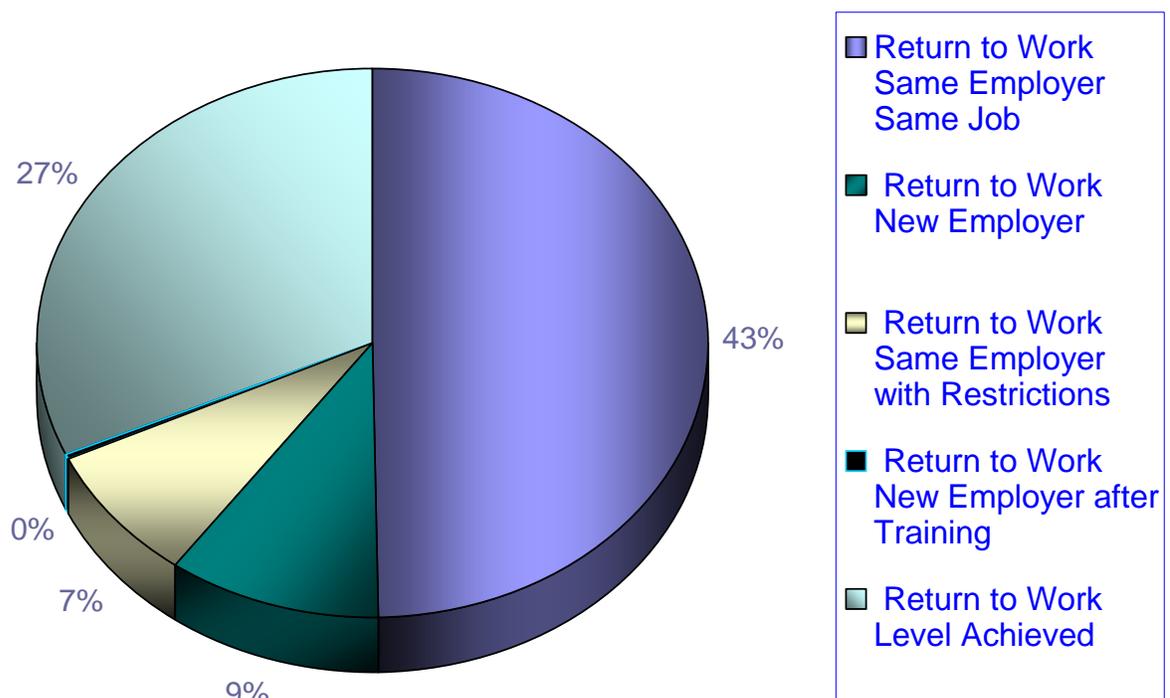
Graph 7

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 2006, these outcomes were achieved with a chronic patient population, in which 83% of our admissions were out of work for more than three months and 41% out of work over one year after their date of injury. Graph 8 includes information on patients achieving a successful RTW and/or achieving a RTW functional level, Graph 9 provides detailed information on patients discharged from the Center with a Non-RTW status, Graph 10 compares our results over the past six years, and Graph 11 represents a new look at the Donley Center RTW outcomes by displaying results of our one-month questionnaire followup with our injured workers who have returned to work.

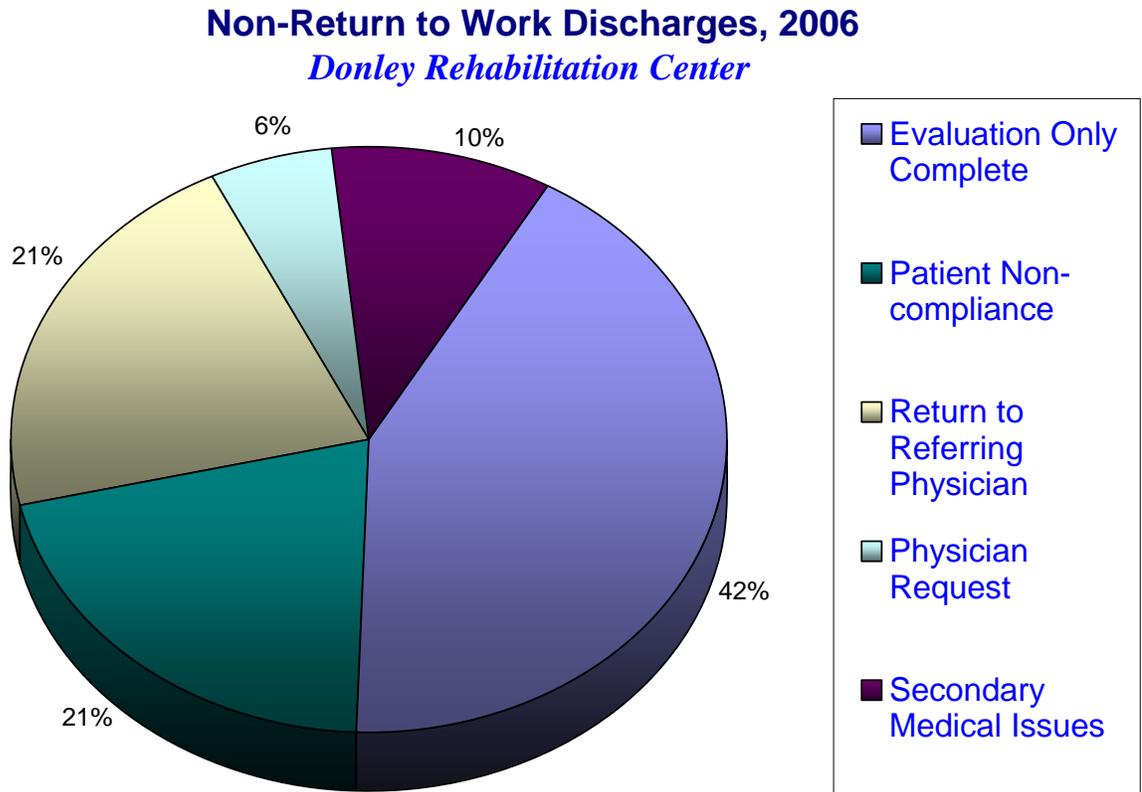
Graph 8 demonstrates the disposition of the Donley Center patients whose successful treatment outcomes allowed them to return to work. The Donley Center continued to achieve excellent return to work (RTW) outcomes in 2006. 43% of our RTW discharges returned to work in the same job with the same employer. 7% of our RTW discharges returned to their same employer, working with restrictions. A slightly higher number of our discharged patients, 9%, returned to work with a new employer. An additional 27% of our discharged patients achieved a functional level consistent with return to work (RTWL); however, the actual RTW did not occur at the time of discharge. Overall, in 2006, 86% of Donley Center patients completing a treatment program achieved a functional level consistent with return to work and 59% of these patients returned to work.

Return to Work Discharges, 2006
Donley Rehabilitation Center



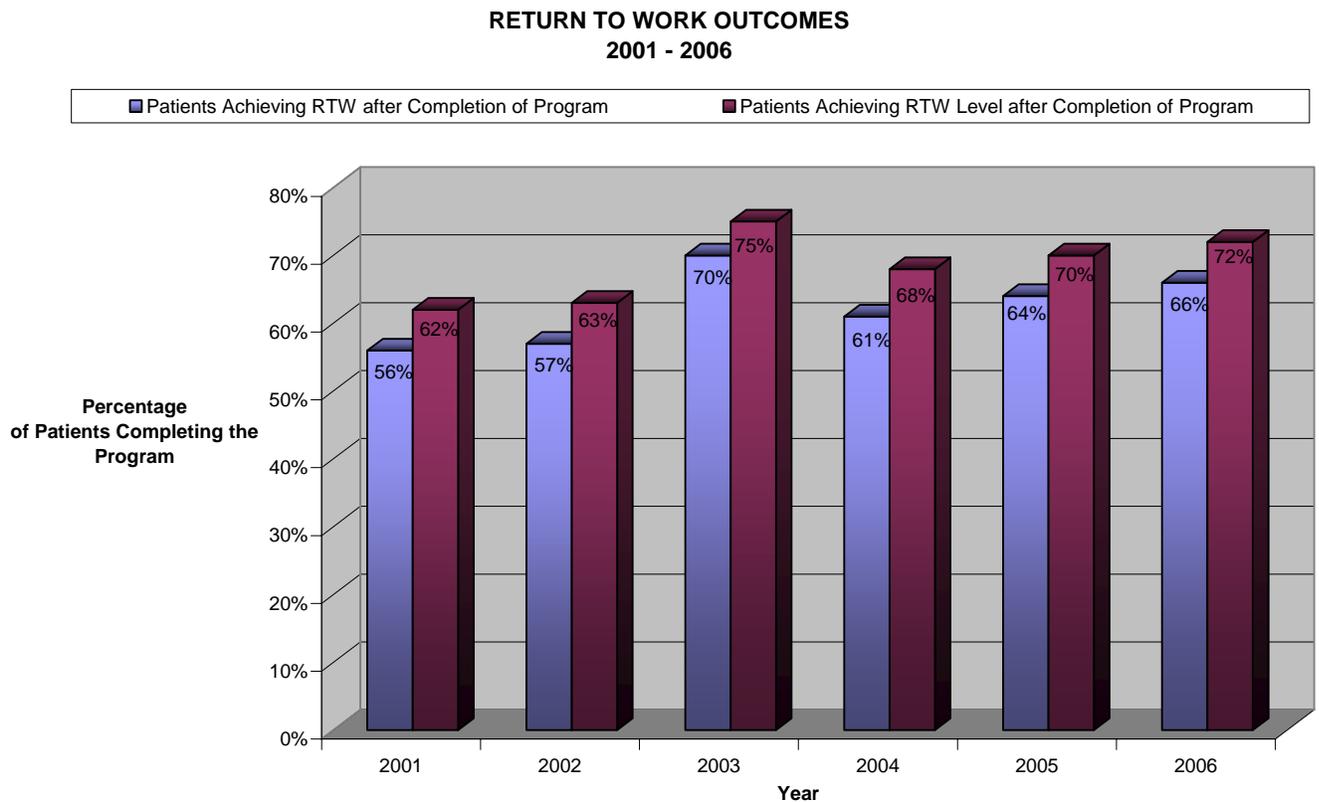
Graph 8

Graph 9 demonstrates the disposition of Donley Center patients discharged with a non-return to work status (NRTW). As depicted by the graph, 42% of the non-return to work discharged patients had been referred to the Center for evaluation only. It is noteworthy that 10% of these patients were discharged for secondary medical issues presenting a health risk from a medical disorder not related to the injury. In many of these cases, Donley Center patient care coordinators (PCCs) were advocates in coordinating and ensuring followup of these risk factors with their patients' primary care physicians, or through other viable medical resources that our PCCs identified.



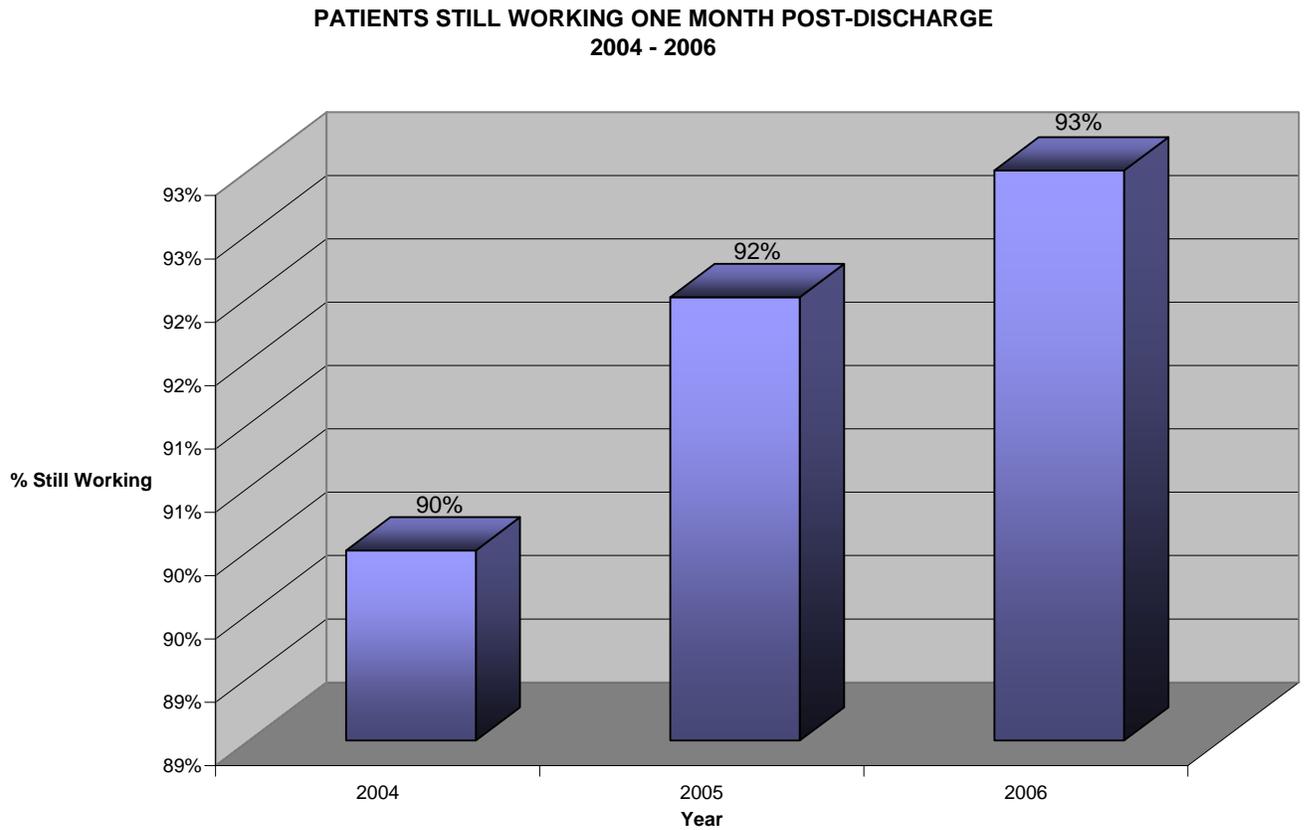
Graph 9

Graph 10 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 indicated, the Donley Center treatment program has consistently achieved excellent outcomes in returning injured patients to work. These outcomes become even more significant when examining our patient population. In 2006, over 41% of Donley Center patients admitted for treatment had been out of work due to their injury for longer than one year. Even with this chronic and subsequently more challenging to treat population, 67% of our patients who completed treatment returned to work and 70% of our patients achieved a return to work level of function (RTWL) in 2006.



Graph 10

Graph 11 compares the number of patients over the last three years who returned to work and remained working one month after completing their treatment program at the Donley Center. This data is based on the questionnaire responses received from these patients following their discharge from the Center.



Graph 11

IMPACT REPORT

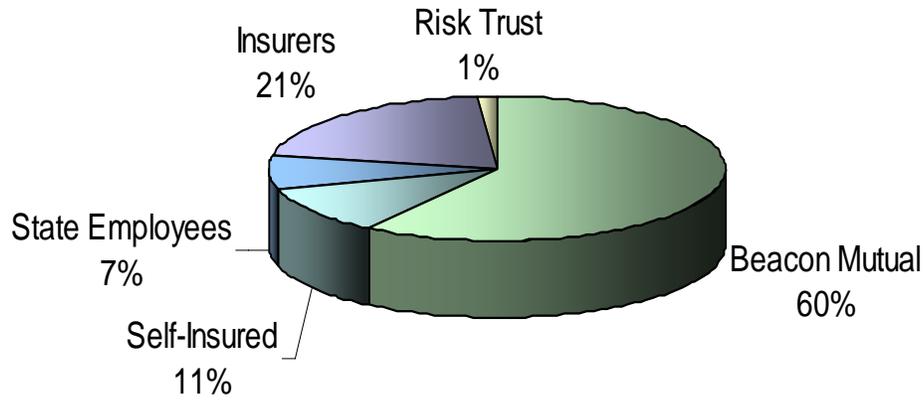
ESTIMATED SAVINGS REPORTS – 2006

Type of Insurer	Time Between Injury and Admission for All Injuries	Number of Injured Workers Returned to Work	Estimated Weeks of Indemnity Saved	Estimated Amount of Indemnity Saved
All Injuries	3 to 6 months	89	24,963	\$10,727,493
	6 months to 1 year	86	22,483	\$9,661,512
	Over 1 year	79	15,803	\$6,791,168
	Total for All Injuries	254	63,250	\$27,180,173
Beacon Mutual	3 to 6 months	56	15,642	\$6,721,994
	6 months to 1 year	49	12,722	\$5,467,183
	Over 1 year	45	9,214	\$3,959,328
	Total for Beacon Mutual	150	37,578	\$16,148,505
Self-Insured	3 to 6 months	8	2,234	\$960,014
	6 months to 1 year	9	2,434	\$1,045,773
	Over 1 year	12	2,447	\$1,051,543
	Total for Self-Insured	29	7,115	\$3,057,330
State Employees	3 to 6 months	8	2,273	\$976,772
	6 months to 1 year	5	1,305	\$560,917
	Over 1 year	6	1,049	\$450,660
	Total for State Employees	19	4,627	\$1,988,349
Insurers	3 to 6 months	14	3,986	\$1,713,082
	6 months to 1 year	23	6,022	\$2,587,639
	Over 1 year	15	3,055	\$1,312,939
	Total for Insurers	52	13,063	\$5,613,660
Interlocal Risk Trust	3 to 6 months	3	828	\$355,631
	6 months to 1 year	0	0	\$0
	Over 1 year	1	39	\$16,698
	Total for Trust	4	866	\$372,329

Graph 12

Graph 12 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 \$27,180,173.00 confirms the importance of returning the more chronic population to work. Not included in Graph 12 are patients who were admitted less than three months after their date of injury (DOI).

Distribution of Estimated Indemnity Saved



Graph 13

Graph 13 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