

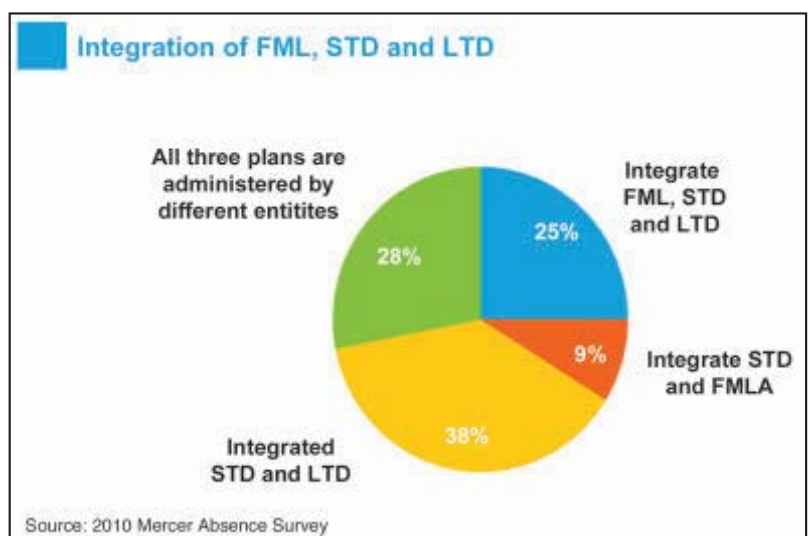


Selling an Integrated Approach to Absence and Disability Management

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A company's biggest asset is its employees. When employees are absent from work for medical reasons—whether it's a short-term disability leave, leave of absence (LOA) or unplanned sick day—it can be harmful to a company in more ways than one, including lost productivity and associated costs. Absence adds up, and each type carries a direct and indirect expense that will negatively affect a company's bottom line. One study showed that incidental and extended absences add up to 8.7% of payroll.¹

Finding ways to curb these issues are important to employers, making it equally critical for producers to better understand employee absence. Producers can identify integrated programs and services designed to address these issues and help employers reduce the cost and productivity impact of employee absences.



The majority of employers are integrating family medical leave, and short- and long-term disability leaves on some level.

There are four aspects of an absence and disability management program producers can talk with their clients about:

- Employee assistance programs
- Health advocacy solutions
- Job accommodations
- Absence management solutions

These elements can work in tandem with a company's existing workplace health program to create a finely tuned and holistic approach that can help employers save thousands in lost production and absence- and disability-related costs, as well as help retain and motivate top talent.

Here's a closer look at each key component:

Reaping the Benefits of Employee Assistance Programs

EAPs are valued by many employers because of their ability to help alleviate or prevent a variety of personal concerns—such as marital problems, anxiety or financial problems—from distracting employees at work and adversely impacting their productivity.

We have found the missing link between employees and EAP participation is often the placement of an onsite disability management consultant in the workplace, which is offered through our disability management program. Typically a nurse or vocational specialist, our onsite Workplace Possibilities consultant can guide an employee to his or her company's EAP to seek the appropriate counseling and help he or she needs to deal with personal or health concerns. The consultant also can follow up with the employee to ensure he or she is recovering properly to



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help increase the likelihood he or she has a healthy return to work, or never needs to leave work in the first place.

One story in particular demonstrates the value of this configuration. Soon after starting a new job, a man went on short-term disability leave to receive treatment for severe pain. A consultant contacted him to discuss his situation because his health was not improving. After reviewing his case further, the consultant considered that it might not be a physical problem but a mental health-related issue. The consultant suggested he contact his employer's EAP program to seek proper treatment. With the employee's permission, the consultant also contacted the employee's physician to see how he was responding to his new medication. With the consultant's help, the employee was back to work within a few weeks.

Alleviating Stressors with Health Advocacy

Distractions at work can take on various forms. An employee may be dealing with an issue outside of work (for example, a late medical bill) that is taking a toll on his or her well-being, which ultimately jeopardizes productivity while at work. These types of issues are part of life and cannot be controlled—but they can be managed with the right solutions in place.

As part of an absence and disability management program, health advocacy solutions can reduce these employee distractions by alleviating the stress and reduced productivity associated with employees navigating the healthcare system. Health advocates, who are typically registered nurses, act as an employee's personal navigator through the healthcare system. They can help employees with a range of challenges, including resolving insurance claims and paperwork issues, explaining health benefits or negotiating a bill. Anyone who has ever tried to understand a health plan or set up an appointment with a specialist knows how time-consuming these tasks can be.

Health advocates have the advantage of knowing the ins and outs of the healthcare system, as they deal with it daily. They have connections to resources (e.g., access to healthcare providers and services for assistance with eldercare issues or community, state or federally funded programs) and people in the industry that outside individuals (e.g., employees) do not have access to so, with their help, issues can be resolved much quicker and easier.

Also, health advocacy can cover not only the employee but also the employee's spouse, dependents, children, parents and parents-in-law. The employee not only receives the help he or she may need but also can be relieved of having to find care or resolving an issue for his or her loved one.

Health advocacy solutions can be a positive way to complement other programs geared toward employee health. It is another tool to keep employees productive and increase employee satisfaction by helping them cope with and relieve healthcare headaches.

Absence Prevention with Job Accommodations

Many times, a physical injury or mental health condition does not have to result in a disability absence or LOA. Every job—whether it is in an office setting or on a production floor—has opportunities to keep people on the job and reduce the risk of a leave/absence.

A job accommodation—whether it is an ergonomic solution or a schedule change—is meant to prevent or reduce the duration of a disability absence or LOA. It also can help prevent further injury.

This is another area where an onsite consultant can play an integral role. A job accommodation model can include an onsite consultant who takes a comprehensive view of the workplace and implements job accommodations where appropriate. These accommodations focus on the needs of the individual employee to enable them to stay at work or return to work quicker by removing barriers to productivity.

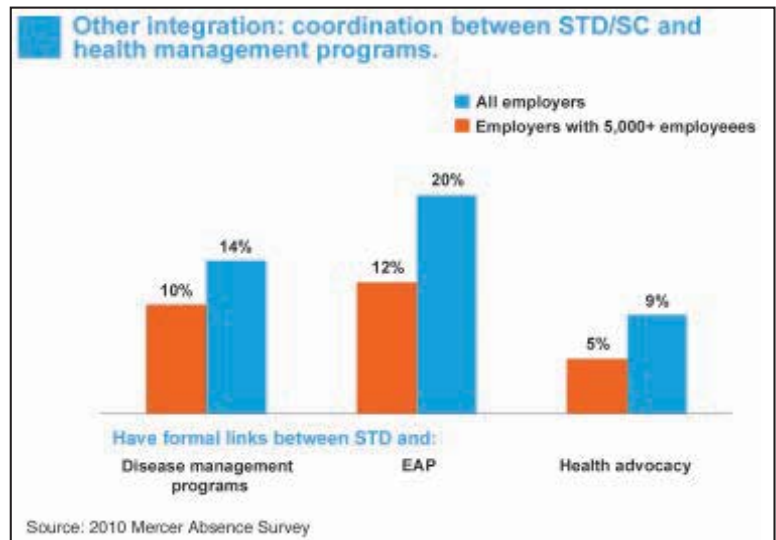
A real-life story can help producers illustrate what an integrated absence and disability management program can accomplish. At Schwan Food Company, an office worker in the company's headquarters struggled to get through her workday because of a disease that left her feeling chronically fatigued. She wrapped an old sweater around her chair to provide added cushion. The florescent lights in her office made her optic nerve flare up, stressing her eyes while she worked on the computer. The company's benefits department wanted to step in but needed assistance.

The company looked to its disability management provider for help. Our onsite Workplace Possibilities consultant helped fix the employee's desk space by purchasing a new ergonomic chair and keyboard. This made sitting for long periods of time in front of a computer a lot more comfortable and better for her posture. The company also installed full-spectrum lighting, which mimics natural daylight, to relax the employee's eyes.

Accommodations can enable employees to remain on the job safely and allow an individual to work at his or her full potential. Not only do employers save significantly on costs by avoiding or reducing the duration of a disability absence/LOA, the employee will feel like a valuable asset to the organization.

Tracking and Managing Disability and LOAs

Tracking and managing absences can be an immense undertaking, preventing HR from focusing on other critical responsibilities. HR departments must comply with ever-changing federal guidelines and state requirements, as well as complete labor-intensive processes that may involve multiple stakeholders and departments.



Employers of all sizes are turning to outsourcing to ease FMLA administration.

Intermittent leaves, for instance, have become a major pain point for employers because of the administrative burden and the productivity problems caused by some employees' use and abuse of intermittent leave. Despite the need to remain productive in today's economy, companies provide exceptions to the leave policies or special leave policies for specific circumstances. For example, certain provisions are offered around personal and medical leaves for employees to take unpaid time off without losing their jobs even when they've already exhausted their available leave time. This means significant productivity loss as well as high cost to support for employers.

Producers can connect their clients with a provider that takes a customer-focused approach to absence and disability management with a program that fully integrates the intake, management and reporting of various leaves including short-term disability, family medical leave and more. A provider that offers one platform for absences/leaves may offer other key benefits to simplify and ease the process, including:

- One single point of contact—telephonic and/or Web
- Disability and leave experts to assist with claims that may require further medical review and to help employees return to work faster
- A defined and thorough process for reporting, tracking and managing various leaves, including intermittent leaves
- A smooth and seamless integration to long-term disability

A comprehensive solution paired with a proactive approach to managing absence and leaves will allow for a seamless integration of disability and leaves. Additionally, it provides better tracking and managing of absence and leaves—all the while removing the burden of these tasks from HR.

Merging Together

All too often, employers take a piecemeal approach to managing absence and disability. That's where producers can help. By actively identifying, and offering, integrated programs that combine the four key fundamentals of absence and disability management, employers can improve productivity, reduce the cost and duration of absences and disability, and increase employee satisfaction. For producers, it's a double win—having these types of innovative solutions on your shelf will help attract and retain customers, as well as solidify customer relationships. **HIU**

1 Kronos/Mercer (2010). Survey on the Total Financial Impact of Employee Absences. Available at: <http://www.kronos.com/pr/unplanned-absence-costs-organizations-over-8-percent-of-payroll.aspx>. Accessed on March 15, 2012.

Outsourcing of FMLA has increased significantly over the past three years

Employer Size	2007	2010
All employers	14%	25%**
100–999 employees	5%	13%*
1,000–4,999 employees	11%	29%*
5,000 or more employees	25%	37%**
10,000 or more employees	24%	39%**

*More than doubled
**Up by 50% or more

Source: 2010 Mercer Absence Survey

Some employers are connecting short-term disability with health programs.

NOTEWORTHY

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Additional highlights of the survey include:

- Employees don't understand the reasons for disability that result in time away from work, underestimate the extent to which workers will miss work, and know little about group disability insurance, including the coverage they may currently have.
- Nearly twice as many employees think that injuries (66%), not illnesses (34%), keep employees from work for at least three months, but the large majority of all disability claims paid are for illnesses and health conditions.
- Employees think that 25% of those who become disabled and are unable to work for at least three months remain disabled for at least two years. In actuality, it's twice that. Half of the disabled workers who are out of work for three months remain disabled for more than two years.
- Only 13% of employees say they know "a lot" about group disability insurance, while just over one-third (35%) say they know only "a little." More than half (52%) say they know "not very much" or "nothing at all."
- Among employees who think they are covered, fewer than half say they know how much it costs (41%) or what the benefits are (47%), and little more than three-fifths (63%) say they know whether they "pay any or all of the monthly payments."
- Because employees strongly support the value of

group disability insurance for all employees and for themselves personally, it is not surprising that they support policies to increase its availability and quality.

- More than three-quarters of employees (76%) say it is a good idea for employers to automatically enroll employees in a disability insurance program that these employees could decline only at the outset and annually thereafter.
- When employees are informed that small employers are least likely to offer disability insurance, a large majority (71%) favor "the federal government providing these employers a one-time tax incentive to help them create a group disability insurance option."
- More than three-quarters (77%) favor the creation of "independent standards that were used to evaluate individual employer plans." Despite the ambiguity of the question—what are the standards and who creates and enforces them?—most employees said these standards are a good idea.

The CFA-Unum survey was administered by Opinion Research Corp. International (ORC) over three weekends in late March and early April this year by cell phone and landline. ORC interviewed 1,191 full- and part-time employees who are broadly representative of the population of all employees, then weighted the survey data to more exactly represent the characteristics of all employees. **HIU**