

The Future of Absence and Disability Management

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For years, companies have struggled with three major problems concerning employee absence and productivity. First, employers have trouble managing the several different types of absences, as well as disabilities. Second, many employers have solid disability management and return-to-work (RTW) programs in place for workers' compensation but not for short- and/or long-term disability. Third, they often lack the proper resources to improve employee health and productivity. To solve these problems, the future of absence and disability management can be summed up in one word: integration.

By combining several services and programs into one cohesive, proactive approach to improve productivity, employers can significantly reduce the duration, cost and impact of employee absence and disability.

In July 2010, the Integrated Benefits Institute (IBI) published a seminal paper that explored the relationships between the prevalence and impact of health-and-productivity practices on health-and-productivity outcomes.¹ IBI surveyed 450 employers about the prevalence and impact of 26 such practices. The polled employers gave a number of these practices "positive impact" scores. Three of these positively rated employer health-and-productivity-management practices will be discussed here.²

Three HPM Practices for The Future of Absence and Disability Management

1. **Transitional RTW.** It is best practice for employers to offer transitional RTW to any ill or injured employee with a non-occupational disability claim as long as the treating physician has provided restrictions within which the employee may function. This has been common practice for workers' compensation claims for many years.
2. **Nurse case management.** Nurses have a unique status in disability management. Treating physicians and their staff are more willing to discuss employee medical information with a nurse than they are with a non-medical person, even though both will have an authorization signed by the employee. Employees also are more willing to discuss their medical situations with a nurse or other medical/vocational specialist (e.g., vocational-rehabilitation specialist, occupational therapist) than they are with HR or a carrier-based claims examiner. Of the three positively rated practices discussed here, nurse case management was the only one of the 26 rated to positively impact three of the important HPM outcomes: sick-day/disability absences, medical/pharmacy costs and health-related lost productivity.
3. **On-site providers.** Employers are starting to see the value of having medical and pharmacy services available to their employees at the workplace. Employer-based, on-site medical clinics and pharmacies help employees receive treatment for conditions, some of which might result in an absence or disability. On-site occupational-health medical providers have long been a feature of some worksites and often are attractive to employers who want to improve employee health and productivity, as well as reduce time away from work.

Putting the Practices Together

In most workplaces, if these practices are in place, they are used individually or in a random manner but are often not connected to each other. A program using a model such as Workplace Possibilities -- The

Standard's proactive approach to helping keep employees at work and productive -- can bring these three practices together through the positioning of an on-site disability management professional in the workplace. This consultant is either a nurse or vocational specialist who becomes the "quarterback" for uniting the three practices into one holistic system that impacts health and productivity, and reduces the cost and impact of absence.

Conclusion

Operating these three practices together creates a powerful synergistic effect. Employers can achieve positive workplace impacts and hard-dollar savings in STD through the prevention or direct reduction of disability duration for employees served by programs such as Workplace Possibilities. In fact, in 2011, Workplace Possibilities saved participating employers \$4.7 million. These are direct costs, and the return on investment across the whole program was significant: For every \$1 spent, the employer saved \$1.66.3

Footnotes

1 The Impact of Employer Health and Productivity Management Practices, Integrated Benefits Institute (July 2010).

2 The Impact of Employer Health and Productivity Management Practices, Integrated Benefits Institute (July 2010, p.12).

3 Based on internal Workplace Possibilities program data (December 2011).

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