



The Return to Work Dividend: Protecting Productivity

Stay-at-Work and Back-to-Work Strategies: Lessons from the Private Sector

Testimony to the US Senate Committee on Health, Education, Labor and Pensions

Going back to work following a work disrupting injury, acute illness or chronic disease produces measurable benefits for the employee, the employer and the community in general. Individuals who are able to return to work in a safe and timely manner report greater financial and emotional well-being, reduced need for healthcare services and greater life satisfaction than those who do not return to work. Employers who offer return to work programs report less absenteeism and shorter times off work. Healthcare costs per employee are reported to be measurably reduced with the application of return to work programs. Investing in strategies to protect the productivity of the work force offers a clear return to work dividend for all involved. Evidence-based research highlights the conditions for an effective return to work program. Four building blocks serve as the foundation for an effective and sustainable return to work program: timely access, shared decision making, return to work planning supported by stay at work and return to work investments/incentives.

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*“...An important day in my life?
Easy! The day I returned to work. I was back to being a normal person”*

David K. Disabled Worker, 2011

The Return to Work Dividend: Protecting Productivity The essence of any return to work strategy is about protecting the long term employability and productivity of the individual. Productivity goes beyond completing certain tasks over time. Productivity contributes to a sense of achievement and mastery, as well as a tangible measure of personal worth. When an individual’s capacity to be engaged in productive activities is temporarily disrupted by an injury, illness or chronic disease, the individual, and those who support and benefit from his or her productivity are affected as well. How the individual, in concert with the employer, healthcare provider and insurance partners, responds to this disruption, influences the decision to stay at work, return to work or take a different path. Staying at work or returning to work is a process made up of a series of shared decisions, preferences, options and consequences influenced by specific values and judgments of those involved.

By any measure, stay at work (SAW) and return to work (RTW) are collaborative efforts by a number of stakeholders, each with a set of self interests and expectations. When these self interests and expectations are appropriately aligned, return to work success is highly likely. When the self interests compete, collide or take on an adversarial nature, the process is disrupted, delayed and becomes unnecessarily costly for all parties.

Debate continues regarding the value, effectiveness and best strategies of a stay at work or return to work program. This debate has sharpened with the current economic realities, emerging workforce patterns and health care cost trends. The economic viability of the Social Security Disability Insurance Program (SSDI) and the connections with the private disability insurance industry has become a critical part of the return to work equation.¹ Thoughtful innovation and collaboration are critical to meet this challenge. This testimony is guided by the following questions.

1. What value and impact do SAW/RTW programs have?
2. What SAW/RTW strategies work and why?
3. What are the benefits and limitations of disability insurance in protecting an individual’s productivity?
4. Why and how do employers encourage employees to continue to be productive with impairment?
5. What SAW/RTW strategies need to be developed over the next decade?

1.0 The Value and Impact of SAW/RTW Programs The SAW/RTW debate focuses on two core questions, 1. Do stay at work and return to work programs have an impact? And 2. If so, how can these programs be applied in the most effective and timely manner? The evidence is clear. Stay at work and return to work programs make a measurable, positive impact.² The challenge is in the commitment to and the timing of the applications. Research over the past 10 years supports the following conclusions.

1.1 Proactive RTW programs reduce lost time costs, increase employee satisfaction and benefit the employer. ^{2,3}

- Significant decreases in absenteeism and workers compensation claims can result when RTW programs are integrated in health and wellness strategies: e.g. 28% decline in absenteeism and 30% decline in WC/disability claim costs.
- Employees who are satisfied with their employer's response to injury or illness return to work 50% faster with 54% lower cost .
- A study of California employers showed that formal RTW programs led to a 3-4 week reduction (from 9 weeks to 6.2 weeks) in time to RTW for injured employees and demonstrated that reduction in time to RTW (beyond just 1.4 weeks for lower-wage workers employed by large firm) can lead to a net savings for the employer.

1.2 Multiple factors independent of an underlying medical condition influence return to work and supportive work environments facilitate successful and sustained RTW. ^{4,5,6,7,8}

- Supportive work environments are highly predictive of successful RTW. Workers in highly supportive organizations are 4 times more likely to successfully function at work after returning to work.
- Employers with Employee Assistance Programs (EAP) average 21% lower absenteeism rates and 14% higher productivity (Harte et al. 2011 cite 24) and employees who use EAP on disability return to work an average of 14.5 days sooner.
- Developing a suite of RTW "Best Practices" such as developing formal, written policies and procedures that apply across the organization creates a consistent and cohesive SAW/RTW framework.
- When opportunities for transitional work or light duty assignments are available, disabled individuals are twice as likely to successfully resume work following an injury

2.0 What Strategies Work and Why? Recognizing the real and potential barriers to a return to work program is critical. Correspondingly, understanding the conditions that support a timely return to work is also valuable. The following evidence-based indicators offer the RTW developer, along with corporate executives and public policy leaders a blueprint to building effective programs. ^{9,10,11}

2.1 What Increases the likelihood of going back to work? The following factors improve RTW outcomes.

- The worker's belief in a high probability of returning to work
- Flexible employee benefits that support continued work with an impairment
- Ability to cope with change and multiple stressors
- Non hostile work environment
- Timely application (within the first 30 days of an injury or illness) of return to work programs

Flexible employer policies, management style and a non-hostile work environment appear to be the top indicators for increasing the likelihood of a safe and timely return to work.

2.2 What Reduces the Likelihood of Going Back to Work? Substantial evidence indicates the lack of success in returning to work does not result exclusively from the actual medical problem. Rather, a constellation of common psychosocial and bureaugenic (corporate practices and benefits) factors sabotage the return to work effort.

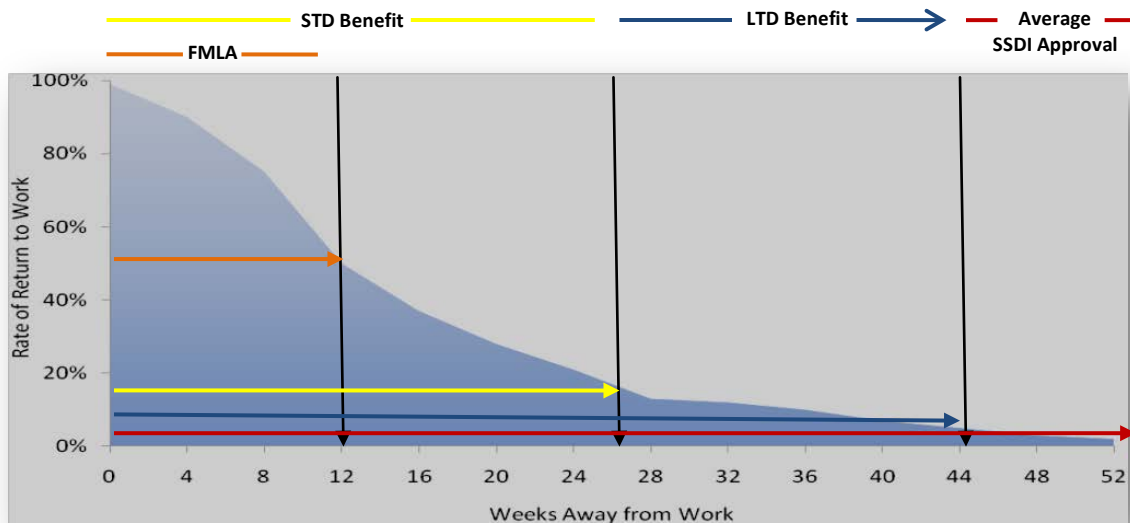
These factors include:

- Low value of work, negative work environment, low job satisfaction
- A belief that recovery to previous work function is unlikely
- Presence of multiple impairments, poor medical outcomes
- Greater psychological stress, multiple life disruptions
- Receiving injury compensation with low economic status
- Distrust of employer and/or insurance provider by the disabled individual
- Delayed return to work planning efforts (> 30 days after injury or illness)

3.0 Disability Insurance and Return to Work: Disability insurance (DI) is a crucial part of the financial safety net for individuals who are impaired and unable to work. Disability insurers are critical players in the stay at work and return to work process. The DI products and the accompanying services are built upon: 1. Eligibility for the benefit, 2. Meeting a legal definition of disability and 3. Subscribing to underwriting - risk management principles. Disability insurance is not an entitlement program, but an income replacement benefit to individuals who are unable to work and are covered under a negotiated contract, employee benefit plan or state or federal legislation.

Disability insurance and efforts to maintain a person at work or returning a person to work are not natural partners. In their purest applications, there are competing self interests among the insurer, the claimant and the employer policy holder. Risk management, which is an integral part of any insurance program, creates substantial barriers to mitigating the impact of the impairment. Figure 1 illustrates RTW rates aligned with various benefit plan time lines.¹¹

Figure 1 Estimated Percentage Rate of Return by Time



Once Individuals enter into an adversarial relationship with the employer and the insurer, they must commit significant time, energy and resources in proving that they are unable to work. The likelihood of these individuals returning to work in any reasonable time is extremely low. The disability insurer needs to offer a business model that reduces the competing interests. Private disability insurance carriers have done this. The public SSDI program has not.

The SSDI program reports RTW rates of less than 10%. Private disability insurers report RTW rates of 60% to 80% for short term disability (< 6 months off work). For long term disability claims (greater than 6 months off work) private disability insurers report an estimated 20% to 25% RTW rate depending on the impairment type. It is clear that private disability insurers are more successful in supporting a safe and timely return to work. There are four specific reasons for the differences. They are:

1. Early access to the claimant and employer
2. Incentives to provide return to work services
3. A measurable investment in dedicated RTW programs run by skilled RTW professionals
4. The provision of stay at work (SAW) and return to work (RTW) incentives to both the employer and the disabled person.

Table 1 presents the key elements that produce the differences in return to work outcomes.

Table 1 Contributing Factors to RTW Outcomes

Factor	Private Disability Insurer	Public Disability Insurer (SSDI)
Access to Claimant & Employer	<ul style="list-style-type: none"> • Contact with claimant within days of filing of claim • Claims adjudication process is completed within 5 to 7 days • RTW expectations defined early or prior to claim filing • Employer fully engaged 	<ul style="list-style-type: none"> • Six month time off work to be eligible • High initial non approval rate (65%) • One year wait for an appeals hearing • Employer unlikely to be involved at time of claim filing and beyond
Incentive to provide RTW Services	<ul style="list-style-type: none"> • Insurer receives measurable benefits with a successful return to work such as: reduced claims costs, reduced reserves and a satisfied corporate customer 	<ul style="list-style-type: none"> • No financial incentive to return the individual to work. • Any cost savings are not redirected to the SSA or the Trust Fund
Dedicated RTW Services	<ul style="list-style-type: none"> • Insurer invests in dedicated return to work services with defined responsibilities and measurable accountability 	<ul style="list-style-type: none"> • No dedicated RTW resources • May apply private RTW contractors or state vocational rehabilitation
Provide Stay at work (SAW) And Return to Work (RTW) Benefits	<ul style="list-style-type: none"> • Insurer Includes additional cash benefit for claimant – Partial awards • Able to cover work site accommodations 	<ul style="list-style-type: none"> • Various benefit and health care protection to the claimant for participating in the RTW process

4.0 Why Do Employer's Use Return to Work Programs? The Burton Blatt Institute (BBI) at Syracuse University, in concert with its Employer Research Consortium (ERC), is currently engaged in a unique exploration of the decision making of employers in applying return to work programs. Preliminary findings from the National Study on Employers' RTW Policies and Practices¹² found in a sample of 172 employers that 44% of respondents reported offering a formal return to work program. Forty three percent (43 %) reported offering an informal return to work program. The remaining employers (13%) reported offering neither formal nor informal return to work programs or services. Preliminary findings from this exploratory study offer interesting insights to employer practices. For example:

4.1 Why Have a RTW Program? One of the principle research questions of the RTW Survey was "Why does your organization have a formal return to work program?" The top five responses were:

1. Was the right thing to do
2. Made good economic sense for the organization
3. Needed to reduce lost time
4. Considered RTW services to be a best practice for their HR programs
5. Part of overall corporate strategy to control medical and lost time costs

The top five responses to the question, "Why do you have an informal return to work program" were:

1. Was the simplest to implement
2. Offers more flexibility
3. Lacks internal resources to implement a formal program
4. A formal program was determined not to be necessary to achieve RTW goals
5. Formal programs not required by state or Federal regulations

The top five reasons offered as to why employers did not offer a return to work program were:

1. Lost time is not an issue, managing lost time not a priority
2. Too many competing interests along with too many operational sites
3. Any changes made in the organization take time and are complicated
4. No internal champion to move program forward
5. Tied - No light duty jobs available Not required by state or Federal regulations

The early conclusions of the National Study on Employer RTW Policies and Practices suggest:

- 65% to 70% of participating employers reported lost time and the associated costs to be a significant, ongoing issue for the organization.
- 87% of participating employers consider return to work programs as valuable elements of their efforts to control lost time and reduce the associated costs.
- The primary reasons for implementing a formal or informal program were: 1. it was the right thing to do and 2. resulted in reduced lost time along with a reduction in the associated costs.

4.2 RTW Program Elements: The BBI/Syracuse National RTW study identified the following strategies to be essential parts of an employers' support for a safe and timely continuation or resumption of work.

Essential Strategies

- Transitional work – incremental resumption of work tasks during a well defined time frame
- Limited light duty assignments to maintain safe work function during periods of impairment
- Written RTW policies that define the RTW process with specific guidelines and accountabilities
- Work site accommodations applied to protect against lost function

Commonly Used Strategies

- Use of individual RTW plan
- Work conditioning programs to increase work capacity during transitions – Ergonomic assessments
- Designated RTW Coordinator
- Supervisor education about RTW policies and practices

Less Commonly Used Strategies

- Transitional work fund
- Behavioral health assessments
- Physician education
- On site medical unit

5.0 Blueprint for the “2020” Work force The following SAW/RTW Program Blueprint offers employers, public and private disability insurers, healthcare providers, as well as public policy developers a RTW Development strategy to meet the demands of the American work force over the next decade.

5.1 Investment vs. Entitlement. To achieve RTW dividend tangible investments need to be made. Developing turn to work strategies is an investment in protecting the productivity of the worker. Investments by all key stakeholders are required. For example:

- **Employers** who invest in SAW/RTW policies and practices create a health and productivity (H & P) culture that: 1. Addresses job performance issues prior to a lost time event; 2. Creates flexible policies and work place benefits that respond to emerging health related impairments; 3. Communicates that a return to work is expected and 4. Guides the employee in how to stay at work or return to work in a safe and timely manner through a fair and consistent process.
- **Disability & Health Insurers** who invest in a fair and timely adjudication of lost time claims, as well as offer targeted employer incentives protect the employee’s productivity. The disability insurer who invests in a dedicated RTW planning and coaching service supports clear pathways back to work. The healthcare insurer invests with incentives for participating physicians to include return to work planning as part of the treatment plan.
- **Employees** who invest their time and energy to become fully engaged in the treatment plan and return to work planning provides the answer to the basic RTW question, “Who is accountable for helping the individual back to work? One person! The disabled employee needs to be accountable for solving his or her health and productivity predicament. Guidance and support need to be readily available for those who become stuck.
- **Healthcare providers** are placed as the primary advocate and RTW gatekeeper for the disabled worker. The medical community must invest time and talent to participate in a shared decision making process. Shared decision making introduces evidence based medical practices with return to work options, preferences and likely consequences into the treatment plan. The physician moves from an advocate or adversary to become a true SAW/RTW partner.

5.2 Understand the nature and scope of the “2020” work force Developing SAW and RTW strategies is based on the nature of the target work force over the next decade. The “2020” workforce offers:

- **Scope** Forty percent (40%) of Americans who are 55 or older were in the workforce in 2011 ⁷
- **Expectations** Seventy four percent (74%) of respondents in a Wells Fargo survey ¹³ expect to work in their retirement years; 47% say they will do “similar work” to their pre-retired years
- **Critical Work Group** Female labor force participation is increasing: 68% of women 55-59 worked in 2011 as compared to 48% in 1975. Women between the ages of 40 and 60 will be the largest single worker cohort in the American work force over the next decade. ¹⁵

- **Epidemiology** Almost 50% of Americans have one chronic health condition and of this group, nearly half have multiple chronic conditions⁷

5.3 Move to a Health and Productivity RTW Model Returning to work or staying at work with impairment involves a series of decisions directed by personal values, judgment, and the capacity to solve the health and productivity predicament facing the individual. The current disability insurance risk management model applied by both public and private disability insurers does not recognize this. This model works in absolutes, that is, medical evidence determines whether or not you are disabled. Unfortunately, disability is subjective and depends on factors other than medical evidence. The risk management model offers limited interest in, time or capacity to help the individual develop or regain work function.

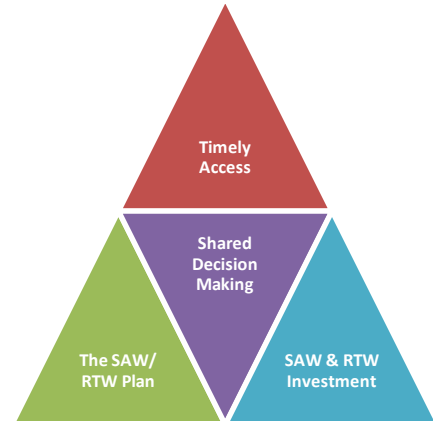


Figure 2 H & P RTW Model

The Health and Productivity RTW model (Figure 2) recognizes the realities of the various contributors as to why a person is unable to work. More importantly, it recognizes the strategies that can be applied in a timely fashion (e.g. prior to the lost time event) to increase the likelihood of a person staying at work or returning to work. The principle elements of the Health and Productivity (H&P) RTW Model and their public and corporate policy implications are:

5.3a Timely Access Individuals appear to make return to work decisions near the onset of the disabling event, onset of symptoms and diagnosis. These decisions are often made based on current events or conditions at work and in their social/family environment, often supported by incomplete/inaccurate information.

- RTW expectations can be made at the time of hire, during safety and benefits meetings, integrated into labor management agreements and wellness/risk reduction programs.
- Timely access creates opportunities to identify and develop the skills the individual will need to engage in the stay at work or return to work process.
- Early access creates the opportunity to recognize and mitigate job performance and employee or labor relation issues that are cloaked as health and disability problems.

Public and Corporate Policy Implications:

- Short term disability Insurance benefits with the companion return to work planning resources become linked or made part of public DI programs to insure early access.
- The Public Disability Insurance (SSDI) program needs to connect with employers in a way that creates a measurable economic incentive for the employer to support the employee at work or enable the individual to return to work in a timely fashion.

5.3b Shared Decision Making Returning to work is a series of decisions made by the employer, employee and the participating healthcare and disability insurance partners. Applying a shared decision making model offers the opportunity to apply accurate information efficiently across the participating stakeholders. Clear options, preferences and most importantly, consequences are defined.

- Public/Private Disability Insurers and medical providers who invest in developing a shared decision making model link the key participants in an informed decision making process.
- Evidence based RTW strategies should be included in the decision making process defining the most likely approaches that support a stay at work or return to work effort.
- Appropriate assessment tools should be used to identify the individual employee's strengths, capacity for good judgment and decision making as well potential psycho-social barriers to the return to work process.

Public or Corporate Policy Implications:

- Support research into the applications of shared decision making as part of the disability claims and return to work process.
- Shared decision making strategies are embedded in the employer and insurer's health and productivity management programs.

5.3c SAW/RTW Planning There are three elements to a formal RTW plan: Clarity, Simplicity and Integration.

- **Clarity** - Ambiguity is a friend only to those who may have a different agenda than going back to work following an injury or illness. Creating an unambiguous RTW plan offers clear expectations and direction.
- **Simplicity** - Individuals who have difficulty returning to work may have limited capacity or knowledge to navigate the SAW/RTW process. The RTW Plan creates the "How", a road map to stay or go back to work. The RTW plan offers all stakeholders clear direction with a reasonable, but flexible time table.
- **Integration** The RTW Plan integrates the treatment plan with the RTW options. The attending physician can accurately calibrate the success of the treatment plan and make appropriate adjustments in the intensity and direction of the care.

Public or Corporate Policy Implications:

- A return to work plan needs to be incorporated as a "best practice" by employers, disability insurers and healthcare providers as the guide to develop and support any RTW decisions.
- Specific skill development programs for RTW planners/coaches are recommended in dealing with and managing ambivalence and resistance to going back to work.

5.3d SAW/RTW Incentives Common sense strategies can include various incentives to protect productivity.

Public or Corporate Policy Implications:

- Employers should require a demonstration of SAW/RTW programming as they select health and disability insurance programs for their employees.
- Federal contractors should demonstrate clear SAW and RTW practices around recruitment, retention and promotion of people with disabilities under Section 503 of the Rehabilitation Act.

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