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Advancing Disability Management

March 01, 2008 | Christine Potvin

As disability management becomes more complex, plan sponsors should consider a global approach to preventing absence and returning ill or injured employees to the workplace sooner.

More than ever, employee disability and absence is having a direct and adverse impact on the well-being and health of organizations. According to the 2007 Watson Wyatt *Staying@Work* survey, Canadian organizations are spending an average of more than \$10.5 million a year in total absence claims.

At the same time, absence and disability management—be it casual, short-term or long-term—is becoming more complex. And the nature of employee disabilities, both occupational and non-occupational, has changed. Employers today are facing a range of disabilities that they didn't have to deal with in the past.

Mental health issues, which are often difficult to manage, are on the rise. The *Staying@Work* report found that mental health issues are the leading cause of both long- and short-term disability claims. In addition, employers are seeing an increase in the duration and severity of musculoskeletal disabilities.

About four million Canadians age 15 and older are currently affected by a long-term musculoskeletal condition, and the prevalence of these conditions is expected to increase sharply over the next 20 years.

Beyond these challenges, employers are facing increased disability claims experience and higher health costs, due to factors such as the aging population, lifestyle choices leading to illnesses earlier in life, and global economic pressures to improve productivity. Issues such as privacy protection and the legal duty to accommodate employees with disabilities further complicate the landscape.

Faced with these realities, traditional disability management is no longer sufficient, and plan sponsors are looking for new and better solutions. In the past, we have seen a silo approach, in which casual absences, short- and long-term disability and workers' compensation cases have all been managed in isolation.

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Any progress or cost savings realized in one silo often ended up in another silo. An employer that focused on reducing workers' compensation claims, for instance, might have seen its non-occupational claims start to climb.

As the nature and complexity of disability changes, global and integrated absence management is the natural evolution of disability management. With a global approach, all components of the disability management continuum—prevention and wellness services, attendance support, casual absence, short- and long-term disability, occupational absence management, education and training, and employee and manager assistance programs—are addressed in concert. Everyone involved in the disability management process works together in a cohesive manner, ensuring that there is a common understanding of the condition and the objectives.

Putting it Down on Paper

The first and most important step in a global approach to disability management is developing a clear written policy and program to formalize and facilitate the integration of all of these parts. The policy should define the purpose and objectives of the absence management program, outline the roles and responsibilities, eligibility and return-to-work processes, and describe how the policy aligns the organization's compensation and benefits. It's also crucial that the policy has buy-in from senior management, and that the policy is communicated clearly throughout the organization. Otherwise, an employer may find that the policy and program aren't being applied by managers because they're not sure what they entail.

Filling in the Disability Gaps

By focusing on the big picture, global absence management can help address absence and disability issues that are often left unaddressed with a traditional approach. One area where a global approach is particularly helpful—and where traditional disability management has fallen down—is casual absences, which account for approximately 25% of all absence claims, according to the Watson Wyatt survey. These are characterized by employees who are often absent for numerous—but not consecutive—days throughout the year. While the absences are frequent, they do not qualify as either short- or long-term disabilities under a traditional model, and employees who are experiencing problems could fall through the cracks. A global absence management strategy can help avoid this.

For example, a manager trained to recognize patterns in employee behaviour notes that an employee is absent every second Monday. The manager contacts the insurance company, which then makes contact with the employee. The insurer discovers that the employee has an alcohol abuse problem, which is most pronounced on the weekends that fall after paydays. The insurance company intervenes and guides the employee to seek support through an Employee Assistance Program (EAP), thus avoiding a potentially complicated disability case.

So, with a global approach, cases are addressed early on in the absence cycle. Not only does this provide support for the manager, but it also lessens the impact that frequent absences can have on the workforce as a whole. This approach allows the employer to validate the absence, then manage it through activities and resources that are adapted to the worker's needs and that improve his or her access to quality care. A global approach can also help uncover absences relating to administrative rather than medical problems, thus allowing the employer to address the issue with the employee.

Complementary Services

One key component of a global approach to disability management is training and education—in particular, training the front-line managers who are in the best position to have an impact on absence and disability issues. These are the managers who are in direct contact with both the decision-makers and the employees, and who are increasingly called upon to observe employee behaviour, to look for danger signs and, at times, to intervene. Training for these managers can involve demystifying mental health issues, as well as educating them on health and wellness programs and work/life balance. The relatively low cost of providing first-level management with this tool box of soft skills can translate into huge savings in disability benefits further down the line.

These initiatives go hand in hand with the fast-growing collection of preventive tools that are available for employers and employees. Online health and wellness centres and related material can help empower employees to act on their own behalf as they look to remain healthy. EAPs have come to the forefront as employers seek outside help to keep their workforce happy and balanced. Manager Assistance Programs are also available, which can be offered with a long-term disability benefit and which can help managers cope with the demands of their workforce. These programs offer managers coaching and training on recognizing problem signs and intervening in potentially delicate situations while keeping an employee's confidentiality and privacy intact.

More hands-on prevention tools include early intervention services and trend analyses. Attendance support services involve going into the workforce and inspecting a worker's environment to check for any potential causes of injury or illness. This can mean offering an ergonomic assessment to one employee or providing medical screening for an entire organization. It can also involve giving support to an employer with an employee who already has a health situation that can be aggravated by his or her usual tasks.

Return-to-work Programs

When a disability is unavoidable, a global approach can help to manage the length of the disability. There has been a recent shift in disability management from a medical model, which focuses on the diagnosis, to a functional-ability model, which focuses on the employee's abilities. The functional model requires a team approach to case management. The case manager's job is to bring together all parties with a stake in the employee's health and work absence, and to ensure that everyone has a common understanding of the big picture, including the employee's abilities and what his or her work responsibilities entail. The key is to intervene early and to communicate with all those involved in an open and inclusive manner.

Regardless of the cause of a disability, a smooth and timely return to work depends on the complex interaction of many factors—biological (medical status, physical capacity), psychological (fear, anxiety) and social (work environment, family and relationships). And it requires collaboration with all parties, including the employee's physician, in establishing a return-to-work plan that respects the patient's functional limitations and focuses on his or her abilities to accelerate the return to the workplace.

A global approach to disability management should also take into account and address issues surrounding worker's compensation claims—an area where many employers feel out of their depth. Employers should work with service providers to understand an employee's claim and to meet the return-to-work obligations. The provider could also help identify inconsistencies in claims and provide tools and expertise when an employer wants to contest a claim.

Just as the nature of disabilities has changed, so the approach to managing those disabilities is changing. Employers are looking for a global approach to preventing absence and disability, and addressing them as soon as they occur. And they are turning to their service providers for the resources, services and tools required to make it happen.

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