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The Top 10 Signs That Your Disability Management Program Needs an

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If these signs seem familiar, your company is probably spending much more than necessary on disability.

In today's competitive market, businesses can't afford anything short of a fully productive work force. When workers are out of work due to a disability, the corporate impact is significant. Direct and indirect absences, which add up to nearly 18 percent of payroll costs, are forcing many employers to seriously think about their current disability management programs. Whether your program requires a slight nip and tuck to help boost productivity, or a complete redesign to better suit your disability strategy, here are some clear-cut signals that change is needed:

1. Employees generally wait a week or more before reporting a disability.

Although a week doesn't seem like a long time, (especially when you're on vacation), waiting this long to report a disability can dramatically impact an employee's time away from work. For example, recent research by CIGNA Group Insurance found that employers whose short-term disability claims were reported within seven days of when a disability began, experienced short-term disability durations that averaged 10 days less than those of employers whose claims were reported an average of 15 days or more after the day of disability.

Early claim-reporting is an important and often overlooked step of the return-to-work process. Prompt reporting of a disability claim gives disability case managers more time to work with the employee's treating physician on the best case management approach, and more time to collaborate with the employee and employer to arrange a suitable transition back to the workplace.

2. There's no apparent "return" on your return-to-work program.

One of the most effective tools in disability management is a strong return-to-work program. By bringing disabled employees quickly and safely back to work, employers can greatly minimize the costs of disability.

Contingency planning, which establishes return-to-work options even before claims are filed, should be an important piece of any program. This includes developing a comprehensive database of full-time jobs and transitional positions that match workers' functional capabilities. Such a database allows case managers to begin return-to-work efforts the first day an employee reports a disability. Equally important are processes that help keep employees on the job once they are returned to the work force. There is no long-term benefit of bringing an employee back to work, only to have them back on disability because of poor transitional or return-to-work planning.

Your program should also have sophisticated triggers that identify those disabled

workers who could benefit from case management. Examples of triggers include anticipated length of disability and treatment plans. Without these triggers, workers can easily languish on workers' compensation or long-term disability, further escalating costs.

3. Transitional return-to-work duties are rarely explored or pursued by disabled employees.

This is a common, yet serious issue. Many managers feel that transitional work assignments are pointless, designed simply to get employees off disability claim, and don't result in valuable contributions to the business. When designed appropriately, this is far from true. Productive transitional work assignments are both possible and necessary in a good disability management program. The goal is to move employees as appropriate from part-time or transitional work to full-time employment, as they are recovering and able to take on more responsibilities.

Managers must be made aware of these viable job alternatives, and encourage ill or injured workers to take advantage of them. Likewise, employees should know about, and be motivated to take on, transitional or accommodated work assignments.

4. Supervisors and/or human resource managers don't do enough to communicate with disabled employees.

Clear and timely communication is key in creating more responsible and empowered employees; it can also save your company money. Past Intracorp research shows that employees away from work on disability were more likely to return to work if they felt that their communication needs were met and if they were satisfied with how they were treated by their employer while out.[1] These individuals were also less likely to talk to a lawyer about a disability issue.

Employee information needs are highest at the time of injury, and when they are preparing to return to work. Employers can respond to this by tailoring benefit materials to meet the information needs of a diverse audience, and by training frontline managers to initiate earlier and more frequent contact during employees' disabilities. They can also gain a better understanding of, and address, the issues which disabled employees are most concerned about, such as their finances, health condition and/or job security.

5. Employers don't communicate enough or effectively with medical providers; employees think that an "occupational provider" is someone who offers them a job.

All kidding aside, this may indicate employees' low awareness of, or lack of interest in, seeing a provider that specializes in occupational medicine. Employees need to know who these providers are and understand how their expertise can help them recover and get back to work.

In a survey last year, for example, the Integrated Benefits Institute found that most physicians believe that return-to-work is therapeutic and have a good understanding of their patients' job and work requirements. However, the survey also found employers and physicians rarely communicate with each other about return-to-work solutions an area that is ripe for improvement. Providers also said that employers should be more involved in offering transitional work and assuring that work restrictions are honored.

6. You don't know how your investments in disability management impact

your bottom line.

This is a clear indicator that your disability management program is falling short of achieving the outcomes that matter most to you. Your program may be succeeding in some areas, but perhaps not in those with the greatest impact on costs. One explanation for this might be that you have failed to establish outcome metrics and/or are not tracking those results carefully enough.

There are many ways that disability outcomes are measured, such as claims durations, return-to-work results and medical cost savings. Be sure you are tracking and measuring the standards that are most important to your business, and that you are being measured against appropriate benchmarks. It is important that your program have clear goals and that you are receiving regular performance reports from your disability management company. And most important, hold your program to its commitments.

7. Your medical costs are escalating as employees continually seek out-of-network providers.

A disability management program that doesn't offer access to a wide choice of network providers, lacks occupational specialists, and fails to have an effective return-to-work program, won't provide the depth of coverage or the scope of savings that most companies require. A best practice is a network portfolio that includes contracts with multiple, best-in-class national, regional and specialty networks. In addition, providers should be fluent in the language of your workers to ensure that they fully understand and adhere to treatment plans. This diversification provides broader choices for employees, and optimizes coverage for employers based on their claims history, utilization patterns, jurisdictional locations and other factors.

8. Your program's design is "one size fits all" and doesn't consider unique jurisdictional or geographic requirements and treatment variances.

Large employers with multiple locations often struggle with how to best manage treatment, utilization patterns and fee schedules that vary widely from state to state. According to a Workers' Compensation Research Institute analysis of data on claims with more than 7 days lost time, average medical costs per injury range from approximately $3,000 in Massachusetts to nearly $8,000 in Texas.2 A disability management provider that understands unique state requirements and can address these issues through targeted case management or utilization review, for instance, can greatly impact losses. For example, in Florida, where high hospital costs are a key driver, case managers might focus more aggressively on finding ways to minimize hospital stays, such as looking for outpatient care.

9. Your disability program does not have, nor is planning to incorporate, other benefits, such as workers' compensation and health care into its disability management programs.

Many risk and benefits managers recognize the value of an integrated approach to managing work and non-work-related disabilities and health care, even if they are years away from actually integrating these programs. An Integrated Benefits Institute survey of 800 companies showed that employers expect integrated benefits to produce cost savings.Finding a disability management program that can offer a single system for reporting claims, a common return-to-work platform, and the ability to combine disability, workers' compensation and group health benefits will be essential if your company plans to move down the path toward integration.

10. Your disability management partner only calls to sell you new products, and rarely asks about your satisfaction with existing programs.

The bottom line is this: if your disability company doesn't have your best interests at heart, then perhaps you need to find one that does. If your business is growing and moving into new markets and/or industries, you'll need a disability partner that can offer more than new products, that knows your business as well as you do and can anticipate and plan for future workplace trends that will impact your results.

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1 "The Disability Experience: What Helps and Hinders Work," Intracorp-sponsored study by the Gallup Organization, February 2001

2 "The Anatomy of Workers' Compensation Medical Costs and Utilization: Trends and Interstate Comparisons, 1996-1999," (Cambridge, Mass: Workers' Compensation Research Institute, WC-02-1, February 2002)

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