

Employer Considerations for Return to Work Programs

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Since the late 1980's, businesses have focused much attention on controlling the costs associated with ill or injured individuals. Initial programs were directed at medical costs in the workers' compensation arena as an outgrowth of insurers looking at past claims to help determine the level of premium (experience rating). Medical cost control was a logical choice for early programs since it represented a discrete block of expenditures with potential for negotiating fixed price contracts and other discounting efforts.

After several years, most companies recognized that many of the same programs could also yield financial benefits when applied to individuals experiencing non-occupational illness or injury. Initially, the focus was on minimizing expenditures for medical tests and procedures, with a secondary effort directed at returning the individual to some type of gainful activity as soon as possible.

Over this same period, the landscape of health care provision in the United States was being altered in a dramatic fashion with the implementation of payer-controlled (managed care) reimbursement programs. This change in focus of medical activities, from the "do everything you think is possibly needed" to the "do only those things where you can justify a need" approach has facilitated expenditure controls in many situations. This shift of mindset on the part of health care providers has been of benefit to cost containment, one of the original case management goals. However, we should remember that there are financial and peer incentives woven into managed care programs that can lead to health care providers being reluctant to provide more expeditious (and more expensive) courses of evaluation and treatment.

Many individuals will question the concern over avoiding costlier interventions, remarking that the reluctance drives reliance on established and less costly interventions, an intended goal of managed care's cost reduction efforts. Despite this kernel of truth in the cost reduction argument, we must be vigilant that the actions taken in regard to the ill or injured individual are consistent with the desired outcome of providing high quality care without unnecessary expenditure.

From the perspective of an employer, the desired outcome usually depends on control of direct costs as well as minimization of indirect costs through timely return to work. Over time, the avoidance of indirect costs has increased in importance in the business community due to many factors, of which the growth

of a specialized workforce and the cost of maintaining business output through replacement workers is a major consideration. In all cases, an employer's level of effort in pursuing the desired outcome should be based on sound business reasoning. Each business must establish its own priorities in dealing with individuals absent from work due to illness or injury. To do so, decisions regarding the level of intervention, if any, must be made using readily available information. Examples of information to be included in the absence management decision process are:

- How critical is this individual to our operation? Can their tasks go undone without significant impact upon our overall operations?
- What is the potential effect of their medical costs on our health care or workers' compensation premiums, assuming that they have an average cost of care for their diagnosis?
- How much does it cost the business to sustain this individual (indemnity payments, insurance coverage) while he or she is absent?
- Is there something that can be done to influence favorably the course of treatment or ultimate outcome?

Once compiled, the business case for managing, or not managing, the individual's absence and medical costs can be established. Potential benefits from this approach include freeing up time to work on high impact cases as well as being able to apply a particular business case decision to all employees within a particular job classification who experience a common medical event.

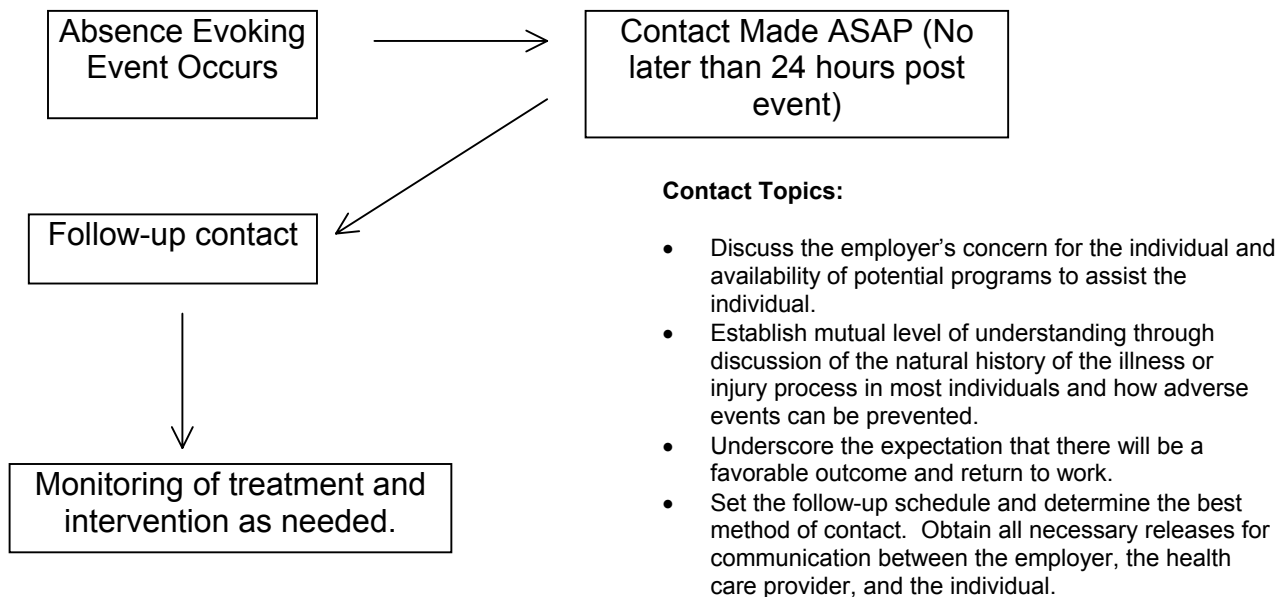
Even though this evaluative process appears to favor only the high impact cases, the reality is that success with such cases can result in modification of organizational thought and subsequent approval to apply the absence management concept as the organizational standard.

Although the approach must be customized to meet business and individual needs, an organization adopting the absence management process is best served through ensuring that certain core principles are applied. Basic principles include:

- Any individual needing evaluation or treatment should receive this immediately. All other efforts should be subordinate to the health and safety of the individual.

- Communication of the program, its goals, and benefits must be made to all involved parties. Senior management and employee representatives comprise the first tier of communication, with subsequent responsibility on the part of these groups to support and promote the program actively.
- Clear lines of employer and individual responsibility must be established as early as possible, with all parties taking ownership of their defined roles. At no time should one party be portrayed as less valuable in the process.
- Linkage between affected employees and the workplace must be maintained. To maintain their sense of being a valued part of the business team, ill or injured employees should be afforded the same consideration as other workers in regard to worksite issues and changes.
- The program should focus on ensuring the best possible care for the individual, with an expectation from the beginning that there will be safe and meaningful work available once the individual's residual abilities are established.
- There are situations where specialized training and experience will be required. Although large organizations may find that in-house resources are the most cost-effective, smaller entities will need these resources less frequently and should investigate options in their local community or through their insurance plans.
- All parties should be prepared for mid-course corrections. If at any time it becomes apparent that the individual may not possess the residual abilities requisite for their existing tasks, the employer and individual must be willing to look at accommodation or retraining to facilitate return to meaningful work.
- For maximum absence management benefit, the individual managing the program should try to avoid discussions of compensability, liability, or performance issues prior to the absence.
- In those cases where a clear diagnosis or prognosis is not available and efforts to obtain this information have not been fruitful, attempts should be made to obtain expert assistance through a second opinion or consultants available through the employer's insurance plan.

Following the principles listed above, an organization can develop and refine their approach to absence management, facilitating a change in organizational culture. The following is one approach to early stages of absence management:

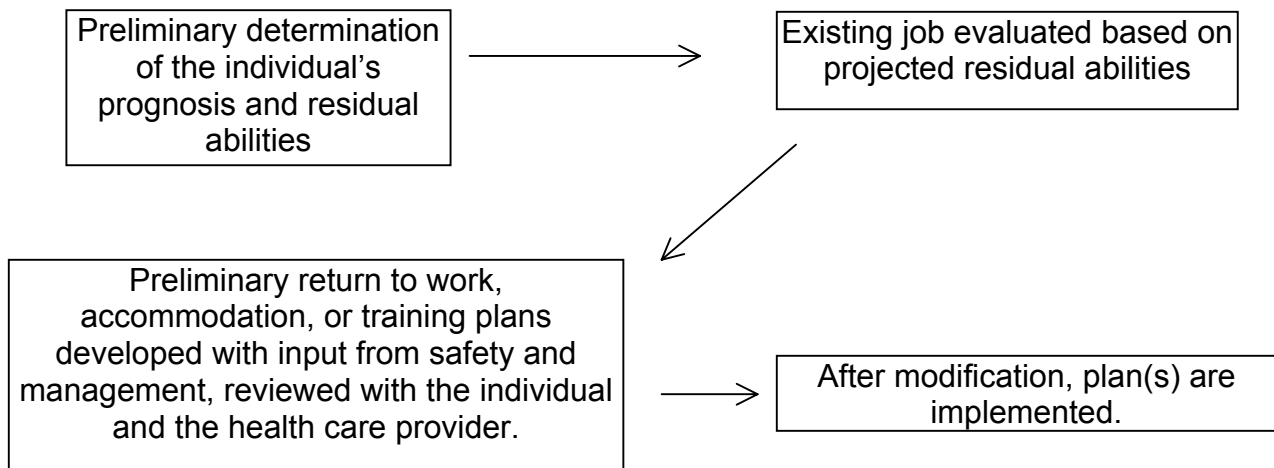


At some point in the process, an individual will reach a point where it becomes clear that he or she is nearing return to work or proceeding to an extended period of disability. For the vast majority of individuals, this occurs within the time periods established in national normative guidelines for disability duration, allowing employers who have access to these guidelines to plan accordingly.

It goes without saying that return to work planning and efforts will be favorably affected if an employer can predict an individual's return to work date and anticipated level of ability before the release by a health care provider occurs.

If permitted to return to work, additional limitations defined by the health care provider should be considered in the placement. At all times, the activities should be designed to ensure that the employee does not sustain additional injury or expose fellow employees to increased hazard.

The following represents one management approach for individuals who are responding to their treatment regimen and are anticipated to return to work:



Facilitating an individual's return to work does not eliminate the need for interaction between the employer and the individual. A time period should be established for any modified activities within the individual's existing position and communicated to the individual and their management prior to the return to work date. To assure process quality and monitor the health and safety of the individual, weekly follow-up should be undertaken in an effort to limit potential aggravating of the medical condition by the work activities. The follow-up should be continued until restrictions are lifted or the employee's situation is judged stable by the person monitoring the case.

Provision of an effective return to work program for individuals with all levels of residual ability is a daunting task in large and small businesses. However, efforts can be successful as long as there are well designed parameters, accepted by management and employee representatives, clearly communicated to all affected individuals, and consistently applied in practice