

# Latest Trends in Integrated Disability Management

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# The Foundation

## Coordination of:

- Workers' Compensation
- Short Term Disability
- Long Term Disability
- Sick Leave
- FMLA
- State Statutory Leave Programs

# Coordinated Intake and Administration

- Single source reporting – internally or externally
- One administration process
- Fully functional return-to-work process for both industrial and non-industrial events

# The Migration – 2006 and Beyond

- Total absence management
  - Behavioral
  - Presenteeism
  - Disease Management
  - Aging workforce
  - Health care

# Does Disability Drive Health Care Cost – or Vice Versa?

“10 percent of employees -- those who file occupational or non-occupational disability claims -- drive 55 percent of employee medical costs and up to 66 percent of all medical, disability and workers' compensation costs combined.” (UNUM)

# Can Disability Mgmt. Reduce Health Care Costs?

Employers who implement a formal return-to-work strategy coupled with an effective disability claims management system reap the largest employee medical costs savings -- as much as 40 percent ." (UNUM)

# Behavioral Management

- Moving away from the stigma
- Every disability event has a behavioral component
  - Depression
  - Fear
  - Frustration

# Disease Management Opportunity

- Link two proven techniques -- disease management (DzM) with disability management (DbM) -- in order to
  - improve functional outcomes
  - protect employability
  - improve productivity
  - reduce disability costs
  - and maybe even control medical costs!

# HOW Does DzM Reduce Disability?

Testa and Simonson, JAMA 1998

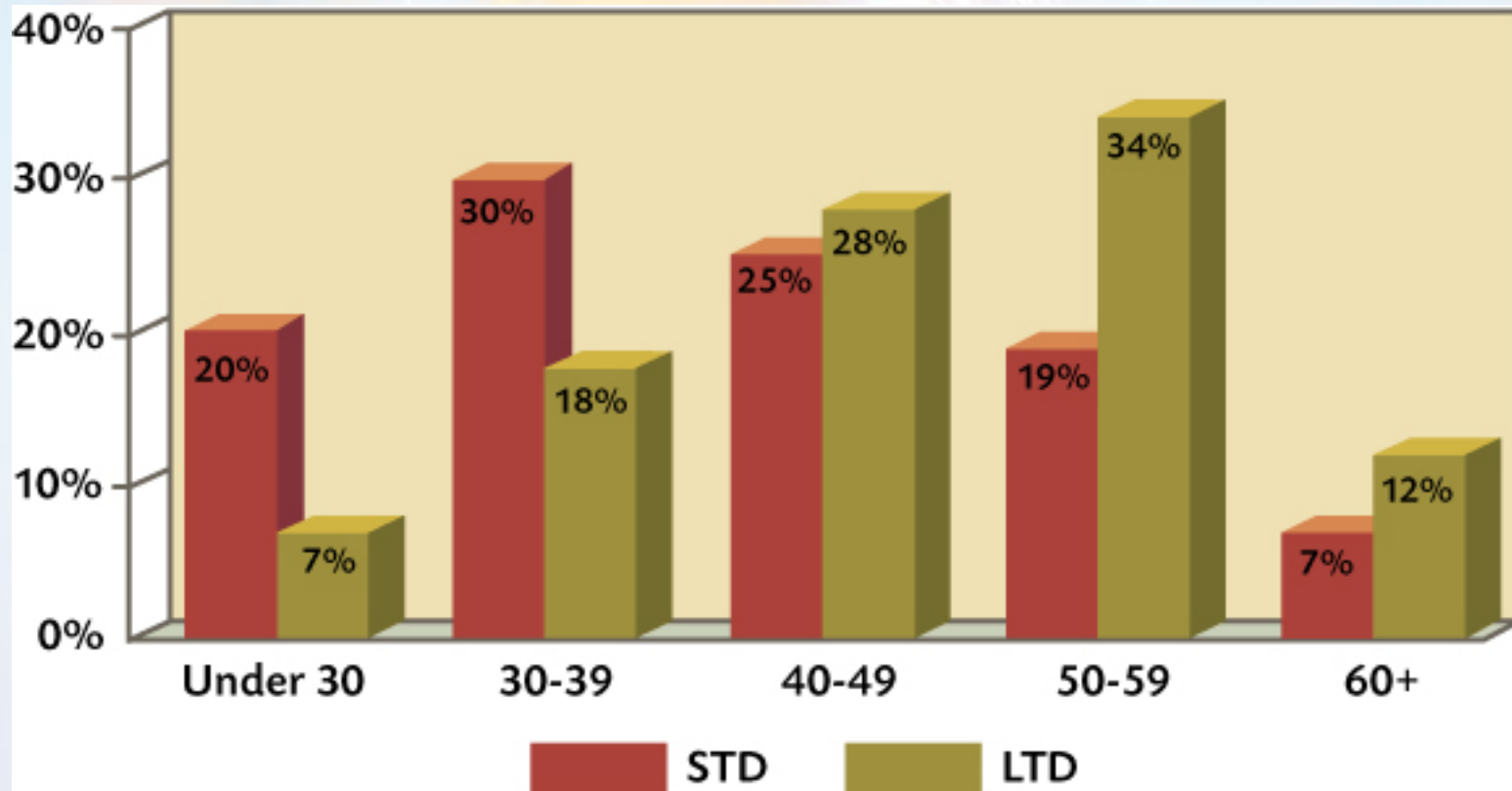
Test group of diabetics with more appropriate drug management had less job loss, greater productive capacity, less absenteeism, and fewer restricted activity days.

# Aging Workforce

- Impact on all absence costs and program design

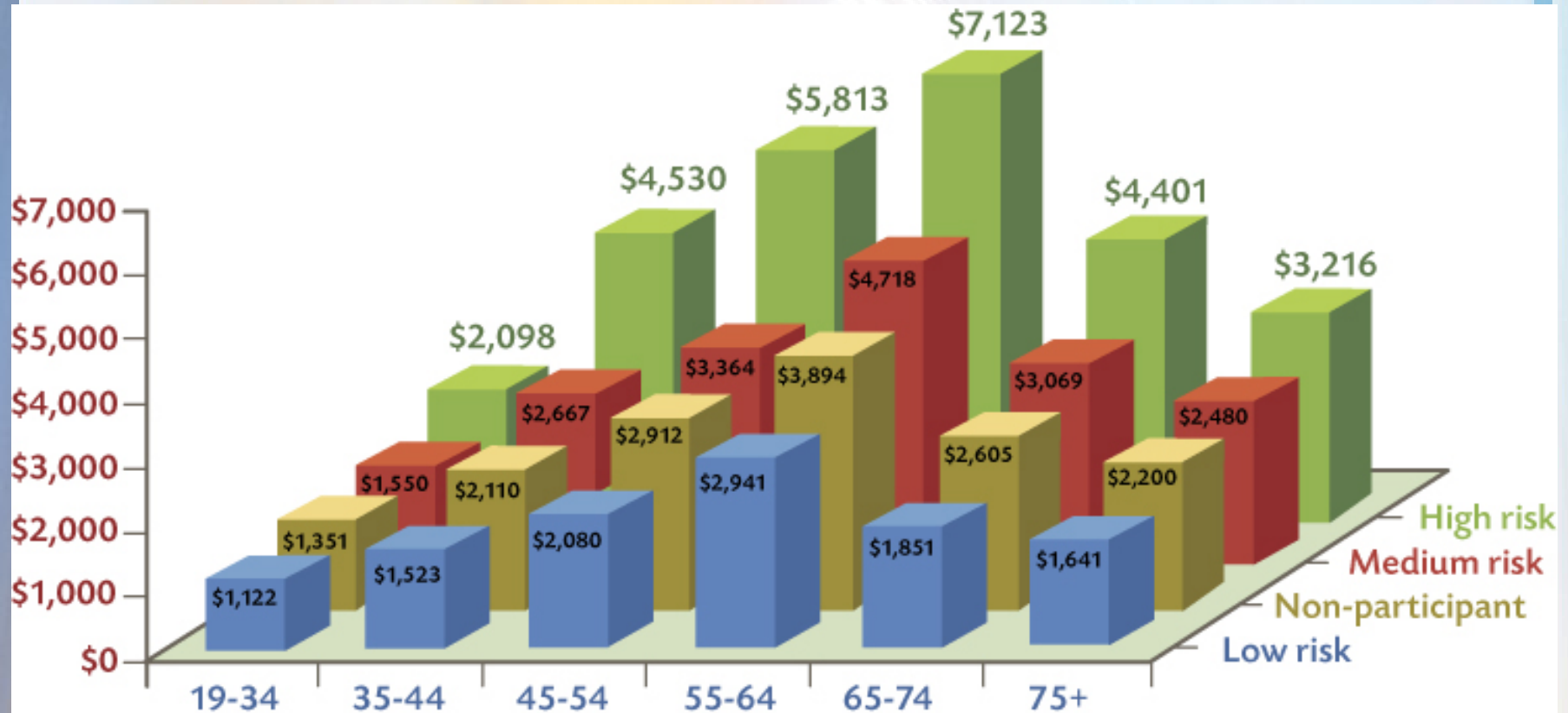
# Short (STD) and Long (LTD) Term Disability

Distribution by age



Source: UnumProvident Disability Database, 2002-2004.

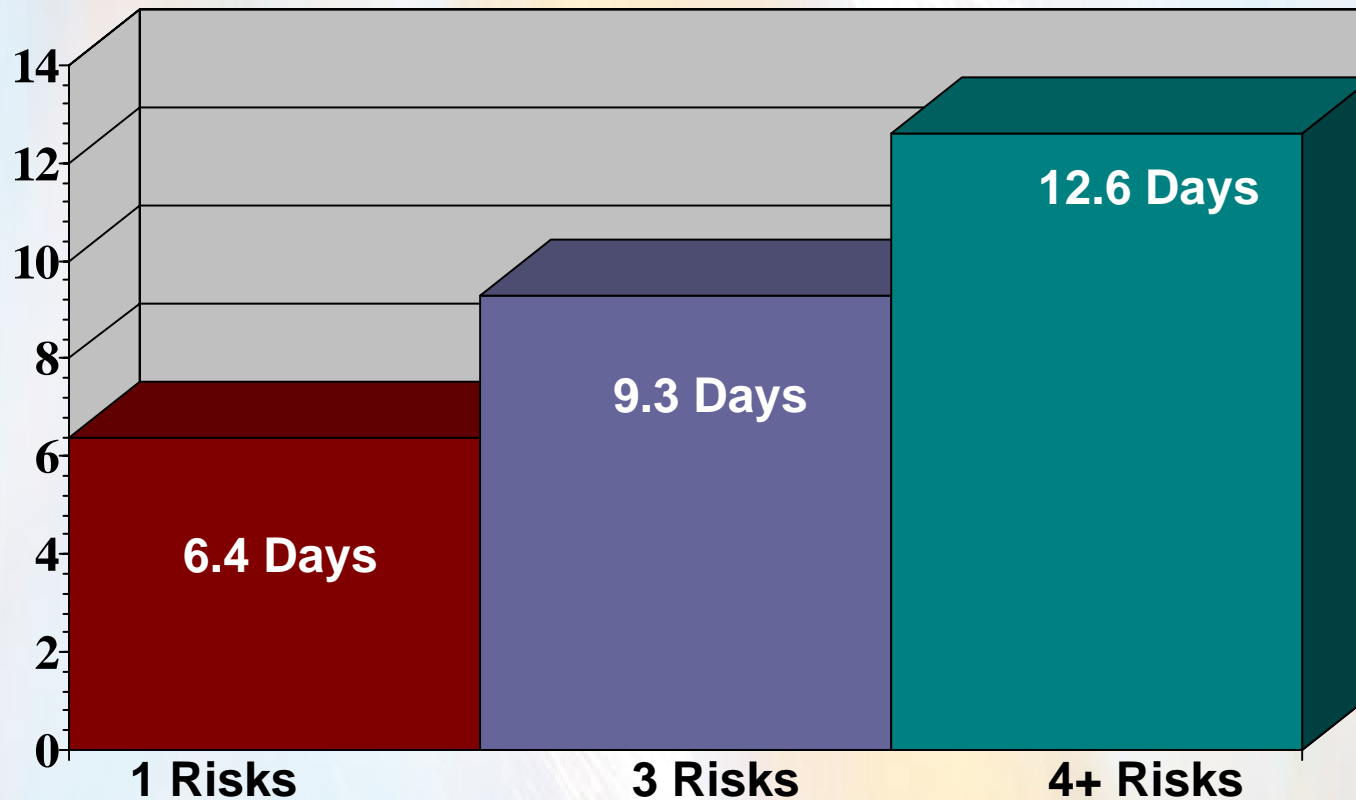
# Healthcare Costs by Age x Risk



Source: Musich, McDonald, Hirschland, Edington, Disease Managements & Health Outcomes 2002; 10(4): 251-258; University of Michigan Health Management Research Center.

Used with permission. Dee Edington, Ph.D. University of Michigan, Ann Arbor, Michigan

# Health Risk and Absenteeism

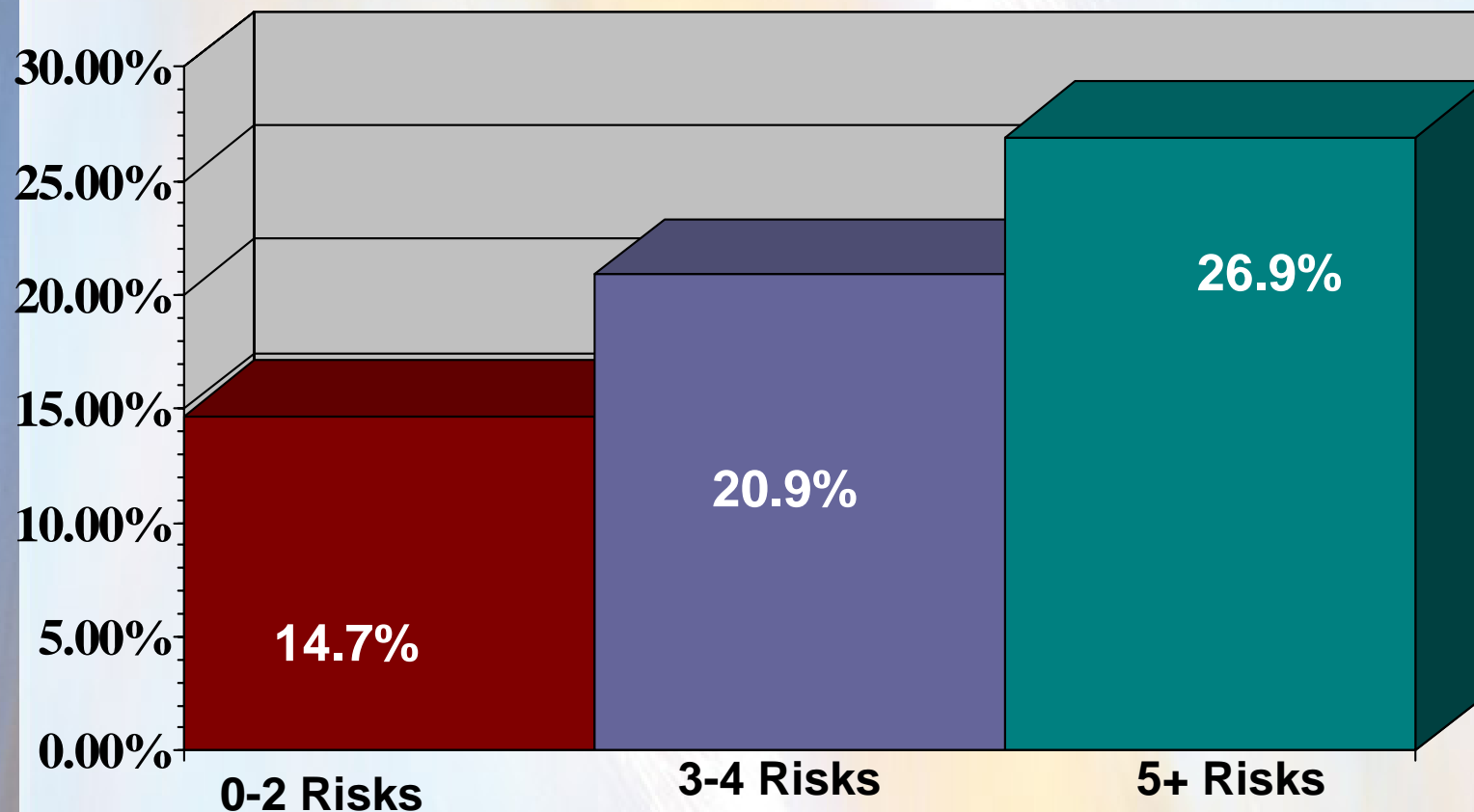


Tsai, et al. JOEM: Vol. 47, No. 8, August, 2005

# Presenteeism

- Am I really here
- The mind body phenomenon or .....
- *Leave me along – can't you see I have a life crisis to handle*

# Health Risk and Presenteeism



Source: Burton, et al, JOEM: Vol. 47. No. 8, August, 2005

# Understanding the Workforce – What to do with those Boomers

- Four current stages of employees
- Employer challenges

# Generational Synergy or Collisions

## Generation Y < 25

### Focus

- First Job (Fit?)
- Expects multiple employers in career
- Managing Debt
- Friends

### Work Styles

- Online
- e-learning
- Instant access to information
- Just in time

### Incentives

- Time with friends
- Financial
- Opportunity

## Generation X 26 – 40

### Focus

- Career Progression
- Parenting Young Children
- Work Life Balance
- Building assets

### Work Styles

- Online
- To the point communication
- Telephone
- Collaborative

### Incentives

- Time with friends
- Financial rewards
- Opportunity

## Boomers 41 – 62

### Focus

- Sustain Career
- Parenting Teens
- Work Life Balance
- Empty Nest
- Single/Step Parent
- Save for Longevity

### Work Styles

- Person to person
- Independent
- Competitive
- Uncomfortable with W/F diversity

### Incentives

- Financial Rewards
- Work Flexibility
- Work Life Balance

## Mature 63 - 78

### Focus

- Career Transitions
- Elder Care
- Boomerangs
- Work/Leisure Bal.
- Chronic Imp.
- Diluted Financials

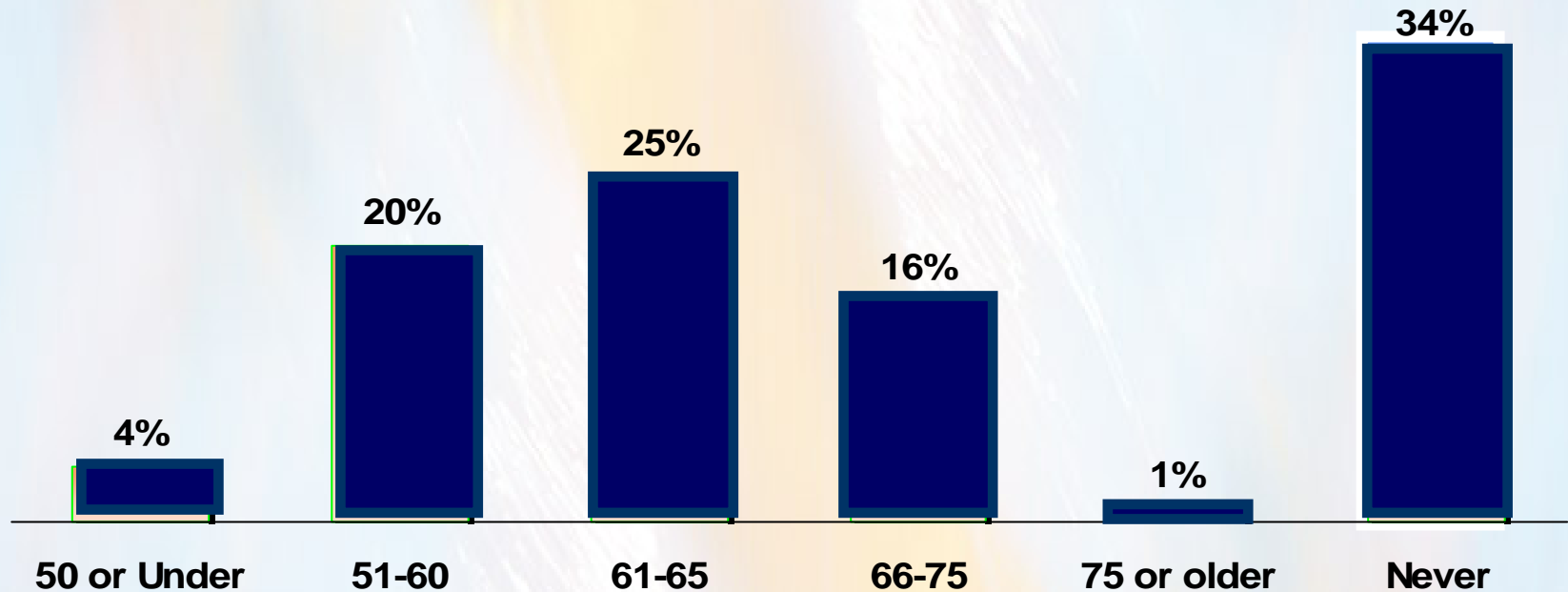
### Work Styles

- Selective
- Optimization
- Compensatory
- Incremental
- Cyclic

### Incentives

- Security/safety
- Independence

# Retirement Expectations...



**At what age do you plan to retire?**

Source: *The New Employee/Employer Equation*,  
The Concours Group and Age Wave, 2004

# Benefit Design & Product Alignment

- Understand the Impact of the Older Worker in the Work Place
  - Profile of the older worker roles & functions within organization
  - Define corporate policies and philosophy related to aging and impact on risk
  - **Does the employer care or is aware of aging worker issues?**
- Underwriting, Pricing & Risk Management
  - Build and apply a health & productivity database
  - UW Decisions based on functional capacity not just age
  - Define past, current and future work/productivity patterns
  - **Do we reward or punish effective management of risk?**

# Benefit Design – Cont.

- Benefit Design
  - Protect Productivity - Increased need for Disease/”Condition” Management
    - Wellness within chronic disease
  - Increasing incidence, duration, reward management
  - Cost pressures Increasing Medical costs Ancillary Benefits?? What is the base?
  - Decision Pressure Shift from Employer to Employee funding – Employee Choice
  - **What is affordable, understandable, fills gaps, motivates and stabilizes employer costs?**

# Conclusion

- Your role in the evolution
- Employer eye opener
- Not just a current fad

# About DMEC

- Helping Employers address these issues
- Go to [www.dmec.org](http://www.dmec.org)
- Virtual Education Forum
- Behavioral Conference
- Annual Conference
- Management Series