

Benchmarking Disability Management in the Healthcare Sector

IFDM 2010

Employer Case Studies

Tuesday 21st September

Vancouver Coastal Health Profile

- Serves over 1,000,000 people (25% of province of British Columbia population) in 17 urban, rural and remote communities over a 54,000 sq. km. area
- Three interlocking networks and services in primary health care, acute health care and community health care established to achieve seamless health care delivery
- 22,000 employees of which 7,000 are nurses
- Services range from acute quaternary for all of BC to remote primary health centres

Background

- Disability management is one of the 3 great goals of the provincial government
 - July 2008: VCH agreed to be a project partner in the Government of BC funded initiative to review the current status of Disability Management in the province.
- The Consensus Based DM audit was completed in the summer/fall of 2008 based on the International Disability Management Standard Council standards
- Audit included VCH internal processes (including unions) and 3rd party provider processes (occupational illness/injury and non occupational illness/injury 3rd party providers).

VCH Audit Findings

- The auditor submitted a 66 page report, complete with recommendations.
- Key strengths found within the VCH processes were:
 - Skill and commitment of VCH's Disability Management Team
 - Commitment of VCH to assist disabled workers
 - Health promotion and wellness
- VCH received an average score of 71.7% on the 16 elements of the audit, compared to 70% average score for other regional health authorities (both national and international).
- Intermediary function of 3rd party results in increased duration of claims
- Current LTD claims management does not meet best practices

VCH Audit Findings Profile 1

Area of Concern

- **Policy Development and Integration:**
 - A lack of integration of policies and procedures
 - A maze of programming related to disability management,
 - Unclear and fragmented responsibility for programs,

Recommendations

- **Development of Policies and Procedures:**
 - A process to be put into place to examine all return-to-work programs
 - Develop a policy and procedures manual for all DM activities in consultation with worker representatives

VCH Audit Findings Profile 2

Area of Concern

- **Disability Management Service Provision:**

- Involves a number of external players
- Responsibility delegated to third party providers
- The average time to first contact 40 days
- The RTW without input from the employer
- Interventions solely directed at the worker, excluding the workplace
- Rehabilitation services delivered outside the workplace
- Lack of effective communication between the parties

Recommendations

- **Disability Management Services:**

- Re-evaluate its relationships with third party providers
- Determine the feasibility of delivering some or all DM services internally.

VCH Audit Findings Profile 3

Area of Concern

- **Disability Management Cost/Benefit Analysis:**
 - Significant level of risk that spending was being duplicated
 - A lack of organizational cost/benefit analysis and no methodology to track the savings
 - Approximately 300 individuals on permanent Long Term Disability
 - No process to inform these workers of the potential re-employment opportunities

Recommendations

- **Cost/Benefit Analysis**
 - Put in place a tracking and reporting system for both direct and indirect costs
 - Document the costs and savings attributable to the disability management program.
 - Streamline DM processes to ensure that both staffing and resources are used effectively
 - Gain access to pertinent information regarding the permanent long term disability cases
 - Examine the possibility of offering these workers the opportunity to return-to-work.

VCH Audit Findings Profile 4

Area of Concern

- **Lack of Knowledge of Disability Management:**
 - 50% of staff were unaware of the DM program or its benefits
 - Over 60% were unclear about what would happen if they were ever to become disabled

Recommendations

- **Education:**
 - Develop an education program to inform all employees about the program, its benefits and the process
 - Every new employee should be given training about the DM program
 - Education should be provided to all employees on a regular basis .in addition to Safety training
 - Produce brochures, website information, mail-outs, etc
 - Carry out a satisfaction survey of those who have participated in the DM programme

Union Interest in Redesign

- Following presentation of the results of the Audit and the proposed disability management redesign to the major VCH unions, 3 of those unions agreed to partner with VCH to develop a pilot project for their members
 - Spring 2009: Letter of Understanding (LOU) developed between VCH and BC Nurses Union (spring 2009).
 - Soon after another union signed a LoU.
 - In December 2009, another union signed a LoU. At that time, 75% of the unionized labour force was covered in the pilot

Goals of the DM Pilot Project

- Decrease time lost due to work and non-work related injury and illness
- Decrease loss of valuable employees who go off on long term disability and never return
- Increased engagement of the employee with the work place through employer driven case management
- Employee centered, employer driven approach with active union partnership and a focus on return to work

Elements of the Redesigned Early Intervention & Rehabilitation Project (EIRP)

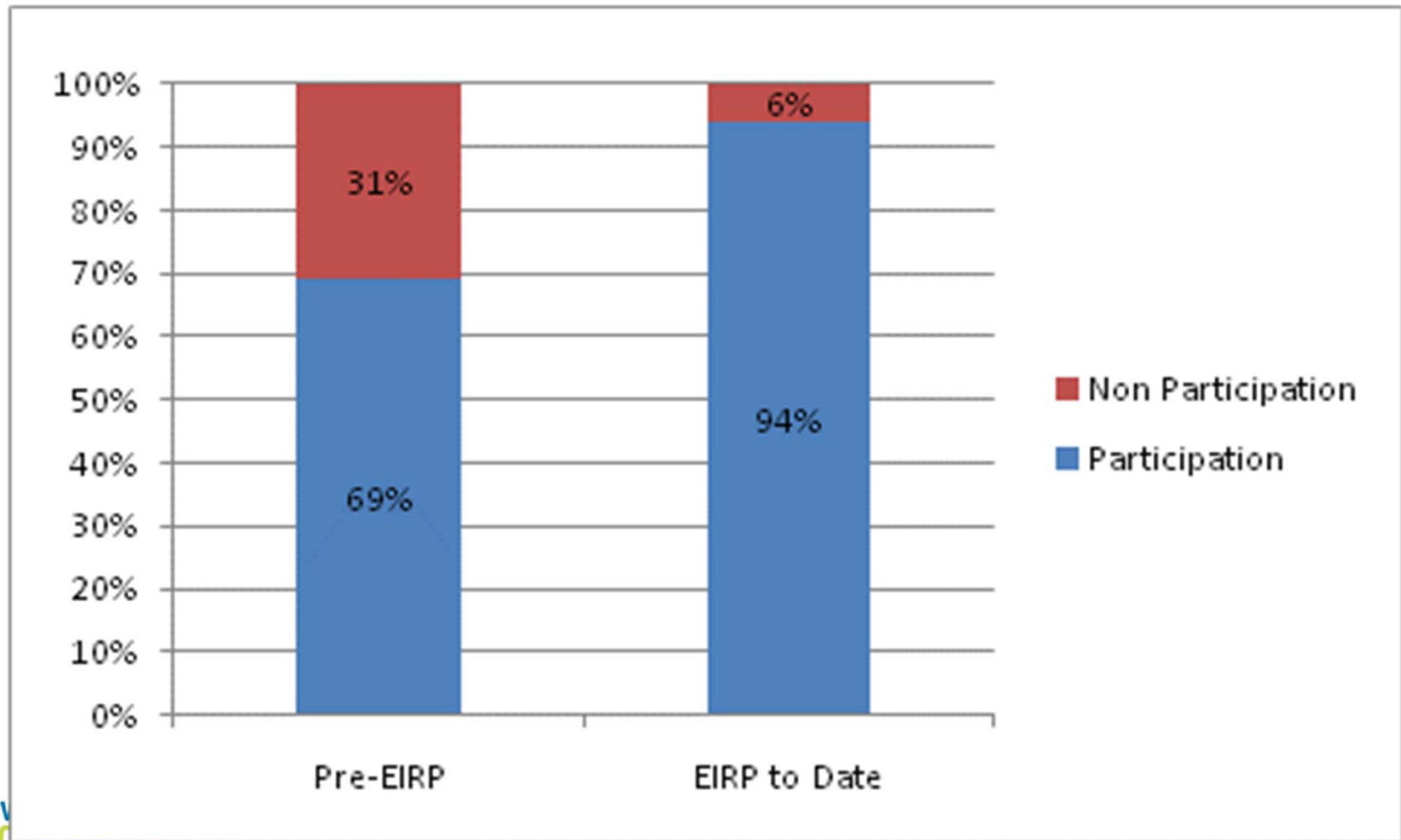
- Early Intervention Services (for both occupational and non-occupational illness and injury)
- Transitional Work Programs
- Gradual Return to Work Program
- Workplace Accommodation
- Vocational Rehabilitation
- Program Marketing & Communications
- Program Measurement, Evaluation and Reporting

Summary of Improved Results for Redesigned DM Program

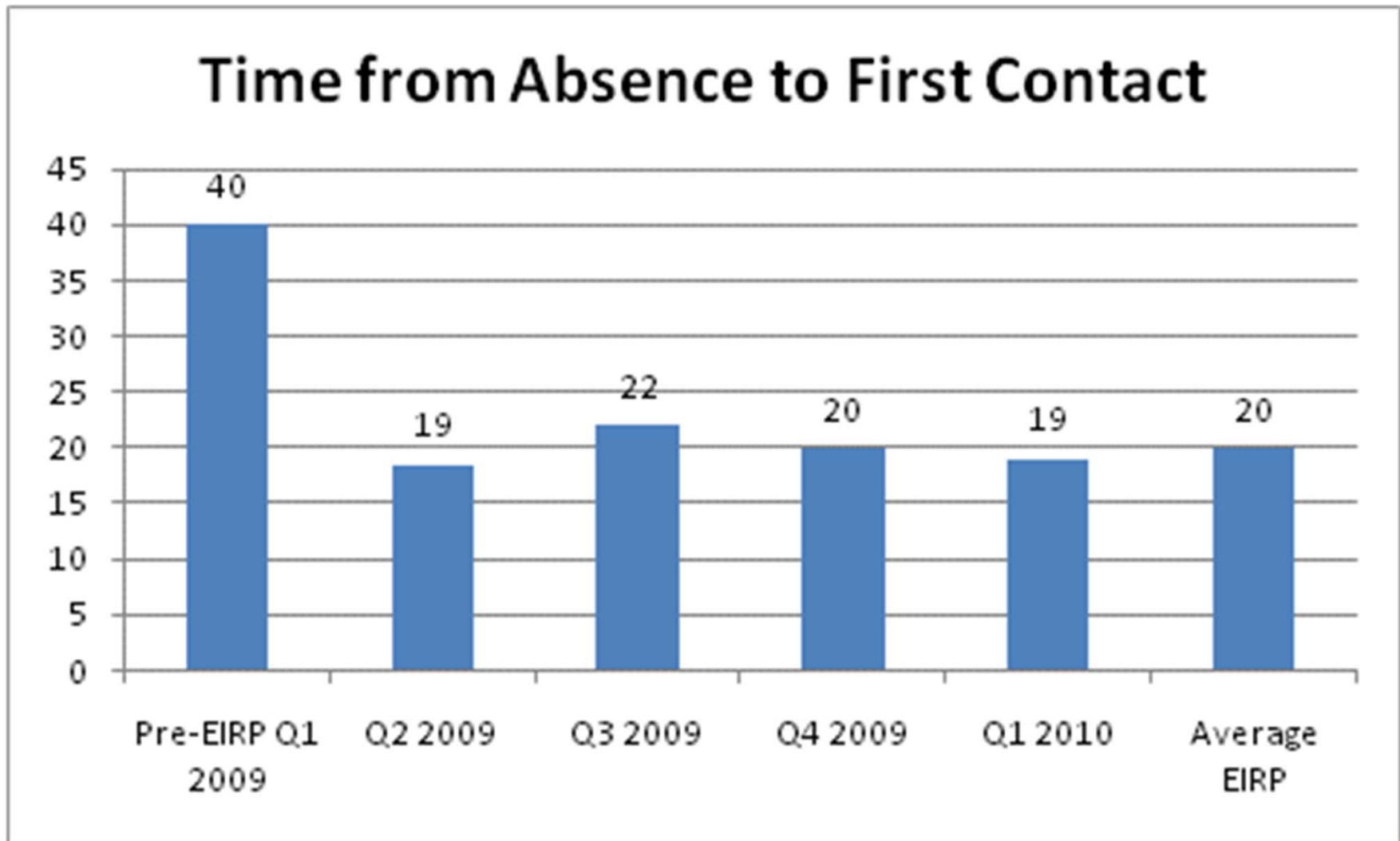
For the Nurses union participating in the program from Spring 2009, comparison between previous 3rd party Provided Early Intervention Program (EIP) with the Early Intervention And Rehabilitation Project (EIRP):

- Increased employee participation (69% vs. 94%)
- Time to first contact with employee significantly decreased (50% improvement)
- Duration of time lost prior to graduated return to work significantly decreased (50% Improvement)
- Days lost between first day off and return to full duties (23% improvement)
- Increased number of staff being accommodated into own jobs, rather than going through the more legalistic Duty to Accommodate process (52% Improvement).

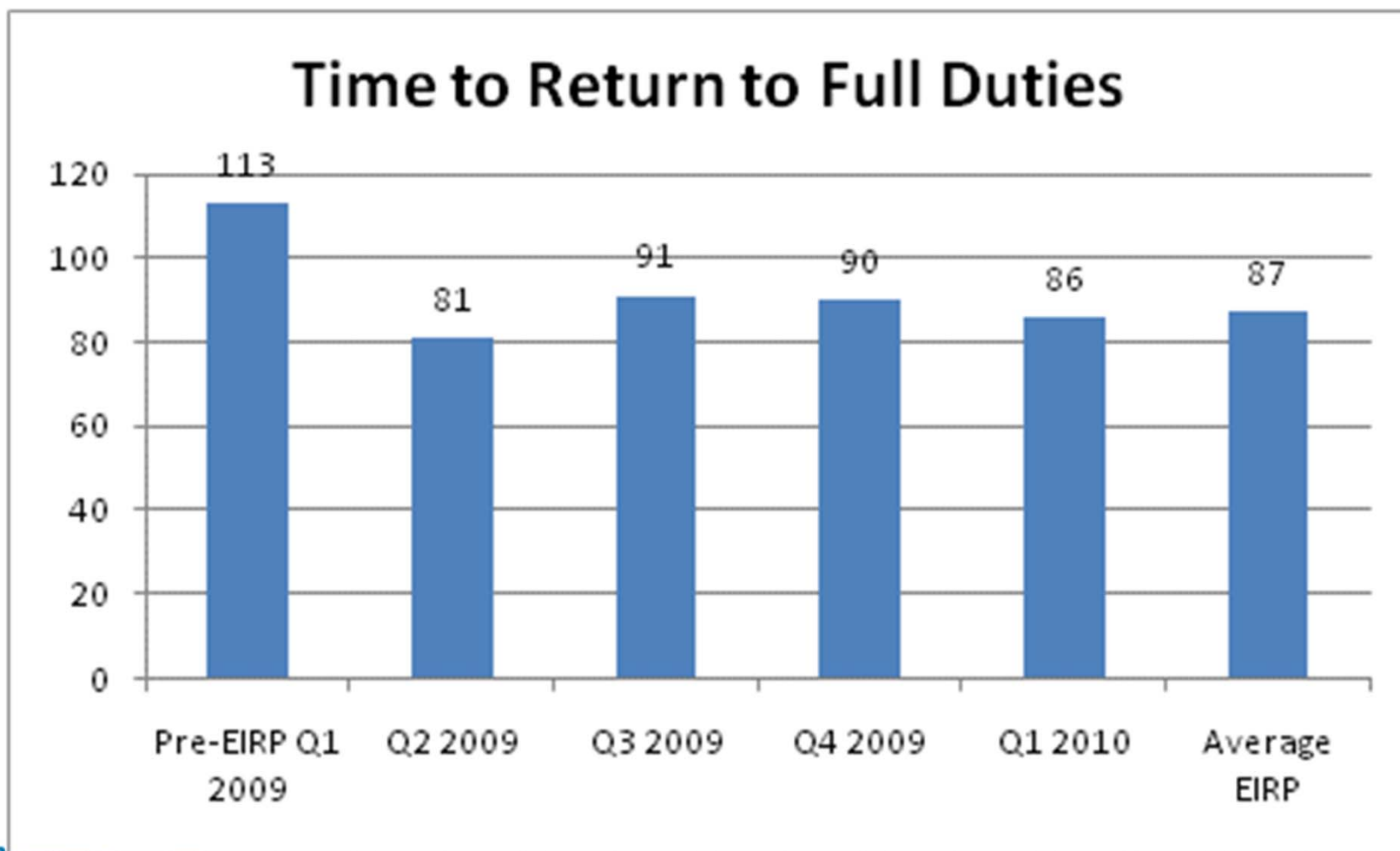
Comparison of Participation Rates Pre & Post EIRP



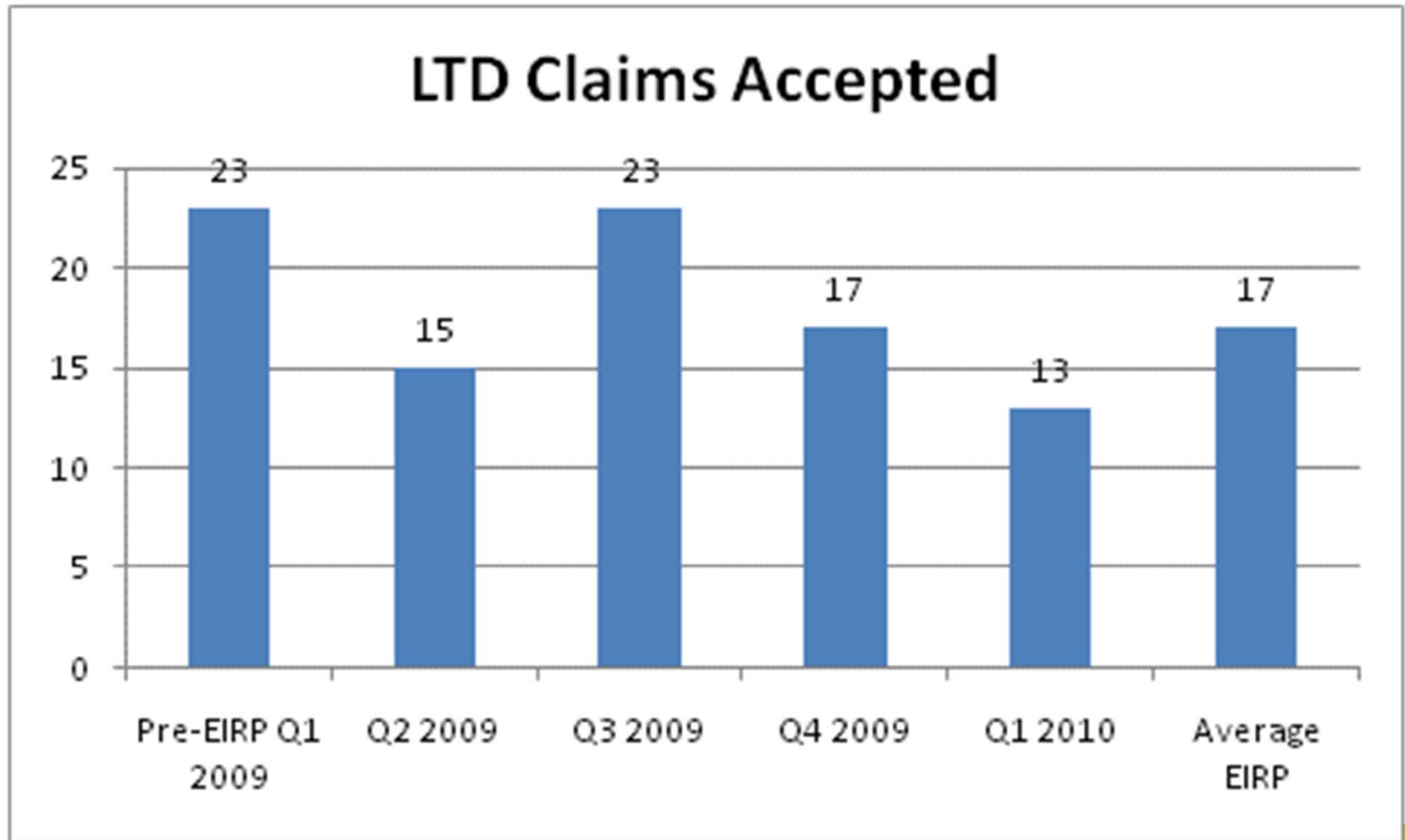
Reduction in Time to First Contact Pre & Post EIRP



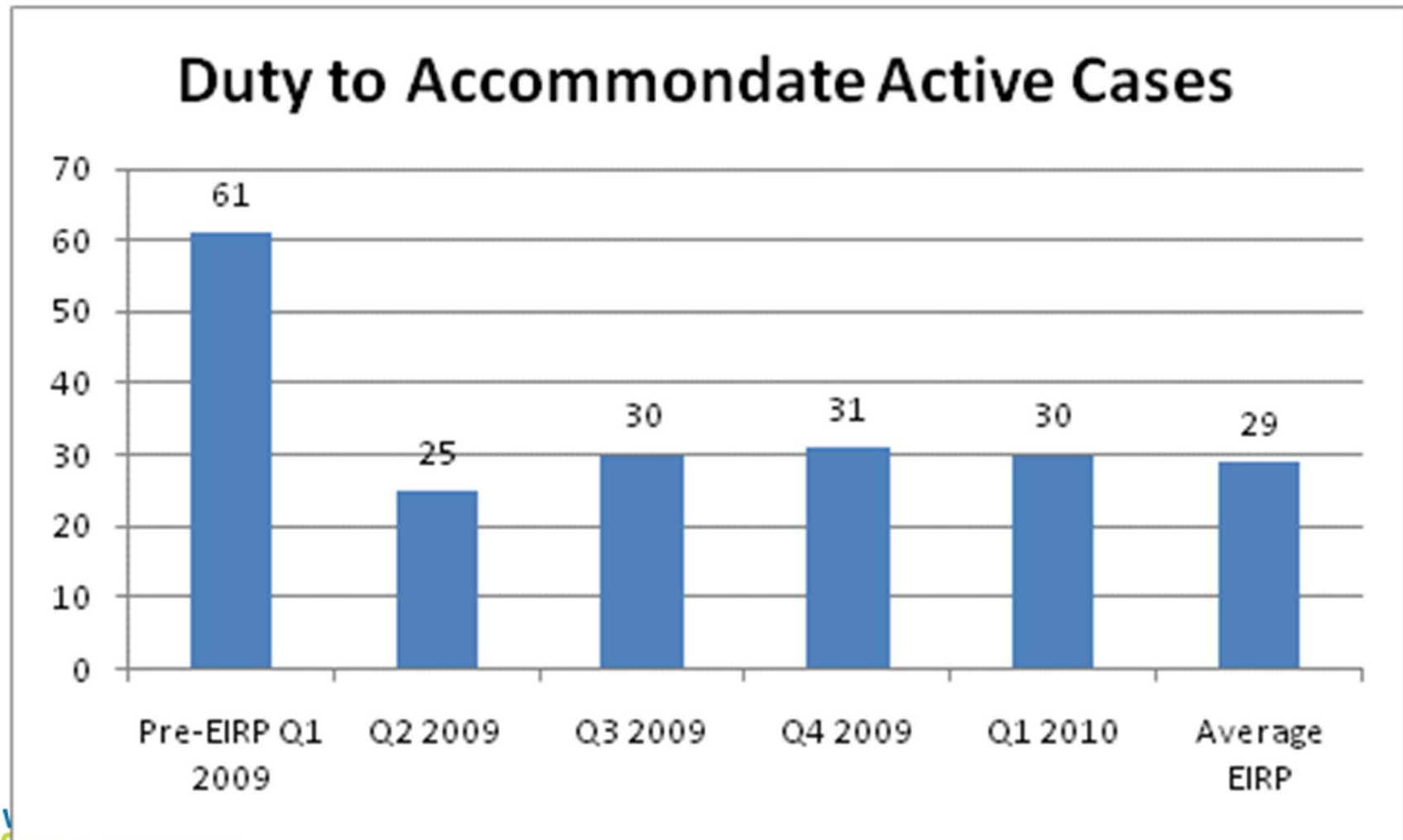
Time First Day Off to Return to Full Duties Pre & Post EIRP



LTD Accepted Claims Pre & Post EIRP



Active Duty to Accommodate Cases Pre & Post EIRP



Considerations for a Complete Cost Benefit Analysis for EIRP

- Calculation of replacement costs of ill/injured workers
- Calculation of increased DM staff to manage program
- Calculation of Administrative savings of 3rd party who is no longer administering the program
- Actuarial calculation on the reduction to LTD premiums related to the program

Annual Costs of Sick Absence

For those with >150 hours sick time only
(n = 225 - would be the group to benefit most from EIRP)

Paid Sick Time (>150 hrs)	\$5,035,088
Backfill Costs (pro-rated by area of service)	\$2,980,770
Backfill at OT rates	\$ 297,876
Total Costs	\$8,313,734

Note: Total Cost of Sick time for all BCNU Members for same period \$17,264,609

Estimated Cost Savings Due to Redesign for Year 1

Prior Year Average Duration of Absence*	113 days
First Year Average Duration of Absence*	87 days
Average daily salary + benefits	\$330

***Duration of Absence = 1st day off to end of RTW.**

Estimated Cost Savings For Sick time Only Due to Redesign for Year 1

Prior Year Average cost per Absence*	\$25,425
First Year Average cost per Absence*	\$19,575
Average Savings per Absence	\$5,850
Total savings for First Year	\$1,316,250

***Replacement Costs not included**

***LTD cost avoidance not included**