

Integrated Disability Management: Implementing a Customized Whole-Person Approach

This article describes how incorporating integrated disability management can address business challenges. It includes case studies featuring organizations that used a “whole-person approach” to result in (1) greater and more effective communication and reporting, (2) more satisfied and productive employees and (3) cost savings through quicker return to work when legally and medically appropriate, all in alignment with the particular needs of a given firm. One size most definitely does not fit all.

by **Phil Bruen** | *MetLife*

Today’s economic and social environment is bringing leave-management challenges to U.S. employers. Some of these include:

- An aging workforce with the kind of chronic conditions, greater recovery periods and permanent impairments resulting from routine accidents that accompany older ages
- Social Security Administration delays and backlogs in reviewing claims application and appeals
- Inactive lifestyles leading to obesity and associated diseases, such as diabetes, that are on the rise among younger workers
- With Millennials—the largest generation in the workforce—in their prime childbearing years, more and more fathers as well as mothers are now looking for companies that offer extended parental leave, in some circumstances on a paid basis.

- Health care reform and the emerging consumer-driven health care plans, which can impact disability-related treatment, and the financial impacts to employees shouldering increased out-of-pocket costs
- Workforce cutbacks during the last recession left many employees taking on larger loads, and their absence creates more disruption at the workplace than ever.

An approach that has been around for some time is getting greater and renewed attention from many employers dealing with these challenges: integrated disability management (IDM). (Note that it is not just physical or work-related disability that is under discussion; disability *and* absence management, such as parental and family leave, are also involved, especially as the federal government and individual states have passed myriad laws regarding family leave.)

IDM can be defined in various ways but, at its heart, each

IDM program has three main components: (1) a holistic leave and return-to-work program including a common program for all leave types—on-the-job and off-the-job injuries and family, parental and other leave; (2) integrated case management that treats all leave uniformly; and (3) a uniform, coordinated process and interface for employees to improve/enhance the employee experience.

This often is called the *whole-person approach*, which recognizes that whole-person treatment drives greater outcomes. The injury or illness is not treated in isolation; the holistic needs of the employee are addressed. For example, if employees have ongoing illness but are noncompliant about taking medication or treatment, their illness may cause them to be absent from work more often than necessary and disrupt an entire team. Working with such employees when they are sick may lead to the “aha” moment when they realize they could avoid these situations by sticking to the medication or treatment, keeping them healthier as well as reducing absenteeism.

Many employees are willing and motivated to return to work but may not be supported effectively at the workplace until they are able to return to work full-time at 100% capacity.

Another example: By addressing an employee’s financial well-being, the employer can help him or her see how a small behavioral change can have major consequences. Employees who identify as “more financially stressed” are also more likely to be less productive at work, according to MetLife’s *13th Annual U.S. Employee Benefit Trends Study*.

Employers can address both physical and emotional/financial stressors with wellness programs of various sorts. This could include offering employees the option to purchase additional protection in the event of an accident or critical illness to help cover out-of-pocket costs, making it easier for an employee to pay for medication and treatment.

The whole-person approach is not just about absence or productivity but also about keeping employees at the center of the discussion—They work better, yes, but they also feel better.

Issues Driving the Increased Interest in IDM

Interest in IDM does not stem solely from a desire to re-

duce complexity, although that is a clear value. Among the many reasons to support IDM, two stand out as being nearly universal.

First, IDM is employee-centric and makes it easier for employees who are already going through a difficult time. A single platform management system means, for example, that employees don’t need to fill out both a disability claim and a Family and Medical Leave Act (FMLA) leave request.

Second, employers have invested heavily in programs to help employees manage their health, and integration helps employees get more out of these programs. There’s true business value in shortening the duration of non-work-related absences, in terms of avoiding the hard-dollar costs of having to replace employees or of decreased production and in terms of return on investment for their health management/wellness programs.

The benefits offered by integration are both tangible and intangible. Treating employees holistically allows employers to look at all the issues contributing to their need for leave. Those include health care, to be sure, but also elements such as the role of the employee’s family and community in what is causing or contributing to the need for leave and/or the ability to return to work from leave. All of those elements influence how people manage their health, how they feel about their health and how motivated they are to change their behavior. A behavior change such as smoking cessation, the start of an exercise regimen or simply taking one’s prescribed medication can reduce longer absences down the road. Whether these are supported by formal company wellness programs or not, support mechanisms help employees succeed.

Financial pressures can be amplified for employees on disability, with additional out-of-pocket costs and typically lower income levels. Financial education and planning can help employees better develop a plan and protection in advance to address this potential loss.

When all of the elements of a treatment plan work together, employers can gain a more effective employee who is more motivated to return to work and more engaged and enthusiastic when at work. This limits leave-of-absence (LOA)-related financial losses at the company, particularly for employees who take multiple leaves of absence.

How IDM Works

In a non-IDM firm, the employee may need to go back and forth among a hodgepodge of disconnected vendors. In such firms, programs for disability and other types of leave are standalone plans, requiring employees to deal with multiple types of paperwork and work with different claims departments from different vendors, with all steps along the way proved with forms and more forms. This leads to continued confusion and frustration, longer periods out of work and the inability for employers to operate at full capacity while these individuals are out on leave.

IDM provides a more positive experience for employee and employer alike. Under IDM, there still are multiple vendors, each specializing in what it does best—from the workers' compensation insurer to the medical coordination firm to the disability insurer to vendors for coordinating FMLA and other leave to return-to-work specialists. There is, however, unified management, which is coordinated and centralized to make things easier on employees and give them far fewer points of contact.

With a properly constituted IDM program, an employer (often through a vendor/provider) can track and manage any and all types of leave concurrently, observing short-term disability (STD) claims, FMLA claims, etc. An example of how this works is maternity leave: An employer can integrate all the various leaves—starting with a disability payment and including paid leave and additional unpaid leave in some cases—in one place, making it easier for everyone involved.

With such a program, the provider also is able to track all lost time—whether workers' comp, FMLA, STD or long-term disability (LTD)—and provide the employer with a holistic view of an employee's leave and then coordinate around the initial claim for ease of administration. A deep dive into lost-time costs can also provide a window into an organization's overall employee health.

Getting Started With an IDM Program

There are certain things any organization must do to implement a successful IDM program:

- Carefully scrutinize current operations (think audit).
- Involve all appropriate parties.
- Operate as a team.
- Provide an interface with the IDM system that the employee on leave can easily operate.
- Regularly track and report metrics.

That first step cannot be overemphasized: Any employer that wishes to take advantage of the benefits of integration must first understand its current operations and what its goals are. Understanding what's driving costs is critical to undertaking any form of integration. An employer needs to determine what actions could help mitigate these costs and then leverage the resources it has in place to develop a program reflective of the work environment, structure and culture.

Every organization is unique—not only in structure but also the factors that lead to employee absences within

that structure. Providers that specialize in IDM are able to bring the parties together and create customized approaches that fit each organization, based on the cost drivers of LOA.

An IDM solution cannot be set up overnight (although today's information technology capabilities make IDM far easier to operate than was possible a decade or two ago), and failure to plan adequately may result in disappointment.

Implementation approaches can also vary, and not all programs have to be integrated to be successful. Some employers focus in areas with the highest levels of lost time; others may focus on the largest gaps driven by employee satisfaction. Some pilot the approach, and some apply a companywide approach. Some tailor the approach based on the specific needs, issues and resources at a local or division level.

To illustrate successful implementation of IDM solutions, two organizations with very different business models but facing a similar trend—an aging yet skilled workforce—serve as examples of solutions that, while employing the elements set out above, address the particular needs of each firm.

Raytheon Company

Raytheon Company is a technology and innovation leader specializing in defense as well as civil and cybersecurity markets throughout the world. Building on a 91-year history, Raytheon had net 2014 sales of \$23 billion. Its more than 61,000 employees worldwide are divided into four main business units, each of which conducts

specialized operations—with specialized workforces to go with them. MetLife provides the short-term and long-term disability benefits for Raytheon Company, coordinating with other benefits and services vendors for the firm.

At the beginning of the IDM “audit” process at Raytheon, certain troubling trends were identified. Chief among them was an aging workforce using ever more disability benefits; in fact, in 2013, 40% of STD approvals and 43% of STD total gross benefits went to employees aged 55 and older. But not just the expense matters here; these are seasoned employees whose experience is highly valuable, and their teams cannot function at their very best when they are absent.

To face this and other challenges, all parties came together. This included all benefits providers, including STD and LTD. Human resources (HR) wellness and financial well-being programs for employees were considered and made part of the larger strategy. To address Americans with Disabilities Act (ADA) accommodations, HR and the diversity and inclusion teams were brought in from the beginning, and teams were put in place to align with Raytheon’s four business units.

The MetLife claims team, the medical vendors and Raytheon absence management staff formed the Lost Time Intervention Team, which meets weekly to discuss claims with a focus on return to work (not just medical claims but other LOA as well). By reviewing each situation, all stakeholders on the team are able to generate action items from the meetings, including clarifying possible jobsite modifications, updating each employee’s current level of functioning and, of course, making contact with the employees themselves to ensure the success of the return-to-work plans. Employees have access at all times—prior to as well as during leave—to a dashboard-style online support center for all leave-related inquiries, transactions and updates (both medical and non-medical) for a less stressful LOA and return to work.

Company leadership is also more engaged with the entire LOA universe, now receiving monthly metrics reports (formerly reports were quarterly) including statistics such as employee participation in wellness programs, return-to-work accommodations from STD, workers’ compensation claims and benefits trends, overall return-to-work trends, health claim utilization and more.

The system now in place is set up to meet today’s challenges. Among specified goals are:

- **Providing effective absence management to aid in workforce planning.** Focusing on absence management, employees, supervisors and HR are provided with key contacts and resources. Employees are part of return-to-work planning coordination, and stakeholders are provided with timely updates to LOA status and return-to-work expectations. There is a focus on engagement with community medical providers to obtain return-to-work dates.
- **Maintain a competitive advantage with employee benefits and leave management.** Employees have easy access to information (i.e., FMLA eligibility, STD plan benefits) while on LOA. The Lost Time Intervention Team includes the collaboration of the company’s absence management program, the disability provider and the medical vendor. Employees and supervisors understand a team of subject matter experts is involved. Benefits and LOA counseling is provided to employees at any time during the life cycle.
- **Aligning services to meet compliance needs.** The integrated approach to absence management benefits compliance efforts. First, it provides a centralized system to track and document employees’ requests related to LOA and accommodations. It ensures policy and process are consistently applied, streamlines notifications to stakeholders, centralizes metrics and data for audits and provides seamless integration with claims status and leave status—all of which assures and strengthens compliance with leave laws.

The net result of implementing IDM at Raytheon? In the first six months of 2015, Raytheon’s days-of-absence average has decreased. During that period, the company saved 1,227 days and \$323,000, as compared with the prior year. The online centralized HR service center is among the top four clicks for company employees, evidencing ever-greater awareness and engagement. Due to the emphasis on safe return-to-work planning by all stakeholders, more employees are able to return to work. Twenty-six percent of employees who returned to work in 2014 did so—often sooner than they otherwise would have—with some type of modification or accommoda-

tion. Lastly, the company is more confident of compliance with all LOA laws and ADA, and the new solution has standardized the process of returning to work and accommodations for returning employees.

Textron

Textron, Inc., is a \$13.9 billion, multi-industry company with approximately 34,000 employees worldwide. Textron comprises a global network of aircraft, defense and intelligence, industrial and finance businesses and is known for brands such as Bell Helicopter, Beechcraft and Cessna airplanes, and E-Z-GO golf carts. Its aviation business unit (Textron Aviation) has more than 11,000 employees worldwide, and its aviation brands account for more than half of all general aviation aircraft flying today.

The IDM audit process at Textron Aviation revealed some trends similar to those at Raytheon, with an aging, highly skilled workforce being chief among them. Data showed that workers aged 45+ constituted 51% of the workforce population but 67% of claims and 74% of lost-time days paid. In addition, it was noted there were some individuals who repeatedly went out on leave, and some action was required to assist these individuals to remain in active employment. A clear need emerged upfront for a return-to-work focus aimed at returning employees from absences as soon as functionally possible.

Confronted with this issue and its effect on Textron's operations, the company critically examined both occupational and nonoccupational disability programs and laid in place tactics to implement

proven disability management strategies, improve the return-to-work strategy and process, and partner with vendors to develop more effective programs. Lastly, it set up a system to keep the momentum going, not only by tracking to monitor program success but by setting up a system of quarterly meetings.

The focus area for Textron became health management services, with a whole-person approach viewed as a continuous circle that begins with hiring, continues to wellness programs and the filing of medical and nonmedical claims, and includes communication and coaching, diligent claim management, and timely and appropriate return to work. The approach leads back to the hiring process and benefits/wellness once again because a return to work is like a new hire in some ways, with opportunities to improve on the employment experience.

Metrics at Textron also illustrate that one size does not fit all, as the company began to monitor and report claims in a way that best suits its needs. It began with a measurement dashboard including occupational and nonoccupational claims, metrics including frequency/severity and cost, and benchmark numbers—both against itself and against the industry. Its vigorous followup includes quarterly division calls and an annual on-site meeting, with multiple claims representatives and clinicians, its own disability management team, the corporate medical consultant and others. Management reports are generated quarterly.

In addition, quarterly “vendor roundtables” are held with even more

of Textron's benefits partners, including the group health and disability vendors, the workers' comp third-party administrator, all disability management coordinators from within the business units and others. The focus of the roundtables is on the integration and reporting of STD and workers' compensation, reporting on return-to-work progress and review of best practices in doing so, addressing trending topics and the vendors' contracts themselves. Held to a high standard, each vendor is responsible for bringing something new to the table. The model also includes soft transfers among the vendors when a case manager or nurse identifies that a claimant would benefit from other support services such as an employee assistance program, health or chronic care coaching or guidance on treatment options.

Textron also has instituted an IDM Boot Camp—a training session available to all new HR leaders and also open to outside participants.

With this IDM program in place, Textron's most urgent LOA-related goals could be addressed through:

- **A tailored solution to meet the absence needs of Textron Aviation.** Textron Aviation noticed a trend of repeated injuries, with certain individuals in particular making repeated use of disability programs. The goal was to get these valued employees back to work and keep them there. Viewing this problem through a whole-person lens, the group was able to create a new process for “permanent placement” in which

workers returning from leave go through a functional capacity evaluation (if necessary), a job summary analysis is conducted, a physician visits the site and a followup accommodation meeting is held. Keeping the employee, but in a job that is suited to his/her physical circumstances, is a win/win for the employer and the employee.

- **A tailored solution to encourage standardization across sectors and facilities in Textron Aviation.** An audit of Textron Aviation showed that one major facility had a particularly high utilization of STD, that the business unit lacked a formalized leave process or cross-functional communication, and outlying service centers did not have a standardized process among them. The IDM program implemented consistent standards: an absence management program, tracking software and a common process among facilities, with redirection through company headquarters.

The net result of implementing IDM at Textron? The firm's results are greatly improved; since 2009, it has reduced the average length of STD claims by four days (a 60% reduction in lost time), with musculoskeletal STD claims reduced by six days. Comparing itself against national benchmarks, Textron's average cost per claim is 56% less, the average claim duration is 14 days less and the days lost per employee is 1.89 days lower than its competitors. Proof of the approach shows in the experience at Textron Aviation: Due to an acquisition in 2014, STD incidence rates were significantly higher than

in 2013, but the number has already decreased in 2015 as the Textron Aviation IDM approach is rolled out.

Conclusion

The IDM approach employed by the Raytheon and Textron experiences has proved itself. Although the two employers had different challenges to face and goals for meeting them, IDM has provided them with a way to be centralized, consistent and compliant. By instituting IDM with a whole-person approach, these employers were able to put into place a system that benefits both employer and employee. Employees know more about what to expect from any sort of LOA in advance, receive more support during their LOA and attain quicker returns to work, with accommodations if needed. This leads to more satisfied employees as well as immediate cost savings for the employer and future increased productivity. 

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