White paper

Integrating health and safety strategies and solutions

Building a case for total population health risk management — from wellness to workers’ compensation

Health & Productivity Practice

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Rising medical costs continue to have a significant impact on workers’ compensation claims. In the past, the indemnity portion of the claim (i.e., lost time and impairment ratings) garnered the larger share of costs. Today, nearly 60% of all workers’ compensation claims dollars pay for actual medical treatment.1, 2

While the concept of integrating health plan benefits and workers’ compensation to mitigate risk has been longstanding, barriers that impede progress exist. Whether it is disparate risk management departments within an organization or separate carriers with stringent laws guiding benefit administration, organizations can overcome the various hurdles to integrate and achieve measurable results. In this paper, we highlight the steps necessary for organizations to move from concept to action across a continuum of health and wellness to safety and workers’ compensation.

Why integrate health and safety?

• Companies with strong health, safety, and environmental programs can yield greater value for their investors, including a competitive advantage in the market.3
• Improving muscle strength increases functionality and performance while decreasing disability, disease, and mortality rates.4
• Programs that positively affect four key areas — the aging workforce, obesity, loss of muscle mass, and loss of muscle strength — can help control medical, disability, and injury costs.4
• Comorbidities compound work injury recovery and triple the number of workdays lost.5
• Companies that implement plan policy changes that impact workers’ compensation more directly may receive potential underwriting discounts on the health plan side.
• Companies that integrate may attract additional carrier markets, with higher stop-loss aggregates and individual deductibles, which equate to lower premiums.

Best practices3

Economic

• Leadership support is clearly demonstrated, inspiring creativity and development of integrated health and safety programs.
• Standards are cultivated and embedded in performance reviews.
• Business plans incorporate the health of the population.
• A collaborative team acquires baseline health information about the workforce and identifies solutions to boost health and productivity.
• For people with unsafe health conditions, rehabilitation and/or accommodations are made at the place of employment.
• Return-to-work programs are aggressively used and measured for performance.
• Organizational performance is measured, with an emphasis on quantifying the business value of a healthier workforce.

Sample metrics3

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<th>Economic</th>
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<tr>
<td>Number of workers’ compensation claims annually/1,000 members</td>
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<td>Cost of absenteeism: Number of days x Number of employees with health condition (such as heart disease) times average daily wage</td>
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<th>Environmental</th>
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<td>Accident/incidence rates for employees, contractors, and fleets (trend over five years)</td>
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<tr>
<td>Frequency: OSHA Total Recordable Incidence Rate employees and contractors (number of OSHA-recordable × 200,000 ÷ number of hours worked)</td>
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<td>Participation: Percentage of workforce submitting observations (safe/at-risk conditions), near misses annually</td>
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<tr>
<td>Prevalence of chronic conditions: Percentage of employees at low, medium, and high-risk categories (baseline and annual measurement period)</td>
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Environmental

- Experts frequently evaluate the workplace for health and safety and share the results with the employees. They also identify safety hazards in a timely manner and take action to mitigate risks.
- Organizations have infection-control protocols in place. They regularly educate their employees on potential hazards and take measures to prevent injuries or illness by promoting safety measures such as proper handwashing and wearing personal protective equipment (e.g., gloves, glasses, and hard hats).
- Organizations assess ergonomics and address them in the settings where they play a key role.
- Organizations implement strategies that reduce the impact on the environment, such as subsidizing public transportation to lower the carbon footprint.

Social

- Prevention is vital. Workplaces offer health coaching, chronic condition management, biometric testing, and health risk questionnaires to their employees to promote health.
- They encourage their employees to make healthy decisions and the environment supports them in doing so. (E.g., vending machines and onsite cafés offering healthy alternatives. Nutrition facts are available and a pricing architecture is constructed to steer employees to the most nutritious options.)
- Health plan design is value-based, offering members more value if they are actively engaged in healthy behaviors.
- Members are mindful consumers of the highest-quality, lowest-cost medical care.
- Corporate social responsibility showcases that the organization truly cares, and aligns its interests with the surrounding community.

Steps toward integration

Often, an employer’s risk and benefit departments operate in “silos” and may not always consider the synergies that exist between the respective disciplines. Creating a cross-functional team focused on transparent communication is paramount to a holistic approach that encompasses strategies that impact both health plan and workers’ compensation costs. Case managers from both the workers’ compensation and health plan should meet routinely to coordinate efforts regarding the plan of action and develop a comprehensive and cohesive mode of communication.

Role of onsite clinics

Onsite clinics provide an ideal environment in which full integration of occupational/non-occupational health can exist. The onsite clinic staff should have a strong understanding of the health plan and workers’ compensation benefits and also have workflow processes that incorporate the full spectrum of services offered to employees. The onsite clinic enhances efforts toward a total population health risk management program that drives participation, produces measurable results, and ultimately impacts year-over-year cost trends for both plans.

Measuring value

Integrated programs should be monitored routinely to identify key metrics, evaluate outcomes, and quantify the value of investment. It is reasonable for the collaborative team to meet on a monthly basis, allowing program managers to develop, adopt, or modify strategies that ultimately impact program participation.
Quantifying the return on investment is most effectively accomplished on an annual basis. In 2014, at a summit meeting hosted by the American College of Occupational and Environmental Medicine and Underwriters Laboratories, participants recommended the following:

“By examining the effects of strategies on claims cost, workers’ compensation costs, OSHA recordable rates, and disability/absenteeism numbers, managers can determine whether the cost of individual strategies is offset by these metrics, or other indirect costs, such as engagement or productivity. When establishing a plan, it is important to note that it will usually take at least two to three years before significant directional results can be seen, although for aggressive intervention programs, some results may be evident after the first year.”

While measuring the success of a total population health risk management program can seem daunting, most employers today are focused on participation levels. However, a trend toward a more sophisticated level of measurement is evident. According to the 2015 Fidelity Investments employer survey, metrics can include utilization of services and adherence to specific evidence-based medicine guidelines.

Metrics can be difficult to measure for employers that do not have a process in place to track pertinent data. Data mining should be leveraged to identify population trends, opportunities for improvements, and predict future costs. Baseline and annual comparisons should be determined using a consistent method, ensuring data integrity.
The future of integrated health and safety programs

In the future, successful employer-based integrated health and safety programs will demand a collaborative approach, which makes use of interventional programs in an efficient and cohesive manner. The programs will involve sharing of information (transparency) and development of a culture committed to the overall well-being of the population.

To learn more about total population health risk management strategies, contact your local Wells Fargo Insurance sales executive.

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   https://www.rims.org/Session%20Handouts/RIMS%20Conference%20PPTs%20-%20Aging%204%20Day%20%20FINAL%202015.pdf


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