

Occupational Health Strategies

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Employers Rate Health Management Tactics

Some of the interventions commonly promoted by occupational health providers - such as return-to-work programs, prompt claims reporting and the use of medical guidelines - are not necessarily the methods used most often by employers to manage worker health and productivity, according to a survey conducted by the Integrated Benefits Institute (IBI).

The survey results also indicate that many employers are embracing wellness programs. However, wellness programs are often perceived by occupational health providers as a "soft" product that is harder to sell than more tangible injury management and screening services such as drug tests and physicals.

Overall, employer interest in health and productivity management (HPM) is strong, according to survey results released last week by the IBI, a non-profit organization supported by employers, insurers, benefits managers, health care providers and others with a stake in the well-being of workers.

In general, ongoing IBI research shows that the cost of health-related absence, disability and lost productivity far outweigh medical costs. In response, HPM has been developed as a method for "promoting, improving and maintaining employee health in a manner that considers the impact of health on absence, disability and lost productivity." According to the IBI, this definition "raises the bar beyond medical costs regarding outcomes that can come from good health."

To determine the extent to which employers adopt various approach to HPM, the IBI questioned respondents about their use of 16 different practices. The practices and their degree of utilization are listed in **Table 1**.

Among respondents to the IBI's survey on *Employers Managing Health and Productivity*, 56 percent said they already have, or plan to have, an HPM strategy in place. Not surprisingly, larger companies indicated they are more interested in HPM than smaller companies.

Table 1: Health and productivity management practices in order of utilization. Results are based on a 2004 survey of 624 employers conducted by the Integrated Benefits Institute and LRP Publications, © 2006.

Health & Productivity Management Practice	% Employers Using Practice
Employee assistance program	76%
Employee benefits education	70%
Wellness program	63%
Nurse case management	58%
Disease management	58%
Nurse care hotline	56%
Ergonomics program	46%
Health risk appraisals	44%
Program for RTW accommodation	42%
Preventive care incentives	36%
Employee decision-support tools (e.g., website)	32%
Medical treatment/disability duration guidelines	31%
Employee education about RTW opportunities	30%
Early/expedited claim reporting	22%
Physician absence management/RTW training	21%
Incentives/charge backs to organizational units	15%

Among respondents with more than 500 employees, 85 percent said they have embraced HPM concepts, compared to 45 percent of smaller companies. In addi-

Health & Productivity, continued

tion, smaller companies appear to be less likely than larger companies to use individualized programs such as employee assistance counseling, benefits education or nurse case management, the survey shows.

Among all respondents, 30 percent told the IBI that even though they don't take a comprehensive approach to HPM, they have adopted at least one of three practices: 1) a return-to-work program, 2) use of the same medical guidelines across all benefits programs and/or 3) the same medical management for return-to-work goals whether in group health or workers' compensation.

"Perhaps the most interesting finding is that for most without an HPM strategy their reasons reflect a lack of basic information, whether it be about HPM outcomes, not knowing costs and benefits, poor data or simply not knowing enough," said IBI President Dr. Thomas Parry.

In recent years, companies that operate their various benefits programs in isolation rather than through an integrated approach have been accused of shortsightedness.

However, Dr. Parry said "few employers told us the barriers to health and productivity management are structural, that is, built into the nature of the business or their workforce.

In related findings, the IBI reports:

- Employers with no HPM strategy cited an absence of information as the most common reason for not pursuing a formal plan. Few expressed no interest in the concept.
- Medical costs are the primary reason why employers adopt HPM strategies, followed by rising benefits costs. Combined, these two reasons were cited by six in 10 respondents.
- Prevention practices such as wellness programs, health risk appraisals and preventive care incentives tend to be adopted across the board.

For more information...

The survey results are part of a series of reports based on a 2004 survey of 624 employers. To obtain copies, visit www.ibiweb.org or call the IBI at 415-222-7280.

Briefs

Physicians' Income Dropping

Between 1995 and 2003, average physician net income from the practice of medicine declined about 7 percent after adjusting for inflation, according to a national study by the Center for Studying Health System Change (HSC). By comparison, other professionals experienced an average 7 percent increase in income during the same period. Primary care physicians fared the worst with a 10.2 percent decline in real income between 1995 and 2003, while surgeons' real income declined by 8.2 percent. Medical specialists' real income essentially remained unchanged. Physicians reported working slightly fewer hours overall but spent more time on direct patient care. Flat or declining fees from public and private payers appear to be a major factor underlying declining physician incomes. The downward trend since the mid-1990s likely is a primary reason for growing physician unwillingness to undertake pro bono work, including charity care and volunteering to serve on hospital committees. For details, visit www.hschange.org.

Ohio WC Rate Change Proposed

The Ohio Bureau of Workers' Compensation has proposed a new rate schedule that would pay hospitals at Medicare rates for the treatment of work-related medical conditions. The bureau says the change would save about \$60 million a year. The Ohio Hospital Association opposes the proposal, saying a "one-size-fits-all" method is unfair because hospital costs vary widely.

Secondhand Smoke Dangers Outlined

U.S. Surgeon General Richard H. Carmona last week issued a report stating there is no risk-free level of exposure to secondhand smoke. According to scientific studies, non-smokers exposed to secondhand smoke increase their risk of developing heart disease by 25 to 30 percent and lung cancer by 20 to 30 percent. The report, *The Health Consequences of Involuntary Exposure to Tobacco Smoke*, says the only way to protect non-smokers from the chemicals in secondhand smoke is to eliminate smoking indoors. The report is posted at www.surgeongeneral.gov/library/secondhandsmoke.