

The Intersection of *Wellness and Workers’ Compensation*



Corporate wellness is a buzzword describing any number of programs from encouraging physical fitness to Employee Assistance Programs. Large and small employers have embraced wellness in its various forms, viewing it as both a perk to employees and a sound business strategy of the employer. Implementations of corporate wellness programs continue to grow as the offerings of these programs continue to expand.

According to the “2015 Employee Benefits” research report published by the Society for Human Resource Management, 70 percent of U.S. employers offer a general wellness program, up from 58 percent in 2008. Programs include health and lifestyle coaching, weight loss programs, on-site or subsidies for offsite fitness centers, nutritional counseling, smoking cessation programs, standing desks, and stress reduction programs. According to an April 2016 “Health and Well-being” survey conducted by Fidelity Investments and the National Business Group on Health, 87 percent of employers offer emotional or mental well-being programs with 54 percent offering stress management and 27 percent offering resiliency training. Additionally, 76 percent provide financial health programs.

By Mark Pew
Senior Vice President of PRIUM



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According to Optum's 2015 whitepaper entitled "Beyond ROI: Building employee health & wellness value of investment," the three primary reasons for an employer to invest in a health and wellness program is to reduce employee health risks, reduce health care costs and improve employee productivity. A likely outgrowth of that is increased employee retention through higher job satisfaction and employee morale, especially to the millennial generation, via a "culture of health."

A 2015 Limeade and Quantum Workplace study entitled "Workplace Well-Being: Provide Meaningful Benefits to Energize Employee Health, Engagement, and Performance" provides additional insights into how having a culture of health helps the employer's bottom line. If the responding employees felt cared for, 38 percent were more engaged, 17 percent more likely to be working there in one year, and 18 percent were more likely to "go the extra mile" for the organization.

So a healthy and happy employee has a positive effect on both the employee and employer. That is both intuitive and statistically proven. But how does that intersect with workers' compensation? A culture of health combined with a culture of safety, should reduce work-related injuries and associated lost-time due to co-morbidities or poor attitudes. Perhaps it can have an even broader impact. Let's examine the results of two programs launched by an employer and a carrier.

The University of California system had an issue with re-injury. Of reported work comp claims in 2007, 61 percent were the first claim for that employee. However, 20 percent of those claims were from employees who had two claims, nine percent had three claims, and 10 percent had four or more claims. The highest number of work related injuries to a single person was an astonishing 54. That's a problem.

Not surprisingly, the cost of an employee with only one claim (\$5,620) was lower than the cost of claims for employees who had submitted four or more claims (\$10,133). In a workplace of over 200,000 employees, a 39 percent re-injury rate is an astounding number of impacted employees, departments, productivity, and costs. In fact, the university's actuarial analysis estimat-



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ed that “subsequent claims” produced an annual cost of \$26 million each year.

Things hadn't changed much by 2011 when 63 percent of claims were first-time claims. Obviously something had to change. In October 2011 the university implemented its WorkStrong Program system-wide.

The program was described as follows: “WorkStrong is an occupational wellness initiative designed to promote recovery and prevent future workplace injuries. The program was developed with the expertise and collaborative support of University of California staff in wellness programs, occupational health and recreational sports.” The goal was to increase return-to-work, reduce re-injury, and reduce work comp costs by promoting physical wellness (weight, nutrition, cardiovascular, core strength) and psychological wellness (life balance, stress management, “feel


better”). During the pilot phase, eligibility was based on employees who had suffered at least two work-related injuries within a 24-month period. Upon full implementation it was expanded to “all injuries for employees with co-morbidities who can benefit from the program,” basically any injured worker.

The program comprised:

- Fitness and post-rehabilitation training with certified trainers and professionals designed to promote recovery from injury or promote better fitness, as well as coaching on injury prevention strategies, exercises and fitness improvement
- Nutrition and weight management training and consultation with a registered dietician to assess

current diet and eating habits and offer suggestions and strategies for a healthy, balanced diet

- Life balance and stress reduction strategies, modalities and activities to increase awareness about stress levels and managing stress
- Workplace safety assessment and consultation to ensure a comfortable and safe work environment
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With the anticipated annual cost of subsequent injuries at \$26 million and expected program cost of \$5.6 Million, the break-even point was calculated as 20 percent in direct savings. Its actual incurred loss from subsequent claims was 56 percent less than budgeted, more than offsetting the cost of the program. The number of re-injuries at 10-12 months was over 60 percent less for participants than what was expected without the program, and that percentage drop continued through to the 27-30 month range. Additionally, the work comp accrual rate dropped from \$1.65 in 2004-2005 to \$1.07 in 2014-2015.

These were outstanding results, but the most important result might be this quote from one of the participants: "My pain has gone away (after a year of pain). I am healthier in every sense of the word - physically, mentally, and spiritually. I feel very fortunate to have been a part of this WorkStrong program - thank you!"

For more information about the WorkStrong Program, contact Kevin Confetti, Deputy Chief Risk Officer for the University of California system (kevin.confetti@ucop.edu). He was the driving force behind its development and continues to be a public advocate of its benefits.

In fact, Kevin's presentation about the WorkStrong Program at a 2014 SIIA event prompted the initiation of a similar program. Todd Greer, senior vice president for Insurance Program Managers Group (IPMG), was so impressed by WorkStrong's outcomes that he facilitated the development and deployment of IPMG's own program, Enhanced Case Management. Obviously the University of California system has some built-in advantages since it has all of the in-house clinical, occupational and psychological resources required for such a program. IPMG created a network of resources via centers of excellence on a regional basis, and a cap of \$5,000, for the program's resources and services in nutrition, functional fitness, stress management and opioid intervention. Their model focuses on service: targeting, engagement, administration, delivery and compliance. The process starts with a series of red flags that trigger a roundtable discussion to confirm the presence of comorbidities. If complicating factors are confirmed, the process elevates to an IPMG clinician for a face-to-face meeting with the injured worker. Their collaborative – and integrated – team of underwriting, claims, risk management and nurse case management interact with both the treatment provider and plaintiff attorney so that all stakeholders are aware of and supportive of the new approach.

IPMG's aim, as with WorkStrong, is to generate a lifestyle change. That aim is not typically included within the compensable scope of work comp, but IPMG understands that without those lifestyle changes the claim can become more complex and costly, in financial and clinical terms. From 2010 thru 2016, Enhanced Case Management had incurred 32 percent less cost per employee and 65 percent less cost per claim. Those savings were

not achieved through cost containment but instead by an investment in helping the injured worker. In this case, less cost doesn't mean less benefits but less lost time, lower expensive medical procedures and administrative costs and higher ability to settle. And, happier injured workers – "I knew I needed to lose some weight, but this program gave me the motivation and skills on how to do it. My girlfriend had also been wanting to lose weight so she decided to do this with me. Since the start of the program I have lost over 35 pounds and 15 inches of fat. My girlfriend has lost nearly 50 pounds just by eating the same way I am. We feel great! The program has really changed both of our lives."

These two programs yielded similar results, providing a successful model whether an employer or a carrier. Which organization will be next adopting such a program? The proper commitment of time and money and focus, combined with proven templates, should yield a similar culture of health. But those positive outcomes cannot be achieved without taking the first step in identifying the issues, devising a solution, and staying true to the vision through implementation. Will that take courage and vision and maybe even some faith? Yes. But aren't employees worth it? ■

Mark Pew, Senior Vice President of PRIUM, has been focused since 2003 on the intersection of chronic pain and appropriate treatment. That ranges from the clinical and financial costs of opioids and benzodiazepines to the corresponding epidemic of heroin use and the evolution in medical cannabis. Educating is his job and passion. Contact Mark at mpew@prium.net, on LinkedIn at [markpew](https://www.linkedin.com/in/markpew), or on Twitter @RxProfessor.

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