



Sickness Absence Management

“Return to Work”

Where do the vested interests lie?
What are the risks/costs and benefits?
Who carries them?

- Insurance Companies and their Associations
- Government
- Trade Unions
- Employers and their Associations
 - Confederation of British Industry
 - British Chambers of Commerce

Facts and figures

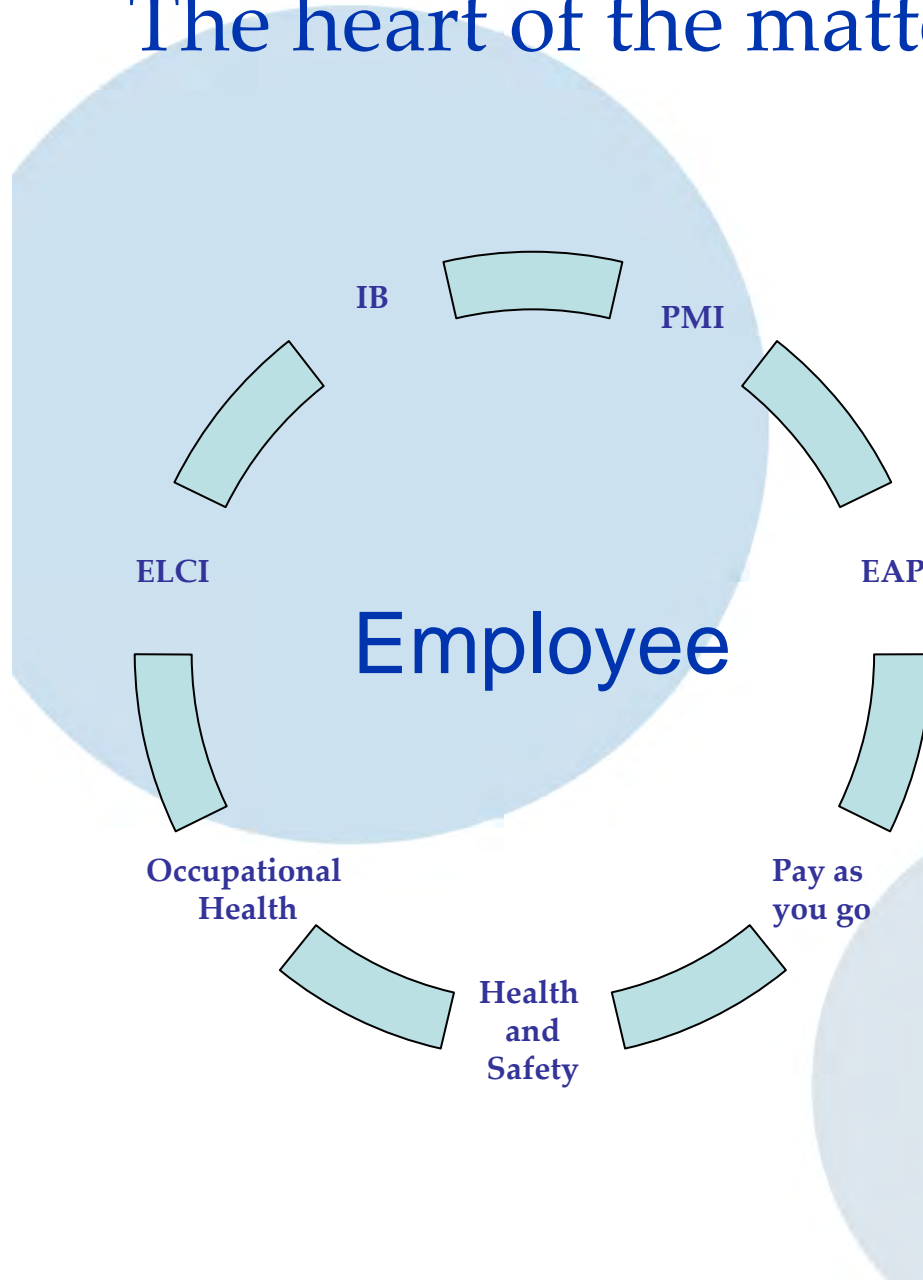
- Absence cost the UK economy £12.2bn in 2004
- 6.8 days per working employee
- 168 million working days
 - >5,000 employees 8.3
 - <50 employees 4.5
- £495 average cost
 - Salary
 - Overtime and temporary cover
 - Lost service production time

The Corporate Dilemma

➤ How to achieve:

- Optimum corporate health management
- A healthy and effective workforce
- High employee satisfaction levels
- Effective long term cost control

The heart of the matter



➤ If health is the main capital in your organisation, are you making the right investments?

➤ Multi-disciplinary approach

- GP
- NHS
- Private

Risk management

➤ Consider how you:

- Prevent illness or injury occurring?
- Effectively manage illness or injury when it occurs?
- Mitigate the cost to the company?
- Reduce the impact of the illness/injury to the employee?
- Reduce the risk of reoccurrence (severity and incident)?
- Integrate the management of cases?

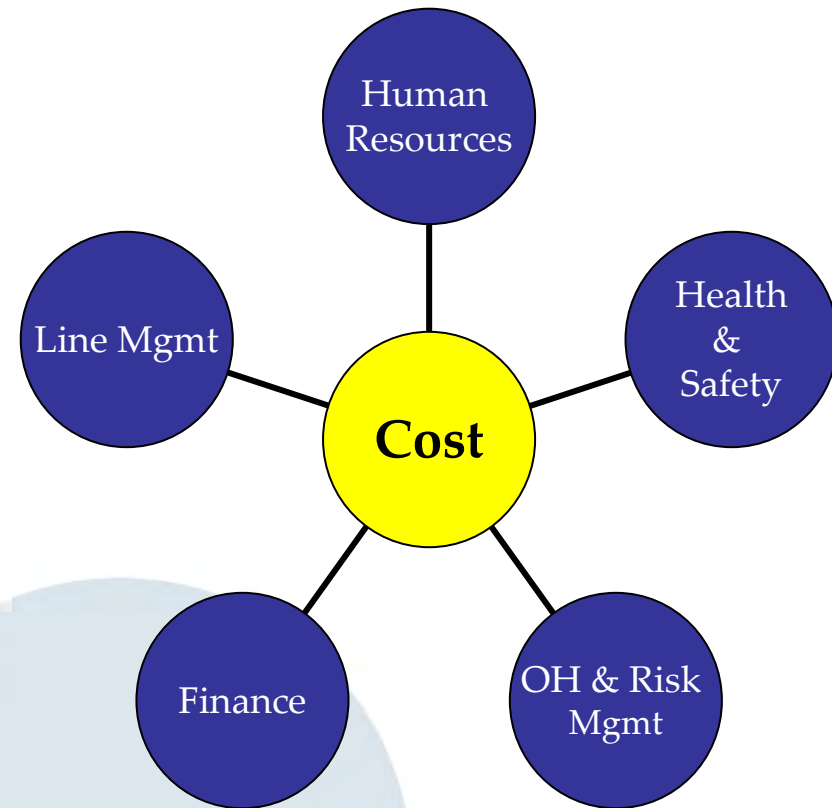
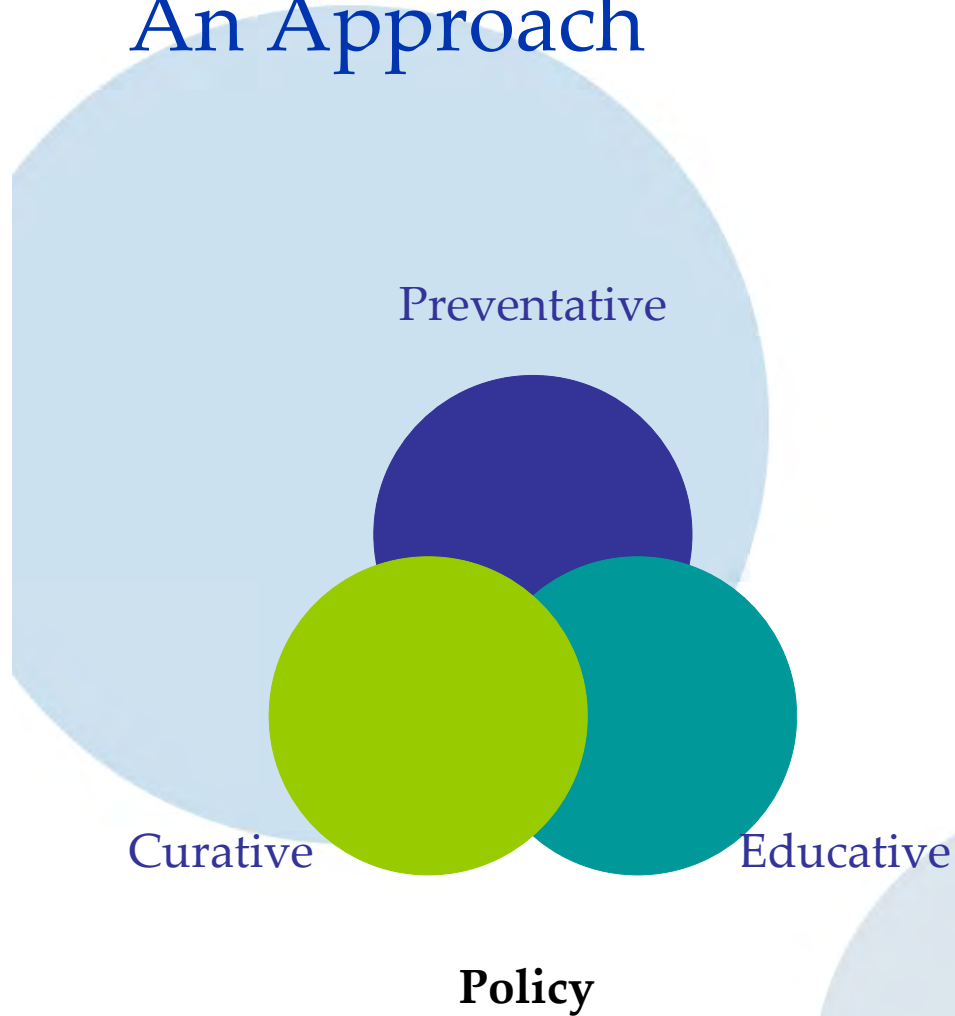
Types of Absence

- Frequent days
- Short term
- Long term
- Illness, Sickness
- Accidents
- Presenteeism

A Myriad of Questions?

- Who is responsible?
- How do we effect a programme?
- Benefits of early intervention?
- How effective are SAM programmes in practice?
- What is case management?

An Approach



Integrated Multidisciplinary Team

Policy

- Sick Pay
- Process
- Self-certification
- Medical certificate
- Optimising use of EAP, PMI and Business Financed schemes
- Rights of the business
- Return to work interview

Case Management

- Recording
- Keeping in touch
- Review of working environment
- Adjustments in the Workplace
- Professional support services
- Planning a return to work
- Returning to Work

Healthy People, Healthy Business



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➤ The role of Occupational Health

- Monitoring Employee Health
- Early stage identification of health problems and fitness for work issues
- Formulate rehab and rtw strategies
- Work closely with line management and HR
- Promote employee health and wellbeing

➤ The Value of Occupational Health

- HR managers believed that OH Experts are the most effective method of managing long-term absence (CIPD 2005)
- OH experts are bestplaced to assess fitness for work (CBI 2005)

Measuring Absence

- Accurate measurement and monitoring
 - Problem
 - Solution
- CIPD Employee absence 2003
 - < 50% Employers monitor absence
 - 50% had set targets to reduce absence
 - 48% benchmarking against others
- Methods of Measurement
 - Lost Time Rate
 - Frequency Rate
 - Bradford Factor

Measurement tools

➤ Lost Time Rate

$$\frac{124}{1,550} \times 100 = 8\%$$

➤ Frequency Rate

$$\frac{16}{80} \times 100 = 20\%$$

➤ Bradford Factor

10 one day absences

$$10 \times 10 \times 10 = 1,000$$

5 two day absences

$$5 \times 5 \times 10 = 250$$

Analysis

➤ Quantitative

- Quarter on Quarter

➤ Financial

- Lost time
- Actual absence cost
- Premium reduction

➤ Human

- EAP intervention
- Pay as you go
- Disabled employees
- Resignations and dismissal

➤ Qualitative

- Effective targeting
- Early identification
- Day 1 reporting
- EAP useage

Conclusion

- People are the key to the success of your business
- Overall approach should be to communicate with sensitivity
- Preventative, Educative and Curative
- Response Ability
- Multi-disciplinary team

Evidence (Greenstreet Berman rpt june 2004)

Ambulance Trust

- ✓ £14,295 spent
- ✓ £15,000/month saved
- ✓ 8 staff
- ✓ £70,000 ill health retirement
- ✓ £560,000 claims cost reduction

Utility

- ✓ £8.6million reduction
- ✓ Insurance claims down by 30%
- ✓ Equivalent saving £486,000
- ✓ No ELCI premium increase