

Combined Safety and Wellness Programs: Benefits and Guidelines

Nicole Thompson, CSP
Workers' Safety Program Manager
Missouri Division of Workers' Compensation

Objectives

- ▶ This presentation will explain the potential reduction in workers' compensation costs achieved by incorporating a workplace wellness program into an injury and illness prevention plan.
- ▶ It will cover the necessary elements to include in the plan for maximum effectiveness.

What is the state of your current safety and wellness plan?

- ▶ All of the programs are in place but are not well integrated
- ▶ Programs are in need of review to confirm everything is in place
- ▶ Need to start from scratch

Benefits

- ▶ 2005 mega analysis of 56 financial impact studies conducted over two decades concluded that participants in workplace programs had 25%–30% lower medical or absenteeism expenditures than non-participants.
- ▶ 2010 literature review found a medical cost return on investment of \$3.27 for every dollar spent and absenteeism ROI of \$2.73 for every dollar spent.
 - Programs can take 2 to 3 years to realize a positive ROI

Reasons to start thinking in terms of “Total Worker Health”

- ▶ 78% of all health spending in the U.S. is attributable to chronic illness.
- ▶ The workforce is aging.
- ▶ Around 5,000 workplace fatalities and 4 million workplace injuries and illness occur in the U.S. each year.
 - This amounts to \$87.6 billion in annual employer workers' compensation costs.

Co-morbidity

- ▶ One physical therapy group operating in Missouri has found:
 - 92% patients have 1 or more co-morbidity
 - 79% have 2 or more
 - 63% have 3 or more
- ▶ Examples of co-morbidities
 - 44% are obese
 - 22% smoke
 - 22% hypertensive
 - 20% have osteoarthritis

Obesity

- ▶ Patients who are obese (BMI>30) averaged 16.9 visits to physical therapy
 - This is 3 more than the overall average of 13.9
 - This costs about \$600 more in therapy
- ▶ A 2007 study by Duke University found that workers who are morbidly obese:
 - Filed 45% more claims than non-obese workers,
 - Had almost 13 times the number of lost work days,
 - Had medical claims costs that are 7 times higher,
 - Indemnity costs that are 11 times higher than non-obese workers.

Smoking

- ▶ 18% of adults in the U.S. smoke cigarettes.
- ▶ Smokers cost employers an extra \$5,816 a year.
 - Highest source of cost is from time spent on smoke breaks.
 - 5 a day on average
- ▶ Businesses pay an average of \$2,189 in workers' compensation costs for smokers versus \$176 for non-smokers.
- ▶ Smokers who are exposed to asbestos increase their risk of lung cancer by 50 to 84 times.

Sleep Apnea

- ▶ Untreated sleep apnea sufferers have a 2 to 7 times greater risk for vehicle collisions.
- ▶ Federal Motor Carrier Safety Administration estimates that fatigue plays a role in at least 13% of all truck crashes.
 - This estimate is likely low
- ▶ One large interstate motor carrier realized a \$539 to \$780 savings per driver per month in health claims after implementing a program
 - Screening, diagnosis, treatment

The Aging Workforce

- ▶ 1972: average age of a worker: 28
- ▶ 2014: average age of a worker: 48
- ▶ 2008: 28 million workers over 55
- ▶ 2016: 40 million workers over 55 (up 43%)
- ▶ 10,000 people turn 65 every single day
- ▶ 79% of baby boomers say they will not retire at 65
- ▶ Average age of a high skilled worker: 56

The Aging Workforce

- ▶ Older workers tend to take twice as long to recover from injuries
- ▶ Older workers are more likely to die of injuries than younger workers
 - The rate of fatal injuries per 100,000 workers
 - 15 for workers age 65 and older
 - 5 for workers age 25-34
- ▶ Aging can result in
 - Hearing loss
 - Decreased hand-eye coordination
 - Reduced depth perception
 - Decreased stamina and endurance
 - Temperature regulation
 - Decreased balance
 - Loss of strength, flexibility, and reflexes

Other Potential Benefits

- ▶ Boosted morale
- ▶ Increased productivity
- ▶ Decreased presenteeism
- ▶ Improved workplace culture

Potential liabilities?

- ▶ Having a program in place can actually put you in a more legally defensible position under the ADA.
 - An employer is not required to hire or retain an individual who cannot perform the essential functions of a job.
 - An employer is not required to hire or retain an individual who would pose a direct threat to health or safety
 - EEOC TAM 4.4

Work Related Injuries?

- ▶ Not an OSHA recordable if the injury or illness results solely from voluntary participation in a workplace wellness program or in a medical, fitness, or recreational activity such as blood donation, physical examination, flu shot, exercise class, racquetball, or baseball.
- ▶ These activities are not compensable under workers compensation unless the claimant can prove that he/she was directed or instructed to participate in the event.

Complexity of the Program

- ▶ Level of detail depends on many factors
 - Scope of the system
 - Size of the organization
 - Nature of activities, products, and services
 - Organizational culture

Developing an Injury and Illness Prevention Plan

- ▶ Standards and Guidelines
 - OSHA:
 - Management Guidelines,
 - VPP,
 - Form 33,
 - PEP.
 - ANSI Z 10
 - OHSAS 18001
 - ILO OSH

Developing an I2P2

- ▶ Management commitment and assignment of responsibilities
- ▶ Employee involvement
- ▶ Safety communication system
- ▶ Hazard identification and control
- ▶ Incident investigation
- ▶ Safety planning, rules, and work procedures
- ▶ Training

Benefits of Safety Inspection

- ▶ 2012 Study "Randomized Government Safety Inspections Reduce Worker Injuries with No Detectable Job Loss".
- ▶ For 4 years after a random OSHA inspection:
 - 9.4% drop in injury claims
 - 26% average savings on workers' compensation costs
 - \$355,000 average savings for an employer
 - \$6 billion estimated savings to employers nationwide
- ▶ There was no evidence that these savings came at the expense of employment, sales, credit ratings, or firm survival.

Workplace Wellness Programs

- ▶ What works?
- ▶ Evidence-based comprehensive health promotion program
 - Individual risk reduction programs
 - Environmental supports for healthy behaviors
 - Coordinated and integrated with other wellness activities
 - Safety programs
- ▶ According to a national survey in 2004, only 6.9% of employers offer a comprehensive worksite health promotion program

Elements of a Workplace Wellness Plan

- ▶ Activity or results centered
- ▶ Gather data through a health assessment
- ▶ Choosing programs
 - Where should we focus our efforts?

Potential Areas of Focus

- ▶ Physical Activity
- ▶ Nutrition and Healthy Eating
- ▶ Screenings
 - Blood pressure
 - Cancer
 - Diabetes
 - Cholesterol
- ▶ Breastfeeding Support
- ▶ Stress Management
- ▶ Smoking Cessation
- ▶ Fatigue Management

Potential Programs

- ▶ Healthy cafeterias
- ▶ Rebate on running shoes
- ▶ Workplace gym
- ▶ Company sponsored event or sport team
- ▶ Timed breaks and stretch periods
- ▶ Informational handouts

Steps to Wellness

- ▶ Step 1: Building Support
- ▶ Step 2: Planning and Assessing
- ▶ Step 3: Promoting
- ▶ Step 4: Implementing
- ▶ Step 5: Evaluating
- ▶ Step 6: Sharing Results
- ▶ Step 7: Sustaining

Developing a Wellness Program

- ▶ Start with the highest risk jobs
 - Which jobs have the most injury? Cost?
 - Where is the most turnover?

Job Hazard Analysis

- ▶ A description of the physical and functional aspects of a particular job.
 - This is a key element that is going to be the foundation of the safety and wellness plan.
- ▶ Identify hazards before they occur.

Post Offer Pre Employment Screening

- ▶ Is your new hire even capable of performing the job safely?
 - Not capable rate of 7-12%
- ▶ Screening is based on objective criteria to ensure that the best candidate is hired for the job
- ▶ Collects baseline information that can be used in return-to-work programs

National Average Testing Results

- ▶ 75% fail job performance criteria
- ▶ 10%-15% do not return for drug or employment test
- ▶ 15%-28% require medical clearance to continue
 - High blood pressure
 - Recent auto accident
 - Significant medical history
 - Disabled and did not ask for accommodation before arriving
 - Demonstrates serious medical or disease problems

Functional Capacity Evaluation

- ▶ Is an objective assessment of an employee's ability to perform work
- ▶ Can determine sincerity of effort
 - There is no faking this test
- ▶ Legally defensible

Fit for Duty

- ▶ Part of a return-to-work program
 - Can test an employee's ability to perform job after a work comp or personal injury
- ▶ Internal transfers
 - Moving an employee to a different job
- ▶ Annual test for safety sensitive positions

Return to Work Programs

- ▶ The longer an employee is absent from work, the higher the costs to the employer and the less likely the employee is to return to work.
 - Only 50% of employees on disability for 6 months or more return to work.
 - Only 5% return after 12 months.
- ▶ Allows the employee to maintain a positive connection to the workplace.
- ▶ Speeds recovery time.

Drug and Alcohol Policies

- ▶ Where an employee fails to obey any rule or policy related to a drug-free workplace, workers' compensation benefits can be reduced or lost.
 - Any non-prescribed drugs or alcohol are in the employee's system at the same time as the injury, medical is paid, but compensation is reduced 50%.
 - If alcohol is in the system above the legal limit (0.08% BAL), all benefits are forfeited.

Ergonomics

- ▶ \$1 of every \$3 in workers' compensation costs stems from improper ergonomic protection.
- ▶ Total annual costs of musculoskeletal disorders reach up to \$54 billion.

Other Initiatives

- ▶ Blood Drives
- ▶ Recycling
- ▶ Community Cleanup
- ▶ Others?

Why should these programs be combined?

- ▶ Very few workplace safety issues can be separated from an employee's overall health.
- ▶ Employees in safe workplaces feel that their employer has more regard for their wellbeing and are therefore more likely to participate in a wellness program.
- ▶ Prevents duplication of programs and resources therefore decreasing cost of implementation.

A Quick Note on Using Appropriate Incentives

- ▶ OSHA strongly discourages incentive programs that they feel could discourage employees from reporting injuries.
 - The size of the incentive does not matter
- ▶ Be sure to incentivize positive safety actions.
 - Joining a committee
 - Making a recommendation
 - Performing an act safely
- ▶ Use incentives as part of promotional efforts.
 - Prizes during training
 - Employee recognition day

Putting it Together

- ▶ Get buy-in from management.
- ▶ Perform an assessment.
 - What is the state of our current programs?
 - Where do we need to focus?
- ▶ Get employees involved.
 - Form safety and wellness committee.
- ▶ Implement the program.
 - Health assessments and safety culture surveys.
 - Put the programs in place.
- ▶ Evaluate the effectiveness of the program.
 - Assess and adjust.

References

- ▶ *CDC Worksite Health ScoreCard: An Assessment Tool for Employers to Prevent Heart Disease, Stroke, and Related Health Conditions.*
 - http://www.cdc.gov/dhdsp/pubs/docs/hsc_manual.pdf
- ▶ The Whole Worker
 - http://www.dir.ca.gov/chswc/WOSHTEP/Publications/WOSHTEP_TheWholeWorker.pdf
- ▶ The Quill Vol. 21, #12, Dec.08
- ▶ ARC Pre-employment to RTW, Jeff Weeks, OTR/L, CEAS, Presentation NSC 2014
- ▶ Peak Ergonomics Solutions for an Ageing Workforce, Presentation NSC 2014

Additional Resources

- ▶ CDC Steps to Wellness
 - http://www.cdc.gov/nccdphp/dnpao/hwi/downloads/Steps2Wellness_BROCH14_508_Tag508.pdf
- ▶ PMA Integrating Risk Management and Wellness Programs
 - <http://www.pmacompanies.com/pdf/MarketingMaterial/WellnessWhitePaper.pdf>
- ▶ Your insurance carrier
- ▶ Your occupational health provider

Questions?
