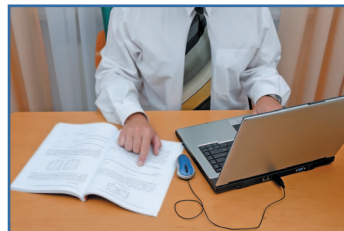


October 2011

Best Practices in Return to Work



2011 Leadership Series



Welcome!

With the cost of employee absence rising to hundreds of billions of dollars, employers appreciate more than ever the importance of safely returning employees to work. That's one reason we decided to focus on employer best practices for return to work during the 2011 Leadership Series.

This year's Leadership Series represents the seventh year of collaboration between Liberty Mutual Group Benefits and the Disability Management Employer Coalition (DMEC). It is a partnership in which we both take enormous pride.

Mendota Heights, Minnesota, hosted the first of our 2011 Leadership Series panel discussions. We assembled industry leaders who have successfully implemented return to work programs and heard their challenges and insights. An online conference generated stimulating discussion and exchanges of ideas on program design and implementation from an audience of several hundred human resources and benefits professionals who spanned a broad spectrum of industries.

This white paper distills the presentations and discussions with best practices that employers of all sizes can reference in evaluating or establishing return to work programs of their own.

We hope it will be helpful and interesting to you and your colleagues.

For further information about disability, return to work programs, and Liberty Mutual Group Benefits, please visit www.libertymutualgroup.com/lmgroupproducts. To learn more about DMEC, please visit www.dmec.org.

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About the Leadership Series

The 2011 DMEC Leadership Series, sponsored by Liberty Mutual for the seventh consecutive year, explored best practices in return to work (RTW) programs. Human resources managers, disability managers, health and productivity managers, and benefits managers from a variety of industries and companies came together to explore the components of effective RTW programs that meet overall corporate objectives while demonstrating an organizational commitment to employees. A panel was convened in Mendota Heights, Minnesota, on June 14, 2011, with a follow-up webinar roundtable held on June 23. Topics discussed included:

- The need to establish and communicate an RTW plan that integrates both occupational and non-occupational cases;
- The challenges that employers face in designing and implementing RTW;
- Effectiveness of an integrated disability and absence management (IDAM) strategy for partnering with health care providers to establish proactive intervention for the prevention of employee absences;
- Reasons that support the growing trend to outsource RTW coordination;
- The essential role of case managers in successfully implementing and coordinating RTW programs internally;
- Key components of the successful implementation and funding of transitional work programs that offer creative ways to identify internal placement and accommodations for modified-duty requirements;
- Fulfilling, standardizing, and documenting the interactive accommodation process; and
- Impressive cost savings and effectiveness of RTW programs and IDAM.

During the presentations, attendees were encouraged to ask questions and relate their own experiences in their respective corporate environments. Attendees included representatives from a broad spectrum of industries: utilities, manufacturing, education, health care, food and beverage, defense and aerospace, technology, petroleum, and professional services. Charles Fox, Executive Director, DMEC, facilitated all sessions, and Joe Wozniak, Treasurer, DMEC National Board, served as moderator. Erin Finnemore, Group Benefits Marketing Communications Manager, Liberty Mutual, was the coordinator.

Leadership Series – Sessions and Participants

In-Person Session, June 14, 2011, Mendota Heights, Minnesota—Panelists:

- Lisa Triplett, Health & Disability Manager, Visant Corporation
- David Dubovich, Disability Case Manager, Allina Hospital and Clinics
- Sue Wessin-Cradle, Global Business Services – Human Resources, Best Buy

Webinar, June 23, 2011—Panelists:

- Wanda Estrada, Risk Analyst – Injury/LOA, Pinnacle Family of Companies; former Health Services Manager, MillerCoors
- Mike Moses, ADA Disability Case Manager, Kaiser Permanente
- Linda Cassel, Manager, Employee Health & Wellness, Crayola LLC

Executive Summary

With the annual cost of absence for businesses an estimated \$100 billion¹ and more than 100 million days lost due to injuries,² returning employees to work is one of the most effective practices that employers can implement to reduce expenses associated with absences caused by either work-related or non-work-related injuries and illnesses. Creating a culture that fully supports RTW will help increase corporate profitability, improve employee productivity, and further protect an employer from lawsuits resulting from regulatory noncompliance.

The 2011 Leadership Series was convened to explore the fundamentals of effective return to work programs and how they can be successfully implemented in a variety of companies for both industrial and non-industrial applications. The experts agreed that an effective RTW plan design is based on a number of **major best practices**:

- Adopt an integrated disability and absence management (IDAM) strategy, and provide more consistent procedures for both work-related and non-work-related situations;
- Prevent absences and reduce disability claims by encouraging employees with chronic conditions to participate in corporate- or vendor-sponsored programs that will help improve their health;
- Standardize and document the interactive accommodation process required by the Americans with Disabilities Act Amendments Act (ADAAA) in a user-friendly way that will help minimize legal risks resulting from regulatory noncompliance;
- Implement a structured transitional work program that can provide RTW options and accommodate modified-duty assignments for both occupational and non-occupational cases; and
- Track the profitability and cost savings from the implementation of RTW programs.

A well-designed and integrated organizational plan addressing both occupational and non-occupational situations is a win-win for all parties. Incorporating any or all of these major best practices will help maximize a company's return on investment (ROI) by accelerating an employee's return to work.

What Are the Challenges of Return to Work Plan Design?

Return to work plan design varies throughout each company and within each industry. Although challenges and costs are inherent in any type of program change or implementation, employers must realize that an effective RTW plan is essential in today's competitive and litigious environment. RTW is an effective management tool that enables a company to maximize profits and productivity while minimizing risk. Developing an optimal RTW program will help meet corporate goals and promote a positive work environment that values, trains, and retains employees.

Variables that may contribute to the complexity of design for an RTW plan include:

- Keeping up with the ever-changing state and federal regulatory requirements and resultant compliance concerns;
- Providing consistent programs and procedures for occupational and non-occupational cases;
- Interfacing with multiple vendors;
- Bargaining with unionized workforces;
- Coordinating multiple locations in different states;
- Developing an acceptable funding and cost allocation strategy; and
- Deciding the best way to organizationally manage RTW and track its value to the company.

David Dubovich, Disability Case Manager at Allina Hospitals & Clinics, captured with one phrase the many challenges that employers and case managers may face while implementing RTW procedures: "It takes a village, or maybe an army, to get someone back to work."

Charles Fox, DMEC Executive Director, reminded the participants, "Designing an effective RTW plan doesn't have to be rocket science." There are resources and models to assist employers in developing sound programs. Despite the potential challenges, employers should consider RTW one of the most effective practices they can implement to increase productivity and profitability while reducing costs and lost hours due to absences.

How Are Participating Companies Dealing with the Challenges of Return to Work Plan Design?

Informal polling among discussion participants at the Minnesota meeting confirmed that RTW plan designs vary. Some participants have an RTW program in place for both occupational and non-occupational situations. Some have RTW plans that focus only on the occupational side, and a few participants indicated their companies do not have any RTW program in place. Although RTW plan designs vary, discussion participants found it useful to consider how the featured employers have implemented plans to meet their specific goals and objectives. The table below provides a brief overview of the participating panelists and highlights a few components of their respective RTW programs..

Table A: Panelist RTW Plan Design Comparison

Company	Employees	Location	RTW Coordinator	TWA** Occupational	TWA Non-Occupational	Modified Duty Part-Time (PT) or Full-Time (FT) Only?
Allina Hospitals & Clinics	24,000 *5,000	MN	Internal Case Mgrs	Yes	Yes	Part-time for up to 4 calendar months
Best Buy	more than 120,000	Multiple	External	Yes	Yes	Yes (both)
Crayola	1,150	PA	Internal Health Mgt Specialist	Yes	Yes	Allows PT 4-hour shift minimum
FW Brewery (MillerCoors)	700	TX	Internal Case Mgr	Yes	Yes	FT only = 8 hours
Kaiser Permanente	160,000 *10,000	Multiple	Internal Case Mgr	Yes	Yes	Allows multiple hours
Visant Corporation	5,300	Multiple	External	Yes	Yes	Flexible depending on case

* Physicians **Transitional Work Assignment

Allina Hospitals and Clinics

David Dubovich, Disability Case Manager, discussed the internal RTW practices for both occupational and non-occupational situations. Allina Hospitals and Clinics has an internal disability case management program, and the same team coordinates all leave types. This leave administration team has an HR Service Center, essentially a call-in center with three dedicated specialists. In addition, seven occupational health RNs are on hand to do intake and triage. Three full-time vocational disability case managers (Dubovich handles the west region of Allina Hospitals and Clinics) are part of the team, along with two part-time behavioral case managers and one part-time vocational placement counselor.

A formal transitional work program is in place for both occupational and non-occupational cases. For non-work-related issues, an employee can initiate a leave of absence by contacting the call-in center. A nurse case manager will be assigned to follow the progress of this employee for up to eight weeks. If the employee is still out of work after eight weeks, this case is transferred to the onsite disability case manager. For work-related issues, the employee's leave will also go through the leave administration team, but the leave of absence (LOA) will be assigned to the on-site disability case manager. Other key components include a pre-placement process, a fitness-for-duty process, reasonable suspicion drug testing, job descriptions with physical demands outlined, and coordination of Family and Medical Leave Act (FMLA) LOA with workers' compensation LOA. "The case manager plays a pivotal, pivotal role in pulling this all together," Dubovich explained. "It can be an internal quagmire that case managers must navigate and coordinate to return an employee to work."

Best Buy

Sue Wessin-Cradle, Global Business Services – HR at Best Buy, discussed the challenges of “the journey” toward IDAM with RTW within the context of a large organization operating multiple stores throughout a widely dispersed geographic area. She focused on the non-occupational side of RTW. “For big box retailers, it’s about growth,” Wessin-Cradle explained. Best Buy now has more than 120,000 employees in the U.S. and 1,100 stores (up from 500 stores in 2000). “Best Buy started outsourcing leave of absences five years ago to a large consulting company,” she noted, “and the intake for RTW was triaged with that entity.” Wessin-Cradle gets involved if there is “a hot issue.” According to Wessin-Cradle, Best Buy has around 1,200 employees or one percent of its workforce on non-work-related LOA at any given time.

To overcome the challenge of streamlining procedures and organizational communication, she developed and launched both an internal training module for store managers titled “A Manager’s Role in LOA and Workplace Accommodation,” and a tool on Best Buy’s intranet site entitled “Manager’s Workplace Accommodation Toolkit.” In an effort to further integrate disability management, Best Buy outsourced an RTW Coordinator in February 2011. “We partnered with a large insurance company at no cost to Best Buy,” said Wessin-Cradle. The nurse will look at each short-term disability case and coordinate with doctors, the employee, and the manager to create an RTW plan.

Crayola

Linda Cassel, Manager, Employee Health & Wellness, discussed the positive impact of implementing an IDAM strategy at Crayola that included getting senior management’s and production managers’ buy-in for a comprehensive RTW program. With a high incidence rate of short-term disabilities at the company, changes needed to be made. In the past, Crayola had a “silo” structure in which two separate areas managed short-term disabilities and workers’ compensation. The benefits and health departments were combined into a new group to integrate absence management. In addition, Crayola integrated coverage for workers’ compensation, long-term disability, and short-term disability under one vendor. Cassel identified opportunities and created a job bank of modified-duty jobs within the production area and corporate area of Crayola and implemented consistent RTW processes for work-related and non-work-related situations. In addition, she worked out an internal payroll/budgeting plan for RTW to address production managers’ concerns about RTW’s impact on their budget and efficiency rates. Crayola shifted funding for employees not returning to their own jobs by developing a special cost code tied to a disability budget. An integrated health management specialist at Crayola establishes employee expectations for the RTW program, communicates with managers and employees, and partners directly with the company’s disability carrier to identify appropriate timing and options. Crayola has seen significant results that point to the effectiveness of the program:

- The RTW rate for STD is 96 percent.
- The RTW rate for the remaining four percent who transition from STD to LTD is 58 percent.
- Accommodation time when returning to work from a claim averages 30 days.
- Average accommodation time when going straight to modified duty and avoiding a claim is 31 days.

Fort Worth Brewery/MillerCoors

Wanda Estrada, former Health Services Manager for MillerCoors, shared her struggles in establishing a RTW program for the Fort Worth Brewery after the MillerCoors merger in 2008. At that time, Fort Worth Brewery's workers' compensation claims exceeded \$1 million for that facility alone and reported the worst safety numbers companywide. Disability management operated as a "silo," with different areas handling responsibility for STD, RTW, FMLA, and LTD cases. The lack of effective organizational communication and an absence of a tracking system further fostered the unionized workers' distrust in management. Estrada faced huge challenges and made hard decisions. In an effort to design a successful RTW program targeted for occupational cases, Estrada partnered with management, insurance carriers, medical providers, safety experts, risk management, and the union. "Because we invited union leadership's involvement at the onset, they in turn became fully engaged in the process," Estrada explained. She reported that as a direct result of a partnered RTW, the program cost for workers' compensation has significantly declined from \$1.5 million to less than \$100,000 at this facility during a three-year period. In addition, the Fort Worth Brewery celebrated three million hours of no lost time by implementing and enforcing RTW. This exemplary program has become the standard for other breweries.

Kaiser Permanente

According to **Mike Moses**, ADA Disability Case Manager for Kaiser Permanente, "RTW and stay at work (SAW) are very important concepts that Kaiser Permanente embraces for both non-occupational and occupational cases." His presentation primarily focused on the extensive and successful transitional work component to the RTW design plan. With 160,000 employees and more than 10,000 physicians, Kaiser Permanente has moved to a more integrated system to internally manage disability claims with more consistency. With a heavily unionized workforce (70-80 percent of employees) and 11 bargaining units, Kaiser Permanente brought in union leadership during the development process. Since establishing the transitional work program for non-occupational cases, Kaiser Permanente's IDAM team has helped more than 1,000 people return to work during a five-year period. "Our return to work plan is the most effective tool for bringing people back to work," Moses concluded.

Visant Corporation

Focusing primarily on the non-occupational side, **Lisa Triplett**, Health & Disability Manager for Visant Corporation, discussed how the company has taken an integrated approach to disability management during the past six years. Visant Corporation implemented a consumer-driven health plan (CDHP) in January 2005 with a health reimbursement account (HRA), then migrated to an enhanced claims platform on January 1, 2008, and implemented a proprietary disability management program later that month. Lost calendar days for 2008 and 2009 were 45.7 days versus 57.35 days in 2007, and 31 percent of claims returned to work early on either modified duty (11 percent) or full duty (20 percent) versus the carrier's book of business of 17.7 percent. Clinical outcomes for 2010 resulted in improved medical compliance and a reduction in overall medical trend. With its transition to the carrier's integrated health model in January 2011, Visant Corporation now has fully integrated almost all benefits through one vendor for non-work-related issues.

During the webinar, a poll was conducted asking participants about their respective organizations' return to work policies as they pertained to modified duty. From 135 respondents, 88 percent answered that employees with both occupational and non-occupational disabilities are allowed to return to work on modified duty. Ten percent replied that only employees with occupational disabilities are allowed to return to work on modified duty. Joe Wozniak, DMEC Treasurer, asked the webinar panelists if their companies allow employees to return to modified duty only on a full-time basis or if they also offer part-time opportunities for RTW. As noted in Table A, there was a wide divergence among panelists: Crayola allows modified duty for shifts on a part-time basis for a minimum of four hours a day; MillerCoors requires full eight-hour days for modified duty; and Kaiser Permanente allows variable hours depending on the work restrictions.

Best Practices Identified by Participants

Employers identified the following best practices that should be taken into consideration when designing and implementing an RTW plan. Detailed discussion of each best practice follows:

1. Adopt an integrated disability and absence management (IDAM) strategy to provide more consistent procedures and costs savings for both work-related and non-work-related situations;
2. Prevent absences and reduce disability claims by encouraging employees with chronic conditions to participate in corporate- or vendor-sponsored programs that will help improve their health;
3. Standardize and document the interactive accommodation process required by the ADAAA in a user-friendly way that will help minimize legal risks resulting from regulatory noncompliance;
4. Implement a structured transitional work program that can provide effective RTW options and accommodate modified-duty assignments for both occupational and non-occupational cases; and
5. Track the profitability and cost savings from the implementation of RTW.

Best Practice 1

Best Practice 1: Adopt an integrated disability and absence management (IDAM) strategy to provide more consistent procedures and cost savings for both work-related and non-work-related situations.

Integration is the operative word, and this approach provides the optimal canvas on which to design an effective RTW program. Key components to include in IDAM with RTW are as follows:

- **Improved Organizational Structure**

Many companies still have in place a “silo” structure for benefits. One area handles short-term disabilities; another area covers long-term disabilities; a separate department covers workers’ compensation programs; and a different group might handle leave of absence. The Disability Management Employer Coalition (DMEC) has published “Foundation for Optimal Productivity: The Complete Return to Work Program Manual” which states, “When organizations operate their benefit programs semi-independently and piecemeal, dysfunction and inefficiency eventually ensues.”³ Lack of both coordination and communication on work-related and non-work-related cases can result in higher costs, increased risk of fraudulent claims, and greater risk exposure to noncompliance with federal and state regulatory and statutory requirements. Replacing the silo approach with an integrated disability management structure will help achieve corporate objectives of lowering costs and minimizing risk while fostering a culture of RTW.

- **Roundtable Meetings**

Lisa Triplett of Visant Corporation discussed the effectiveness of a traditional disability case manager teamed together with a health coach. The disability case manager works with the employer to better understand the work environment and job requirements while quarterbacking “traditional” disability management tools. “The health coach role is expanded this year in the new integrated health model,” explained Triplett. The health coach builds a trusting relationship with the employee, enables a customized suite of RTW services, and provides one contact for all clinical and non-clinical issues. “Teaming together results in an improved RTW plan,” Triplett explained, “and roundtable meetings are held once a week.” Participants at those meetings typically include the disability case manager and the health coach, along with behavioral health specialists, exercise physiologists, pharmacists, dietitians, medical case managers, social workers, the medical director, and representatives from the carrier’s proprietary program for disease management or, for future moms, its maternity program, as appropriate. Data supports that 38 percent of disability claimants worked with the carrier’s proprietary health coach program (with an average of four health and/or RTW goals), and 68 percent of these cases were referred by the disability case manager to that program. Average disability days saved was were 5.0 versus 3.3 for those not engaged with a health coach.

Joe Wozniak commented on the effectiveness of roundtable meetings in facilitating RTW, especially for those people who don’t want to come back to work and are running out of FMLA.

- **Return to Work Coordinator**

Whether a company employs an RTW coordinator to internally manage the process or outsources this role, an integrated team approach is critical to the success of an RTW program.

Sue Wessin-Cradle, Global Business Services – HR of Best Buy, participated in a request for proposals to life and disability providers to review options for a proactive process for RTW. Wessin-Cradle explained, “We chose our carrier for its dedicated nurse case manager option.” She added, “We don’t have in-house medical staff, so there’s comfort in the process of having more medical experts involved in the RTW process.” The nurse looks at each short-term disability case for Best Buy and gets involved early on to coordinate with the doctors, the employee, and the manager to create an RTW plan. “We just started this in February of this year, and we are already seeing results,” Wessin-Cradle noted.

- **Consistency of RTW Procedures**

An IDAM program with RTW enhances consistency of procedures and realizes economies of scale within an organization. As the manager of employee health and wellness at Crayola, Linda Cassel is responsible for managing STD, LTD, workers compensation, and FMLA as well as employee health programs, employee health benefits, and wellness initiatives. She noted a key inconsistency between RTW procedures for occupational and non-occupational cases. “Employees with non-occupational disabilities needed a full-duty release to return to work,” Cassel said, “and employees with occupational disabilities were allowed to return to production work on modified duty.” To address this issue, she designed a Medical Release to RTW form used for non-occupational conditions in which an employee needs transitional work for a temporary period of time. According to Cassel, this change helped Crayola avoid temporary labor costs, as well as reduce claim costs.

- **Consolidation of Benefits Providers**

In an effort to more fully integrate and to avoid interfacing with multiple vendors, several companies are choosing instead to use one provider for the majority of their benefits. Lisa Triplett of Visant Corporation said that almost everything is now handled through one vendor. “Health, dental, vision, STD, and LTD,” Triplett explained, “are all administered through one group of an affiliated company.” Visant Corporation has taken IDAM to an even more integrated level via this consolidation and centralized processing.

Best Practice 2

Best Practice 2: Prevent absences and reduce disability claims by encouraging employees with chronic conditions to participate in corporate- or vendor-sponsored programs that will help improve their health.

Early intervention can result in disability claims prevention. Triplett of Visant Corporation discussed the overlap in the drivers of health and disability claims caused by chronic conditions. “Industry studies have shown that between 5 and 10 percent of the employee population have disability claims, which account for almost 50 percent of the total employee medical cost. You can’t look at one without the other,” Triplett noted. Through a proprietary product for disease management of asthma, diabetes, chronic obstructive pulmonary disease (COPD), congestive heart failure (CHF), and coronary artery disease (CAD), condition-related claims decreased 27.4 percent in 2010. “We focused on what we could do to assist individuals and ensure medical compliance to avoid disability,” Triplett explained. Visant Corporation effectively lowered cost and utilization while demonstrating strong compliance rates. Triplett attributed the success of the positive statistics to enforcement of a “carrot and stick” approach. The company offers financial incentives if employees proactively improve their health. “For example, successful completion of a coaching program will earn money in the employee HRA account. An employee will be awarded \$200 after quitting smoking for six months and additional money if he/she is still a non-smoker after one year,” Triplett explained. She provided another example: “If an employee with diabetes is identified as being eligible to participate in the carrier’s proprietary program for disease management and refuses to participate, then it will cost him/her an extra \$50 a month in medical premiums.” Triplett noted, “The carrot works for some employees, but the stick really grabbed employees’ attention – and incited action.”

Best Practice 3

Best Practice 3: Standardize and document the interactive accommodation process required by the ADAAA in a user-friendly way that will help minimize legal risks resulting from regulatory noncompliance.

“According to the DMEC, the interactive process for reasonable accommodation remains the linchpin of an employer’s fulfillment of its obligation to a qualified individual with a disability, under U.S. federal law.”⁴ Engaging in the interactive accommodation process is required under the ADAAA, and it is imperative that an employer complies. Standardized and documented procedures are essential.

According to Sue Wessin-Cradle, Best Buy’s corporate policy regarding RTW is “Do it.” That philosophy is “consistent with our policies and values.” The challenge she faced, however, was to provide consistency across a growing network of stores, distribution and service centers, and the corporate office. Typically the retail managers are 25-to-30-year-olds and running a \$20 million or larger store. Their focus is to run the business. To provide support, she developed the “Manager’s Workplace Accommodation Toolkit.” This workplace accommodation toolkit helps managers navigate through the interactive accommodations process. Manager cues indicate “get help here.” Wessin-Cradle further explained that one “stop sign” tells the manager, “Please don’t ask for any medical documentation and do not keep it if it comes to you.”

Wozniak underlined the importance of having an interactive accommodations process in place that is centralized and well-documented, saying, “If an employee is brought back to work without going through the interactive process, the employee could sue the company for that.” He cited the California Fair Employment Housing Act (FEHA) and the ADAAA as key examples of why companies should also include legal advisers in the interactive accommodations process.

Best Practice 4

Best Practice 4: Implement a structured transitional work program that can provide effective RTW options and accommodate modified-duty assignments for both occupational and non-occupational cases.

A formal transitional work program is a key element to help employees stay at work. The employers featured in the 2011 Leadership Series all have transitional work programs in place. As Dubovich of Allina Hospitals and Clinics said, “You don’t want lost work days. You want to keep employees at work.” He added, “The star of Allina is the internal placement program.” Started in 1995, this placement program is an important part of the RTW process. If, as a result of a work-related injury, the employee cannot return to his original position, then Allina Hospitals and Clinics will provide this placement program for four months through a transitional budget. The employee would continue working and looking internally for jobs with the assistance of an internal placement specialist who helps the employee prepare a resume. Early intervention is key, too, with questions such as “Is this the right job for you?” An employee might be improving and ready to re-enter the workforce, but the question becomes “Are you able to do this long-term?” Over the years, Allina Hospitals and Clinics has been fortunate to retain employees and has placed 70 percent internally. “When we capture the employee internally in the organization, the savings are substantial,” Dubovich said.

He related an anecdote about an EMT ambulance driver who had a back injury and couldn’t return to the day-of-injury position. A permanent position was located for the driver inside Allina Hospitals and Clinics within 60 days. As a result of this key placement, litigation was avoided. Employees who cannot return to work due to non-work-related issues can still go to the internal placement specialist and work with the LTD care specialist. Discussion participants were intrigued with Allina Hospitals & Clinics’ procedure of partnering with the recruiting area of the company to help place employees in the RTW program.

Cassel of Crayola helped create a job bank of modified/alternate jobs that also included its corporate area. Employees from either work-related or non-work-related cases are eligible for participation in this modified assignment. If modified positions are not available on the production side, then employees will be placed within the company’s corporate area, where there are tasks that require minimal physical activity to complete. “The employee might work in the mailroom or with the marketing group helping put together some promotional materials, or might even work with human resources to put packages together,” Cassel explained. “If the employee needs to be sedentary, then we will utilize the Crayola FACTORY® for additional positions, such as handing out products or sharing his or her production knowledge with visitors.” As a result of this transitional work program, there is a greater appreciation of job functions between office and production staff. Employees are able to return gradually by performing their own job for partial hours. The need for disability is often eliminated.

Mike Moses, ADA disability case manager for Kaiser Permanente, said, “The company provides transitional work in all regions for both occupational and non-occupational cases.” He discussed specifically what Kaiser Permanente is doing in the Northwest region: “The transitional work program for workers’ compensation has been in place for more than 20 years. It’s a funded program with no cost to management. This program encourages managers to not send people home if at all possible. In 2010 there were 500 participants, and in 2009 there were 400 participants in the transitional work program with a cumulative 80,000 hours. Bringing people back to work is really very important and something we are focused on doing.” Moses launched the transitional work program for non-occupational cases in 2006 as part of the IDAM team. “It was an offshoot of the workers’ compensation program, and I used some of its policies and procedures.” He clarified, however, that “This is a different creature.” This 90-day maximum time period is paid for by managers. Since its inception, this non-occupational transitional work program has helped more than 1,000 employees. “Without this program, they would have been on short-term disability,” Moses said. “This has been a missing component.”

Best Practice 5

Best Practice 5: Track the profitability and cost savings from the implementation of RTW.

An RTW program significantly affects the bottom line. The table below highlights a sampling (not all areas were tracked) of the realized savings from RTW as experienced by the featured employers. A centralized tracking system for cost savings and profitability provides an excellent metric to present to investors and management.

Table B: Panelist RTW Savings

Company	Hours Saved	Costs Saved	Duration	Time Period
Allina Hospitals & Clinics *	4,300 plus	Significant	N/A	2010
Crayola	N/A	\$217,054	30 days	2009
FW Brewery (MillerCoors)	3,000,000	More than \$1million	N/A	Past 3 years
Kaiser Permanente	80,000	N/A	45-50 days	2009 & 2010
Visant Corporation	N/A	9% in disability	45.7 days	2008 & 2009

* Abbott Northwestern Hospital

David Dubovich of Allina Hospitals and Clinics attributed cost savings directly to internal placement that retains employees within the organization. Finding jobs internally for high-salaried employees such as an EMT/ambulance driver (\$150,000), a nurse assistant (\$40,000), and a registered nurse (\$146,000) were tangible benefits of Allina Hospitals and Clinic's RTW program. The company avoided litigation and retained valued employees.

Table B reflects figures for Abbott Northwestern Hospital in Minneapolis, which is one of the 14 hospitals that Allina owns. "The light-duty transitional work budget is a separate cost center for employees who cannot be accommodated in their regular job due to restrictions from a work injury," Dubovich explained. For 2010, 4,300-plus hours were charged to the transitional work budget for employees of Abbott Northwestern, consisting of patient caregivers, RNs, nursing assistants, and specialty employees (surgical support technicians, instrument technicians, nutrition services, environmental services, etc). "The total dollar amount paid out was \$78,145 for light-duty work; versus if we did not provide [this work], we would have had to pay temporary total benefits," he said.

Best Buy's Sue Wessin-Cradle has helped shield her company from potential legal costs by implementing a standardized interactive process with the workplace accommodation toolkit.

By partnering with the company's disability carrier and implementing an effective RTW program that also allowed non-work-related cases to return to work on modified duty, Cassel of Crayola reported total annual savings of more than \$200,000. The breakdown included more than \$70,000 in estimated annual savings for employees transitioning to modified duty instead of going out on disability, and more than \$140,000 in annual savings from employees' early return to work after being out on disability.

Prior to the existence of an integrated RTW, Wanda Estrada discussed how Fort Worth Brewery reported the worst safety and workers' compensation numbers in the company. By developing an integrated disability management program that included RTW, Fort Worth Brewery slashed its \$1.5 million tab for workers' compensation claims to under \$100,000 during a three-year period.

Mike Moses stressed that "RTW positively impacts productivity" at Kaiser Permanente. The transitional work program in place for workers' compensation cases has a successful track record for more than 20 years. After introducing its transitional work program for non-work-related cases five years ago, Kaiser Permanente has helped more than 1,000 employees who would have gone on short-term disability without this option.

Visant Corporation's fully integrated benefits and disability management program has helped the company see tangible results from early intervention and medical compliance. Lost calendar days for 2008 and 2009 combined were 45.7 days versus 57.35 days in 2007. Further results showed that 31 percent of claims returned early to work, either light duty (11 percent) or full duty (20 percent), versus the carrier's book of business of 17.7 percent. The average duration is in the top 20 percent of its peer group, and overall medical trends were reduced by a significant negative 4 percent.

Quantitative metrics for management further solidify the importance of implementing an effective RTW program, especially since the National Safety Council's "Injury Facts - 2010 Edition" calculated disabling injuries for 2008 at 22.5 million people off the job and 3.2 million people at the workplace. Further figures show wage and productivity losses for 2008 at \$266.5 billion for off-the-job injuries and \$88.4 billion for those in the workplace. Time lost due to injuries in 2008 totaled 110 million days, with 70 million of those days due to new injuries and 40 million days due to injuries in prior years.⁵

RTW is a strategic investment that will result in an improved ROI and bottom-line results, as well as positively affecting productivity and employee well-being.

Additional Best Practices

Discussions among panelists and participants regarding challenges and strategies for RTW plan design resulted in several other best practices for employers to consider. Some might be considered subsets of the previously identified best practices. In general they reveal the widespread need to improve the cost-efficiency and effectiveness of RTW plans. Additional best practices include:

- **Include employee assistance programs (EAPs) and behavioral health in the RTW process.**

Wozniak highlighted the importance of including a psychological component to every RTW plan. “When employees are out of work longer than 30 days, they often are anxious about returning to work,” Wozniak added “and fears of failure can lead to depression and anxiety.” Several of the discussion participants were “intrigued” with Allina Hospitals & Clinics’ inclusion of behavioral health case managers, especially since “mental health issues are under-represented in so many places.” Wozniak asked the webinar’s featured employers if their respective companies made any mental health accommodations. Linda Cassel of Crayola said, “Most mental health cases return to work on full duty. We have accommodated a temporary change of shifts or reduced hours.” Mike Moses of Kaiser Permanente indicated that this would be part of the IDAM program and the employee would have an opportunity to work in different departments. When asked if their respective companies cover stress leave, Wanda Estrada of MillerCoors said it would be included in LOA for STD; Moses of Kaiser Permanente indicated that stress claims are not compensable in Oregon; and Cassel of Crayola indicated that stress leave isn’t covered under workers’ compensation, but in the event of a non-occupational case, the employee would be brought back under modified duty. “It’s not considered a disability if you can’t get along with your boss,” Moses noted. “That is something that should be worked out through HR.”

- **Encourage employee business networks to get involved in the RTW process.**

Sue Wessin-Cradle highlighted the success of a group of Best Buy employees who meet regularly to discuss what they can do to help employees and customers with disabilities. This outreach to the community and within the company connects employees and empowers them to make a positive difference.

- **Communicate clear objectives, expectations, and procedures of an RTW program.**

Fort Worth Brewery is a prime example of the effectiveness of a fully communicated and coordinated RTW plan. Wanda Estrada, formerly of MillerCoors, included union leadership during the design stage, a practice similar to one that Mike Moses incorporates at Kaiser Permanente. “With 70 to 80 percent of the workforce involved in a union that has 11 bargaining units, it’s important to involve unions and get their support in developing programs,” Moses said. According to Cassel, Crayola establishes employee expectations and maintains frequent communications with the employee while he or she is out of work, sending cards and making phone calls. In addition, this contact person meets every two weeks with HR to discuss updates and communicates with managers about expectations of return to work.

- **Incorporate ergonomics.**

Many people experience work-related and non-work-related back injuries, wrist disorders, and other strains or sprains. Fundamental ergonomics attempts to fit the task to the person by adjusting the way work is done, either with equipment modification or by making some basic ergonomic workstation adjustments, to both prevent injuries and provide accommodations.

- **Obtain a copy of “Foundation for Optimal Productivity: The Complete Return to Work Program Manual”, a recognized industry standard published by DMEC.**

As Joe Wozniak said, “This is a great resource—a ‘bible’—for employers and case managers to use. More than 40 experts contributed to the chapters, and the manual provides practical guidance on RTW.” It’s available at www.DMEC.org.

Conclusion

An RTW design plan is an essential and effective tool that companies can use to increase profitability, positively affect productivity, and mitigate legal risks. An integrated approach to disability management is optimal within an organization to ensure communication and coordination. Consistency of RTW procedures between work-related and non-work-related cases will help a company realize economies of scale in its cost-reduction goals. Intervention leads to prevention of chronic conditions that could lead to disability claims and absences.

To mitigate risk exposure to lawsuits under the ADAAA and other state and federal regulations, a company needs to include legal guidance in establishing and implementing an interactive accommodation process. This documented process should be clear, concise, and easily understood by both managers and employees. One effective approach is the workplace accommodation toolkit launched by Best Buy.

A formalized transitional work program is a key element to ensure success of an RTW plan. Ideally, this transitional work program or internal placement program should be available for both work-related and non-work-related cases.

A company should track the tangible and intangible benefits of an RTW plan so management, investors (if applicable), and employees can see the bottom-line impact of RTW. An RTW plan is one of the most cost-effective measures that a company can consider to profit, protect, and produce.

APPENDIX: Presenting Employers & Participants

Presenting Employers & Panelists

Allina Hospitals & Clinics

This largest health system in Minnesota has revenue of \$3.1 billion. With four metro and seven regional hospitals, 84 clinics, 15 community pharmacies, and four ambulatory care centers, this award-winning organization has approximately 24,000 employees and 5,000 physicians.

David Dubovich, Disability Case Manager

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Best Buy Co., Inc.

Best Buy Co., Inc., operates as a retailer of consumer electronics, home-office products, entertainment products, appliances, and related services primarily in the United States, Europe, Canada, and China. This Minnesota-based company has grown from 500 U.S. stores in 2000 to more than 1500 stores in 2011, with 180,000 employees.

Sue Wessin-Cradle, Global Services – Human Resources

Susan.wessin-cradle@bestbuy.com, 612.291.6619

Crayola LLC

This wholly owned subsidiary of Hallmark Cards, Inc., has its world headquarters in Easton, Pennsylvania as well as three production facilities, research and development and a consumer contact center. With approximately 1,150 employees in the United States, this company also opened The Crayola FACTORY to the public in 1996.

Linda Cassel, Manager, Employee Health & Wellness

Lcassel@crayola.com, 610.253.6271

Kaiser Permanente

The largest not-for-profit health maintenance organization in the nation, Kaiser Permanente serves 8.6 million members in nine states and the District of Columbia. Its 160,000 employees and more than 10,000 physicians, 35 hospitals, and 454 medical offices represent an integrated-care delivery system that's become a model for the future of health care. The workforce is heavily unionized (70-80 percent).

Mike Moses, ADA Disability Manager

Michael.l.moses@kp.org, 503.813.3491

Pinnacle Family of Companies

Pinnacle is the nation's largest third-party fee manager of multifamily housing, with approximately 175,000 units under management. The \$17 billion portfolio includes apartments, affordable and military housing and office, industrial and retail assets in more than 250 cities across the United States, Canada, and Asia.

Wanda Estrada, Risk-Analyst – Injury/LOA

Westrada@pinnaclefamily.com, 214.891.7866

Visant Corporation

With approximately 5,300 employees in 24 locations, this marketing and publishing holding company formed in October 2004. Companies include Jostens, Lehigh Direct, and Visant Marketing Services, among others. Business segments include Memory Book, Scholastic and Marketing and Publishing.

Lisa Triplett, Health & Disability Manager

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Joe Wozniak, Treasurer, DMEC – Moderator

Charlie Fox, Executive Director, DMEC – Facilitator

Margaret McSweeney, Editor

Resources:

To obtain a copy of the paper “2011 Leadership Series: Best Practices in RTW,” go to www.dmec.org.

To obtain a copy of the DMEC RTW manual “Foundation for Optimal Productivity: The Complete Return to Work Program manual” go to <http://www.lulu.com/product/paperback/foundation-for-optimal-productivity-the-complete-return-to-work-program-manual/13377356>.

¹ “The Missing Piece of Absence Management = Turning Data into Dollars,” April 2011, Liberty Mutual

² “Foundation for Optimal Productivity: The Complete Return to Work Program Manual,” DMEC 2010, p. 71
(Note: Number based on National Safety Council Injury Facts – 2010 Edition)

³ Ibid., p 14.

⁴ Ibid., p 116

⁵ Ibid., p. 71



Liberty Mutual Group

“Helping people live safer, more secure lives” since 1912, Boston-based Liberty Mutual Group is a diversified global insurer and the third-largest property and casualty insurer in the U.S. based on A.M. Best Company’s report of 2010 net written premium. The Group also ranks 82nd on the Fortune 100 list of largest corporations in the U.S. based on 2010 revenue. As of December 31, 2010, Liberty Mutual Group had \$112.4 billion in consolidated assets, \$95.4 billion in consolidated liabilities, and \$33.2 billion in annual consolidated revenue. Liberty Mutual Group offers a wide range of insurance products and services, including group disability, life, and leave, workers compensation, commercial automobile, general liability, personal automobile, homeowners, and property. Liberty Mutual Group (www.libertymutualgroup.com) employs more than 45,000 people in more than 900 offices throughout the world.



**DISABILITY MANAGEMENT
EMPLOYER COALITION**

Disability Management Employer Coalition (DMEC)

The Disability Management Employer Coalition (DMEC) is a nonprofit organization that advances strategies and resources to improve workforce productivity by minimizing the impact of absence and disability. The primary goal of DMEC is to assist employers in developing cost-saving programs and returning employees to productive employment.

DMEC currently has more than 4,000 members in chapters across the United States. For more information on DMEC, including upcoming conferences, seminars, virtual education webinars, chapter activities, and member news and resources, visit www.dmec.org or call 800.789.3632.