Disability Management: Best Practices and Holistic Approach

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AN ALARMING SITUATION
An alarming situation

- Mental health is the number one cause of disability claims in Canada*
- 1 in 5 Canadians lives with a mental health condition each year*
- Approximately a quarter of the active population suffers from a mental health condition leading to absenteeism, presenteeism and personnel turnover*

* Mental Health Commission of Canada
An alarming situation (cont’d)

- 40% of short- and long-term disability claims are attributed to mental health problems and illnesses.
- This situation generates costs of 51 billion dollars yearly of which 20 billion dollars are directly related to lost productivity*
- It represents 2.8% of Canada’s 2011 gross domestic product*
- In Canada in 2011, each full-time employee lost on average 7.7 days due to personal illness**

* Mental Health Commission of Canada
** Statistics Canada
An alarming situation (cont’d)

- This is the equivalent of an estimated 105 million work days for all full-time employees*

- The rise of reported depression is a concerning problem. According to a 2012 workplace survey of over 6600 Canadian employees:
  - 14% were diagnosed as clinically depressed
  - 8% believed they were depressed but had not been diagnosed
  - 16% had experienced depression in the past**

* Mental Health Commission of Canada

** Ipso Reid, 2012
An alarming situation (cont’d)

- If no actions are undertaken, the cost associated with lost productivity due to absenteeism, presenteeism and personnel turnover is expected to reach $198 billion in 30 years*
- When a person is absent from work for a 6 month period, the probability of reintegrating the workforce is reduced by 50%
- After one year, that probability drops to 10%
- Anxiety, depression, burnout, all are mental health problems related to work

* Mental Health Commission of Canada
An alarming situation (cont’d)

- According to a survey performed in 2008 by the Canadian Medical Association, only 23% of Canadians would feel comfortable discussing their mental health issues with their employer.

- 49% of patients have never talked about their anxiety or depression with their doctor (Health and Safety Conference, Jonquière 2011).

- 58% of HR managers would never hire an individual who suffered from depression in the past (Health and Safety Conference, Jonquière 2011).
An alarming situation (cont’d)

- For 60% of individuals who have been absent from work due to a mental health condition or illness, there was a combination of personal issues as well as work-related issues (Health and Safety Conference, Jonquière 2011)

- An aging population, the increase in retirement age, the socio-economic environment and access to health care will remain significant challenges for our industry
THE IMPORTANCE OF TAKING ACTION IN THE WORKPLACE
The importance of taking action in the workplace

- Employers must aim to create mentally healthy work environments
- It is imperative that better working conditions are offered
The importance of taking action in the workplace (cont’d)

- Several factors have a significant impact:
  - work climate
  - workload
  - work-family balance
  - efficiency and productivity requirements that create stress and exhaustion
  - fine line between work and personal life due to technology (email, smart phones, etc.)
  - unrealistic performance objectives
  - lack of recognition
  - absence or minimal employee participation in decision-making, etc.
The importance of taking action in the workplace (cont’d)

- Only 15% of employers in Canada offer health and well-being programs at work (Buffet & Company)
- Many employers still consider such programs as an expense rather than an investment
- $1 spent has a return of $3 in benefits
The importance of taking action in the workplace (cont’d)

- Prevention can notably reduce this problem:
  - training managers to identify employees at risk of becoming disabled and know how to respond appropriately
  - more efficient EAPs
  - new *National Standard of Canada for Psychological Health and Safety in the Workplace* implemented in January 2013
FROM THEORY TO PRACTICE
From theory to practice

We all agree that:

- Early intervention is essential in order for the insured to return to work healthy and productive in the shortest possible time, with an emphasis on functional abilities and transferable skills rather than on diagnosis, symptoms and limitations
- Disability management must be proactive vs. reactive
- Close communication and cooperation between all parties (policyholder, insured, rehab counselor, service provider) are essential
- A holistic approach (demedicalization) should be favored
- Psychosocial factors and non-medical barriers must be identified early in order to respond more efficiently
From theory to practice

But is this always the case in reality?
HOLISTIC APPROACH (DEMEDICALIZATION), WHAT DOES IT MEAN?
Holistic approach

- Concept that seems to mean different things from one analyst to another
- Do not focus solely on diagnosis, symptoms, limitations but take into consideration the insured as a whole
- A “demedicalized” approach does not mean ignoring the medical aspect or not documenting it
Holistic approach (cont’d)

- When assessing a claim, take into account both the medical and human aspects
- Move away from the traditional medical model. We are used to: diagnosis → functional limitations → job tasks
- Be aware of the undisputable role perception and motivation play
- Each individual has his own personality, way of being and reacting; we must not ignore it
Holistic approach (cont’d)

- Do not assume that the insured became disabled solely because of the diagnosis
- Investigate the context in which the sick leave occurred
- Identify early the various barriers / non-medical factors responsible for perpetuating the disability:
  - job satisfaction
  - family
  - personal, financial problems
  - stress
  - life style
Holistic approach (cont’d)

- Have a better picture of the situation in order to render a better decision
- A claim often becomes complex when non-medical issues were not identified at the time of the initial review or were not addressed adequately
- Consider the return to work and professional activities as part of the recovery process
Holistic approach (cont’d)

- Focus on abilities vs. functional limitations
- A full recovery is not always essential for a safe return to work
- Insureds use the Internet and have access to various information on their diagnosis, symptoms, medication side effects, etc.
AND THE BEST PRACTICES IN ALL THIS?
And the best practices?

- We all know we must manage claims early but, is it always the case?
- We often wait too long for…
  - test results, medical consultations
  - before referring the file to rehab
  - to ask for the medical consultant’s opinion
  - to request an independent medical examination
  - to render a decision with regards to the change of definition, etc.
And the best practices? (cont’d)

- Disability management must be proactive. We must not hesitate to take the lead.
- Positive results are not to be expected if the claim is handled in the “supplementary statement to supplementary statement” mode.
- The analyst must have an understanding of all the elements at play: the medical aspect and the non-medical barrier.
And the best practices? (cont’d)

- We must have an overall vision and an action plan for each claim early on, even if it means changing it along the way.

- The analyst should instinctively ask him/herself, for example: Will this be a 24 month claim? Will the limitations be permanent? Will this claim require close monitoring or not? Will rehab or other interventions be required?

- You can’t see the forest for the trees.
And the best practices? (cont’d)

- Claim management must be fair and rigorous. The appropriate interventions must be done at the right time, in the right files.
- Expect some resistance on the insured’s part and be prepared to respond accordingly.
- Work as a team (analyst, insured, employer, physician, rehab consultant, etc.) to influence their perception and motivation to return to work.
And the best practices? (cont’d)

- We often need to be creative and to review our action plan especially when the expected outcomes have not been reached.

- The more time passes, the more anxious the insured will be about returning to work and the more deconditioned he/she will become. Fear, low self esteem, isolation will also increase. Hence, the importance of early intervention.

- The answer can rarely be found in the medical
**Documentation and adjudication**

- Properly document the file (clinical notes, consultation reports, test results, list of prescribed and purchased medications, etc.) and this, not only at the beginning of the claim.
- Read, understand, question.
- Sometimes, we wonder if clinical notes have actually been read.
- We must verify the facts vs. the alleged limitations/complaints.
Documentation and adjudication (cont’d)

- Is the treatment appropriate? If not, why has it remained the same?
- What are the reasons supporting the decision? The analyst must be able to explain them
- Why is additional medical information requested? What do we want to validate?
Documentation and adjudication (cont’d)

- Are there any discrepancies in the information provided?
- Does it make sense?
- Could there be an underlying substance abuse? Do not be afraid to ask
TELEPHONE INTERVIEWS
Telephone interviews

- We sometimes underestimate the value of a well conducted telephone interview in the context of disability management
- Analysts do not always realize the amount of information that can be gathered
- They can serve as a triage tool to identify claims most likely at risk of requiring proactive management
Telephone interviews (cont’d)

- In reality, they are often a mere formality
- The quality content is questionable
- They are not detailed enough and remain superficial. The “real” issues are not addressed or insufficiently developed
- Possibly due to a lack of training or, because they don’t feel comfortable, some analysts are hesitant to go beyond the medical frame to inquire about the presence of psychosocial factors
Telephone interviews (cont’d)

- It is not uncommon that significant information is reported but it remains on file without being taken into account later
- The insured is THE main source of information
- By conducting an interview, the analyst can obtain elements not found in the file:
  - the context in which the disability occurred
  - non-medical factors (job satisfaction, personal or family problems, etc.)
  - the insured’s motivation towards an eventual return to work
  - his/her perception towards his/her condition or situation
  - his/her expectations
Telephone interviews (cont’d)

- They allow early validation of the various barriers or issues at risk of perpetuating the disability
- And what about the interview with the employer? It is not performed as often as it should be and minimal information is obtained
- The employer also has a role to play and the interview is just as important
Telephone interviews (cont’d)

- By having access to all the additional information, an educated and appropriate decision can be rendered.
- We can better identify the needs and elaborate a well targeted action plan.
- Be careful it doesn’t turn into a police investigation.
- Be factual and leave behind personal judgment and impressions.
Telephone interviews (cont’d)

- Help to establish mutual trust and confidence
- The analyst must be well prepared and know the claim thoroughly. Unfortunately, some important aspects are left behind
- Telephone contacts should be done on a regular basis to keep the file up to date, inform the insured of a decision, etc.
Telephone interviews (cont’d)

- It becomes difficult to build trust if there are no subsequent telephone conversations.
- Another neglected aspect is the opportunity provided by the telephone interviews to clearly inform the insured, without technical jargon, with regards to the contract, his/her role, his/her responsibilities, what the next steps will be, etc.
Telephone interviews (cont’d)

- The same is true for the employer. If we want his collaboration, we must keep him informed and work as a team.
- The interviews also set the stage for the rehab counselor by providing a better picture of the situation.
THE ATTENDING PHYSICIAN
The attending physician

- The doctor should not be the sole decision-maker in regards to the return to work
- The GP should be a partner
- Do not forget that we often have more information than him/her
- Is the doctor aware of the real nature of the occupation and the possible options available?
The attending physician (cont’d)

- We must not overlook the influence of the doctor-patient relationship which may indirectly impact the duration of disability (longstanding relationship, overprotectiveness, unable to confront the patient, always gives the patient the benefit of the doubt, etc.)

- The attending physician strictly relies on the information provided by the patient
The attending physician (cont’d)

- On what grounds have the limitations been issued? Was it on the basis of an objective physical examination or the standard limitations for a given diagnosis?
Some medical consultants are still hesitant to call the attending physician.

Be proactive and propose a return to work protocol, with a start and end date. Do not wait for the doctor to do so.
Rehabilitation

- The files are often referred too late to rehab

- Rehab services should be provided promptly to prepare a successful return to work in the shortest delay possible, address the barriers when present, provide support, etc.

- The analyst and the rehab counselor must work as a team

- The file should not be referred to rehab because the analyst doesn’t know what to do with it
Rehabilitation (cont’d)

- The referral must be clear and precise
- The non medical barriers, if they have not been identified earlier, often emerge at this stage
- The analyst must not hesitate to question the nature of the interventions and the actions suggested by the firm
- Were the interventions necessary and relevant? Is there a need to review the plan? How many more therapy sessions are actually required?
THE CHANGE OF DEFINITION
The change of definition

- Although it is now more and more customary to send the change of definition reminder at the 12th month point, the investigation should be done as soon as possible
- We still see decisions being rendered too late and with little or no support offered to the insured
The change of definition (cont’d)

- If the decision is rendered at the last minute, this may cause more resistance and challenge

- Was the decision well supported by a transferable skills analysis or, job search program or, labor market survey, specific training or, was the insured left without any support?
RESOURCES AND OTHER ELEMENTS TO BE CONSIDERED FOR BETTER RESULTS
Resources and other points...

- We all know that disability management is complex, requires time and effort and a good allocation of resources
- Training as well as ongoing coaching are essential
- Training on specific medical conditions is also a must
Resources and other points... (cont'd)

- Internal audits should be performed on a regular basis to better identify specific training needs and validate the implementation of new practices.
- The size of portfolios and turnaround times impact the quality of work.
There is a variety of resources available:

- medical consultants
- independent medical examinations
- medical coordination in order to reduce delays
- early rehab referral
- physical and behavioral evaluation (functional capacity evaluation, job evaluation, progressive goal attainment program, work conflict resolution program, etc.)
- lump sum settlements
- advanced payments
- surveillance (abuse, fraud)
CONCLUSION
Conclusion

- Favor a holistic approach
- Be proactive and rigorous
- Identify psychosocial factors and non medical barriers
- Work as a team (insured, employer, rehab, etc.)
- Communicate and educate at all levels
- Make good use of available resources
OPTIMUM REASSURANCE OVERVIEW
About Optimum Reassurance Inc.

- This year, we are celebrating our 40th anniversary
- The only Canadian-owned life reinsurer
- Offices in Montreal, Toronto and Barbados
- Lines of business:
  - Individual: Life, C.I. and health
  - Group: Life, AD&D, LTD, Creditor and C.I.
  - Out of Country: Individual and Group
QUESTIONS AND COMMENTS