hen a company name is associated with healthcare, is there more pressure to practise what it preaches when it comes to supporting its own employees’ good health? Basil Rowe, Shoppers Drug Mart’s vice-president, total rewards and shared services, describes the motivation as more of a keen desire to have internal best-in-class programs that reflect Shoppers’ external customer care business model. “We want to demonstrate to our employees that their well-being is important to us,” he says.

For this reason, when Shoppers decided to take a fresh look at its employee health benefits plan a few years ago, its review included the disability management program. “We had a sense that the frequency and duration of disability leaves were more than they should have been,” he explains. “Benchmarking proved that to be the case, particularly with respect to our short-term disability absences.”

Faced with the information that absences were in excess of best-in-class norms at Shoppers, the company looked for a solution that would enable it to at least meet the benchmarks for frequency and duration. Senior leadership buy-in was no obstacle, given Shoppers’ focus on health and the fact that fewer absences and returning employees to work sooner would result in savings that could be reinvested into the benefits program.

But a closer examination of the way short-term disability (STD) and long-term disability (LTD) cases were handled in the organization revealed a number of communication silos and operational inefficiencies. Shoppers focused its initial efforts on its 1,200 central office full-time employees, whose average age is in the early 40s, in order to test its new approach.

The first step was an attitude adjustment. “Achieving the results we were looking for from our revamped disability management program required a new mindset,” says Rowe. “All parties needed to be focused on answering the question of when, not whether, the employee would return to work.”

Program Integration

Next, Shoppers needed to get a better sense of all the moving parts involved in disability management and find a way to mesh them together to achieve a more streamlined and efficient process. This meant looking at every step in the case management process, as well as taking a broader perspective to see how the claims process, employee assistance plan (EAP) coverage and wellness initiatives came into play. “We found when we adopted an end-to-end approach to case management, delays attributed to insufficient hand-offs from one party to the next or lack of communication were reduced,” says Rowe.
“We considered all facets of our health benefits program, and it showed us how we could integrate services to provide more support to our employees and reduce costs.”

Integrating the EAP and disability management program was perhaps a bold move for Shoppers, given the need to respect the confidentiality of all parties who avail themselves of the EAP. However, Shoppers already has measures in place to protect the confidentiality of its customers and was able to bring that experience to its internal programs. The result of this integration is an important element of Shoppers’ successful management of its disability absences. The EAP and disability management programs intersect at certain key points in order to help prevent or reduce absences. For instance, a health risk assessment is part of Shoppers’ annual benefits enrollment, says Rowe. “Where employees identify that they are feeling considerable stress, there is—with employee permission—a proactive outreach from the EAP. Our employees receive support to avoid an absence from work so they do not require an STD leave.”

Open Communication
One of the problems with the way Shoppers had previously handled disability management was lack of communication. Roles and responsibilities—particularly those of managers—weren’t spelled out clearly, and there was poor alignment among vendors. The revised process makes sure all parties are in the know. Rowe recommends the following actions to improve awareness:

• reach out early to employees on STD or LTD;
• ensure managers are actively involved with employees’ programs; and
• share information with all parties involved in case management.

Measuring Outcomes
While the overall objective was to reduce duration and frequency of STD and LTD to meet benchmarks, Shoppers set specific metrics as well. These were particularly with respect to response times. In fact, key performance indicators were an integral part of Shoppers’ contract with its provider, Morneau Shepell.

As a result, two years after the revamped disability management program was rolled out in 2011, Shoppers’ STD program has met and surpassed the metrics set at the launch of the program benchmark. LTD duration and frequency have experienced a 20% decrease and are below the norm.

More subjective feedback has been another measure of success. Employees who have returned to work following an absence report being pleased with the process. People managers who previously floundered in knowing how to deal with absences are even more positive. While they were advised to stay in touch with their reports who were off work on disability leave, they were unsure about what to talk about. They now have a guide that provides them with clear information regarding what they can and can’t say.

Even employees who have not experienced an STD or LTD absence themselves appreciate Shoppers’ efforts. Results from its annual employee engagement survey were 10 points higher in 2012 than in 2011 with respect to employee health and well-being initiatives.

As if fewer and shorter absences and the associated cost savings weren’t enough of a win-win, there is an added bonus. Reduced disability management expenses have made more funds available for wellness programs. “Our employee wellness initiatives often go hand in hand with the programs we offer our customers,” says Rowe. In April, Shoppers held its second annual on-site diabetes clinic for employees. “Those who were assessed and found to be at risk received pharmacy referrals, just as our customers would.”

So what’s next for Shoppers’ disability management plan? The company initially rolled out its revamped STD program to its office employees until it was able to measure the impact. Now with metrics in place, it plans to expand the program to other eligible workers. “Our goal is to provide all our employees with proactive wellness and disease management strategies using a phased-in approach,” says Rowe. “After all, at Shoppers Drug Mart, good health is our business.”

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Q&A

Why do you think managing disability well is a challenge?

I think there’s often a tendency to think more about employees who are present, rather than those who are absent. Effective disability management requires companies to consider those who are already on disability, those at risk and those who are currently healthy so that they stay that way. For that reason, it’s important to have good providers that believe in STD, LTD, EAP and wellness initiatives working together, as long as privacy and confidentiality aren’t compromised.

What does it take to operate an efficient disability management program?

In a word, clarity. It’s important for all parties—providers, absent employees, managers, HR team—to understand their roles and responsibilities in facilitating return to work. And, frankly, if all employees appreciate the team effort exerted to help absent colleagues, it can have a very positive impact on engagement.

That clarity also extends to identifying and communicating defined objectives for the plan, and ensuring that reporting systems chart progress and measure success, so that it’s clear whether or not the program is on track.

What advice would you give organizations that want to improve their disability management?

Remember that effective disability management is a journey; you don’t implement a program and then ignore it. It’s important to see disability management as part of your larger health benefits strategy—and to realize that well-managed disability savings should be reinvested in other more robust employee health initiatives.