While the income protection of short-term disability (STD) benefits is an essential component of group benefits programs, there is growing concern whether these benefits will be sustainable in the future. But there is a solution: change the way the benefit is administered.

Consider this typical scenario that illustrates the shortcomings of the current system. Imagine an employee who is away from work for a defined period, which is set out in a typical STD program and is an elimination period (usually three to five days) of continuous absence prior to being required to get a medical note: “That employee visits a doctor at a walk-in clinic. The employee has never met the doctor, and the doctor knows nothing about the employee, his medical history or workplace, or the industry he works in. After the five- to eight-minute meeting—and without putting the employee through functional testing—the physician decides that the individual is unfit for work. The doctor then puts the employer’s forms (or STD benefits in a pile to complete later. The employee returns home and waits to hear from his employer or benefits provider; meanwhile, the employee waits to receive the forms from the physician.

This historic administrative approach for assessing STD benefits has become increasingly ineffective for a variety of reasons.

1. Access to physicians so they can complete forms is challenging and can result in significant delays at the beginning of the process. Depending on the province, up to 40% of individuals do not have access to a family physician, so they are forced to use walk-in clinics or, in some cases, emergency rooms.

2. Many individuals no longer have a family physician (due to a shortage of physicians and the mobility of society) who understands their medical history.

3. Even after an employee sees a doctor, there are usually delays in getting the completed forms back from doctors who are stretched with patient loads and administrative. (Generally, it takes more than 10 days to get the forms back to the employer.)

4. It may be unreasonable to subject every employee to a medical assessment and then submit comprehensive medical information for each absence.

5. While these delays are happening, communication with and support for the employee who is absent from work is frequently not the best. Employers often assume that these employees are being managed in the “system”—in reality, this is not the case.

**Benefits Assessment**

Medically assessing and diagnosing an injury or illness is only one part of the process. The scope of communication of these medical findings is often an area of conflict. The real issue is not the medical adjudication assessment but the benefits assessment, which is based on whether or not the employee can continue to do meaningful work in the workplace. In most cases, it’s discretionary as to whether or not the medical assessment component for the employee’s ability to work. There is often no or very little consultation between the employee and employer before an employee is declared “ unfit” for work. The physician should perform the medical assessment but should not decide if the employee is entitled to benefits.

Interestingly, the primary reason for many absences is not purely medical. The London School of Economics produced a report for the Royal Mail Group after examining the company’s approach to attendance management and wellness. According to the report, three-quarters of non-occupational absences (i.e., the employee was not injured at work) have causes that are not strictly medical, whether or not these absences are supported by a doctor’s note. The root cause of many absences is triggered by work-related challenges, family and personal issues, and societal-related matters. Although most employers recognize this reality, they continue to have employees seek medical documentation in each and every case.

**Impact on the Healthcare System**

The administration aspect of STD benefits imposed on physicians has significant implications for wait times and other issues related to the Canadian physician shortage. The Canadian Medical Association (CMA) has published a policy on the physician’s role in helping employers return to work after illness or injury and has set out comprehensive guidelines on the role physicians play in completing third-party forms. (This policy cites a 2002 survey of Ontario physicians who reported that they spent about 18% of their working hours completing an average of 58 forms each week.)

Not surprisingly, in its recommendations for improving the administration of STD, the CMA directs third parties (e.g., the employer, insurer or independent health management company) to consider whether or not they need to complete a form at all. The policy also directs physicians to separate the patient assessment from the program-eligibility process when completing forms. The third party judges the patient’s entitlement to benefits—not the physician. Also, the CMA suggests that physicians should work with other providers to share the burden of completing aspects of forms (such as the ability to work, and what accommodations may be appropriate). For example, if an employee arrived at the doctor’s office with a functional ability form and potential accommodations already completed, it would free

**Access to Physicians**

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**Impact on STD Benefits**

The administration aspect of STD benefits imposed on physicians has significant implications for wait times and other issues related to the Canadian physician shortage.
Reforming the Process
The first opportunity for change involves the beginning of the benefits administration process. Does it make sense to send every employee who hits the STD threshold to a physician to get forms completed? Would it not make more sense for an employee who has been away from work for a defined period of time to have a conversation with the employer (or, for privacy reasons, with an independent third party) to assess and understand the issues and see if the employee can return to work?

The focus of the initial call should be to understand what is keeping the employee from attending work, assess the individual’s ability to work and perhaps co-ordinate appropriate employee support services (ESS). The CMA policy directs physicians to separate the medical assessment component from the benefits assessment decision. The real question is, Can employers separate these two components? Clearly, adding the requirement to visit a physician for a medical assessment, and then have forms completed before returning to work, will often prolong an employee’s absence with additional expense for the employer and create no value.

Triage Case Management
Five years ago, Morneau Shepell first started suggesting that employers shift away from a pure medical assessment model—in which assessment and entitlement decisions are made by a physician—to a “triage” process. This means the priority of options and/or treatments for affected employees are evaluated at the front end of their absence and they potentially return to work without completing a medical form. The intention was to make return to work the priority of the return-to-work program.

Consider the triage scenario for an employer that has a five-day elimination period for STD benefits. On Day 4 of the employee’s absence, he or she is contacted by a health professional who conducts an assessment call. The call would determine the following:

1. What is preventing the employee from being at work and if the employee requires any support or co-ordination with other corporate benefits (such as cognitive behavioural therapy) or ESS;

2. If it’s appropriate for the employee to return to work without a medical assessment;

3. If the employee can return to work without a medical assessment but with an accommodation;

4. If the employee can return to work without a medical assessment but with ESS or intervention at the workplace to manage issues causing the absence; and

5. For employees who should receive a medical assessment, have a detailed functional assessment conducted by a triage specialist that is sent with the employee when he or she goes to the doctor; this functional assessment information will set out what accommodated work the employee and employer think the employee can do in order to remain at work.

Based on Morneau’s experience, an effective triage case management program can facilitate and enable up to 40% of STD cases to return to work without the need for a medical assessment. That means 40% of employees will have a return-to-work date established during the initial triage call. The benefits assessment decision is made by the triage case management specialist over the phone. For the remaining 60% of cases that require a medical assessment, the triage process provides earlier intervention and co-ordination with the appropriate corporate and community health programs that can facilitate recovery.

The process also involves an in-depth functional assessment that can be sent to the physician while he or she is conducting the medical assessment. Having more thorough functional information relevant to the employee’s place of work will enhance return-to-work rates (a quicker reintegration into the workplace) in 20% to 30% of those remaining 60% of cases.

The Proof
Morneau implemented its first triage case management process with a large national organization of more than 15,000 employees in 2008. The organization’s 2012 results showed that more than 1,200 claims (35%) had a return-to-work date established on the first call. These individuals had their benefits assessment decisions made by phone, and they returned to work without a medical assessment.

Focusing on return to work in the first instance has a positive impact on the overall average duration of STD cases. For this particular communications organization, the average duration of STD cases in 2012 was approximately 17 days, which is well below industry norms—typically, it’s 42 and 47 days for unionized and non-unionized employees, respectively.

Although these results are impressive, of equal importance is the engagement and trust that this type of program fosters between the employer and its employees. The program is designed to focus on engaging and communicating with the employee at the beginning, instead of sending him or her through a medical verification process. Engaging and supporting employees early on allows an organization to enhance its overall performance in managing STD.

Solutions that enable the sustainability of benefits are right in front of plan sponsors. They just need to act.

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