



# *The Value of Disability Return-to-Work Programs*

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## Executive Summary

### *Background*

Demonstrating the value of disability return-to-work (RTW) programs is complicated by the fact that employers adopt them in response to persistently long disability leaves. A head-to-head comparison with companies that make no such efforts will lead to the false finding that RTW programs somehow delay employees' return from disability. To overcome this defect in "snapshot in time" analyses, IBI compared the year-over-year (YoY) short-term disability (STD) durations of 109 employers with and without RTW resources.

### *Main Findings:*

- Employers without RTW resources tend to have persistent YoY STD outcomes. Companies that struggle with long durations in one year also tend to have long durations in the next year.
- RTW resources disrupt the persistence in YoY claim durations—especially for companies starting from a high baseline. At the 50-day baseline duration, employers with RTW resources can expect their following year's claim durations to be an average of 3.6 days shorter than their peers without RTW resources. By the 60-day baseline duration, the gap is an average of 10.8 days shorter in favor of the employers with RTW resources.
- Employers that manage occupational and non-occupational claims in the same department and apply the same RTW rules to both types of claims have better YoY outcomes than do employers that manage occupational and non-occupational claims separately or do so according to different RTW rules.
- In spite of their clear advantages for managing disability durations, half of the surveyed employers had no RTW resources. Most that did lacked resources directly focused on managing non-occupational disability cases.

## *Implications for Employers*

The results of this analysis leave no doubt that RTW efforts can help employers that are struggling with long disability durations. The survey findings also suggest that RTW strategies are underutilized. Employers struggling to manage long STD durations can benefit from the following guidance.

### *Know Where You Stand*

Work with supplier partners to develop disability incidence and duration metrics based on your own claims experience. Track these metrics in a YoY context and compare baseline outcomes against an industry benchmark such as IBI's benchmarking reports.

### *Establish Plans to Meet At-Risk Employees*

Pay attention to disability experiences across different locations, occupations, functions and diagnoses. Work with key managers and supervisors to understand the workflow and critical work tasks for high-risk employees. Use this information—as well as existing occupational disability policies and guidance from RTW experts—to design targeted RTW approaches. At the same time, comply with regulations such as the Americans with Disabilities Act (ADA) to ensure that the final policy is comprehensive enough to cover all employees.

### *Communicate the RTW Plan from Top to Bottom*

Get buy-in from top leadership, using industry and internal benchmarks to demonstrate the opportunities for improvement and what impact this will have on the business generally. Including managers and supervisors in the development of RTW policies will help ensure that they understand and support the approach. Communicate the RTW plan to all employees in regular company messaging, emphasizing the risks for disabling conditions and their personal financial interest in the earliest feasible return to work from a disability leave.