

Report: Improved Return-to-Work Timing Could Save \$6 Billion in Health Care

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National

The return of an employee to work after an injury or illness is good for the worker and the employer, many say. And a new study from Reed Group quantifies just how good: More than \$6 billion in medical costs could be saved by returning employees to work “within expected recovery time frames,” the company said.



Katie Zaidel

“Even shortening a person’s disability by a few days, through interventions like active case management and adherence to evidence-based guidelines, can represent significant savings in health care costs for employees, employers and payers,” said Katie Zaidel, a data research scientist at Reed Group who led the project.

Reed Group is publisher of MDGuidelines, a set of medical treatment and return-to-work recommendations. The company presented its research findings Tuesday during the Integrated Benefits Institute annual forum in San Francisco.

The Reed Group study analyzed a database of more than 885,000 short-term disability claims, and 41 million health care records from employers and payers, from 2007 to 2014. It calculated potentially avoidable medical costs as the difference in costs if all employees returned at the optimum return-to-work date, as opposed to the actual RTW date.

Reed Group developed its optimum disability durations using data analysis, clinical peer review and Medical Advisory Board approval. Its optimum durations reflect physiological recovery time, not including psychosocial factors.

For meniscal disorders, a type of knee injury, potentially avoidable medical costs in the study amounted to \$10.4 million, or \$868 per case. For carpal tunnel syndrome, potential avoidable costs were \$2.4 million, or \$277 per case if treated without surgery, and \$1.2 million, or \$957 per case.

Extrapolating the findings to the nation’s 55 million workers with short-term disability benefits, Reed Group arrived at \$6 billion in potential avoidable health care costs.

Most of the medical cost in a short-term disability case occurs at the beginning of the disability, the research found. An example presented of medical treatment following a meniscal tear showed treatment clustered in the first two weeks of disability: an emergency room visit, three rounds of imaging, doctor office visits and drug prescriptions, culminating with arthroscopic surgery.

A string of physical therapy visits followed over the next seven weeks. The patient returned to work after 64 days of disability, and then made one more visit to the doctor's office.

Although some medical treatment might follow return-to-work, it tapers off quickly after the worker is back on the job, said Joseph Guerriero, senior vice president for Reed Group's MDGuidelines. Returning to work seems to be part of the healing process, he said.

While the focus of the Reed Group study was short-term disability, Guerriero said the findings have applicability for workers' comp, since physiological healing times should be the same.

"A broken bone is a broken bone," he said.

And in workers' compensation, return to work "is sort of missing in the discussion," Guerriero said.

His comment echoes those of a Return to Work Committee formed by the International Association of Industrial Accident Boards and Commissions, or IAIABC.

Committee members have said that remaining engaged in the workplace and staying active help an injured worker recover. But the system is more focused on the compensation aspect of workers' comp, according to the committee, which would like return to work to be recognized as a key outcome for an injured worker.

The Return to Work Committee issued a report last year.

Return to work was a topic of other sessions during the IBI forum, which ended Wednesday.

Speakers from Blue Shield of California and Prudential Group Insurance noted that return to work is complicated, involving psychological as well as physical factors.

Workers can feel anxious about returning, the speakers said, and return to work is more likely if workers feel that their employer cares about them.

While some workers in a Prudential study last year on the psychology of return to work said they appreciated being able to work fewer hours and being given greater flexibility after being back on the job, others said they didn't want to be treated differently.

"It was like their expectations were less," said one worker in the study. "I didn't like it."

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