



Center for Policy
and Research

Trends and Innovations in Disability Income Insurance



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*An Update from America's
Health Insurance Plans*



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Overview

“Not only was I faced with an unexpected illness, but I was faced with leaving a job I loved. Without disability insurance and the return-to-work resources I had access to...I am not sure if I would be where I am today. I am so grateful to be back at work doing a job I love.”

“[Working with a vocational rehabilitation counselor], I felt like I had someone in my corner, someone that would cheer me on, that would help me, who was willing to talk to my boss, willing to talk to my company, willing to be that go-between...My bills somehow got paid in the hospital. I was able to have rehabilitation therapists come to the house and help me learn how to live my life again. I was able to get back to work. I don't think I could've done any of that without numerous people. I'm grateful for that.”

“The outreach that [the disability insurer] made to my employer and my doctor really meant a lot to me. I could not have orchestrated all of that on my own and was happy to have the help to make it all possible. [The disability insurance company] helped me achieve a goal that was important to me. I really wanted to be back at work, and I'm so grateful that I was able to maintain my job with my current employer.”

▶ A Valuable Resource for Employees and Employers

These stories exemplify the impact that disability insurers are having in the lives of workers who have suffered debilitating illnesses and injuries. In addition to providing disability income benefits, disability insurers help employees with disabilities access the medical, behavioral health, and social services they need. Disability insurers also work with employers and supervisors to modify work environments and schedules so that workers can return to the jobs they love. And disability insurance providers offer vocational rehabilitation counseling—including help with resume writing and interviewing—so that people with disabilities can find satisfying new jobs that are in sync with their skills, experience, and interests.



▶ A Broader Role for Disability Insurers

While disability insurers have been providing these services for decades, the role of disability insurers has expanded significantly in recent years for several reasons:

■ **Employers are struggling to address the challenges of chronic disease.**

Even as they search for new and better ways to help employees avoid chronic and disabling illnesses, employers need to address the growing impact that chronic conditions are having in the workplace. Medical advances have allowed people with conditions such as cancer, traumatic injuries, and multiple sclerosis to return to work, remain productive, and enjoy successful careers. Employers seeking to keep valued employees with chronic diseases often need help identifying the right mix of accommodations to create win-win work environments.

■ **The current economic downturn is forcing employers and employees to do more with less.**

Today's economy has forced many employers to downsize. Workers who remain on the job are being asked to do more than ever. And at the same time, employees often face competing demands, such as needing to take time off to care for aging parents or sick family members. Employers are seeking new and more effective ways to help workers address their personal and family needs while avoiding unnecessarily long absences and helping them remain productive on the job.

■ **The recession has led millions of baby boomers to delay retirement, thus creating a workforce that is older than ever before.**

As the medical director of one large disability insurer recently noted, "There has been a slow demographic creep upwards in terms of retirement age... People now can't count on retiring at age 65, and there will be a radical shift toward people working later in life."¹

Older workers tend to have longer periods of illness and disability than younger employees. At the same time, older workers' skills and experience are valuable in the workplace. Employers are asking how best to capitalize on older workers' strengths so that they can remain productive team members for as long as they wish to continue working.



¹Leopold, R. Personal communication. March 4, 2009.

Overview (continued)

In this report, we describe a range of strategies that disability insurers are using to support employers and employees as they strive to meet these challenges and reach their goals.

Our findings are based on telephone interviews with medical directors and other senior staff at four large companies providing disability income insurance: Aetna; CIGNA; MetLife; and Unum.

This publication is the latest in a series of AHIP updates on major trends in health care and insurers' strategies to improve their members' quality of life. Previous editions include:

- *Trends and Innovations in Health Information Technology;*
- *Trends and Innovations in Chronic Disease Prevention & Treatment;*
- *Innovations in Chronic Care;*
- *Innovations in Prevention, Wellness, and Risk Reduction;*
- *Innovations in Recognizing and Rewarding Quality;* and
- *A New Generation of Behavioral Health Coverage.*

For copies of these publications or for more information, please visit www.ahipresearch.org.



Confronting the Challenges of Chronic Disease

► Prevention

CIGNA takes a holistic approach to health by offering a wide variety of workplace health and wellness programs through its operating subsidiaries. These programs aim to help healthy people stay healthy; prevent people with identified health risks from becoming ill and/or having extended absences from work; and restore the health and vitality of people who have illnesses or injuries. Regardless of where a person falls on the health continuum, the programs are designed to encourage behavior that will maintain, improve, or restore health and productivity. Examples include:

- Disease management for chronic conditions;
- Programs for weight management, smoking cessation, and stress management;
- Employee assistance programs; and
- Health coaching (phone-based, Web-based, and in person).

In addition, CIGNA offers the *Healthy Rewards* discount program, which provides member discounts on health and wellness-related products and services, such as: weight management programs; massage therapy; gym memberships; stress management programs; and chiropractic care.

CIGNA also works with employers to provide incentive programs that encourage healthy lifestyles. Participating employees can earn points for engaging in a variety of health-related activities, such as: completing health risk assessments; undergoing biometric screenings; reaching milestones in any of CIGNA's eight disease management programs, such as those for diabetes, heart disease, and depression; and actively participating in any of CIGNA's lifestyle management programs.

Points are redeemable for gift cards, merchandise, and other rewards, such as travel packages. With a point equal to \$1, employees in some health plans can convert their points to cash contributions to health reimbursement arrangements (HRAs) or use them to reduce their health care premiums.

Eligible members whose health risk assessments show that they could benefit from health coaching can work with health coaches, who may be nurses, education specialists, nutritionists, exercise physiologists, or behavioral health specialists. Coaches can help people identify their motivations for making lifestyle changes; develop priorities for improvements; and help motivate them to work toward their health and wellness goals.

Aetna likewise offers a suite of wellness programs, including those for smoking cessation

KEY TERMS

Disability: A physical or cognitive impairment that interferes with an individual's ability to function. The definition of "disabled" under disability income (DI) insurance policies varies, but generally "disability" in the context of DI insurance means that an individual's impairment or impairments prevent him or her from earning an income by working.

Disability Income Insurance: Disability income insurance protects against loss of income due to an illness or injury that prevents the covered individual from working. When an ill or injured worker qualifies for benefits under a DI policy, the policy pays a benefit that replaces a significant portion of the claimant's income.

Short-Term Disability: A short-term disability (STD) is a disability of limited duration. DI insurance policies typically specify that a disability is short-term if it lasts less than six months.

Long-Term Disability: A long-term disability (LTD) is a disability that persists for an extended period of time. LTD policies typically define long-term disability as disability that lasts longer than six months.

Workplace Accommodation: Modifications to the workplace or job duties that allow an ill or injured worker to return to work (e.g., reduced hours, ergonomic modifications to work stations, assistive equipment).

Vocational Rehabilitation Counseling: One-on-one support from a trained professional to help a person take the steps needed to return to work after a period of disability. For example, counselors may help workers access physical therapy or behavioral health services; write resumes; find and enroll in classes to update work-related skills; and investigate alternative job or career options as needed.



and weight management, designed to keep people healthy and avoid disability. Employers offering Aetna's health savings accounts (HSAs) can tailor their health plans to address medical issues most affecting their employees. For example, in workplaces where a high proportion of employees are overweight, employers can provide HSA bonuses to employees who participate in nutrition and exercise programs. They may also deposit extra money in HSAs for workers who reach health-related milestones in disease management programs for asthma, cerebrovascular disease, coronary artery disease, diabetes, heart failure, high cholesterol, hypertension, and peripheral artery disease.

► **Integration of Health and Disability Support Services**

As described in previous AHIP reports, disease management programs increasingly are taking a whole-person approach to chronic care—by addressing all of an individual's medical, social service, and behavioral health needs in a coordinated way rather than in separate silos.² Similarly, companies offering health care and disability insurance support services are integrating and coordinating these services so that workers receive the most effective care for their chronic conditions and can return to work as soon as possible.

Employees who have **CIGNA's** health and disability coverage can access CIGNA's Disability and *HealthCare Connect*[®] program. Through the program, employees can work with nurse case managers who act as health advocates. Case managers help workers navigate the health care system and access all of the health care, disease management, and disability-related services they need. For example, case managers can guide workers with disabling back injuries to CIGNA's back pain management program to help them find the right mix of strategies (such as exercise and medications) to reduce pain and restore mobility.

When employees feel ready to return to work, CIGNA's vocational rehabilitation counselors coordinate with employers to develop return-to-work plans suited to employees' needs and abilities. Such plans often include modified work schedules that help employees transition gradually from part-time to full-time work; use of ergonomic work stations and chairs; and changes to physical requirements (such as eliminating heavy lifting).

Results ► A CIGNA study released in 2007 found that employees on short-term disability who were covered by CIGNA's integrated medical and disability programs were more likely to return to work than those in a control group who were enrolled in non-integrated, disability-only plans. Differences in return-to-work rates ranged from five to 37 percent. CIGNA conducted the analysis over a two-year period (in 2004 and 2005) based on data from 40 employers and 300,000 employees.

²See AHIP (2007). *Innovations in Chronic Care*. Washington, DC: Author; and AHIP (2008). *Trends and Innovations in Chronic Disease Prevention & Treatment*. Washington, DC: Author.

Aetna's Integrated Health and Disability (IHD) program is available to employees with Aetna's disability and health coverage. Each employee receiving disability benefits has a case manager who coordinates his or her health care, behavioral health, and pharmacy coverage. Case managers communicate regularly with employees and with members of their health care teams to identify needs and ensure that they are addressed in a timely manner.

Aetna's information technology innovations make it possible—with employees' consent—for health and disability team members to share information about employees' health and functional status on a real-time basis so they can return to work as soon as possible. In addition, case managers consult with physicians about including return-to-work considerations in patients' treatment plans.

Results ▶ Analysis of more than 5,000 claims conducted from 2005-2007 found that people enrolled in IHD had significantly fewer inpatient admissions (118.2 versus 139.4) and inpatient days (444.3 versus 658.5) than a control group.

A previous analysis (from 2003-2005) of more than 5,400 claims showed that disability claims managed jointly by disability and medical case managers were 6 percent (3.2 days) shorter than those for employees with Aetna disability coverage alone. Results controlled for differences in geographic regions and physical job requirements.

▶ **A Coordinated Approach to Medical and Disability Services**

MetLife's nurse case managers work with employers and employees to coordinate support services available through employers' health plans, disease management providers, employee assistance programs, and health and wellness programs. The goal is to maximize employees' benefits and to educate workers about the services available to them. MetLife's nurse case managers often coordinate with care managers from companies' health plans and disease management providers to ensure that they receive all of the medical and chronic care services they need on a timely basis. Case managers also help develop modified work schedules, for example, that allow time off for cancer patients to receive treatment. And they offer support services, such as helping employees with asthma connect with professionals who can answer their questions about asthma equipment.

▶ **Disease-Specific Initiatives**

Because a small number of health conditions account for a significant share of disability claims, disability insurers increasingly are offering specialized support services for workers with these conditions.

■ **Cancer**

Cancer accounts for the largest share of **Unum's** long-term disability claims,





and 60 to 85 percent of people with cancer ultimately return to work.³ More and more cancer patients continue working while they undergo treatment. Employees making the transition from patient to productive employee face challenges such as fatigue, difficulties with memory and concentration (a temporary condition known as “chemo brain”), pain, and post-traumatic stress. Unum published *Moving Beyond: Cancer Survivors at Work – An Employer’s Guide to the Challenges and Opportunities* to help employers understand the impact of cancer in the workplace and implement strategies (e.g., allowing time and space for breaks, planning work schedules to avoid the worst pain and fatigue times, and creating check lists for job tasks to help overcome temporary memory loss) that help employees with cancer return to work successfully.

■ Behavioral Health Conditions

To address issues associated with behavioral health-related disabilities, **Unum** collaborated with **WellPoint**’s behavioral health division and a national retail employer on a pilot project designed by the American Psychiatric Association (APA). The goal of the initiative—implemented in 2008 and expected to continue through 2010—is to improve the diagnosis, treatment, and recovery of employees with psychiatric disabilities.

The program kicked off with a day-long training session for behavioral health specialists to help them: (1) use new assessment tools to evaluate people’s ability to perform essential job functions; (2) understand the essential functions of patients’ jobs; (3) account for job functions in treatment plans; and (4) develop plans that intensively treat symptoms that prevent patients from working.

Program staff also have reached out to workers’ treating physicians and behavioral health providers to help them understand the impact of work on treatment plans and demonstrate how treatment plans can be coordinated with return-to-work plans. Coordinated plans include medication management, cognitive behavioral therapy, plans for workplace accommodations, and return-to-work exercises (e.g., making the bed, going out, attending a meeting, visiting the workplace, meeting with a human resources professional) to prepare for returning to work.

After the pilot is completed, the Department of Health Care Policy at Harvard Medical School will evaluate the program’s impact on return-to-work rates, productivity, and health care costs.

³Mitchell, K. (2008). *Moving Beyond: Cancer Survivors at Work – An Employer’s Guide to the Challenges and Opportunities*. Chattanooga, TN: Unum Group.

Succeeding During an Economic Downturn

Current economic conditions pose difficulties for both employers and employees.

Employees in downsized workplaces are being asked to take on more responsibility, yet they often struggle with competing family demands and health-related challenges. At the same time, extended absences place major strains on a downsized workplace.

Disability insurers are offering workplace support to help employees succeed even as they strive to address difficult family and health issues. In addition, insurers are finding creative, new ways to help workers on long-term disability move forward on the path to independence and productivity.

► Modified Work Arrangements

MetLife is working with employers and employees to develop strategies such as part-time work schedules and telecommuting plans to help workers who are facing personal challenges remain productive on the job. To help people on leave return to work and avoid unnecessarily long absences, MetLife staff often hold weekly conference calls with employers and supervisors to discuss employees' progress in returning to work, opportunities for safe return to work, and the types of workplace accommodations they may need.

Unum is helping employers develop transitional work programs for workers with temporary illnesses or injuries (e.g., due to cancer, trauma, or back problems). Transitional work programs offer time-limited adjustments of workloads, work schedules, and work environments so that workers can stay on the job successfully. Through transitional work programs, employees seek to achieve increasing levels of productivity over a four- to six-week period. Transitional work programs have specific guidelines for entry, incremental adjustments, and plans for exit to full productivity.

► Enhanced Support for Workers on Long-Term Disability

CIGNA's *Re-Employment Solutions* program helps people make the transition back to work after a long-term disability. The program seeks first to help employees return to their previous jobs with their current employers. When employees cannot return to previous jobs or employers, CIGNA helps them prepare for and find other jobs; begin new careers; and/or start their own businesses. Program participants work closely with vocational rehabilitation counselors, who help with resume writing, networking, and interviewing. Counselors also help participants address fears and other stressors that can prevent them from returning to work (e.g., financial pressures, loss of physical function, and medical issues). They also help participants identify job goals and new





employers, identify gaps in skills, and access the training and education that they may need to obtain new jobs. In addition, counselors can coordinate with employees' treating physicians to help them understand job requirements and return-to-work goals.

Unum's *Building Claimant Connections* program, implemented from 2007-2008 for Unum employees, was designed to help people who were on long-term disability for extended periods become more independent and view work as an achievable goal. The program helped people build confidence to create clear pathways for moving forward in their lives. Disability benefit professionals affiliated with the program were trained in motivational interviewing, which has been described as more "guiding than directing, dancing rather than wrestling, and listening more than telling."⁴ Through motivational interviewing, benefit professionals helped people on long-term disability address feelings such as ambivalence and resistance. They worked to understand people's reasons for not moving forward; asked questions designed to invite sharing of feelings; carefully listened to responses; and helped empower people to solve problems.

As part of the program, Unum's disability benefit professionals had multiple phone consultations with workers on long-term disability to discuss issues such as their concerns about the status quo, costs and benefits of staying home versus working, obstacles to returning to work, the probability of succeeding, and changes that could make return to work desirable and successful.

Unum's benefit professionals helped people on long-term disability visualize their success in becoming independent and consider the option of returning to work. They also worked with the company and employees to identify and overcome workplace barriers (e.g., dislike of supervisory responsibilities) and find alternatives, such as new jobs or new work schedules, more suited to workers' skills, abilities, and preferences.

In January 2009, Unum implemented the program, renamed *Building Employee Connections*, for its corporate customers throughout the country.

⁴Rollnick, S., et al. (2008). *Motivational Interviewing in Healthcare*. NY: Guilford Press. As cited in Mitchell, K. (2009). *The Motivation Paradox: Work, Disability, and Being Stuck: A Business Strategy for Solving Chronic Health and Productivity Predicaments*. Presentation for the Society for Human Resource Managers. Honolulu, HI.

Building on the Strengths of an Older Workforce

▶ Mentoring

Older workers bring tremendous value to the workplace through their wisdom, experience, and institutional memories. To help employers capitalize on and preserve these benefits for years to come, **Unum** helps establish workplace mentoring programs. Younger employees participating in these programs meet regularly with older workers who offer advice, answer questions, and share valuable insights.

▶ Support Services and Workplace Accommodations

Disability insurers are helping employers and employees with a variety of support options to help older workers remain on the job, such as:

■ Quick Links to Elder Care Services and Employee Assistance Plans

Twenty years ago, helping employees find quality child care services was the top family-related priority for employers. As the workforce has aged, demand has grown for elder care to help employees with aging parents and spouses.

Unum links workers with elder care and employee assistance plans so they can find the best care for aging parents and address the stress often associated with the process.

■ Modified Work Environments to Address Functional Limitations

Musculoskeletal conditions such as arthritis disproportionately affect older workers and can lead to disability. People with these conditions often have difficulties with strength and range of motion that can make it difficult to remain in the same jobs. **MetLife** works with employers to find successful ways to modify job responsibilities and workstations to allow workers to overcome physical limits associated with arthritis and other conditions.

■ Part-Time Work

The economic downturn has forced many older workers to delay retirement. However, many find that they cannot continue working effectively on a full-time basis. **Unum** is helping companies and workers develop flexible part-time work schedules best suited to the needs and preferences of older workers.



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