

Across the spectrum: An integrated approach to workplace well-being

Claims are the biggest driver of healthcare and workers' compensation insurance premiums; however, both are often viewed as separate and distinct, despite areas of overlap. RAND Corporation reports in *Multiple Chronic Conditions in the United States*, chronic conditions such as obesity, diabetes, heart disease and high blood pressure contribute to higher healthcare costs from more doctor appointments, prescriptions, and inpatient stays. The National Council on Compensation Insurance (NCCI) notes chronic conditions also drive up the cost of workers' compensation claims, which can be 2 to 6 times more costly than all other claims. A Harbor Health Systems study reported by *PropertyCasualty 360* found chronic conditions increase the cost of workers' compensation claims by increasing medical expenses, significantly delaying recovery, and increasing the likelihood of surgery and lawyer involvement. Employers seeking to improve employee health and reduce the number of injuries and illnesses in their workplace should consider taking an integrated approach to worker well-being.

Integrating workers' compensation and worker well-being

More employers are beginning to recognize the positive impact of breaking down departmental silos and taking a more holistic approach that encompasses

all areas of worker well-being. The International Foundation of Employee Benefit Plans (IFEBC) notes in *2018 Workplace Wellness Trends* that more employers are shifting toward worker well-being as their primary focus for offering wellness programs and initiatives. Employers with a greater emphasis on employee well-being also experienced a positive impact on employee engagement and satisfaction. Healthier, more engaged employees experience fewer workers' compensation claims and lower rates of absenteeism, and utilize healthcare less frequently.

While the focus is shifting away from costs savings as the primary goal, employers are continuing to see a positive impact on their bottom line. Take the example of a Minnesota manufacturer with 400+ employees that was able to lower their workers' compensation experience rating 62 points and their healthcare relative risk score 52 points by taking an integrated approach to preventing workplace injuries and improving worker health. By assessing the overall health of its employee population, the manufacturer was able to identify areas of greatest risk, and create a strategic plan to address wellness and safety that has paid off in terms of direct savings on premium and indirect costs associated with chronic illness and workplace injuries.

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Collaboration and planning are your keys to success

Organizations that recognize the need for change can't expect it to happen overnight. Employers ready to embrace an integrated approach to managing workers' compensation and employee well-being are far more successful in their efforts if they take a planned approach. The Harvard School of Public Health notes in *Implementing an Integrated Approach*, employers experience a higher rate of success when they have:

- Cross-functional collaboration from different departments
- Participation from stakeholders at every level within the organization
- Policies and procedures focused on healthy working conditions
- Leaders committed to health and well-being

Employers also experience sustained engagement and enthusiasm for workplace well-being by clearly defining goals and objectives, continuously communicating those goals and publicly celebrating achievements throughout the organization.

Use data to drive decision making

The Harvard School of Public Health also notes that employers experience a higher rate of success when they use data to drive change. Before launching a full-scale initiative, employers should start by examining their workers' compensation and healthcare claims data and identifying common, correlated trends. Once key issues have been identified, employers can then build a strategic plan to mitigate those risks, leveraging tools and resources across the spectrum of employee health and workplace safety.

As costs in both healthcare and workers' compensation continue to climb, employers are starting to understand that breaking down departmental silos and analyzing the data to identify correlated trends is the first step toward driving down costs and creating a more engaged workforce. Integrating workers' compensation and employee well-being takes thoughtful planning and implementation. However, with the support of a trusted advisor, integration can be an investment that pays off.

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