4 ways to improve your disability-management program

Issue: Poorly managed disability-management programs and rising costs can reduce your organization's profits.

Benefit: By making disability programs more efficient, you boost the bottom line and your stature in the organization.

Action: Apply the following solutions to four common disability-management problems.

Your organization is probably wasting money on disability management. The good news: You can do something about it and enhance your image as a contributor to improved productivity.

Employee absences account for up to 18 percent of payroll costs, thanks in large part to disability expenses, which are growing more than 8 percent a year, according to the U.S. Census Bureau.

Following are four common disability-management problems, plus the solutions:

Problem 1: Employees on disability take too long to return to work.

Solution: Make sure your health and disability benefits (plus EAP program) are managed through the same vendor. Companies that do that typically have better return-to-work records, says a study by the Johns Hopkins Department of Health Policy and Management. Reason: A single vendor usually results in better case management.

Problem 2: Employees who suffer mental disabilities never return to work.

Solution: Make your mental health coverage more employee-friendly. The Johns Hop-kins study shows that employees in plans with high deductibles, lengthy pre-existing-condition periods and other treatment limits are less likely to return to the job after taking disability leave. While less generous mental health coverage will save your organization money on the front end, it usually yields higher turnover rates, the study says.

Problem 3: Managers believe that alternative jobs for returning workers are unproductive. They wait until the last minute to assign the positions, so employees have difficulty performing.

Solution: Create a database of alternative jobs for each position. That way, you can start lining up potential job options shortly after a worker becomes disabled.

Problem 4: You don't know whether your program saves money.

Solution: Use metrics that are relevant to your business. Examples: Total benefit costs per claim, medical benefit costs per claim, and temporary (or permanent) disability benefits as a percentage of all lost-time claims. For a definition of metric tools (plus benchmarks), check out the Workers Compensa-tion Research Institute at www.wcrinet.org.