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How overhauling Vancouver Coastal Health Authority's disability management program saved $2.5 million

By Leigh Doyle / Photography by Phillip Chin

In 2008, Vancouver Coastal Health Authority (VCH)—comprising 500 worksites, 13 hospitals and 35 long-term care nursing homes in B.C. that provide services to more than one million residents—had a serious staffing problem. "We had 470 nursing vacancies and openings for 195 therapists and technicians, as well as 272 support workers," recalls Anne Harvey, vice-president of HR. Hiring more people for VCH wasn't possible because there were not enough applicants.

Internally, things weren't much better. At the time, VCH had a serious escalation of long-term disability (LTD) premiums. There were more than 834 employees on LTD, including a large group of nurses. "Of the workplace compensation claims, about 70% are musculoskeletal and largely shoulder and back injuries. About 40% of our long-term disability claims have a mental health component, including depression, anxiety and bipolar disorders," says Harvey, acknowledging that working in healthcare is emotionally taxing. Between 2005 and 2008, LTD premiums increased by 50%, and it was estimated that by 2009, premiums would increase by 86% from the 2005 premium costs.

In addition, the B.C. provincial government was conducting audits across different sectors to draw attention to the high cost of disability for both employers and governments. VCH participated in the audit. "It told us that we had huge delays, and we were way below the national average in returning people to work in the first two years," recalls Harvey. "The reason for the poor performance is, we had too many cooks in the kitchen." VCH was working with Great-West Life and a third party that managed the claims, but the government audit recommended that the disability management services be brought in-house. So Harvey began planning, embarking on a five-year project that would save VCH millions.

First Redesign

In January 2009, VCH set out on Phase 1 of the disability management redesign pilot program. "The focus was on early intervention," Harvey says. The first step was to negotiate and sign a joint agreement with the union to participate in the program. Next, Harvey used internal resources to set up an outreach system for employees. "If someone was off [for] between five and seven consecutive shifts, we would contact them at home to ask what was happening, what treatments were under way and what we could do to help them, such as accessing doctors, therapists or other specialists," she explains. The purpose was to engage absent employees and return them to work faster.

Senior management in the health sector in B.C. was not fully supportive of the program at first, says Harvey. "We didn't initially get buy-in from the health sector organizations; we had to build that. The most difficult part was developing senior executive knowledge of the disability process." She credits the government audit as a crucial factor in convincing the industry that a program redesign was necessary. "That was hugely influential in helping us convince senior management that we should start this journey."

But the executives quickly became supporters. "Within six months of the launch of the program, we had cut in half the time it took to contact people when they were off work," says Harvey. The time to first contact was reduced to

15 days from an average of 40. And the time from the first day off to return to full duties was reduced to 62 days from 113. "By the end of 2010, we could show that we had saved more than half a million dollars and that our long-term disability claims were falling," says Harvey. By the end of 2011, the program had saved VCH roughly $2.5 million in costs related to lost productivity, absenteeism and LTD.

Unintended Consequences

However, the success of the in-house disability management program was quickly overshadowed. "In December 2010, we realized that we had a few major problems," recalls Harvey. "It was far more work than we had anticipated." The small team of caseworkers was overloaded, and cases were piling up. The database storing information on employees' health issues, along with treatment plans, crashed. "We put in a new database and then had a more accurate appreciation of the volume of work," she says.

While the focus on early intervention was delivering great results for the bottom line, not everyone was satisfied. The program targeted only employees who were on extended sick leave and helped them get back to work before LTD was necessary. Managers, unions and employees complained that it was taking too long to get employees who ended up on LTD back to work in their full capacity or in accommodated positions. "VCH lost focus on providing return-to-work and rehab services for employees once they went on LTD," Harvey explains.

Redesigning the Redesign

Armed with this feedback, VCH began 2011 by creating Phase 2 of the program. "We developed a business case for our senior executive team outlining the need for more staff and the need to address the back end of the disability management process," Harvey says. With senior management now in full support, VCH invested $500,000 into staff for the program, including three additional caseworkers—VCH calls them workability advisors—an analyst and an assistant for the team.

Harvey and her team dedicated the year to assessing internal processes and planning the next phase. "This redesign is much larger in scope than our first project, and it involves not only the disability management staff but also the employee relations staff who provide labour relations services for managers, employees and unions," she explains.

She and her team are now taking a more holistic approach and integrating a number of programs—including the disability management pilot project—aimed at helping employees with health issues stay at or return to work. The other programs include the Attendance Wellness Program (which manages short-term sick leave), a program for employees who are at work but struggling to maintain their attendance for health or personal reasons, and the accommodation placements for employees who cannot return to work unless their jobs are modified or they are provided with another job.

This second redesign launched in early 2012. Harvey believes it is a major shift in how VCH approaches disability management cases. Instead of saying that an employee needs to be healthy to work, Harvey wants to "focus on what employees who are sick and injured can do"—the functional model of disability management as opposed to the medical model.

To help smooth the transition, Harvey is branding the program as All One Team. The intention is to have *all* of the stakeholders affected by an absence or disability issue—workability advisors, HR, the sick employee, managers and union representatives—collaborate to help an employee contribute productively despite a health issue.

Four years after staff shortages and a government audit inspired Harvey to look back on existing HR issues, she's now looking forward. She anticipates that by the end of this year, the redesigned and integrated program will show a savings of $5 million for VCH since 2008. Staffing shortages at VCH are expected to increase, according to HR data, but Harvey is confident that VCH is now strongly positioned to navigate this challenge while redirecting money saved on disability management into patient care. Most important, she's focused on improving the services to sick and injured employees at work and helping to support those who are off in a speedy return.

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Q&A

ANNE HARVEY DISCUSSES UNION INVOLVEMENT IN VANCOUVER COASTAL HEALTH AUTHORITY'S DISABILITY PROGRAM

Describe the process for getting the unions to participate.
A Letter of Understanding for a joint pilot project on disability management redesign was co-developed with the BC Nurses' Union (BCNU) and signed in January 2009. The memo outlined that VCH wanted the union to participate, would share all data and would ask for union stewards at every disability case management meeting. The two other unions—the Health Sciences Association and the Hospital Employees' Union—signed on to the pilot project later in the year.

What were participation rates like?
Before the agreement was signed and the project was brought in-house, participation by the unions in our absence management program was voluntary and, as a result, low. By the end of 2009, after the agreement was signed, employee participation in the early intervention had increased to 94% from 60%.

What kind of feedback did you get from the unions?
The BCNU was very supportive. They promoted the pilot program to their members and contributed constructive ideas to improve practices. They recognize that they are losing people from the profession. If a nurse is off for more than one year, [he or she doesn't] always return.

How did you communicate with both union and non-union employees?
We hired a communications consultant to first help us run focus groups for all stakeholders. The information gathered helped us to identify problems with the disability management programs. We then published the results and sent this to all of the participating groups.

Where could VCH improve?
We have more work to do with support workers. We have to communicate more effectively why early intervention in absences and disability cases can help the workers and the hospitals—and will, ultimately, improve patient care.