



How Modern HR leaders are tackling absence and disability management today

A Practical Guide for Reducing Disability and Absenteeism Costs



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1 The Problem

Absence and disability cost plans are increasing at an alarming rate. Over the past ten years, the cost of insurance premiums has skyrocketed by **108%** for employers, despite huge efforts on absence and disability management teams to reduce STD/LTD claims.

Today, disability management and prevention efforts are outdated, often due to a **lack of information** and data to drive smarter return-to-work practices. But world-class HR and disability management teams understand the direct link between employee mental health and organizational success and the importance of innovating their absence and disability programs. A failure to transform and adapt to the needs of employees will result in higher organizational costs (i.e. sick days, disability costs, staff burnout, and STD/LTD claims).

HR departments saw a sizable bump in individual and group insurance claims at the height of the initial lockdown between April - May 2020, particularly for mental health services as people cope with job loss, social distancing, isolation, and pandemic anxiety. Organizations that have gone through major disruptions, including downsizing and restructuring, should already see signs of absenteeism and presenteeism in their workforce.

As organizations slowly rebuild policies in the aftermath of COVID-19, HR leaders will need to understand the emerging trends and long-term impacts of COVID-19 on their business and disability claims while demonstrating their responsiveness, flexibility, and technical expertise in addressing its associated costs.

BEFORE COVID-19

EMPLOYEE SICK DAYS

EVERY WEEK, HALF A MILLION CANADIANS¹

who are absent from work due to mental health problems & 7 million Americans due to stress.

UNMET TREATMENT

60%²

do not receive treatment due to stigma, access, cost.

ACCESSIBILITY ISSUES



OVER 1.6 MILLION CANADIANS³ AND 53 MILLION AMERICANS⁴

report unmet mental health care needs each year due to stigma, costs, time, geographic challenges

INADEQUATE MENTAL HEALTH PROGRAMS

65%

of employees do not find current mental health benefits and programs helpful⁵.

BEFORE COVID-19

RETURN-TO-WORK

10%⁶ of workers

who feel depressed up to a year post-injury return to work.



DEPRESSION

1/4 may feel depressed at the one-year mark due to the inability to return to work.



RAPIDLY ESCALATING COSTS

70% of all disability costs are now mental health-related⁷.

CO-MORBIDITY

50% of claimants may develop mental health condition due to physical injury.

Impacts of COVID-19

Anxiety

Extreme-to-high levels of anxiety increased from

5% to 20%⁸ ↑



Depression

Self-reported cases of depression have more than doubled

4% to 10%⁹ ↑

Gen Z + Millennials

For younger workers aged 18-34,

43%  reported higher anxiety¹⁰



Top reasons absence and disability management programs fail

According to literature and our absence and disability management [research](#), it is commonly understood that programs are failing at the tactical level due to:



Lack of integrated absence and disability management



Missing psychological health and safety in the workplace



Inaccessible mental healthcare



Lack of data to drive better policies



Overwhelming case manager workloads

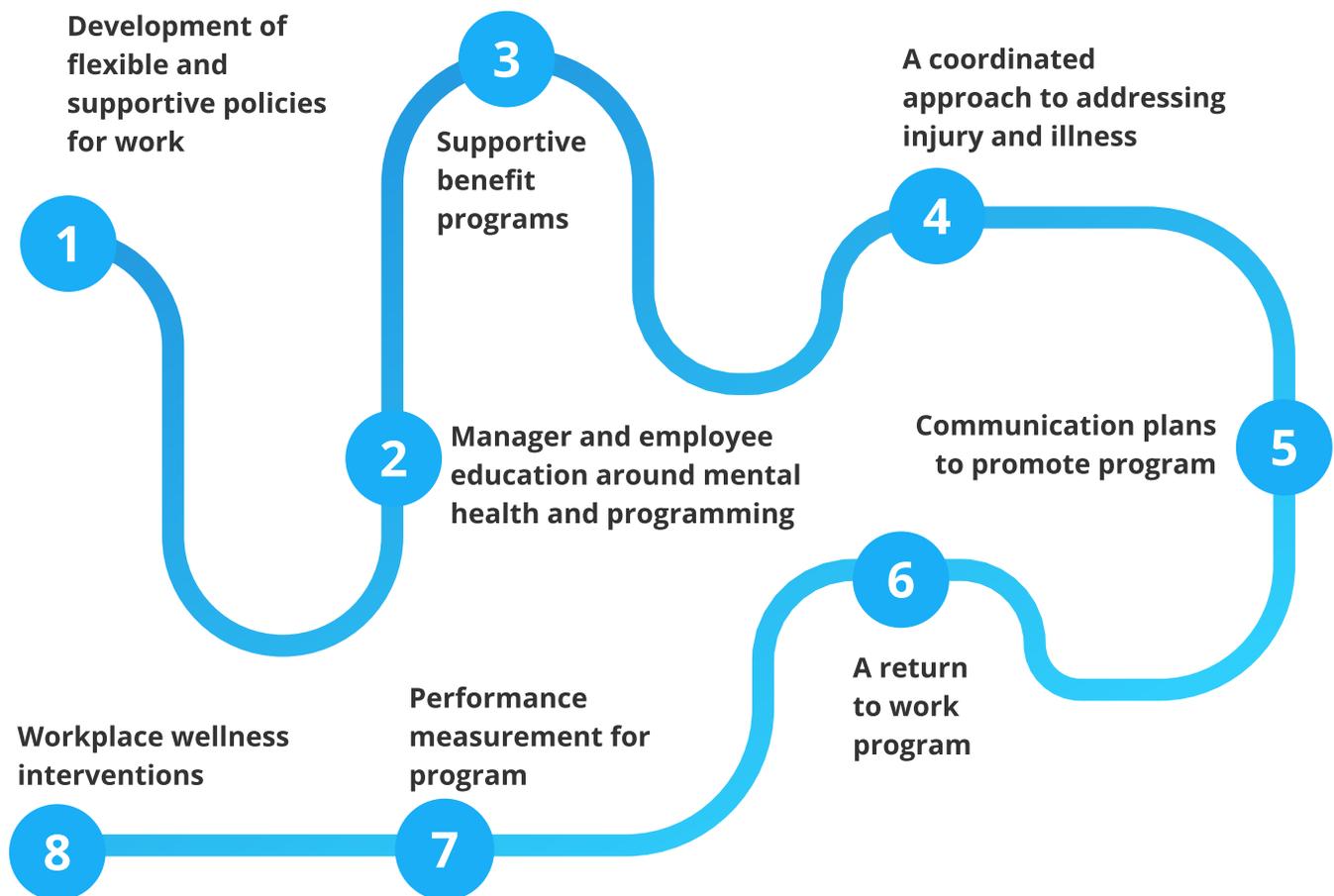


Getting Leadership buy-in

2 The Solutions

2.1 Integrating absence and disability management

The purpose of absence and disability management programs is to reduce workplace absenteeism while retaining employees to maintain a productive workforce. For organizations and HR leaders, the critical absence and disability management practices to integrate include:



Many organizations strive to integrate their disability and absence management programs to provide a better experience for employees while lowering costs. This includes when employees first go on sick leave to when they return to work and beyond.

Your conversation starter script

Read through this example script and consider if this would be helpful for you.

"Hello (**name of colleague**). I've been away on medical leave and just got back. I'm feeling better and looking forward to being back.

How are you doing? What has been going on? What have I missed?

NEXT

Continued Support when Returning to Work

One of the challenges HR departments and case managers face is helping employees return to work and sustain it. Most employees have a [real fear](#) of returning to work. Some are afraid of what their colleagues or managers may think, how to recover their reputation from being off work, and whether or not their work environment will eventually put them on disability again.

To overcome these fears, it will be essential to build an employee's voice into their personalized return-to-health plan based on their experiences, concerns, and needs. Often, the plan would need to include the tools they have learned while on leave and scripts on how to talk about their mental health with colleagues.

For digital therapy solutions like Starling Minds, here are the use cases HR leaders can refer to for their absence and disability management programs:

1. Unique absences: For employees who miss a few days of work every other week but not long enough to fulfill the waiting or elimination period in which they need to apply for STD or LTD.

2. Sick Leave:
For employees now off work due to being ill or injured.

3. STD: For employees who have exhausted their sick leave plan and would need to apply for STD.

4. LTD: For employees in their first year on LTD, who have exhausted their sick leave or STD and would need to apply for longer assistance.

5. Return-to-work: For employees on both medical and non-medical absences and need support to return to work with more confidence and resilience.

Integrating absence and disability management that is cost-effective, accessible, and purpose-built for employees can be a great challenge, especially without the help of digital interventions and technology. Digital interventions have risen in popularity within the absence and disability management space. This is due to the ability to scale access, generate aggregated measurement data, and most importantly, deliver the right [early interventions](#) and [return-to-work support](#) to employees who need to feel better and more confident.

2.2 Creating psychological health and safety in the workplace

HR Leaders and Managers play a critical role in enabling a culture that is psychologically healthy and safe, and conducive to employees struggling at work or off work.

A **“psychologically healthy”** workplace is where every reasonable effort is made to promote mental health through awareness, resources and education.

A **“psychologically safe”** workplace is where every reasonable effort is made to prevent harm to mental health through negligent, reckless or deliberate mentally injurious conduct.

Evidence shows that thirteen factors are known to impact psychological health and safety directly. These factors are interrelated and rely heavily on delivering psychoeducation - a process of providing education and skills-based strategies to help employees struggling at work or off work build resilience and confidence to return to work.

Framework for building mental resilience and confidence



Organizations and HR leaders will need to think of innovative ways to deliver psychoeducation to leadership, management, and the overall workforce, at scale and at a cost, which is a challenge given internal resources and budget constraints.

In today's “new normal”, digital interventions with psychoeducation built-in have gained in popularity and demand as workplaces adapt to the new needs of their employees.

True psychological safety in the workplace depends on employees and their organization knowing what it is.

— Dr. Bill Howatt, Chief of Research and Workforce Productivity at The Conference Board of Canada

How digital solutions create psychological health and safety for claimants

FACTORS	HOW DIGITAL SOLUTIONS HELPS EMPLOYEES
<p>Psychological Support An environment where psychological and mental health concerns are supported and responded to appropriately</p>	<p>Social Support: Provides inclusive and peer support with a confidential, online community</p> <p>Mental Health Awareness: Helps build mental health awareness and knowledge, anytime and anywhere</p> <p>Crisis-Monitoring: Identifies employee behaviour that would lead to self-harm and flagged to our human Community managers</p>
<p>Organizational Culture The environment is characterized by trust, honesty, and fairness</p>	<p>Organizational Behaviour: Digitizes psychoeducation to promotes organizational citizenship behaviours</p>
<p>Leadership & Expectations Effective leadership exists that enables staff members to know what to do, how their work contributes and if change is approaching</p>	<p>Leadership and management training: Provides leadership and managers with the training and tools needed to help lower anxieties in employees caused by uncertainty</p>
<p>Civility and Respect Staff and faculty are respectful, considerate and collegial with one another</p>	<p>Mental health training: Provides managers with the tools and education needed to assert compassionate care and empathy at work</p>
<p>Psychological Competencies and Requirements A good fit between interpersonal/emotional competencies, job skills and the position</p>	<p>Emotional Intelligence skills: Helps employees build self-awareness, self-regulation, motivation, and empathy which are the cornerstones to emotional intelligence</p>
<p>Growth & Development Staff members receive encouragement and support in developing interpersonal, emotional and job skills</p>	<p>Interpersonal Skills: Teaches specific practical skills (self-awareness, emotional regulation, goal setting, thought balancing) and encourage employees to set a practice schedule to improve their skill set</p>

Recognition and Reward

Acknowledgement and appreciation of staff members efforts in a fair and timely manner

Peer-to-Peer Appreciation and Recognition: Confidential, peer community enables employees to recognize and show appreciation for their peers' advice and insights

Involvement & Influence

Staff members are included in discussions about how work is done, how decisions are made and their impact

Employee feedback and concerns: Provides leadership with aggregated employee data around their greatest stressors to better inform health decisions without undermining employee confidentiality

Workload Management

Tasks and responsibilities can be accomplished successfully within the time available

Coping skills for workload: Provides employees with the education, framework, and coping skills training needed to better manage their mental health despite job workload

Engagement

Staff members enjoy and feel connected to their work and are motivated to do a good job

Population Health Diagnosis: Provides greater transparency on workforce's greatest stressors via aggregate data to enable better employee health policies to drive employee engagement

Balance

Recognition and support for balance between the demands of work, family and personal life

Work-Life Balance Skills: Provides employees with the education, tools, and skills needed to successfully apply better work-life balance strategies into their lives

Psychological Protection

An environment in which psychological safety is ensured (i.e. ask questions, seek feedback, report mistakes/problems)

Mental health training: Provides leaders and managers with the tools and education needed to assert compassionate care within themselves and their teams

Protection of Physical Safety

Appropriate action to protect employees' physical safety at work

Coping skills during physical safety risks: Provides digitized psychoeducation to help build coping skills needed to perform under pressure and/or fear of physical safety

2.3 Enhancing Insights and Reporting

Many HR departments do not have a sightline into the performance of their absence and disability management programs. For organizations with reporting lines and data sets, tracking is often siloed or a simple summary of activities, resulting in a lost opportunity for insights into cost-drivers and a holistic view of trends.



do not measure mental health initiatives



evaluate the incidence of employees accessing benefits



evaluate impact on casual absenteeism



evaluate changes in short-term disability claiming patterns

Aggregated Data Reporting

Best practices would be to take an aggregated approach to reporting by partnering with digital interventions that pull data from multiple sources and benchmarks to elevate reporting practices for more meaningful conversations on policies and program initiatives.

Key data points

- Total registrations and active members
- Factors influencing program usage
- Top monthly stressors and therapies
- Aggregated data by business unit/location
- User comments and stories

Starling

JULY 2020

Your organization's Mental Health Pulse:



Fair

Registered Members: **2,416** ↑372

Active Members (30 days): **586** ↑426

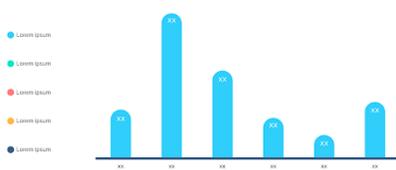
Members with 50+ interactions: **798** ↑176

Check-Ups this month: **476** ↑27

Who is using Starling:



Sex

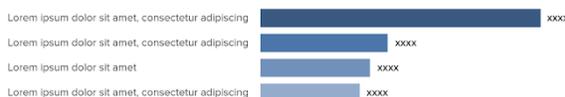


Age

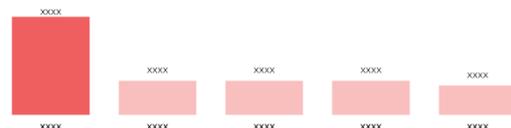


Location

Why people are using Starling:



Top stressors this month:



2.4 Delivering accessible mental healthcare

Critical barriers are preventing employees from getting the mental health support they need when they are struggling at work or off work.

Here's a summary of factors preventing employees from getting the mental health support they need:

Contributors to higher absence and disability costs

As a result of COVID-19, many forward-thinking HR leaders are turning to digital therapy products to address higher levels of stress, anxiety, and depression in their workplace. Below are ways digital therapy solutions like Starling Minds can help remove critical treatment barriers for mental health:

stigma

- ▶ Negative attitudes and behaviours around mental illness and disability
- ▶ Fear of impacts to career, job reputation, and relationship with colleagues
- ▶ Distrust of EAPs/EFAPs due to fear of confidentiality and privacy

Removing Treatment Barriers

Deliver digital therapy as an added layer of privacy and confidentiality

quality of care

- ▶ Inconsistent/lack of accreditation standards among mental health professionals
- ▶ Difficulty in case managers identifying the right resources employees need

Deliver digital therapy to combat inaccessible care issues alongside personalized treatment to increase speed of returning employee back to work

access

- ▶ Limited coverage under benefits plan to get access to ongoing mental health treatment
- ▶ Claims/benefits rejected or limited by insurance provider
- ▶ Chronic shortages in qualified mental health professional in urban and remote communities
- ▶ Long wait times for face-to-face therapist while off-work
- ▶ Hesitation to include adequate mental health treatment on case files due to costs

Onboard 100% digital therapy solution to scale immediate access to care without impacting costs or prolonging treatment

These barriers are creating insurmountable problems for HR leaders and absence and disability teams as prolonged stress, anxiety, and depression will likely increase an employee's risk of going on sick leave, or on short or long-term disability.

2.5 Building support for Case Managers

There are **three main challenges** case managers face on a daily basis that is exacerbating their workload.

1. Delivering immediate support to reduce worsening symptoms

2. Lowering the cost per claimant file without impacting quality of care

3. Gaining transparency on claimant treatment adherence and progress

Claim automation tools have digitized practices to create a smoother experience for case managers, claimants, and HR leaders.

6 weeks

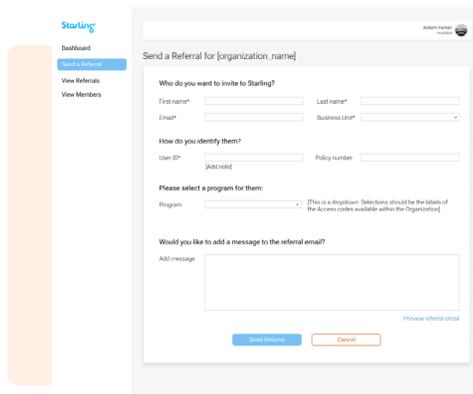
Claimants to see a mental health provider

9.3 weeks

Average Duration for Short-Term Disability claims

18.6 weeks

Average Long-Term Disability claim duration

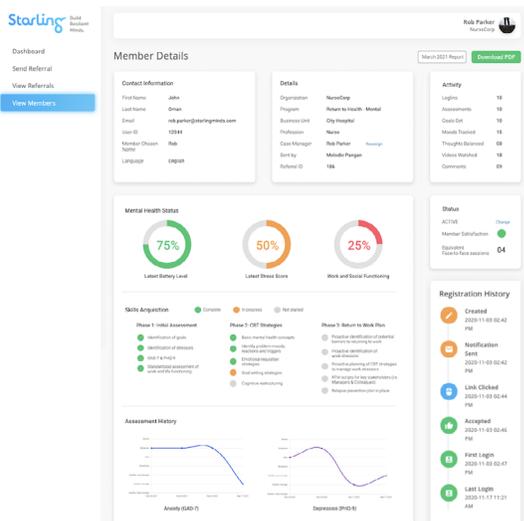
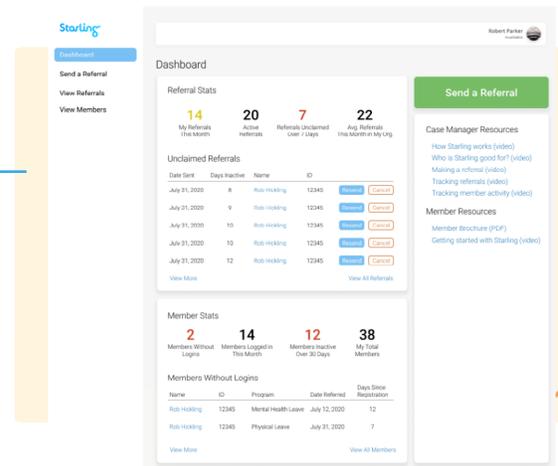


Digital Referral Portal

Onboard a digital therapy solution with built-in capabilities for immediate referrals

Case Manager Portal

Centralized case management portal to track the treatment progression of each claimant for follow up communications



Case Manager Reporting

Aggregated data and reporting to identify top stressors contributing to mental health conditions and top therapy paths

2.6 Building Leadership Buy-In

For many years, absenteeism has been a massive problem for organizations and HR leaders, often due to its impact on employee productivity and corporate profitability.

However, absenteeism continues to rise despite the best efforts of HR, Benefits and Compensation leaders and insurance offerings. This is often due to leaders spearheading mental health initiatives but forgetting one critical internal stakeholder needed to approve better programming: the CFO.

The CFO often handles the risk and finance of an organization. Their job deals with numbers which can be difficult for absenteeism, an invisible cost for teams who do not track their metrics.

It's essential to combine an analytical approach with a qualitative interview to get CFO buy-in. Interview(s) will help to overcome potential objections, guide the design and implementation of your absence and disability management program, and will help tie it to an organization's objectives and bottom line. With CFO buy-in, your program will get the funding needed to roll out across the organization.

46%

of companies track absence data

15%

tracking the actual direct costs of absences

To gain CFO buy-in, conduct qualitative interviews to:

- 1. Identify gaps to evaluate absence performance and costs**
- 2. Determine key short and long-term SMART business goals and priorities to align your absence and disability strategy**
 - Target ROI and cost savings
 - Frequency and duration
 - Categories of absence by employee, division, location and other variables relevant to your organization
 - Cost of absenteeism by division, employee, location
 - Comparison of the cost of absenteeism by quarter or yearly
- 3. Communicate the strategic vision and how it ties to organizational outcomes and priorities**
- 4. Determine roles and responsibilities to drive program awareness for better ROI**

3 Case studies

CASE STUDIES & RESEARCH

Healthcare Worker Returns to Work More Confident with a Digital Solution

The Challenge

As a registered nurse for over 5 years, she's had to deal with:

- **Increased Horizontal Workplace Violence** — including physical assault and verbal abuse by patients and colleagues
- **Burnout** — from working in an environment of constant staffing shortages and an increasing number of peers going on leave
- **Loss in Confidence** — increasing patient mistakes due to work overload and burnout
- **Shift Work** — with its physical and mental toll on the human mind and body

Work function was at “zero”, and her depression and anxiety scores were within the clinically unhealthy range.

The Solution

Disability case manager recommended Starling Minds' Return-to-Health program due to its:

- **Short-bite size interactive videos** that teach practical strategies to build confidence and resilience to stressors
- **Assessments and metrics** for Mary to reflect on when evaluating her own progress
- **Guide to a personalized return-to-health plan** that helped Mary assess her work readiness, manage conversations with managers and colleagues, and manage anticipated stressors
- **A toolbox with scientifically-proven strategies** readily available for Mary whenever she needs it
- **Case study examples** that show how others have returned to work using CBT
- **A confidential, community of peers** on leave to help with social isolation and stigma around mental illness

The Results

Within two months, Mary was feeling more like herself, and reported the following results:

50%

Improve in Ability to Manage Emotional Distress

30%

Increase in Confidence to Return to Work

75%

Improvement in Work Functionality

Starling has provided me with direction and tools to help myself get better. Thought balancing really seems to help reframe my negative thoughts. I need to remind myself of my current level when setting my goals so that they are realistic and achievable."

— Mary, Return-to-Health Program User

How a Health Authority Reduced Absenteeism by 10% in Less Than Six Months

The Challenge

- Disability costs have risen yearly as 41% of their employee population self-admit to suffering from poor mental health
- 40% of their disability costs have a primary mental health diagnosis.
- Fewer than 50% of their employees seek any form of treatment due to stigma, costs, lack of education around mental health, and access to evidence-based mental healthcare.
- Current referral and claims management process and available resources made it difficult to get employees the help they need at the right time.
- Lack of mental health support for staff who were denied access to benefits altogether

The Solution

With Starling’s Return-to-Health program and advisory services, the organization was able to remove their greatest barriers to employee mental health by offering an affordable, scientifically-proven solution with a confidential online community, alongside a digital delivery model that gives employees immediate access to an evidence-based program to manage their mental health.

- Program training services to transform case managers into coaches who can guide employees to specific modules that will help them through their current off-work situation
- Onboarding disability and absence management team members and providing full access to demystify the platform experience and referral process
- Full awareness campaigns with Marketing toolkits to educate employees on the benefits of prioritizing their mental health

The Results

Within 6-months since transforming their disability practices with a suite of tools including Starling Minds, the healthcare authority

reduced their absenteeism by 10%.

Within 12-months, the health authority has:

reduced LTD claims by 12% and saved \$2.5M.

This is due to the Disability Management team using the suite of resources like Starling and making their own referrals much faster.



Why Disability Managers Love Starling Minds

For Sarah and her team, she loved that Starling's Return-to-Health program resolve her greatest challenges:

- The referral process is shortened significantly through an online portal
- Automated emails and reports that provide updates on employee progress to keep communications with employee on-leave through follow-ups and check-ins
- Shared language around mental health to generate more productive conversations during check-ins and follow-ups
- Delivers evidence-based mental health support while employees wait for in-person treatment or if treatment is unavailable

"The team and partnership we have with Starling is like no other and why we recommend them to peer organizations. They have a great product and we fully believe in their mission to eradicate barriers to mental healthcare. Our project was a tough enterprise implementation that cuts across many departments. We consistently said to each other 'Thank goodness we chose Starling!'"

— Disability and Absence Management Leader



LEARN MORE ABOUT STARLING MINDS

www.starlingminds.com

ABOUT STARLING MINDS

Starling Minds™ is a digital mental health platform that reduces absence and disability costs by delivering immediate, unlimited, and personalized digital Cognitive Behavioral Therapy (CBT). Developed by leading psychologists, Starling's digital therapy is powered by an expert system that emulates the processes and practices of human-guided therapy to remove the greatest barriers preventing employees from accessing affordable and effective mental health care—cost, access, and stigma.