

Workers' Comp - It's Not Just What Happens at Work

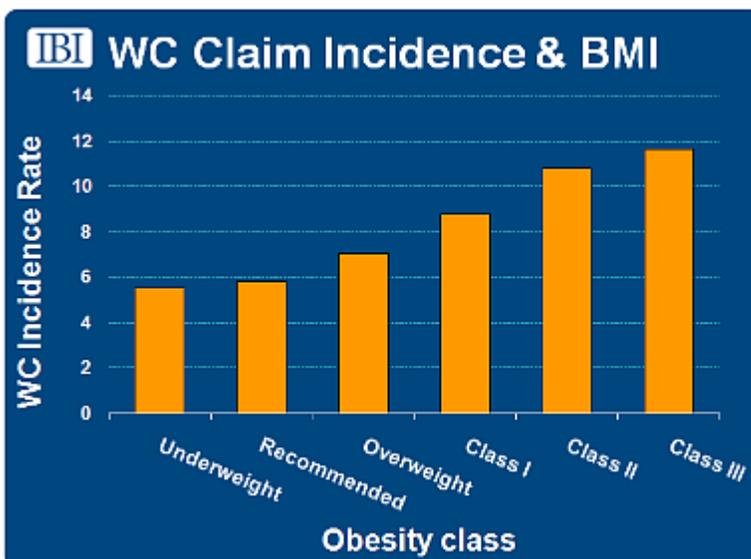
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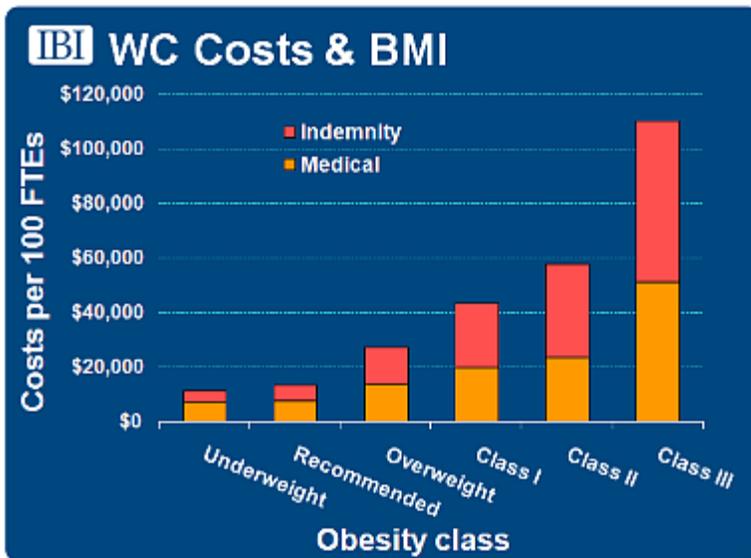
Background. Before co-founding IBI in 1995, I spent 11 years directing a workers' compensation research program in California. During the health care reform discussions in the early 1990s, several national legislative initiatives proposed removing medical care from workers' compensation and making it part of a national, universal health care system. At that time there was little comparative information on differences in medical care delivery in workers' compensation versus group health, and on how those differences might affect the results of such proposals.

We addressed that issue by analyzing the costs and timing of care in workers' compensation and group health similar types of diagnoses.¹ We found some surprising differences but, because we had two separate, unlinked databases, we were unable to answer the more interesting - and perhaps far more important question - how do the two programs connect?

Obesity and Workers' Compensation. Research at Duke University on the impact of workforce obesity on workers' compensation experience² helps us take a step to better understand how medical conditions typically treated in the group health program influence occupational injuries and illnesses. Using data from the Duke University Health and Surveillance System, researchers examined the relationships between body mass index (BMI).³ and workers' compensation claims incidence, medical and indemnity claims costs, and lost workdays. Generally, employees in higher BMI categories file more workers' compensation claims, have higher medical and indemnity costs and lose more time from work. Employees in obesity class III (for example, a person who is 5'8" and weighs 260 pounds would be in this obesity class) have a particularly strong impact on WC claims.



Employees in obesity class III have twice as many workers' compensation claims as employees at the recommended weight.



Employees in obesity class III have nearly 7 times higher WC medical costs and 11 times higher WC indemnity costs as employees at the recommended weight.



Employees in obesity class III have nearly 13 times more lost workdays as employees at the recommended weight.

Beyond simply describing differences by BMI class, however, researchers also used regression models to examine the relationship between BMI and workers' compensation experience. After controlling for age, gender, race, smoking status, employment duration and occupation the strong relationship between BMI group and workers' compensation claims costs and lost-time experience persists. Researchers also found that employees in obesity classes I through III that are in high-risk jobs are particularly at risk for workers' compensation claims.

Commentary. Employers often manage workers' compensation in a separate benefit program silo from group health. While employers often have focused their attention on controlling their financial exposure for group health medical costs through plan design or risk-shifting strategies, this research shows that there may be far broader consequences to health status - and employer programs designed to influence it - than many employers have realized. Often times employers think reactively about workers' compensation claims - what can I do after a claim is filed? This research emphasizes the importance of a two-pronged employer approach - a focus on workplace safety and

prevention, while at the same time emphasizing improved employee health. The benefit-silo perspective obscures this kind of thinking. More holistic strategies can influence workforce health - and related health care cost impacts - as well as workers' compensation experience. This research argues strongly for evaluating cross-benefit program consequences of employer interventions and for expanding evaluations of cross-program savings potential. It also emphasizes that employers with high-risk occupations must take particular care in dealing with the impact of obesity.

At the same time, one must be careful in interpreting these research results. Although the research focuses on the relationship between obesity and workers' compensation experience, one cannot assume that other health conditions that are co-morbid with obesity have no influence on the relationships and outcomes studied.⁴ IBI's analysis of Health and Work Performance (HPQ) data from Harvard Medical School indicates that obesity often is co-morbid with other employee health conditions. Thus, not only do employers need to look beyond individual benefits programs, they also must look beyond individual disease states to a person-centric perspective in order to design proper wellness, prevention and disease management intervention programs and to understand their full impacts.

1. Parry, T. Medical Benefit Delivery - Group Medical vs. Workers' Compensation in California. *CWCI Research Notes, August, 1994*. We were not able to analyze lost-time outcomes because those data were not available in the group health dataset.

2. Østbye T, Dement J, Krause K. Obesity and Workers' Compensation - Results from the Duke Health and Safety Surveillance System. *Arch Intern Med*; Vol.167, April 23 2007, pages 766 - 773.

3. Body mass index is calculated as weight in kilograms divided by height in meters squared. Six BMI classes were examined: underweight (BMI < 18.5); recommended weight (BMI between 18.5 and 24.9); overweight (BMI between 25 and 29.9); obesity class I (BMI between 30 and 34.9); obesity class II (BMI between 35 and 39.9); and obesity class III (BMI >= 40).

4. For a review of the non-medical costs of obesity, see Trogon J, Finkelstein E, Hylands T, et. al., Indirect costs of obesity: a review of the current literature. The International Association for the Study of Obesity. 2008.