

Decreasing Medical Costs and Increasing Productivity: A UnumProvident Q&A

New Research Links Managing Employee Absence with Reducing the Impact of Lost Time

Escalating medical costs continue to plague companies across the board. With healthcare costs rising as much as 18 percent this year for some employers¹, organizations need effective strategies to deal with the impact to their bottom lines. Two important points have emerged from initial results: a small percentage of workers consumes the greatest majority of medical and health care costs, and proven solutions exist to help reduce the cost of employee absence. Below, UnumProvident Senior Vice President Ralph Mohney answers questions concerning the relationship between employee absence and company medical costs, and how absence management strategies can help employers reduce the impact of lost time.

Q: Do we know what's driving the majority of employee medical costs?

Mohney: Initial results from a recent study by UnumProvident show that the majority of employee medical costs are driven by a small percentage of employees — usually the 10 percent who file occupational or non-occupational disability claims. The results also showed that effective absence management can lead to a demonstrated decrease in medical costs for these employees by speeding the recovery and return-to-work process.

Q: What absence management strategies have your customers found most effective?

Mohney: Every customer has unique needs, according to their industry and other variables, and we find we can meet them effectively through the



Senior Vice President Ralph Mohney

resources we offer with our disability income protection insurance plans. These include an impairment-based approach to claim management, return-to-work program development support, integrated disability management (IDM), data tracking and reporting, and Family Medical Leave Act and state leave administration, which can all result in measurable savings.

Q: How does UnumProvident help employers control disability costs by getting employees back on the job when appropriate?

Mohney: First, we work with employers to assess the viability of

their current programs and practices. Then, we build upon their existing absence management foundation, or work together to create a new structure. Often, we can help address specific policies or procedures that would otherwise inhibit a successful return to work when an employee is ready. Each return-to-work program is created to meet the company's specific needs and find the best solutions for its employees.

Q: What can employers do to support the return-to-work process?

Mohney: Recovering from disability is often an incremental process that doesn't happen overnight. Consequently, companies should be open to accommodating employees' unique needs when returning to work is possible. Sometimes these accommodations include transitional schedules, assistive technology or simple ergonomic solutions that are inexpensive to implement but are vital to the employee's success.

Q: What role do employees play in reducing costs?

Mohney: We find that disabled employees who are included in the process, and who know the employer's expectations and what resources are available, are best equipped to achieve a successful return to work.



Want to learn more about how UnumProvident can help your company? Call Tom Coyne at 901-818-6788 or visit www.unumprovident.com.

¹Society for Human Resource Management, 2003 Benefits Survey, June 2003.

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