Council Direction:

On April 9th, Committee of the Whole requested that Human Resources provide further information related to the recommendations during the 2010 budget process that dealt with the Return to Work Services enhancement.

Information:

2010 Reporting on Return to Work Services Enhancement

At the January 14, 2010 Audit and Administration Committee, the Committee approved the addition of an Occupational Health Nurse Consultant and a Return to Work Services Assistant based on the Return to Work Services Enhancement report (HUR10001). Staff were further directed at this meeting to report on a quarterly basis on budget reductions and savings resulting from these Return to Work Services program enhancements.

In a subsequent report, dated February 9, 2010, related to Human Resources budget meeting the 2% guideline (HUR1005), staff recommended that:

(a) That the 1 FTE Occupational Health Nurse Consultant enhancement for Return to Work Services be established as a temporary position for 3 years, at which time a decision can be made as to whether to eliminate or make the position permanent based on the return on investment achieved;
(b) That the Occupational Health Nurse Consultant be funded from the LTD and WSIB reserves, with no net levy impact in 2010;

(c) That the 1 FTE Return to Work Services Assistant be a transfer of 1 FTE and base budget of $65,000 from Public Works.

On April 9th, Committee of the Whole requested that Human Resources provide further information related to the recommendations that dealt with the Return to Work Services enhancement. This report is in response to that request, specifically with respect to the rationale for the enhancement request, as well as to provide a status update on the staffing in the Return to Work Services Program.

Background

The City provides income protection for employees who must lose time from work due to injury or illness. The City needs to ensure that these benefits are used appropriately and employees are supported in ways that keep them at work or return them to work as early and safely as possible.

Disability management is the process that assists employees who have a decreased ability to function in the workplace due to injury or illness. The process helps these employees return to or remain at work. Effective disability management allows the employees to continue making a valuable contribution to the organization while increasing overall worker morale and reducing costs. A well designed disability management program can shorten or even prevent employee absences and maintain productivity.

In a truly functional model of disability management, the workplace parties focus their efforts on addressing the barriers to employment related to the disability, not evaluating the diagnosis of a specific illness or injury. This is accomplished by acquiring clear guidance on the restrictions and limitations related to the impairment from the employee’s healthcare provider and finding suitable work that matches those restrictions and limitations. Unless an employee is totally disabled, in most cases the workplace parties can find suitable work for the worker.

Disability management programs are enhanced by workplace wellness, employee and family assistance and health and safety programs. Together, they provide an integrated approach to preventing and controlling occupational and non-occupational disabilities.

Currently there are 9 employees in the Return-to-Work/Work Accommodation (RTW/WA) section in Human Resources. This section is part of the Health, Safety and Wellness Team and is responsible for supporting employees and management in all aspects of an employee’s absence due to occupational and non-occupational injury and illness including short-term disability, long-term disability and Workplace Safety and Insurance Board (WSIB) claims. This responsibility includes:
• opening and closing absences,
• processing WSIB and short-term disability claims,
• paying WSIB invoices,
• following up with employees to acquire supporting documentation,
• responding to inquiries from employees,
• developing return-to-work plans,
• monitoring absences,
• verifying absence history,
• advising Finance Payroll of changes impacting employee compensation,
• updating employee files,
• educating employees and managers/supervisors,
• filing ASMP documents, and
• providing reports to SMT and departments.

Claim Experience and Costs

The City incurs substantial direct and indirect costs related to WSIB and sick absences as summarized below. From lost productivity alone, the City paid $20,566,216 in 2008 for individuals who weren’t at work due to illness or work-related injury.

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost of Sick Absences</th>
<th>LTD Costs</th>
<th>WSIB Costs</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$8,485,263</td>
<td>$1,374,642</td>
<td>$6,203,096</td>
<td>$16,063,001</td>
</tr>
<tr>
<td>2007</td>
<td>$9,990,506</td>
<td>$1,717,127</td>
<td>$7,592,862</td>
<td>$19,300,495</td>
</tr>
<tr>
<td>2008</td>
<td>$11,175,262</td>
<td>$1,840,222</td>
<td>$7,277,622</td>
<td>$20,293,106</td>
</tr>
<tr>
<td>2009</td>
<td>$11,162,926</td>
<td>$1,990,393</td>
<td>$7,187,551</td>
<td>$20,340,270</td>
</tr>
</tbody>
</table>

These costs do not include resources dedicated to administering our disability management programs and any costs incurred by the departments to mitigate the impact of employee absences. The indirect costs include:

• staffing through overtime or temporary hiring,
• delays arising from rescheduling work,
• re-training associated with new or transferred employees,
• additional lost productivity if the work cannot be reassigned or results in unmanageable work loads,
• diminished morale or turnover resulting from pressures related to work redistribution, and
• opportunity cost.
The indirect costs are estimated to be 4 times the direct cost of absenteeism\(^1\). Direct costs include wages paid to employees during the absence and charges paid to WSIB or the LTD provider to set up and administer the claims.

Compared to other municipalities, the City of Hamilton has higher levels of both sick and WSIB absences which are reported in average lost hours per employee\(^2\) in benchmarking studies as follows:

**Municipal Average for Sick Hours:** 66.1; **City of Hamilton:** 77.7

**Municipal Average for WSIB Hours:** 4.11; **City of Hamilton:** 6.63

The City’s Strategic Plan includes a commitment to a 10% reduction in sick lost time and a 15% reduction in WSIB lost time incident rates, to be achieved by 2011. If we meet these goals, it will translate into annual productivity savings of $1.1M and $120K respectively.

**Rationale for OHN Consultant Enhancement Request**

In March 2009, Human Resources recruited a temporary Return to Work Services Supervisor to cover a maternity leave. This individual, who was an Occupational Health Nurse (OHN) with disability management experience, proved to be instrumental in leading the turnaround of the performance indicators in long term sickness and WSIB absences. The incumbent was also a critical asset in: the development of the HR Pandemic Response Plan, highlighting a number of shortcomings in the City’s occupational health program, and Human Resources acquiring a disability management computer system at the end of 2009.

Specifically, having a Return to Work Supervisor with OHN credentials, proved to have a positive impact on the performance indicators established in Council’s strategic plan. Analysis of our sick absence and Workplace Safety and Insurance Board (WSIB) data showed an encouraging turnaround in the number of days the City lost to occupational and non-occupational illness and injury absences. By comparing our performance over the 9 months in 2009 (April 1 to December 31) to the same time period in 2008, we identified downward trends in the following indicators after at least 4 years of ongoing increases:

- total sick days
- average number of sick days per employee
- total WSIB days
- average number of WSIB days per employee

\(^1\) The Business Case for Health & Safety – Canadian Manufacturers and Exporters, (October 2001)

\(^2\) Human Resources Benchmarking Network, 2009
The impact of this new expertise was also demonstrated in report HUR10001 where staff compared the City’s performance over 6 months in 2009 (April 1 to September 30) to the same time period from 2005 to 2008 where the data confirmed a downward trend following years of ongoing increases.

Further, the WSIB days lost per lost-time claim decreased from 13.73 days in 2008 to 12.00 days in 2009 over a 6 month period (Apr 1 – Sept 30); nearly a 2 day reduction in the amount of time lost per claim. These reductions corresponded with access to the expertise of our temporary Return to Work Services Supervisor.

Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.
Values: Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
In 2009, with the assistance of the Return to Work Services Supervisor, staff were able to successfully place 12 employees in existing permanently funded positions. These were individuals who were previously carried as extra staff complement in unfunded non-sustainable work, at an estimated cost of $485,000. The nursing expertise enabled staff to focus with confidence, on the employees’ skills and abilities while taking into consideration their restrictions and limitations, and placing them in appropriate vacant positions.

In summary, given the following factors:

- the Return to Work Services Review (2008) recommended the addition of occupational health nursing expertise (most municipalities have Occupational Health Nurses on staff),
- the City realized the positive impact of having this expertise on performance outcomes in 2009,
- Human Resources received a very strong positive response from management and supervisors for having access to this health expertise,
- the City would be losing this OHN expertise with the return of the Supervisor post maternity leave, and
- a number of shortcomings (Appendix A) in the City’s occupational health program have been identified,

staff, in their due diligence, recommended the addition of an Occupational Health Nurse Consultant to the Return to Work Services Team during the 2010 budget process. The role of the Occupational Health Nurse Consultant is summarized in Appendix A.

Occupational Health Nursing provides integrated occupational health and safety services to employers and employees. Occupational Health Nurses (OHNs) work closely with managers, supervisors and individual employees to maintain, promote and restore employee health, safety and well-being.

OHNs are Registered Nurses with a diploma and/or degree in Nursing. They may also have a college certificate in Occupational Health Nursing or a university diploma in Occupational Health. Nurses with specialized education and/or experience can achieve the designation of COHN(C) awarded by the Canadian Nurses Association. In Ontario, Occupational Health Nurses are regulated by the Nursing Act and the Regulated Health Professions Act.

OHNs are bound by their code of ethics in that they cannot determine eligibility for benefits, i.e., adjudicate claims for sick benefits. They cannot “second guess” the recommendations or diagnosis of a doctor or other medical practitioner. However, they do liaise with the medical community and are often in a better position to exchange information due to their standing with other health care practitioners.
Rationale for Return to Work Services Assistant Enhancement

Our new disability management approach requires diligent and timely attention to all claims by RTW Services from the first day of absence, through collection of claim-related information, to a period of time after workers return to work if they have been off due to illness or injury. The administrative role of RTW/WA Services is critical to the success of the disability management continuum because they:

- set up initial claims and maintain records,
- monitor absences,
- follow up on provision of medical information,
- identify employees needing return-to-work services,
- respond to inquiries from workers and supervisors, and
- ensure adherence to income protection plan policies for all sick absences for all departments.

The new approach has yielded favourable results but has created pressures in the way we do our work to the point where the workload is not sustainable. It is increasingly difficult to support our disability management efforts for occupational and non-occupational absences and administer our Attendance Support & Management Plan (ASMP). Subsequently, staff do not have adequate time to devote to each of their duties and they are compelled to devote their efforts to pressing issues to the detriment of important proactive work that requires critical analysis and attention to detail.

If we continue with the current level of demands we are placing on our employees on the RTW Services team, they will not have adequate time to process claims effectively. This could result in ill or injured employees being overpaid or underpaid and absences extending beyond reasonable return-to-work timelines.

The workload has become unmanageable, in particular for the two STD/LTD Intake Assistants who process all employee sick absences, follow up with employees, respond to employee inquiries, send out correspondence, advise on payroll impacts related to sick absences, maintain employee RTW/WA files, generate reports and verify absences. For the past 3 years, HR used gapping to assist in the processing of sick absences but this is not a sustainable option now that Human Resources is at full complement. In 2009, Human Resources and Finance & Administration explored transferring some of the responsibilities for daily entry of sick absences to the Finance & Administration staff in the operating departments but due to the confidential nature of some of these transactions, the technical knowledge required to interpret our income protection plans and collective agreements, and the need for accurate reporting, this option proved to be not feasible.
The Return to Work Services Review recommended that Human Resources acquire Disability Management Software to be able to better manage the RTW/WA caseload and to produce reports that analyze the outcomes of staff interventions from a cost/benefit and claims management perspective. The software was acquired at the end of 2009. The Return to Work Services Assistant is required to assist with the implementation, on-going data input and report generation from this program. The specific duties of the Return to Work Services Assistant include:

- input data into disability management software system
- generate reports using disability management software
- set up, update and close employee files
- provide administrative support to RTW Services team and Manager, Health, Safety and Wellness
- coordinate delivery of disability management training
- assist with inputting absences
- generate weekly absence payroll reports
- produce ASMP reports

This additional administrative assistance will enable the current staff to:

- deliver disability management training to supervisors and workers
- update and maintain existing policies, processes and procedures
- develop communication strategies for delivery of disability management information to all staff
- spend more time interacting with client departments and to help manage absences in their areas

Implementing the new disability management software will greatly assist with the management of the RTW program. However, implementing and maintaining this new program requires additional time and effort from all staff.

### 2010 Return to Work Services Staffing Status

In February, 2010 the temporary Return to Work Services Supervisor resigned to take a senior position in another organization, and in March, 2010 the permanent Return to Work Services Supervisor gave notice that she would not be returning from her maternity leave in May. This resignation provided an opportunity to enhance the skill set of this supervisory role. Staff have subsequently advertised for a permanent Return to Work Services Supervisor with occupational health nursing qualifications in addition to disability management experience based on the positive impact these credentials have had on the Return to Work Services Program over the last year. These credentials are intended to enhance and complement the resources available through the OHN Consultant, and are not intended to replace this requirement.
Despite our current efforts to recruit the OHN expertise in our new Return to Work Services Supervisor, it is our recommendation that the City would still benefit from an additional FTE Occupational Health Nurse. This additional expertise will augment our disability management programming and would fill the occupational health programming gaps identified in Appendix A. It is further our belief that we will have difficulty achieving the outcomes in the timelines that we have set for our City without this additional complement.

Audit and Administration Committee had asked whether Public Health Services (PHS) could fulfill the role of the Occupational Health Nurse Consultant. The following was determined through consultation with the Medical Officer of Health. The Occupational Health mandate for the City as an organization does not fall within the current mandate of Public Health Services. Current legislation, funding, resource allocations and skill sets do not provide for local public health units to provide this function for the City, or other organizations. Of particular concern is the privacy of staff health information and the potential for the occupational and public health mandates to come into conflict. As a public health unit, PHS works with clients and receives sensitive health information which would be inappropriate to share with the body carrying out the occupational health role for the City. Occupational Health may receive information from staff that may be of interest to PHS in its public health role, but the staff person has not chosen to share with PHS. Further, current public health legislation requires PHS to report occupational health issues of concern to the Ministry of Labour and work with them to investigate the issue as required. This would be a further conflict between the public health and occupational health roles. Further, if PHS were asked by Council to take on the role of providing occupational health services to the City, the Medical Officer of Health would be requesting additional resources similar to those requested in this report.

Should Council wish staff to phase in our enhanced approach to disability management and occupational health services, an alternative strategy would be to bring on the Return to Work Services Assistant in 2010 as a first step, and then report back on the ongoing need for Occupational Health services after our new Return to Work Services Supervisor is in place.
Gaps Identified in Occupational Health Program

When addressing issues arising from pandemic planning and response in 2009, the following gaps were identified that could be filled by an occupational health nurse:

- employee health screening to assist employees and supervisors in identifying who is fit or unfit to come to work during a pandemic
- response to questions from employees regarding their symptoms and to questions from supervisors on how to handle employee issues around exposure to H1N1
- administration of influenza antiviral (e.g. Tamiflu) to employees if required under our Pandemic Response Plan
- development and implementation of a needle stick policy, procedures and follow-up related to PHS staffing of H1N1 clinics.

Additional gaps that have been identified in relation to Occupational Health Services at the City of Hamilton include:

- providing expert advice on infection control measures in occupational settings
- outbreak monitoring and reporting to appropriate government agencies including Public Health Services, Ministry of Health and Long-Term Care, Ministry of Labour and Workplace Safety and Insurance Board
- record keeping for influenza immunization including storing information on specific health issues that prevent an employee from getting the immunization where required as part of their work
- keeping records of employee health information related to fit-testing for N95 respirators and provision of expert advice on the bona fides of employee claims that they could not wear a respirator due to health reasons
- compliance with Personal Health Information Protection Act (PHIPA) as it pertains to collection and retention of employee health information.

Role Description of Occupational Health Nurse Consultant

Similar to other municipalities, the duties of Occupational Health Nurse Consultant would be to:

- provide expertise on occupational health, disability management and return to work
- liaise with external medical professionals, healthcare service providers, LTD carrier and WSIB on complex cases
- implement new disability management software
- deliver disability management training to HR and front-line management staff
- assist in revision of disability management policies and procedures and review of ASMP program
- assist with the implementation of all of the recommendations from the RTW/Work Accommodation review
- develop communicable disease & infection control guidelines, occupational health surveillance protocols for City (includes pandemic response guidelines & protocols; Occupational Health Exposure Program for fire fighters)
• ensure confidentiality of employee health records as the City’s Health Information Custodian in compliance with Personal Health Information Protection Act
• provide guidance on post offer/pre-placement medical and physical demands analysis
• assist or lead projects related to disability management or occupational health
• provide counselling to employees regarding occupational health issues and administer medical surveillance protocols as they relate to pre-placement health assessments, hearing conservation, respiratory protection and other health surveillance programs
• make recommendations on selection of vendors and service providers related to disability management and occupational health
• audit programs against recognized disability management standards
• assist in coaching and mentoring RTW Services staff and provide OHN consultation to other members of the Health, Safety & Wellness team.