



IDEAS AND INFORMATION FOR HUMAN RESOURCES PROFESSIONALS

## DISABILITY INSURANCE

### How Well do Your Employees Evaluate Risk?

In a recent column in *Human Resource Executive*, Carol Harnett reminds us that humans are notoriously poor at evaluating risk. We don't always focus on the major problem, or weigh compromising factors correctly. Quoting risk-communications consultant Peter Sandman, Harnett suggests that risk should be evaluated using this formula: [Risk = Hazard + Outrage](#). What does that mean? Hazard is the anticipated annual mortality rate, and all other factors fall under outrage. "The public," says Sandman, "pays too little attention to hazard; the experts pay absolutely no attention to outrage. Not surprisingly, they rank risks differently." Consequently, experts and the public choose insurance differently too.

History helps us understand the current situation. In the 20<sup>th</sup> century, as employee-benefits costs increased, so did financial consequences for employers, resulting in a national shift toward cost-sharing with employees. This change, along with the advent of buffet-line health care plans, tasked employees themselves with assessing risk. Fast-forward to today, when one bad decision (a sub-par health care plan), coupled with a sudden accident (a sudden trip to the emergency room) can not only bankrupt employees but also permanently reduce their income. In other words, from a place of good health and diverse budgetary needs, it can be easy to accept lesser healthcare in favor of supporting children or paying education bills, for example. But once an emergency occurs, finances are immediately and usually permanently compromised. In some situations, this is an extreme take, but more frequently it isn't, especially as the workforce ages and Social Security is strained. It's easy to imagine how these problems can multiply and irrevocably damage a working environment too.

So according to Harnett, supporting employees with disability insurance isn't just a question of efficiency over time. It's a question of ethics and contemporary grounding too. She mentions President Franklin Delano Roosevelt's 1944 proposal for a "second bill of rights," which entitled citizens to adequate medical care, the ability to achieve and enjoy health, and the right to adequate protection from economic fear. Hard-working employees without these rights are often in crisis that goes far beyond a single month of tight budgeting. Harnett urges employers that don't already offer co-paid disability insurance to employees to reconsider. If one person learns to better evaluate and respond to risk, we'll all be stronger at home, at work, and in the future.

Find out more:

Human Resource Executive: [Why Disability Insurance Matters](#)

Employee Benefit News: [How to revamp your disability program](#)

## DATA MANAGEMENT

### Streamline Your Business System

Business managers know how important it is to build a solid system for payroll, time labor, and benefit integration. When this system is streamlined, everyone's work life is smoother and easier. When it isn't, stress magnifies across the board. How are forward-thinking companies managing data, policies, and processes? [Recently, Workforce offered four tips:](#)

- **Establish your team, roles, timeline, and budget.** Remember: you're not alone! Plus, establishing a cycle helps in-the-minute troubleshooting and eliminates last-minute panic.
- **Scrub payroll data.** Entering clean payroll data helps prevent delays. Ensure you're pulling data scrubbed for accuracy and from the current payroll system.
- **Time labor management policies and processes.** Many companies waste time in spreadsheets, on paper, or with time clocks while managing work hours, PTO, sick days, and vacations. Organizing these methods, firmly establishing policies, and creating an employee handbook often frees up hours in your week.
- **Build out your human capital management module.** This is the last step in a successful system. Once everything else is in line, you can use newfound time to overhaul, organize, and polish. Think of this step as a final spring cleaning after working hard all winter.

Overhauling an entire system can be overwhelming, so experts suggest starting with one specific part of the process, such as recruiting, hiring, and onboarding new employees. Once you have savvy employees and clean data in one area of the office, the ease can only increase.

Once a solid data-management function is in place, the next step is creating a holistic strategy for organizing and analyzing data as a whole. This system can be centralized or decentralized. While this work isn't as sexy or immediately rewarding as the initial streamlining, it is an essential part of high performance over time. Data management and analysis was once used only for back-office processes like payroll and accounting, but in the 21st century it is central to all businesses, and its importance is only growing.

Find out more:

Harvard Business Review: [What's Your Data Strategy?](#)

Forbes: [What Matters The Most for Data Management Platform Users](#)

## MENTAL HEALTH

### Addressing Mental Health Care at Work

Nancy Spangler, senior consultant at the Center for Workplace Mental Health of the American Psychiatric Foundation, says that one in five adults has a mental health disorder, and one in 10 has a substance abuse problem. In addition, major depression and its associated conditions cost the U.S. over \$210 billion

every year. Clearly, mental health is an issue we need to investigate both in our offices and across the country.

Many organizations have found that simply by working with employees to recognize depression, build empathy, and find resources, increased EAP utilization while claim dollars did the opposite. In most cases there was no formal program involved—leadership simply began talking about the issue, and the reduced stigma led to better health (and better offices!).

What can we do besides reducing stigma, especially from the top down? [At the 2018 Health Benefits and Leadership Conference, experts listed five “buckets” of challenges in addressing mental health: access to care, cost of care, stigma, quality, and integration.](#) Breaking these down into individual components not only helps employees find the support they need and deserve, but it further reduces stigma by refusing to separate mental health from medical coverage or wellness programs. Experts also recommend inviting EAPs to visit offices in person, instead of simply suggesting employees call when they can. Another increasingly popular technique is text-based therapy. This a great fit for many employees because someone is always available and the conversation is always private, even when the client is sitting at a desk in a shared space.

In addition to reducing stigma through transparency and access, employers can also help increase the quality of care available to employees. One key move is simply asking for data. How do vendors evaluate quality, meet standards, and screen for illness? Do health plan members have confidential ways to report their experiences? Mental health care should be seen no differently from other kinds of health care. Employees who have access to quality, destigmatized mental health care build stronger, more functional, and ever-happier workplaces.

Find out more:

HR Technologist: [5 Ways to Promote Mental Health in the Workplace with Technology](#)

Workforce: [The Roads Not Taken: Quality and Access in Mental Health Care](#)

## IN BRIEF

### Everyone Wins When Growth is the Goal

It's a dilemma. On the one hand, today's buzzing, multifaceted working environments challenge employees more than ever before. On the other, these same working environments are often also overwhelming and stressful. Sometimes it seems like success means mania—but this doesn't have to be the case. More and more frequently, experts urge offices to focus not on performance but on growth.

Performance cultures create “winners” and “losers,” with no ground in-between. [In contrast, says \*The Harvard Business Review\*, growth cultures help workers build capacity through working as a team, acknowledging shortcomings instead of acting them out, and conserving energy to create external value.](#) This approach, based on the work of Robert Kegan and Lisa Lahey, focuses on safe environments, top-down vulnerability, continuous learning, manageable experiments, and continuous feedback. In such offices, failures are not met with immediate punishment but seen as opportunities for growth.

Implementing these ideas takes time and patience, but in the end, they can lead to unprecedented success and ever-broader horizons.

Find out more:

Forbes: [Five Reasons Why Balanced Teams Are Important](#)

Inc: [Five Unspoken Rules That Lead to a Toxic Culture](#)

## **EMPLOYER WEBINAR**

### **How the Blueprint Policy Statement to Lower Drug Costs and Reduce Out-of-Pocket Costs May Affect Employers**

Tuesday, July 10, 2018  
2:00 p.m. Eastern / 11:00 a.m. Pacific

This webinar will provide an overview of the Blueprint Policy Statement and how the policy may affect employer's group health plans.

This webinar will:

- Provide an overview of the U.S. Department of Health and Human Services' [Blueprint Policy Statement to Lower Drug Costs and Reduce Out-of-Pocket Costs](#) (Blueprint Policy).
- Discuss the current system of prescription drug pricing, including industry members such as drug makers, insurance companies, pharmacy benefit managers (PBMs), distributors, pharmacies, etc.
- Describe how the Blueprint Policy may affect employers' group health plans in light of the Blueprint Policy's goals to create incentives for pharmaceutical companies to lower list prices and reduce consumer out-of-pocket spending at the pharmacy and other care settings.
- Discuss whether employers should consider changing their prescription drug plan design in light of potential proposals to increase price transparency, apply a substantial portion of rebates at the point of sale, have a site neutral payment policy for drug administration procedures, have PBMs act solely in the interest of the employer (or consumer) for whom they are managing pharmaceutical benefits, restrict the use of rebates, or prohibit contracted pharmacy gag clauses.
- Discuss whether employers should consider changing their prescription drug plans to include newer approaches such as indication-based pricing or outcome-based contracts.

This 60-minute intermediate level webinar will help employers understand how the Blueprint Policy may affect their group health plans that provide prescription drug coverage.

#### **Registration**

[Register here for the webinar](#). The presentation will be posted on the [UBA website](#) the afternoon before the webinar.

#### **About the Presenter**

[Lorie Maring](#) is Of Counsel in the Atlanta, Georgia, office of Fisher Phillips. She focuses her practice on helping employers navigate Employee Retirement Income Security Act (ERISA) and other state and federal laws impacting the design, implementation and ongoing compliance of their employee benefit plans and programs.

She regularly advises clients on the Affordable Care Act, health and welfare benefits, qualified plans, executive compensation, Multiple Employer Welfare Arrangements (MEWAs) and multiemployer plan issues.

Lorie also represents employers in managing Internal Revenue Service (IRS) and Department of Labor (DOL) audits, Health Insurance Portability and Accountability Act (HIPAA) compliance and fiduciary obligations. She serves clients in the public and private sector, including non-profit organizations and trade associations.

### **Certification**

This webinar has been submitted to the [Human Resource Certification Institute](#) and the [Society for Human Resource Management](#) to qualify for 1 recertification credit hour.