Starling

A practical guide for reducing absence and disability costs

How digital therapy solutions can help you manage claims more efficiently

Contents

1 The Problem

Absence and disability cost plans are increasing at an alarming rate. Over the past 10 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.

EMPLOYEE SICK DAY

EVERY WEEK, HALF A MILLION CANADIANS[1] are absent from work due to mental health problems & 7 million Americans due to stress.

INADEQUATE MENTAL HEALTH PROGRAMS

65%

of employees do not find current mental health benefits and programs helpful[2].

ACCESSIBILITY ISSUES

OVER 1.6 MILLION CANADIANS[3] AND 53 MILLION AMERICANS[4] report unmet mental health care needs each year due to stigma, costs, time, geographic challenges.

UNMET TREATMENT

60%

do not receive treatment due to stigma, access, cost[5].

DEPRESSION

¼ may feel depressed at the one-year mark due to the inability to return to work[6].

RAPIDLY ESCALATING COSTS

70%

of all disability costs are now mental health-related[7].

CO-MORBIDITY

50%

of claimants may develop mental health condition due to physical injury[9].

RETURN-TO-WORK

10% of workers

who feel depressed up to a year post-injury return to work[8].

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

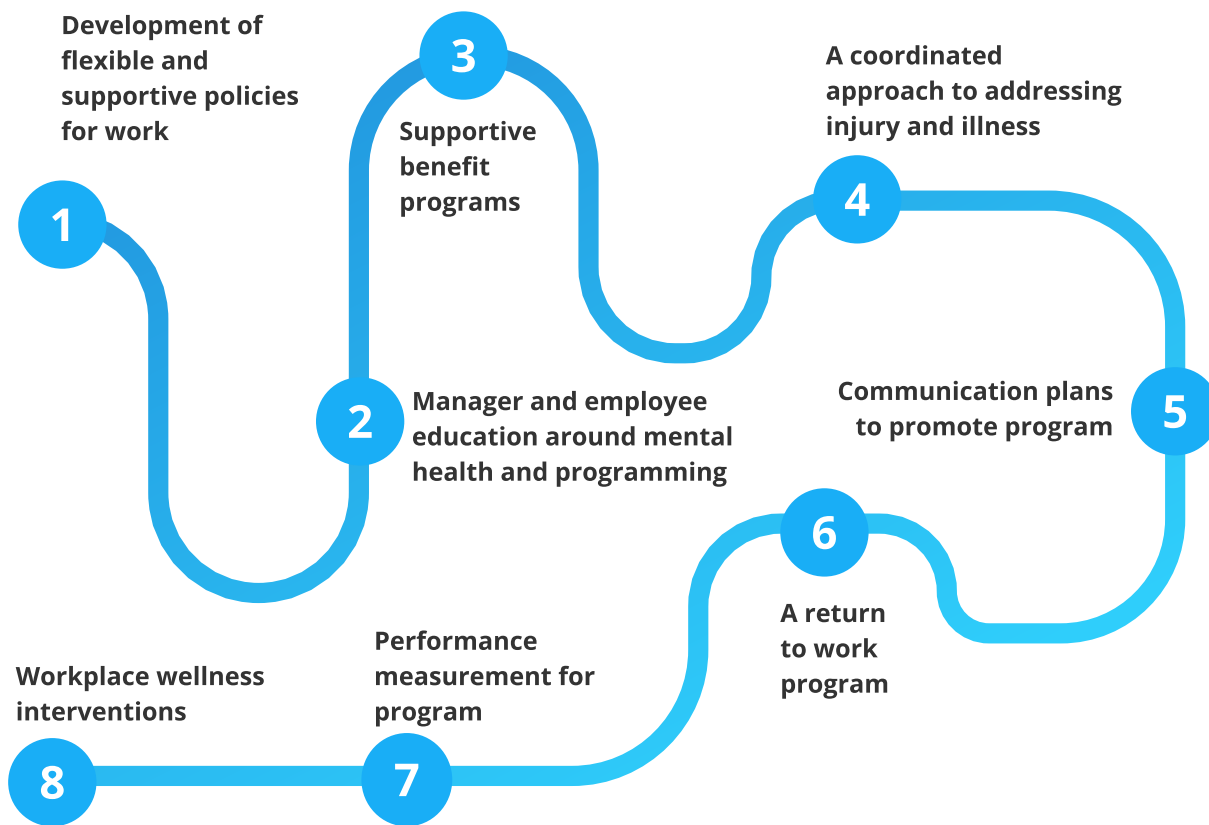**Overwhelming case manager workloads**

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 workers to maintain a productive workforce. For organizations, the key absence and disability management practices to integrate include:

Development of flexible and supportive policies for work
1

Supportive benefit programs
3

A coordinated approach to addressing injury and illness
4

Manager and employee education around mental health and programming
2

Communication plans to promote program
5

A return to work program
6

Performance measurement for program
7

Workplace wellness interventions
8

Many organizations are striving to integrate their disability and absence management programs to provide a better experience for employees while lowering costs.

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 intervention and technology. Digital interventions have risen

in popularity within the absence and disability management space due to their ability to scale access, generate aggregated measurement data, and most importantly deliver the right early interventions and return-to-work support, employees need to feel better and more confident.

2.2 Creating psychological health and safety in the workplace

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.

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.

Psychologically healthy vs safe

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.

Framework for building mental resilience and confidence

Step 1	Step 2	Step 3	Step 4	Step 5
Psychoeducation	Self-Awareness	Strategies & Training	Improved Resilience	Increased Confidence To Attempt A Return To Work

Organizations will need to think of innovative ways to deliver psychoeducation to their workforce, at scale and at-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, customers, and broader communities.

> *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 HELP
Psychological support An environment where psychological and mental health concerns are supported and responded to appropriately	**Social support:** Provides inclusive and peer support with a confidential, online community **Mental health awareness:** Helps build mental health awareness and knowledge, anytime and anywhere **Crisis-monitoring:** Identifies claimant behaviour that would lead to self-harm and flagged to human Community managers
Organizational culture The environment is characterized by trust, honesty, and fairness	**Organizational behaviour**: Digitizes psychoeducation to promote organizational citizenship behaviours
Leadership & expectations Effective leadership exists that enables staff members to know what to do, how their work contributes and if change is approaching	**Leadership and management training:** Provides leadership and managers with the training and tools needed to help lower anxieties caused by uncertainty
Civility and respect Staff and faculty are respectful, considerate and collegial with one another	**Mental health training:** Provides managers with the tools and education needed to assert compassionate care and empathy as employees return to work
Psychological competencies & requirements A good fit between interpersonal/ emotional competencies, job skills and the position	**Emotional intelligence skills:** Helps employees build self-awareness, self-regulation, motivation, and empathy which are the cornerstones to emotional intelligence
Growth & development Employees receive encouragement and support in developing interpersonal, emotional and job skills	**Interpersonal skills:** Teaches practical skills (self-awareness, emotional regulation, goal setting, thought balancing) and encourages employee to set a practice schedule to improve their skill set

| FACTORS	HOW DIGITAL SOLUTIONS HELP
Recognition & 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 Employees 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 as they return to work
Engagement Employees enjoy and feel connected to their work and are motivated to do a good job	**Data-driven insights:** 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 as they return to work
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 organizations 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 holistic view of trends.
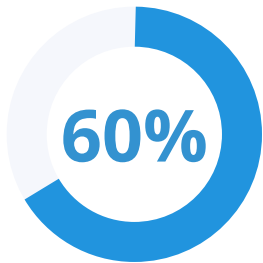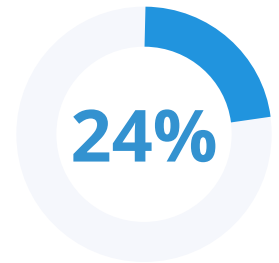
60% do not measure mental health initiatives [10]
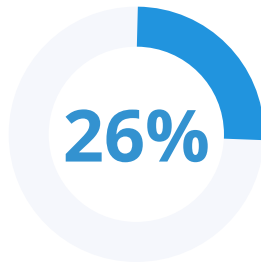
26% evaluate the incidence of employees accessing benefits [11]
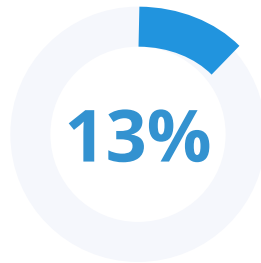
**13%** evaluate impact on casual absenteeism [12]

24% evaluate changes in short-term disability claiming patterns [13]

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
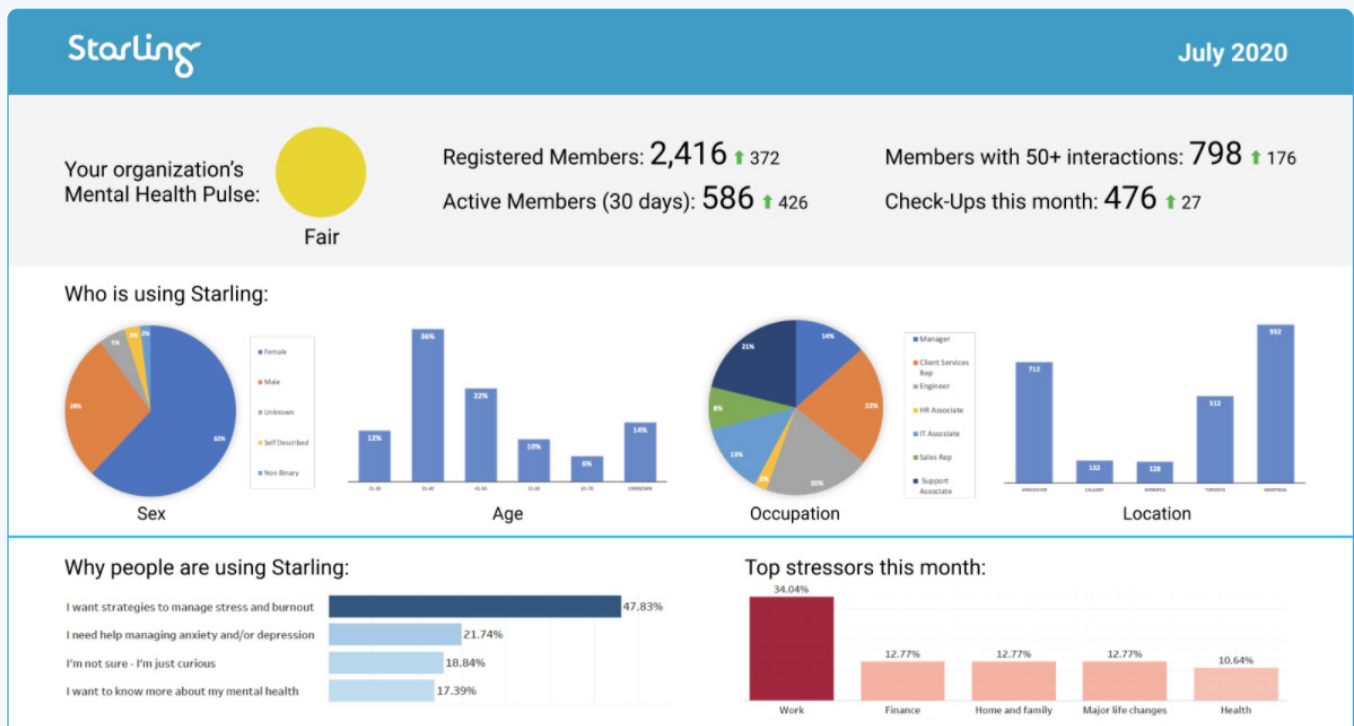
2.4 Delivering accessible mental healthcare

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**

These barriers are creating insurmountable problems for absence and disability management professionals as prolonged stress, anxiety, and depression will likely increase an employee's risk of going on disability.

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

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

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 professionals in urban and remote communities

▶ Long wait times for face-to-face therapists while off-work

▶ Case managers hesitant to include adequate mental health treatment on case files due to costs

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

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 insurance providers.
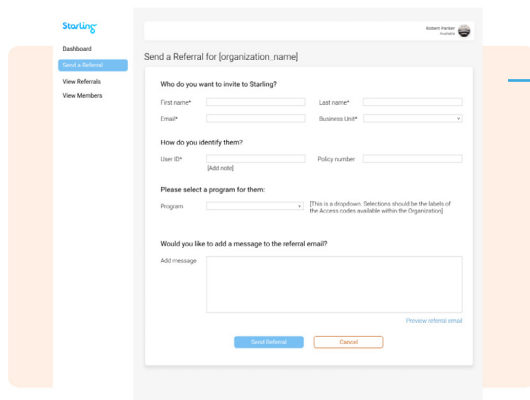
6 weeks
Claimants to see a mental health provider [14]

9.3 weeks
Average Duration for Short-Term Disability claims [15]
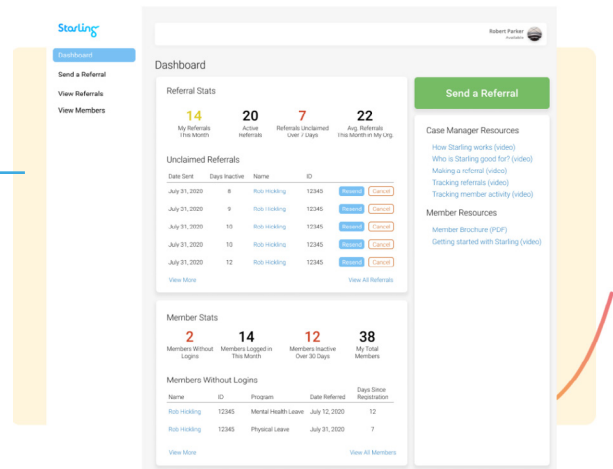
18.6 weeks
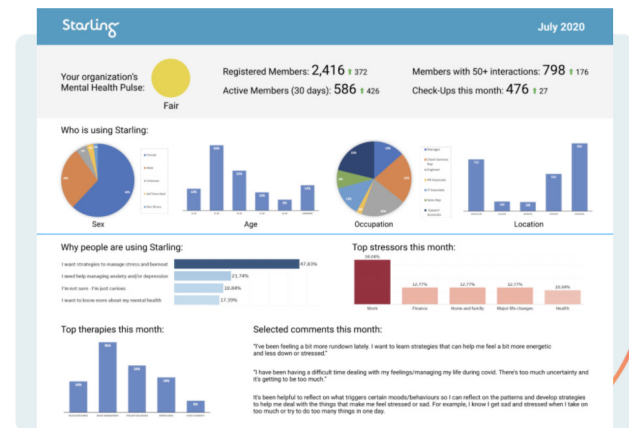Average Long-Term Disability claim duration [16]

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, often due to its impact on employee productivity and corporate profitability.

However, absenteeism continues to rise despite the best efforts of People leaders. This is often due to People leaders excluding 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 this metric.

It's essential to combine an analytical approach with a qualitative interview to get CFO buy-in. Interviews will help to overcome potential objections, guide the design and implementation of your absence and disability management program, and will help tie it to your 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 [17]

15%

track the actual direct costs of absences [18]

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

Healthcare worker returns to work more confident with a digital solution

The challenge

As a registered nurse for over 5 years, Mary 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
- **Case study examples** that show how others have returned to work using CBT
- 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
- **Assessments and metrics** for Mary to reflect on when evaluating her own progress
- A **confidential, community of peers** on leave to help with social isolation and stigma around mental illness

> *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

The Results

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

50%
Improvement in Ability to Manage Emotional Distress

30%
Increase in Confidence to Return to Work

75%
Improvement in Work Functionality

How a health authority reduced absenteeism by 10% in less than six months

Sarah, Disability Management Lead at the health authority had big challenges on her hands:

- 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 mental health therapy. Services included:

- 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 loves that Starling's Return-to-Health program resolves 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!"*
>
> — Sarah, Disability Management Lead

About Starling Minds

Starling Minds™ is a leading digital mental health platform that empowers organizations to cost-effectively support the wellbeing of their entire workforce. By using self-directed and digitally-delivered Cognitive Behaviour Therapy (CBT) available on-demand, Starling helps to overcome barriers that prevent most people from seeking mental health support - cost, access, and stigma.

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Learn more at www.starlingminds.com