

Using Health Care Well: How Workplace Leave Policies Support National Health Care Transformation

Briefing Paper for Employers

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Employers, health care providers and policymakers are pursuing improvements in health care services and delivery while seeking to reduce health care costs. Reimagining and reshaping health care through delivery system innovations and quality improvements are key components of health care transformation. As a complement to these efforts, health care stakeholders should consider the fact that patients and family caregivers must have access to leave from work to maximize the efficient and effective use of health services.¹ Too often, workers cannot access leave to utilize the health insurance and wellness services their employers offer or to provide the support that family members need. The result is higher costs, less efficient use of health services and a potentially greater negative impact on workplace and population health.

Providing workers with access to job-protected workplace leave policies, including **earned paid sick days** to recover from routine illnesses, seek preventive care, better manage chronic conditions or seek routine care for family members and **paid medical and family leave** to address serious

Paid Time Off for Health Reasons Yields Cost-Savings

Paid time off for health is associated with:

- ▶ Savings from reduced “presenteeism” (productivity lost as a result of working sick), which costs the United States economy \$160 billion annually.
- ▶ A 28 percent decrease in on-the-job injuries, which can cost employers millions of dollars.
- ▶ Reduced worker turnover, which can cost between 25 and 200 percent of a worker’s annual salary.
- ▶ Reduced workplace contagion.

Sources: Miller, Williams & Yi (2011), Stewart, et al. (2003), Asfaw, et al. (2012), Sasha Corporation (2007), Kumar, et al. (2011)

¹ Both paid sick days and paid family and medical leave insurance proposals build on the success of the 1993 federal Family and Medical Leave Act (FMLA), which provides about 60 percent of the nation’s workforce up to twelve weeks of *unpaid*, job-protected leave for family and medical reasons, with continuation of group health insurance coverage. Public policies to provide paid sick days and *paid* family leave have been proposed at the federal level, and have been adopted in some states and cities. For example, the state of Connecticut and the cities of San Francisco, Washington, D.C. and Seattle have adopted paid sick days laws to provide workers with earned paid sick time. Five states offer state-run temporary disability insurance to their residents for serious personal illness and two (California and New Jersey) have created paid family leave insurance systems for family care.

personal health conditions, the arrival of a new child or the serious health condition of a family member, will promote an organizational culture of health and wellness and lead to better value, by:

- ▶ **Maximizing worker productivity**
- ▶ **Encouraging the use of lower-cost health services for preventive care and the management of chronic conditions**
- ▶ **Improving patients' ability to be active participants in their own health and the care of family members.**

Although each employer's workforce and workplace needs are different, employers large and small share common goals with respect to encouraging health, wellness and productivity. Ensuring workers have access to paid leave is an important part of the equation. Employers who offer time off know that employees use this time wisely. National data show that employees who have paid sick time use many fewer days than they earn.¹ But offering leave through voluntary policies is not enough. Public policy standards are needed to ensure that all workers can access leave for health reasons.

Workers' Current Rates of Access to Paid and Unpaid Leave Are Much Too Low

Current policies fail to provide workers with the time they need to seek care and stay healthy.

- ▶ About 42 percent of the private sector workforce – 44 million U.S. workers – lack access to a single paid sick day to use to recover from illness or seek medical care. The lowest-wage workers are most vulnerable (just 18 percent have paid sick days).
- ▶ Even workers who can earn paid sick days are vulnerable without the protections of public policy. Nearly half of private sector workers who earn paid sick days report that their employers still have a dismissal policy for any missed work time. Thirty-four percent of workers with paid sick days report fears of being penalized for their absence.
- ▶ Only about 60 percent of the workforce has job-protected *unpaid* leave under the Family and Medical Leave Act (FMLA) – and even those covered by the FMLA too often can't afford to take the unpaid leave the law provides.
- ▶ Less than 40 percent of the U.S. workforce has access to employer-provided short-term disability insurance, which means millions of workers lack any form of income support during serious bouts of illness.
- ▶ Just 11 percent of the U.S. workforce has access to paid family leave through their employer to be used for family caregiving.

Sources: Institute for Women's Policy Research (2011, January), U.S. Department of Labor (2012), Institute for Women's Policy Research (2011, July), Abt Associates Inc. (2012), U.S. Department of Labor (2011)

Paid leave promotes productivity on the job.

Investing in workers by providing the time off they need to get care or recover from illness is an investment in workplace productivity. Consider that:

- ▶ **Ill workers who feel they must go to work are less productive**, at an estimated cost to the U.S. economy of \$160 billion per year.²
- ▶ When illnesses finally get so severe that a worker has no choice but to stay home, **those without paid sick days take longer to recover**, taking a greater number of days off work and spending more time in bed than workers with paid sick days – jeopardizing their own economic stability and burdening their employer with more days off the job.³
- ▶ **Access to paid sick days results in an average 28 percent reduction in on-the-job injuries, controlling for other factors.**⁴ Healthy workers mean a safer workplace.
- ▶ **Workplaces that offer paid sick days are less likely to have workers coming to work with contagious illnesses.**⁵ For example, during the 2009 H1N1 flu pandemic, private sector workers (who have less access to paid sick days) were more likely to work sick than public sector workers.⁶ If all U.S. workers had been able to earn paid sick days, five million H1N1 infections could have been prevented.⁷

“My workforce is healthier overall because workers no longer work while sick and infect other workers, which was a drain on my business and even forced us to close on occasion. With the paid sick leave ordinance in place, workers feel more comfortable staying home when sick.”

— Jennifer Piallat, Owner, Zazie Restaurant, San Francisco, California

Paid leave increases access to and utilization of primary and preventive care.

Employers increasingly recognize the importance of preventive care, chronic condition management and wellness in maximizing the value of their health care expenditures. A growing number are offering workplace wellness programs to encourage a healthy and productive workforce.⁸ Offering paid leave complements these efforts. For example:

- ▶ **Workers with paid sick days are more likely to visit the doctor at least once a year and to get screenings for breast, cervical and colon cancer at recommended intervals.**⁹ Workers who get regular care are more likely to catch health problems and seek treatment early, before conditions become more costly and burdensome for both the worker and their employer.
- ▶ **Workers with paid sick days are less likely to use emergency departments for care they could seek elsewhere.** It is estimated that the United States public and private insurance systems would save \$1.1 billion annually in avoidable emergency department visits if workers had access to paid time off from work for health reasons.¹⁰

Paid leave promotes workers' ability to participate actively in their own care and in the care of their family members, thus preventing unnecessary costs to employers and the United States health system.

Health care transformation will require improvements in access to appropriate, quality care. Stakeholders understand the responsibility of patients and family members in health care decision-making, treatment and ongoing management of health.¹¹ Yet, without access to paid leave, workers and caregivers cannot participate effectively as partners in care. Consider that:

- ▶ **The presence of a family caregiver is correlated with shorter hospital stays** – while the absence of a caregiver is associated with “problematic hospital discharges” and higher readmission rates.¹² Reducing unnecessary and expensive hospital care would help prevent increases in hospital costs and employers' insurance premiums.

Conclusion

As employers and other health stakeholders strive for improvement and cost-saving measures, public policies that support the nation's health are essential to success. Employers will maximize the value of the health care dollars they spend by ensuring that paid leave is available to their workers and to all workers.

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8 Wellness Programs on the Rise. (2010). *Biotechnology Healthcare* 7(1), 29–30. Retrieved 7 January 2013, from <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2873731/>

⁹ Peipins, L., Soman, A., Berkowitz, Z., et al. (2012, July 12). The lack of paid sick leave as a barrier to cancer screening and medical care-seeking: results from the National Health Interview Survey. *BMC Public Health* 12(520). Retrieved 7 January 2013, from <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>

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11 See e.g., Campaign for Better Care. (2010). *Consumer Coalition Principles*. Retrieved 7 January 2013, from http://www.nationalpartnership.org/site/DocServer/CBC_Policy_Principles.pdf?docID=6221

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The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, access to quality health care and policies that help women and men meet the dual demands of work and family. More information is available at www.NationalPartnership.org.

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