

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

## Briefing Paper for Policymakers

FEBRUARY 2013

Policymakers, health care systems and providers, and employers are working to promote the effective and efficient use of health care services and reduce overall health care costs. Reimagining and reshaping health care through delivery system reforms and quality improvements are key components of health care transformation. Yet there is a complementary component that is necessary for change: ensuring patients and family caregivers have access to leave from work to seek care and provide support to family members in need of care.<sup>1</sup>

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 family and medical leave** to address serious personal health conditions, the arrival of a new child or the serious health condition of a family member, will:

- ▶ **Support individual and community health**
- ▶ **Reduce disparities in health care access and health status**
- ▶ **Improve patients' ability to be active participants in their own care and the care of family members.**

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**Public policies ensuring workers have access to paid leave will maximize the improvements we wish to see in health care access, utilization and cost savings.**

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<sup>1</sup> 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.

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

*Current policies fail to provide workers with the protections 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.
- ▶ Just 11 percent of the U.S. workforce has access to paid family leave through their employer to be used for family caregiving.
- ▶ 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.

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)

**Too many workers in the United States cannot access paid time off to get the care they need, to recover from illnesses or to assist family members in need of care.** Without guaranteed access to time off, workers cannot benefit from improved rates of insurance coverage and higher-quality health services. The cost savings we seek cannot be fully realized. Private sector initiatives are not enough because access to workplace leave varies greatly by industry, business size and occupation, leaving the very workers most in need of leave without pay or job protection when illnesses strike or family caregiving needs arise.

### Paid leave supports individual and community health and promotes cost-savings.

When workers have access to workplace leave without losing pay or risking their jobs, they can seek appropriate and timely care, focus on recovery and reduce the spread of disease. Cost savings accrue to employers, insurers and taxpayers, and business productivity increases. In particular:

- ▶ **The United States would save approximately \$1.1 billion each year in avoidable emergency department visits if all workers had paid sick days.** About half the costs of avoidable visits – just under \$517 million annually – would be realized in savings to public health insurance programs, such as Medicaid, Medicare and the Children's Health Insurance Program if workers could see providers on a non-emergency basis instead of visiting the emergency department.<sup>1</sup>

- ▶ **The economy could realize cost savings of about \$160 billion per year if workers could stay home when ill rather than going to work and working at reduced capacity.**<sup>2</sup>

- ▶ **Occupational safety would improve, with attendant cost savings.** Access to paid sick days results in an average 28 percent reduction in on-the-job injuries, controlling for other relevant factors.<sup>3</sup>

- ▶ **Take-up of preventive care and cancer screenings would improve, with attendant cost savings.** Workers with paid sick days are more likely to visit the doctor at least once a year and to get cancer screenings at recommended intervals,<sup>4</sup> which means they are more likely to catch health problems and seek treatment early, before it becomes more costly and burdensome to themselves, their employers and the health care system.

- ▶ **Communities and workplaces stay healthier during outbreaks of the flu and norovirus.** Universal access to paid sick days would significantly reduce the spread of contagious diseases. For example, had all U.S. workers been able to earn paid sick days during the 2009 H1N1 flu epidemic, five million infections could have been prevented.<sup>5</sup> Industries in which workers have substantial contact with the public – such as food service, retail and child care – currently have alarmingly low rates of paid sick days access.<sup>6</sup>

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**“Without paid sick leave... people who serve us food, who care for our children, and who work in hospitals... are forced to go to work sick to keep their jobs. That’s not a choice I’m comfortable having people make under my tenure.”**

– Connecticut Governor Dan Malloy, who signed first statewide law guaranteeing service workers the right to earn paid sick days

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### **Paid leave reduces health disparities and promotes health equity.**

Workers in communities of color and workers who earn low wages are more likely than workers overall not to have access to paid time off for health reasons. Approximately six in ten Latino workers<sup>7</sup> and eight in ten of the lowest-wage workers<sup>8</sup> cannot take a single day away from work without losing pay or risking their jobs. For the average family without paid sick days, just over three unpaid days away from work is equivalent to the family’s health insurance or grocery budget for the month.<sup>9</sup> About one-quarter of U.S. adults report losing a job or being threatened with job loss for taking sick time.<sup>10</sup> These realities provide significant incentives to work sick and forgo or delay preventive care. Access to paid time off for health purposes would make a difference. For example:

- ▶ **Workers with access to paid sick days are about half as likely to report being in fair or poor health.**<sup>11</sup>
- ▶ **Workers with access to paid sick days are one-third less likely to report delaying medical care for themselves or family members than workers without paid sick days.**<sup>12</sup>

## Paid leave facilitates patient and caregiver engagement.

Workers' ability to seek care for themselves and serve as active caregivers for their loved ones are critical factors in increasing the value of health care expenditures, promoting care coordination and reducing complications.<sup>13</sup> Paid leave policies promote patient and caregiver engagement. Consider that:

- ▶ **The presence of a family caregiver is correlated with shorter hospital stays – and the absence of a caregiver is associated with “problematic hospital discharges” and higher readmission rates.**<sup>14</sup> Hospitalizations drive up both private and public health care expenditures significantly.
- ▶ **Paid family and medical leave policies increase access to and duration of parental leave<sup>15</sup> – and are predicted to result in a doubling of maternal leave duration.**<sup>16</sup> Not only does this lead to improved physical and emotional health for parents and babies, but paid parental leave is also associated with lower rates of public assistance receipt and higher wages for the mother in the year following a child's birth.<sup>17</sup>

## Conclusion

As the U.S. health care sector strives for improvement and cost-savings, public policies that support the nation's health are essential to success. Policymakers and private sector health stakeholders must consider the role that paid leave policies can play in increasing the value of health care dollars. The entire health care system – including health plans, hospitals, physicians, other health care providers, communities, employers and policymakers – would ultimately see an increased value if all workers had access to workplace leave.

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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](http://www.NationalPartnership.org).

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