

Using Health Care Well: Connecting Workplace Leave Policies to National Health Care Transformation

Strategy Memo for Advocates

FEBRUARY 2013

The National Partnership for Women & Families conducted a series of interviews with stakeholders from the private, nonprofit and public sectors to understand whether emerging trends in United States health care policies provided new openings for advancing workplace leave policies. This research was designed to investigate opportunities to tie workers' access to workplace leave for their own health needs and the health needs of their loved ones (earned paid sick days and paid family and medical leave) to government, provider and employer efforts to improve health care utilization and delivery systems, promote prevention and wellness, improve caregiver engagement and reduce health care spending. This memorandum presents key insights from interviews with 20 expert respondents from the provider, employer, advocacy and government sectors, and offers recommendations for outreach to stakeholders in health care systems transformation.¹

Key Findings

The stakeholders interviewed intuitively understand that workplace leave policies further the goals of health care reform. Respondents generally understand and accept the proposition that providing workers with access to paid leave for health reasons fits squarely within the interests of both the public and the private sectors in reducing health care costs, increasing business productivity and reducing absenteeism. Respondents also understand the connections among providing workers with access to paid leave, prevention efforts and emphases on wellness, and see that paid family leave for family caregivers promotes caregiver engagement and potentially reduces hospital admissions and readmissions.

Nearly all the stakeholders interviewed see rapid changes and improvements in the United States health care system on the horizon and believe advances in

¹ See Appendix for interview methodology as well as the discussion paper presented to the stakeholders interviewed.
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workplace leave can be tied to this frame. They believe existing evidence can be marshaled and new evidence developed to make the connections between paid leave and health care system transformation explicit to policymakers and other health stakeholders.

However, stakeholders nearly universally reject the idea of using the 2010 health care reform law as a framework for advancing paid leave. Although respondents acknowledged that the goals of the 2010 Patient Protection and Affordable Care Act (ACA) are well-aligned with the interests of work-family advocates in promoting time off for health care utilization and family caregiving, respondents cautioned against using the ACA as a framework for advancing paid sick days and paid family and medical leave policies. They indicated that even sympathetic policymakers and stakeholders are too burdened with implementing the law's requirements to have much appetite for making creative connections between ACA programs and paid leave policies or to take the next step in advocating for mandatory or voluntary paid leave policies. They also noted that the employer community is generally nervous and resistant to the changes imposed by the ACA. Nearly all respondents said that employers are likely to oppose new policy requirements linked to the ACA.

Employer-side stakeholders suggest that advocates focus on promoting voluntary adoption of paid leave policies to develop evidence that paid leave plus health care access leads to cost savings. The employer respondents we interviewed were resistant to the suggestion that paid leave laws are a natural complement to health care reform. They also indicated that evidence for the benefits of paid leave needs to be developed for employers of different sizes and industries and with exempt versus non-exempt workforces. They emphasized that outreach to businesses cannot be “one-size-fits-all” and that some employers have the capacity to consider cost-benefit analyses while others will not be as sophisticated. A couple of respondents also cautioned not to overstate the long-term savings in health costs without also acknowledging explicitly that there will be some short-term net cost to employers who offer new time-off benefits. Finally, employer respondents said they fear abuse by employees, and that advocates need to be ready to acknowledge and address this concern.

The stakeholders interviewed from both the employer community and the public sector encourage messaging to employers that focuses on health and productivity. Several respondents suggested that language such as “creating an organizational culture of health and wellness,” “health and productivity management,” “optimizing” or “maximizing worker productivity” and “payback” or “investment in productivity” could resonate. One employer association respondent also suggested that almost everyone will agree with the human resources principle that “you should stay home if you are sick and be at work if you are well” and that persuasive evidence can be marshaled to support that principle.

The stakeholders interviewed suggest enlisting the support of health care providers, including large institutional health employers, as advocates for paid leave policies. In general, respondents understand the stake that health care providers would have in workers' and caregivers' improved access to leave. Yet some respondents also acknowledged cross-pressures that must be addressed, such as (1) patient loads so high that providers do not have the capacity to spend more time with patients and family caregivers or to handle additional administrative burdens of filling out paperwork to meet

the requirements of time-off policies; (2) the growing trend toward “e-visits” and email consultations and using after-hours nurses for phone advice, which diminish the need for time off to seek health care; and (3) the providers’ own status as employers who do not want time-off mandates for their employees. An effective advocate response may be to emphasize both the cost savings and the health benefits that arise from workers’ access to time off to seek in-person care. Some respondents see opportunities to involve hospital systems in efforts to promote paid leave for caregivers because of growing efforts to prevent re-hospitalizations and an increased focus on their employees’ attentiveness to patient safety. More data on these points is needed to make an empirical case, however.

The stakeholders interviewed emphasize the importance of good data to show the connections between workplace leave and health. The research that already exists is compelling to many, and respondents had suggestions for improved data collection from government agency sources and from employers. They counseled that it will be important to engage policymakers as champions for improved data collection.

General Recommendations

- 1. Frame arguments in support of paid leave policies in the context of rapid changes and improvements in the United States health care system. Do not base arguments solely on the Affordable Care Act or the goals of health care “reform.”**

Several respondents noted that in the current political climate, simply defending the Patient Protection and Affordable Care Act (ACA) and explaining its benefits may be polarizing enough even without introducing paid leave policies into the discussion. Several respondents cautioned against relying on the ACA as a framework for advancing paid sick days and paid family and medical leave policies, given the deep and broad opposition to the legislation in many parts of the country and among many health care stakeholders. Even stakeholders who see the connections between workplace leave policies and the goals of the ACA believe that the health policy and employer communities are too focused on ACA implementation and will not have the capacity to consider additional policy proposals at this time.

However, respondents noted that significant changes in the private health care sector have already begun and are likely to continue independent of ACA implementation. Therefore, noting and supporting the goals of national health systems transformation such as expanded access to care, an increase in primary care utilization and a decrease in emergency care utilization may be useful as long as these goals are not tied specifically to the ACA. One health care advocate respondent suggested that the ACA and paid leave are both about “realigning incentives from health care to health.” Another suggested staying away from the term “health reform” and instead using language such as “changing” or “improving” health care.

- 2. Note that health care stakeholders have had and continue to have limited capacity to integrate paid leave policies into their work.**

As noted in the key findings, stakeholders concerned with implementing health care reform legislation or improving their own systems may not have the bandwidth to research or promote paid leave policies. This may mean some stakeholders will not be interested in

engaging simply due to lack of capacity. Where policymakers, analysts, employers and others seem open, advocates may gain traction by making evidence and arguments as accessible as possible and should be thoughtful about the arguments and data that will be most persuasive to the particular type of health stakeholder.

3. Anticipate opposition to policies based on economic and political concerns, and be prepared to rebut these with affirmative arguments.

Several respondents noted that it would be “really hard to achieve,” “politically difficult” or a “non-starter” to enact any more legislative or regulatory mandates or policies when there is still opposition to requiring employers to offer health insurance under the Affordable Care Act. One respondent thought that such proposals would be attacked as burdening businesses and “killing” jobs. One federal government stakeholder suggested that focusing on state and local policies is more realistic than federal legislation.

Advocates should be prepared with responses to these arguments, including evidence which shows that paid leave policies, far from being “job killers,” in fact help workers keep their jobs; that successful paid leave policies have been enacted on the state and local levels and are popular with both workers and employers; and that paid leave policies offer potential cost savings to employers in the long term and do not impose significant costs in the short term. Advocates should also be prepared to help employers and policymakers consider the relative costs of health care versus the costs of offering paid leave.

4. Use easy-to-understand analogies to explain the role of paid leave policies in health care.

Respondents said that the discussion paper provided in advance of the interview presented clear linkages among paid leave policies and health costs, caregiver engagement, preventive care utilization and more. (See Appendix for discussion paper.) However, they cautioned that employers, providers and policymakers – particularly those focused solely on the nuts and bolts of health policy or delivery systems – may not see the connections unprompted. Several respondents suggested frames or “formulas” that might be useful. For example, one respondent described a “three-legged stool” as a useful analogy: health insurance coverage, reduced financial barriers to utilizing coverage, and time away from work to use the covered health care services.

5. Tell personal stories and provide specific examples about why paid sick days and paid family and medical leave policies are needed.

Several respondents recommended the use of personal narratives, stories or testimonials to communicate and give examples of the issue of lack of paid time off. Stories can come from workers themselves, from high-road employers or employer organizations and from physicians or other health providers. Others suggested providing a guideline for how much time it would take an employee to get or facilitate all the recommended care for a typical family, and then demonstrate that the paid leave that advocates are asking for is necessary to obtain this care. This will help stakeholders understand, in a compelling way, what the lack of paid leave means to individuals, families and employers, and how it can be a barrier to accessing appropriate care.

Recommendations for Talking to Employers

1. Use language that resonates with employers.

Several respondents suggested examples of frameworks and terminology that are used by employers and that could provide appropriate contexts for discussing and making a business case for paid leave policies. Advocates should use language familiar to the business community. Respondents suggested some examples:

- ▶ Creating an organizational culture of health and wellness
- ▶ Health and productivity management
- ▶ Optimizing or maximizing worker productivity
- ▶ Payback in productivity
- ▶ Improving employee satisfaction and retention
- ▶ Investing in a healthy workforce
- ▶ Value-based benefit design.

2. Use employers' personal experiences with the need for leave to pivot to the ways in which employers benefit when employees have the leave they need.

Several of the employer-side respondents were forthcoming with personal stories about needing leave for their own health reasons or to care for ailing family members. One spoke at length about taking time off to care for his dying father and frail mother. Others acknowledged working with colleagues or employees who needed time off and acknowledged that these workers “gave back in diamonds” with renewed dedication to their work, increased goodwill and greater energy. Respondents themselves suggested that advocates can take these positive starting points, reinforce them with a frame about “family” (both workers caring for their families and businesses caring for their employees as if they were family) and then add data about cost savings and employee engagement. This approach still lacks the link to public policies that advocates will need, but may spur greater consideration for voluntary policy adoption that – in time – will provide more evidence to support calls for public policies.

3. Engage employers by market segments, and make a business case that makes sense to each employer rather than employers as a whole.

Several respondents suggested that messages and approaches be segmented by types of employers: large vs. small employers; employers with predominantly exempt (salaried) employees versus those with larger numbers of non-exempt (wage) employees; and between policies for full-time employees and part-time employees. One respondent also noted that the case has to be made to *each* employer, not to employers as a whole. Larger employers, one respondent noted, tend to have fewer non-exempt hourly employees, are more involved with benefits design and have the organizational capacity to consider cost-benefit analyses. They may respond to arguments that focus on increasing the “value for health-benefits dollars” they are spending. Smaller employers may see the benefits of a pooled insurance system, similar to the family leave insurance programs in California and New Jersey because they often tend to be “stretched” in terms of what benefits they can offer on their

own.

4. Understand the employer’s perspective and address employers’ fears of misuse of paid leave.

Several respondents advised advocates to acknowledge explicitly that there may be short-term costs of providing paid leave to employees even though there will also be longer-term savings. One employer-side respondent observed that even if cost savings seem likely in the long run, a chief financial officer for a large employer may see a conflict between short-term belt-tightening (e.g., by minimizing paid time off to reduce labor costs) and longer-term savings (e.g., providing more time off to reduce health care spending down the line). Others raised the issue of potential misuse or abuse of paid leave and the need for human resources managers to monitor its use. Advocates should be prepared to rebut these fears with evidence nationally and from jurisdictions that have laws in place showing that workers do not take more leave than they need. Advocates should also be able to point to safeguards embedded into policy proposals to reduce abuse (e.g., documentation requirements and employee job protections only for using the law as intended).

5. Consider talking about chronic care management in addition to preventive care.

Advocates often link paid leave to health improvements through increased access to preventive care. However, a respondent from the quality improvement field recommended focusing on improved chronic care management rather than preventive health services because employers are more sensitized to value in the context of chronic care. If advocates choose to talk about improved utilization of preventive health services, they should provide examples of specific clinical preventive services like mammograms, colonoscopies or well-baby check-ups. Peer-reviewed evidence on this point may be helpful.²

6. Reach out to health care employers, including community health centers and large institutional health care employers such as hospitals.

Several respondents noted that hospitals and community health centers are often significant employers in a local community and even small group physician practices are small businesses that might already – or might be convinced to – “model” certain paid leave best practices. These entities need to attract and retain a capable workforce and paid leave will be seen by employees as a real benefit. Some respondents, however, also acknowledged that these employers face many of the same cost and abuse concerns as other employers; advocates must be prepared to marshal the same evidence in discussing the benefits of paid leave with these employers as with others.

7. Be aware of emerging – at times contradictory – trends in the health care and employment sectors.

Most respondents clearly saw the health care system’s stake in ensuring workers have time off from work to seek health services. However, several noted two contradictory emerging trends that undercut the natural affinity between the health system and work-family

² For a recent study linking access to paid sick days with increased use of cancer screening tests at recommended intervals, see 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 4 January 2013, from <http://www.biomedcentral.com/content/pdf/1471-2458-12-520.pdf>

advocates. First, one respondent from the large employer sector noted that some of the employers who are focused on cost-cutting measures are moving in the direction of using high-deductible health plans that *discourage* overall utilization, including utilization of preventive health services and primary care. For these employers, arguments about increased preventive care will not be effective. Second, a couple of respondents indicated that “best practices” in health care delivery redesign and transformation are moving away from physician office visits to “asynchronous” encounters (email/“e-visits,” using after-hours nurses for telephone advice, telehealth, etc.), which reduce the need to take time off from work. This redesign effort is most prevalent among larger health systems, they said. For solo and small group practices, patients’ ability to take time off from work for medical care is still important.

Recommendations for Talking to Health Care Providers

1. Educate providers about workers’ inability to take time off from work to get medical care.

Enlisting physicians as allies in disseminating information to other providers is critical. Two respondents who are themselves physicians relayed personal experiences with patients who were unable to come for office visits and had difficulty following care recommendations because they could not take time off from work. Physicians like these can be invaluable peer educators for other providers who may be less aware of barriers to accessing care. For example, several respondents from the provider and consumer communities and from the public sector indicated that many physicians and others might not consider workers’ inability to take leave from work as a barrier to seeking health care. They indicated that providers are often frustrated when patients – particularly those from low-income backgrounds – do not follow through on a care plan or allow chronic conditions to get out of control; too often, the providers become frustrated at patients’ non-compliance. Explaining that disparities in access to time off correlate with disparities in health status may help turn providers into advocates for paid leave policies – particularly when the messenger for this information is another provider.

2. Emphasize to physicians and hospital systems that paid leave policies enable patient and caregiver engagement – however, be aware of potential backlash.

Respondents suggested that some health care providers may be likely to support paid leave policies in order to facilitate increased patient and family engagement. One federal government respondent noted that linking patient and family engagement to health access and quality and to paid leave made “intuitive sense.” Several respondents encouraged using a framework of “supporting families:” promoting responsibility to take care of one’s family, supporting family self-sufficiency, empowering families and supporting families throughout the lifecycle (when parenting, as empty nesters, when caring for elderly parents, etc.).

Physicians’ and hospitals’ financial incentives for increased patient and family engagement might bolster advocates’ arguments. First, respondents from the public health and quality improvement fields suggested advocates focus on patient-centered “medical home” requirements for expanded access to physicians; one suggested that providers seeking to meet “medical home” requirements may be interested in enhancing their patients’ ability to

come for a visit in a timely way and during traditional office hours.³ Second, hospital systems will increasingly have financial incentives to prevent avoidable hospital re-admissions for conditions such as heart attacks, heart failure and pneumonia, and advocates may be able to enlist hospitals as allies by demonstrating the connection between the active engagement of a family caregiver and reduced likelihood of re-hospitalization. One respondent also indicated that community based organizations (CBOs) and hospitals will be partnering to support patients' hospital discharges and that these CBOs could also be potential allies.

However, other respondents worried that the engagement frame would have limits and challenges, including cynicism about whether the theme of patient engagement was really priority in health reform and whether engagement is aligned with physicians' goals and financial incentives. First, one physician organization respondent noted that many providers already do not have enough time to spend with their patients and may see greater patient and caregiver engagement as a burden. Second, an employer sector respondent noted that while providers generally support increased patient engagement, they also want to be paid more for engaging patients. Third, at least one consumer organization respondent cautioned that some employers view "patient engagement" as a way to shift costs and responsibilities to workers/patients. Fourth, one respondent from a provider association said paid leave policies could increase the administrative burden of filling out forms authorizing or providing evidence for workers to take leave, or even scheduling unnecessary office visits to get the documentation. Advocates should be prepared to respond to these concerns and to pivot from arguments about engagement if they are alienating potential supporters rather than building affinity.

3. Hospitals may be open to paid leave policies within the larger frame of "culture of health."

In addition to financial incentives for preventing avoidable hospital readmissions, hospitals may be open to hearing about how paid leave promotes a "culture of health." One respondent familiar with trends in hospital policy and administration indicated that hospitals are increasingly recognizing that promoting health among their own employees is an effective cost containment strategy as well as an effective health promotion strategy. Helping hospital administrators see the benefits of paid leave to allow hospital employees to seek timely medical care and to reduce the spread of contagion fits within that broader "culture of health" framework. The same respondent indicated that the rise of multi-state hospital systems could provide an opening in support for federal policies as an alternative to a patchwork of state policies and regulations.

4. Be prepared that providers may have the same concerns as other employers.

Health care providers are also employers and may put on their employer hat rather than their provider hat when discussing paid leave policies. Advocates should be prepared with the same cost arguments when speaking with these stakeholders, although they may have more success folding in the public health, contagion and cost savings arguments than in conversations with other employer groups.

³ For more information about patient centered medical homes, see National Partnership for Women & Families, "Patient Centered Medical Home," last accessed Dec. 24, 2012, http://www.nationalpartnership.org/site/PageServer?pagename=issues_health_home.

Recommendations for Talking to Policymakers

1. Emphasize that disparities in access to leave promote disparities in health status and increased health systems costs.

Several respondents noted that lack of access to paid leave may augment health disparities and said that this would be a compelling point to bring up with health policymakers. Because populations with less access to paid leave, including lower-income patients, may not seek medical care or follow through on their care plan, providers may conclude that they are not compliant or adherent. In fact, the reality may be that these patients are unable to take time off from work to go to their medical appointments or follow through with their treatment and care plans. Policymakers who understand the cost to the individual in terms of health status and the financial cost to and drain on the system when workers do not have paid leave may be compelled to take action as a result.

2. Illustrate the need for public policies rather than employer practices.

Many respondents expressed the belief that paid leave policies would never be widely adopted through voluntary implementation of “best practices” by employers and that therefore, a legislative or regulatory mandate is needed. However, one respondent from the employer sector noted that even if a small percentage of employers voluntarily adopted a policy and good outcomes could be demonstrated, there would be evidence to support a public policy change; this respondent encouraged policy solutions that promote employer best practices.

Respondents from the employer sector also suggested that federal policymakers could view the challenges facing multi-state employers to be compelling enough to promote uniformity through federal standards.

3. Promote better data collection to demonstrate the connections between paid leave and health.

Respondents generally found the available data on the connections between paid leave and health to be “credible” and “persuasive.” Two stakeholders in the federal government indicated that the connections among paid leave, health care utilization and health outcomes are “legitimate health services research questions” in which agencies such as the Agency for Healthcare Research and Quality (AHRQ) and the National Institutes of Health (NIH) should be interested. Respondents recommended surveys such as the National Study on Children with Special Health Needs and the Behavioral Risk Factor Surveillance System as good candidates for questions connecting paid leave policies to access and utilization of health care. Several respondents suggested that policymakers could be helpful in championing individual-level and workplace-level data collection from government sources to show how workplace leave policies and health are related.

Conclusion

Employers, patients and health care consumers, health care providers and policymakers are continuing to adjust to the evolving changes in health care. Health care systems and providers are attempting to improve the quality and value of care while reducing its costs.

Employers, workers and providers can partner together to use health care resources more efficiently when workplace leave policies facilitate workers' ability to get care for themselves and their loved ones.

To see improved efficiencies in utilization and cost savings, public and private sector stakeholders and health providers need to be engaged in dialogue about the impacts of paid leave on the outcomes they care about, whether it is the health of their patients, their bottom line or a healthy community. With our stakeholder interviews and this paper, the National Partnership for Women & Families has attempted to present recommendations for advocates to start these conversations. By engaging diverse health care stakeholders, advocates can use health care systems transformation to advance public policies that will promote worker, family and community health and well-being while reducing costs for the public, the government and employers.

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Appendix

Methodology

The National Partnership for Women & Families hired an independent expert health policy consultant to conduct 20 interviews with a cross-section of key stakeholders (“respondents”) knowledgeable about health care reform. The respondents represented employers, consumer and patient groups, physicians, hospitals and community health centers, health care quality improvement organizations, and officials from several agencies within the U.S. Department of Health and Human Services. The interviews were conducted between November 2011 and April 2012; each interview lasted approximately thirty minutes. The stakeholders interviewed were selected by National Partnership staff and the consultant. They were assured that their statements would not be attributed to them by name or organization to promote full candor.

Prior to the interview, stakeholders reviewed a short background paper (attached below) developed by National Partnership staff and the consultant to explain the relationship between workplace paid leave policies – paid sick days and paid family and medical leave – and health. The interviews were conducted by the health policy consultant, using an interview guide (attached below) jointly developed by the consultant and National Partnership staff. National Partnership staff listened in during the interviews and asked some supplemental and clarifying questions. This memorandum is based on the qualitative impressions and conclusions of the consultant and the National Partnership.

Interview Guide

Interviews with respondents were conducted using the following questions as a basis for discussion.

General

1. While many employers do offer paid sick days and paid family and medical leave, many do not. What are the strongest (general) rationales for public policies requiring paid sick days and paid family and medical leave?

Creating Links Between Paid Leave and Health Care Reform

2. What are the most compelling connections you see between paid leave policies and increased utilization of primary and preventive health services? PROBE: Better health outcomes? reduced costs? more efficient utilization of resources? earlier and better treatment of chronic conditions?
3. Do you see opportunities to link employer interest in “wellness” programs and in primary health care utilization to public policies that would, in particular, provide paid sick days?
PROBE: That is, might there be a (cost) benefit for offering paid leave to support the use of preventive health care services as a substitute for workplace wellness programs?
4. We would like to identify specific ACA components to which paid leave policies could be connected in some way.
 - a. Do you think paid sick days and paid family and medical leave policies could or should be included as a public policy or community-level practice change objective in a Community Transformation Grant?
 - b. What about in other initiatives related to national health reform such as data collection opportunities?
 - c. Pilot programs?
 - d. Other initiatives (specify)?

Engaging Stakeholders

5. In terms of employer engagement, some have argued that employers who are looking for better value for their health care dollars should also support paid sick leave and paid family and medical leave policies so that their employees (and their families) can use their health care coverage more effectively and efficiently.
 - a. What do you think of this argument?
 - b. If we wanted to engage employers more, are there other arguments that you think would resonate with employers?
 - c. Have there been any effective arguments to overcome the resistance that some employers have to “mandates” related to workplace policies?

6. Finally, in terms of patient/family/caregiver engagement, do you think paid sick days and paid family and medical leave policies support increased engagement and self-management by patients/health care consumers?
 - a. Who are right stakeholders for this argument?
 - b. What initiatives, data collection opportunities or other avenues would you recommend we pursue to build support for these workplace policies among those working to increase patient engagement?

Strategies for Advancing Paid Leave Policies through Health Care Reform

7. Do you have any other ideas about how we might advance paid sick leave and paid family and medical leave policies in conjunction with implementation of national health care reform?
8. What else would help us make a stronger linkage between these issues?
9. Who would be important stakeholders (in the health policy arena) for us to engage in advancing these work-family policies?
10. Can you recommend others in your field that we should talk with?

A DISCUSSION PAPER ON INTERSECTIONS BETWEEN PAID LEAVE POLICIES AND NATIONAL HEALTH REFORM

NOVEMBER 2011

The Affordable Care Act (ACA) provides a significant opportunity to improve access to health insurance and health services for tens of millions of people in the United States. It also includes numerous provisions to promote the effective and efficient use of health care services, reduce health care costs and improve preventive health. Providing workers with access to paid leave policies, including **job-protected paid sick days** that workers earn from their employers and can use to recover from routine illnesses or seek preventive care, and **paid family and medical leave insurance programs** to address serious personal health conditions or the serious health condition of a family member, will be critical to advancing these important objectives.⁴

In the current economic climate, achieving the goals of the ACA is critical to governments, employers and families growing increasingly conscious of the burden of high health care costs. This paper identifies **important motivations** for stakeholders across the health care system to support paid leave policies and to factor paid leave policies into ACA implementation. These motivations include:

- ▶ **Reducing long-term health care costs by supporting preventive care and wellness;**
- ▶ **Advancing care coordination and increasing the value of health care services by facilitating patient and caregiver engagement.**

There are numerous intersections among improved health, reduced health care costs, and public policies providing for paid leave. Public- and private-sector cost savings occur, business productivity gains and reduced absenteeism result, and both personal and community health improve when people are able to take time away from work without losing pay or risking their jobs to utilize preventive services, recover from illnesses, and assist ill family members with care and recovery.

Paid time off for health reasons yields cost savings.

Paid time off for health is associated with:

- ▶ Greater likelihood of being in good health and seeking preventive care
- ▶ Quicker recovery from illnesses
- ▶ Cost-savings from reduced “presenteeism”
- ▶ Reduced public and private spending on unnecessary emergency department visits

Sources:

Human Impact Partners (2009)

American Productivity Audit (2003)

Institute for Women’s Policy Research (2011)

⁴ Both paid sick days and paid family and medical leave proposals build on the success of the 1993 federal Family and Medical Leave Act (FMLA), which provides about half 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 adopted in some states and cities. For example, the state of Connecticut and the cities of San Francisco, Washington, DC, Milwaukee 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 Rate of Access to Paid and Unpaid Leave

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 21 percent have paid sick days).
- ▶ Only about half 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.
- ▶ Fewer than 40 percent of the U.S. workforce has access to employer-provided short-term disability insurance so that millions 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: U.S. Bureau of Labor Statistics (2011), Institute for Women's Policy Research (2011), and Department of Labor research on the Family and Medical Leave Act (2001).

As we demonstrate below, providing workers with access to paid leave for health reasons fits squarely within the current interests of government and health providers in promoting prevention and wellness. It also fits squarely within the current interests of both the public sector and the private sector in reducing health care costs, increasing business productivity and reducing absenteeism. Furthermore, providing workers with access to paid family leave for caregiving is also linked to government and provider interests in promoting caregiver engagement and reducing hospital admissions.

THE PROPOSITIONS FOR INTEGRATING PAID LEAVE INTO HEALTH REFORM:

1. Workers' access to paid leave should be considered a relevant factor in increasing access to preventive services and promoting wellness.

Employers are increasingly recognizing the importance of preventive care and wellness in maximizing their bottom lines. For example, sixty percent of firms offered health insurance to their workers in 2011,¹ and a growing number of employers are offering workplace wellness programs to encourage a healthy and productive workforce. Ensuring that workers have paid time off to care for their health is critical to the cost-savings these employers hope to realize. Those interested in reducing health care costs should thus consider the connections between health and access to paid leave for health purposes. For example:

- ▶ **Ill workers who feel they must go to work are less productive, at an estimated to cost the U.S. economy \$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.³**

- ▶ **Controlling for other relevant factors, workers with access to paid sick days are less likely to report being in fair or poor health and are about one-third less likely to report delaying medical care than workers without paid sick days.**⁴ This is because workers without paid sick days risk job loss and sustain significant income loss when faced with the prospect of taking unpaid time off. 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.⁵ About one-quarter of U.S. adults report losing a job or being threatened with job loss for taking sick time.⁶ These realities provide significant incentives to work sick and forgo or delay preventive care.

“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, CA

A number of initiatives implemented through the ACA and the private sector underscore the current drive for better preventive health and wellness. To support preventive services, the ACA eliminates cost-sharing (e.g. copayments, deductibles, etc.) for recommended preventive services – such as immunizations, mammograms, Pap tests, and colon cancer screenings – in new private health insurance plans as well as in Medicare and Medicaid. Some provisions of the ACA provide opportunities to include workers' access to leave to seek medical care or recover from illness as a variable of interest. For example, the ACA created a multi-billion dollar Prevention and Public Health Fund (\$7 billion through federal Fiscal Year 2015) and created Community Transformation Grants, which require grantees to explicitly include policy, environmental, programmatic, and infrastructure change objectives in their work.⁷ There may be other opportunities to factor leave policies into data collection on health disparities and through other initiatives.

2. Paid leave will facilitate providers' ability to engage patients and caregivers and provide high value care.

The ACA increasingly holds providers accountable for engaging patients and family members in providing care and improving health care quality, and the law includes significant support for increased responsibility and engagement by health care consumers in health care decision-making, treatment, and ongoing self-management of health.

Yet without access to leave, workers and caregivers cannot participate effectively as partners in care. And without access to paid leave, workers with serious health conditions and those being cared for by working family caregivers may risk health complications and avoidable hospital admissions. Consider that:

- ▶ **The U.S. would save more than \$1 billion in avoidable emergency department (ED) visits if workers had access to time off of work for health reasons.**⁸ Lack

of access to paid sick days is correlated with higher rates of emergency department use – both because workers without paid sick days let conditions worsen before seeking care and because of their simple inability to take time off during the workday.

- ▶ **About half the cost of avoidable ED visits – just under \$517 million – is estimated to accrue to public health insurance programs, such as Medicaid, Medicare and SCHIP.⁹**
- ▶ **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.¹⁰**

Promoting paid leave for workers and caregivers will contribute to providers’ success on the engagement measures and incentive structures that the ACA created. Moreover, a critical factor in increasing the value of health care expenditures must be workers’ ability to seek care for themselves and serve as active caregivers for their loved ones.

As long-term goals of national health reform are pursued by both public and private-sector stakeholders through ACA implementation and private-sector initiatives, public policies that support the nation’s health are essential. Stakeholders interested in increased value for health care dollars and long-term cost savings must consider the role that leave policies play in enhancing that value. The entire health care system – health plans, hospitals, physicians, other health care providers, employers and employees – would ultimately see an increased value if paid leave policies were more widespread. Policies such as paid sick days and paid family and medical leave complement and extend the values embedded in health care reform and promote worker, family, and community health and well-being while driving down costs for the public, the government, and employers.

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3 Cook, W.K., et al. (2009, June). *A Health Impact Assessment of the Healthy Families Act of 2009*, 26. Human Impact Partners & San Francisco Department of Occupational and Environmental Health. Retrieved 9 November 2011, from http://www.nationalpartnership.org/site/DocServer/WF_PSD_HFA_HealthImpactAssessment_HIA_090611.pdf?docID=5101

4 Miller, K., et al. (forthcoming 2011, November). *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*, 9 (Table 2). Institute for Women’s Policy Research.

5 Gould E., et al (2011, June). *The need for paid sick days: The lack of a federal policy further erodes family economic security*. Economic Policy Institute, 7. Retrieved 9 November 2011, from <http://w3.epi-data.org/temp2011/BriefingPaper319-2.pdf>

6 Smith, T., & Kim, J. (2010, June). Paid Sick Days: Attitudes and Experiences, 6. National Opinion Research Center at the University of Chicago. Retrieved 9 November 2011, from <http://www.publicwelfare.org/resources/DocFiles/psd2010final.pdf>

7 U.S. Department of Health and Human Services. (2011, September 27). New Affordable Care Act initiative helps create healthier communities, fight chronic disease [News release]. Retrieved 9 November 2011, from <http://www.hhs.gov/news/press/2011pres/09/20110927a.html>

8 See note 4, 14 (Table 5).

9 See note 5, 15 (Table 6).

10 See e.g., Institute of Medicine. *Retooling for an Aging America: Building the Health Care Workforce*, 254. Retrieved 9 November 2011, from <http://www.iom.edu/Reports/2008/Retooling-for-an-Aging-America-Building-the-Health-Care-Workforce.aspx>; Arbaje, et al. (2008). “Postdischarge Environmental and Socioeconomic Factors and the Likelihood of Early Hospital Readmission Among Community-Dwelling Medicare Beneficiaries.” *The Gerontologist*. Summary retrieved 9 November 2011, from <http://www.rwjf.org/grantees/connect/product.jsp?id=34775>

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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