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# A DAY'S WORK FOR A DAY'S PAY: CREATIVE SOLUTIONS FOR FACILITATING TRANSITIONAL DUTY

BETSY ROBINSON

**E**mployers, insurers, and occupational health-care providers agree that timely return to work is desirable. Industry statistics consistently indicate that any delay in returning an ill or injured employee who has recovered sufficient productive function to work negatively affects individual and overall programs outcomes. The relationship is directly proportional: The longer an employee is away from the workplace, the less likely he or she is to return.

With all this agreement, why does return-to-work success still elude so many companies?

Too often, this is the scenario: An employee is injured or ill and files a disability or workers compensation claim. The employee's condition prohibits immediate return to his or her regular job, even with some modification of duty. As a result, the employee may not go back to work at all despite the fact that he or she may eventually recover sufficiently to work in some capacity. By business necessity, the employer replaces the employee. Over time, the employee's sense of purpose and self-esteem begin to deteriorate, as do work skills, motivation, and, far too often, personal relationships. With millions of Americans out of work on some type of extended disability claim, this scenario has become a serious national issue, with societal as well as economic consequences.

One of the keys to promoting safe and timely return to work is placing the employee into a transitional assignment that is within the scope of the injured employee's defined physical capability. This keeps the employee productive while minimizing the risk of exacerbation of the current condition or even a new injury. While most risk managers applaud the concept of a transitional-duty program, implementing one poses some challenges. It is difficult for some organizations to accommodate the positions that these programs require in order to be successful. Fortunately, a little creativity in identifying appropriate transitional positions — inside and outside the organization — can go a long way toward building a successful return-to-work program.

This article looks at two companies, Family Dollar Stores and Xerox Corporation, which have each taken a creative approach to return to work based on intraorganizational and community-based resources for transitional duty.

## **BASIC PROGRAM FEATURES AND THE NEED FOR A CUSTOM FIT**

Early intervention is key to timely return to work. As the medical case manager is managing the employee's appropriate care, a return-to-work specialist should assess the functional capacity of the individual and the functional demands of his or her job and determine what return-to-work options are appropriate and available. Done most effectively, return-to-work planning leverages a logical and sequential decision-making hierarchy. The ideal situation is one in which the injured employee can return to work doing the same job for the same employer. Such scenarios have the highest chance of long-term success. If the employee is not able to return to the original job right away, the next step is to look at whether he or she can return to the same job with modifications, such as reduced hours or less tasks. Whether the employer can accommodate such modifications

depends a great deal on the nature of the job, the tasks required, and who picks up the slack (the tasks that the injured employee can't perform). If task or time accommodations are not appropriate, the next alternative is to consider a transitional-work assignment.

Traditionally, the concept of transitional duty has placed the injured employee back at work in the same shop temporarily doing a different job — for example, a truck driver doing schedule logs — that utilizes the knowledge base from the preinjury job. By definition, the job is a short-term position designed to bring the employee back to the working operation and keep him or her moving and functioning, while consistently increasing function, until the employee is ready to resume the original full-time position.

While this is the basic structure of a return-to-work program, the finer details are unique to each organization. Those who hope to launch a successful program must consider a wide range of factors, including the employee population, the number of people at a job site, the nature of the jobs, and the availability of transitional-duty tasks, as well as the corporate culture and the risk management structure within the organization. In addition, achieving the desired goal often requires thinking outside the box.

### **FAMILY DOLLAR STORES: A CREATIVE ALTERNATIVE IN THE COMMUNITY**

Family Dollar Stores, a Fortune 500 retail chain headquartered in Charlotte, North Carolina, consists of nearly 6,100 retail stores, 9 distribution centers, and over 45,000 employees in 45 states. The vast majority — approximately 41,000 — of the company's employees work in self-service retail stores.

As part of the Family Dollar business model, staffing at each store is kept to an absolute minimum, with each store manager charged with controlling payroll expenses. As a result, each store employee must be capable of doing every job in the store — cashiering, helping customers, unloading merchandise, and stocking shelves. Typically, there are two employees for regular business days and four or five employees on delivery days.

Although the stores can accommodate reduced hours to a certain degree, opportunities for light duty are limited. A retailer with more employees might be able to justify adding a greeter at the door, but that is not an option for Family Dollar stores. Thus, in order to control its workers compensation costs, the company was forced to look outside its stores for transitional-duty positions. The company found the answer in community nonprofit organizations.

Logistically speaking, when an employee is injured, the corporate risk management department, as opposed to the affected store manager or district

manager, directs the employee's return to work. This helps the company manage return to work consistently across the entire organization and takes an administrative burden off the store manager and the district manager.

At the time of injury, the Family Dollar program director (a staff member of the outside disability management firm) assigns a nurse case manager to act as liaison between the employee, the store manager, and the health-care provider. If the employee is able to return to only modified work, the nurse helps the manager and district manager understand the employee's functional capacity and enforces a light-duty restriction to minimize the risk of reinjury. Under a new program that Family Dollar plans to implement, if an employee's restrictions are anything beyond minimal, the nurse case manager can arrange for a position at a nonprofit that is within approximately the same travel distance as the store (many Family Dollar employees walk to work). For instance, under the planned program, the employee may be offered a position at the local YMCA in the reception area or doing light janitorial work, as appropriate. An individual with a back injury might be more willing to take such a position since it does not involve stocking shelves. The risk management department will pay the employee's wages out of funding already allocated for modified duty, so the store's payroll would not be negatively affected.

This approach will give good employees who want to get back to work the opportunity to do so, even if the store cannot accommodate them, thereby supporting a better outcome for the employee and the company. It also sends a message to employees that Family Dollar is serious about returning employees to work.

### **XEROX: REHABILITATION IS GOOD BUSINESS**

Xerox is a \$15.7 billion global enterprise with nearly 30,000 employees in the United States. It is a diverse business, consisting of sales, marketing, customer service, and supply-chain operations, as well as a manufacturing operation that builds equipment and produces consumable supplies such as toner to support machines in the field. The company is headquartered in Stamford, Connecticut, but its Webster, New York, campus is its largest manufacturing, warehousing, and distribution facility, currently employing 7,800 people. The industrial workforce of 1,500 at the site is unionized.

Because of the nature of the work, many essential functions of the industrial workforce jobs cannot be modified to accommodate specific restrictions without handing critical tasks off to coworkers. For example, some jobs require that an employee be able to reach at or above shoulder level repetitively throughout the workday or that an employee be able to

lift 50-pound boxes of paper. Union restrictions on job placements, based on qualifications and seniority, also make it difficult to accommodate much restricted duty. Reassigning one employee potentially affects an entire group of employees.

In 1996, the company and the union began looking for ways to make transitional duty work. “We considered using outside resources for transitional placement, but we found that we had positions to offer that would add value for the company,” says Jack D. Kerns, M.D., manager of Xerox Medical Services, a part of the Environment, Health and Safety organization at Xerox. As a result, in 1997, through a joint process with the union, the company launched the Xerox Rehabilitation Productivity Center (XRPC).

The XRPC enables Xerox to put an employee on transitional duty doing necessary and valuable work for the company — for example, packing parts, recycling electrostatic discharge bags for electronic components, and performing signature analysis as a quality check of electronic parts. The XRPC actually functions as an on-site vendor, as many of the tasks are jobs that Xerox would otherwise outsource. The XRPC charges back the relevant departments for the work, generally at a lower cost than the company would pay to outsource it. The project also gets turned around quickly because the materials don’t need to go off-site.

“The Center pays its own way — profit over operating expenses,” which is part of the XRPC’s charter, Dr. Kerns says, “not to mention the reduction in indemnity costs.”

For the first several years of operation, XRPC housed an occupational and physical therapy facility on-site. A satellite physical therapy facility affiliated with a nearby hospital rented space at the XRPC. In addition to providing on-site physical therapy services for all employees at the Webster campus, the on-site presence of the facility made performing repeated functional capacity evaluations for employees assigned to the XRPC to measure their progress easier. The satellite physical therapy office is no longer on-site, but employees assigned to the XRPC are allowed to leave the worksite to receive those services during work hours if necessary.

Assignment to the XRPC is an option for employees on short-term disability who are likely to recover within 90 days. Employees on long-term disability are eligible for six-month assignments. The option is offered to employees with restrictions regardless of whether the debilitating injury or illness is work-related. The option has also been extended to employees with behavioral health issues, with positive results and strong support from local mental health services. To reduce indemnity costs and to address Oc-

cupational Safety and Health Administration issues, Xerox has instituted mandatory assignment to the XRPC for employees who have had no lost time from work but who have work-related conditions requiring restrictions.

“For example, if an employee falls at work and bruises a kneecap, we assign him immediately to XRPC to do sedentary work until he is fully recovered,” Dr. Kerns says.

Cases are carefully managed. A Xerox nurse case manager and claims case manager work closely with adjustors from the company’s third party administrator, as well as with the employee’s private physician and the on-site occupational health clinic. If the employee appears likely to be able to return to work within 90 days, the individual is offered the option of being assigned to the XRPC. If the employee takes the position, his or her progress continues to be monitored at the XRPC. For both short-term occupational and nonoccupational disabilities, the average length of stay at the XRPC is approximately six to eight weeks. Employees on long-term disability tend to stay four to six months. Employees are usually transitioned slowly back to their original jobs. If they return to work full time at the original job and still have problems, they can return to the XRPC within two weeks for additional recovery time. This level of case management also enables Xerox to address any comorbidities, such as arthritis or heart disease, which are often found in an aging workforce. “We look at all the factors that might affect the employee’s return to full function,” Dr. Kerns says.

While on transitional duty at the XRPC, the employee receives a salary from the department where he or she worked before becoming disabled. Additionally, full-time assignment to transitional duty at the XRPC is considered the equivalent of normal full-time work, so the employee accrues service time, vacation time, and all other benefits.

Dr. Kerns says that discharge surveys of employees who were assigned to the XRPC showed an “overwhelmingly positive response.” Insurers like the program because it provides options that didn’t exist previously. For a given condition, total claim costs for an employee who chooses the XRPC assignment are lower than for an employee who does not. The program has also thrived for a decade, even surviving a restructuring and downsizing three years after its launch.

## **REMOVING THE ROADBLOCKS TO RETURN TO WORK**

Identifying new options for transitional duty has the potential to open wide the door to return-to-work programs for many companies. Like the options themselves, the approach to introducing such programs is likely to be unique to each organization.

For Family Dollar, the community-based return-to-work concept will be the next step in an evolution that began in September 2004, when the company began an overhaul of its workers compensation program. The company expects little resistance — in part because it removes a burden from the stores and in large part because it builds on a series of successes, including positive results from case management. In addition, Family Dollar's dedicated program director works as the quarterback for the organization, leading the team of case managers working with health-care providers and claims consultants to help manage return to work for any lost-time claim. The goal is to determine earlier in the process what an employee's work capacity is and how to accommodate it, so a productive solution can be put into place.

The community-based program is being rolled out with select pilot cases. The company believes the program will ultimately not only assist in the successful return to work of dedicated associates but will also identify and push to resolution cases of suspected malingering. Initially, the company hopes to make its case for the program by affecting high-dollar claims. Going forward, the goal is to close claims at a higher rate. In some cases, presenting the option of work at the nonprofit position may be considered a legitimate job offer.

In tailoring the right return-to-work program, it's critical to understand a given organization's hot buttons. At Family Dollar, the front lines are concerned with payroll and sales and will recognize the benefit of the corporate risk management department managing return to work. The community-based program is appealing because of its ease of use for the front-line managers. It also has the potential to increase the company's good will in the community.

At Xerox, the launch of the XRPC was largely driven by the company's occupational health nurses, who visited General Motors and other manufacturing companies to benchmark their programs.

"We made every effort to get [the decision-makers associated with] operations, industrial relations, and medical [services] to buy in to a new way of thinking," says Carmaleta Wesley, R.N., a certified occupational health nurse who has been involved with the XRPC since its inception. "Once we got buy in, we incorporated the XRPC process into the ongoing weekly case management meetings with each operating unit to discuss specific restricted-duty cases and see if we could use the XRPC as a way to keep the employees here at work."

The next step was to get all the players involved and start working out the details — a process that took approximately 18 months. Who would

pay the rent? Where would the funding come from? Who would pay the employees? Where would the work come from? How would the XRPC charge for services? How would the XRPC measure maximum medical improvement? Fortunately, everyone seemed to agree on the guidelines focusing on medical issues, recovery, and return to full function.

The concept received critical support from the Union of Needletrades, Industrial and Textile Employees (UNITE), which later merged with the Hotel Employees and Restaurant Employees International Union to form UNITE HERE (the union that Xerox industrial employees are a part of). Today, a union group leader oversees employee day-to-day functioning at the XRPC to ensure that individuals are assigned properly, working within their assigned restrictions, and getting to physical therapy appointments. Another union XRPC staff employee functions as a job placement coordinator and logistics liaison, moving project materials in and out. That individual also coordinates with management at discharge time, ensuring appropriate job placement when employees are discharged from the XRPC. A Xerox operational manager from manufacturing supervises the XRPC in addition to his other duties.

Employees initially were skeptical, but support grew as they gained experience with the program and they realized that the assignment was not a downgrade. Still, Dr. Kerns said, he would like to see more employees opt for the XRPC assignment when it is offered, and he would be inclined to make the assignment mandatory. Refusal rates are higher with nonoccupational disability cases.

Two committees oversee the program and the XRPC itself. The medically oriented XRPC medical review board meets weekly. This team includes nurse case managers, workers compensation personnel, and occupational health and ergonomics nurses within each operating plant and reviews possible admissions, progress of individuals at the XRPC, and issues such as availability of transportation or child care that might affect an employee's willingness or ability to take the XRPC assignment. A second committee, the XRPC joint process committee, includes union leadership, representatives from medical and human resources, and the functional manager assigned to manufacturing and meets monthly to review business issues — work availability, profitability, and any necessary program course corrections.

One of the biggest initial difficulties was obtaining work projects for the XRPC. The team of case managers started by approaching specific manufacturing supervisors and managers and letting them know what services were available. When the internal grapevine carried word about specific tasks that might be appropriate, the XRPC would bid against external

vendors. Due to the “pulse” nature of the projects, having enough work coming in on an ongoing basis to keep people busy and interested can still be a challenge but, Dr. Kerns says, “now that we’ve been around for awhile, they often seek us out.”

### **TRUE TRANSITIONAL DUTY REQUIRES CREATIVITY**

Transitional duty is not a new concept in workers compensation, but it has not always been successfully implemented. Often, transitional work has met resistance because it has placed an additional burden on front-line managers in terms of workload and administrative responsibility. Make-work jobs that don’t add value to the organization can demean the injured employee’s pride and serve as a source of resentment among able-bodied employees who must pick up the slack. Still, transitional duty is a key component of a successful return-to-work program, as long as there is a clear line from what the injured individual is doing to a productive contribution to the business — or to the community. In order to get off the ground, solutions must address the concerns of all stakeholder groups.

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Betsy Robinson is director of strategic program development at Intracorp, a Philadelphia-based provider of health-care and disability management and a wholly owned subsidiary of CIGNA Corporation. Prior to joining Intracorp, she held top management positions at MEDdecision, Inc., and GENEX Services. She has experience as a vocational case manager and rehabilitation supervisor. She holds a bachelor’s degree from Temple University and a master’s degree in counseling from Villanova University.

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