Insights

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The purpose of this newsletter is to bring you new perspectives on key subjects to stimulate your own thoughts and ideas. In each edition (which are published bi-monthly), we look at an aspect of business we hope will be of interest to you as an industry leader.

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"Active Rehabilitation": An Answer to Some of the UK's Economic Woes?

The cost of musculoskeletal disorders (MSDs) to UK business and society is substantial. It is now well recognised that individuals with MSD and persistent pain can learn to improve their productive functioning and quality of life within supportive and positive programmes. The consequent benefits to the UK economy could far outweigh some of the so-called cost cutting measures being debated today...

"Work and productivity are vital to health and well being." **(National Institute for Clinical Excellence Guidelines)**

Work can be good for health

The cost of musculoskeletal disorders (MSDs) to UK business and society is substantial. The Health and Safety Executive (HSE) estimates that 1.01 million people are currently affected each year, resulting in 11.6 million lost working days (7% of the total days lost due to illness). On average, each affected person took an estimated 20.5 days off work in that 12 month period. This equates to an annual loss of 0.50 days due to MSDs per worker in the UK. Furthermore, although only 12% of all people to whom medical certificates were issued were MSD sufferers, this group comprises 38% of all people claiming Incapacity Benefits. It has been estimated that absence from work

due to sickness costs around £12 billion each year. Statistics available at the time of recent Government announcements about proposed Incapacity Benefit reforms indicate that 2.7 million people are currently claiming £7.4 billion in Incapacity Benefits. In February 2007, 7% of the working population in England and Wales were claiming Incapacity Benefit and over 87% of those had been claiming for more than a year.

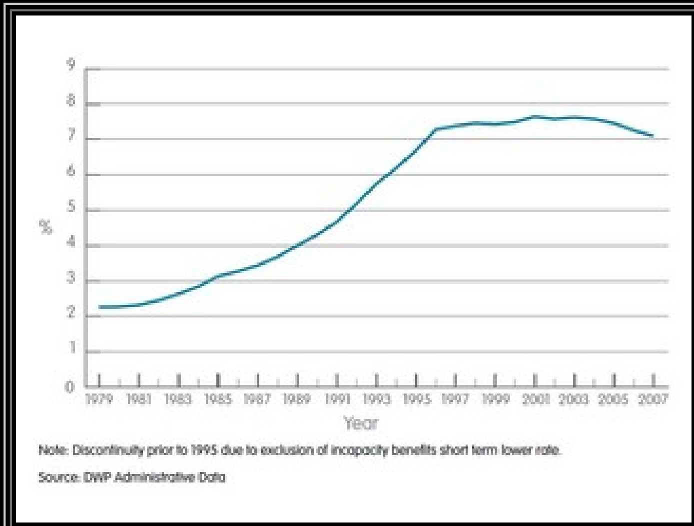


Figure 1: Proportion of working age population receiving Incapacity Benefits

One of the most important reports in recent times has been Dame Carol Black's Review of the health of Britain's working population "Working for a Healthier Tomorrow", published in 2008. In it she states "*recent evidence suggests that work can be good for health, reversing the harmful effects of long-term unemployment and prolonged sickness absence. Yet much of the current approach to the treatment of people of working age, including the sickness certification process, reflects an assumption that illness is incompatible with being in work*". The cost of ill health among the working age population affects everyone: the individuals themselves, employers, the National Health Service (NHS), the Government, and the economy as a whole. Taking into account the lost taxes, healthcare costs, loss of productivity, and the cost of informal care, the total cost to the economy is estimated to exceed £100 billion per annum.

Supportive rehabilitation can make a real difference

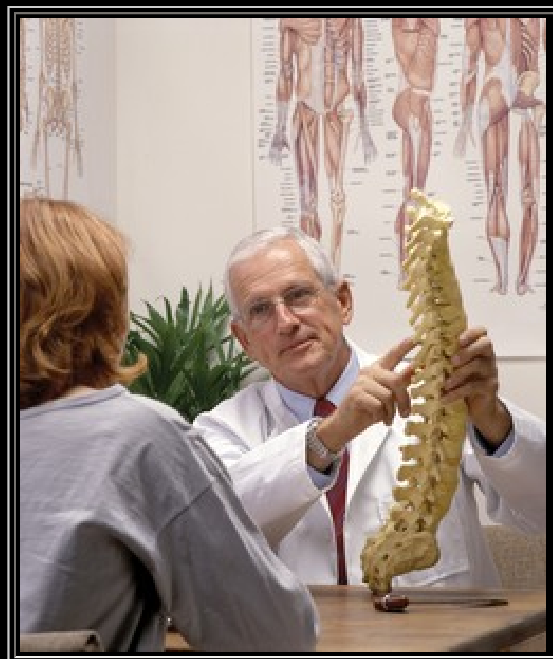
One of the main MSDs is non-specific low back pain, which is defined as 'tension, soreness and/or stiffness in the lower back region for which it is not possible to identify a specific cause of the pain'. Several structures in the back, including the joints, discs and connective tissues, may contribute to symptoms. It is a significant contributor to work-related illness in all sectors.

Figure 2: Work-related illness by industry

It is now well recognised that individuals with MSD and persistent pain can learn to improve their productive functioning and quality of life within supportive and positive programmes. Modern private sector rehabilitation programmes are derived, in concept, from highly successful regimes of active medical rehabilitation, based on group exercise therapy. These were initially developed by the armed forces, and are now used to great effect by the Defence Services Medical Rehabilitation Centre at Headley Court, in Surrey. Such a programme's objective is to enable clients, suffering from MSDs, to achieve maximum functional restoration through a structured, graded exercise programme with a supporting element of Cognitive Behavioural Technique (CBT) and thence, to regain their confidence and physical capacity to return to work. An intensive programme over 3 weeks treats groups typically of 8 to 10 patients with similar conditions; it is acknowledged that group dynamics are a key contributor to successful outcomes.

An HSE report, entitled "The costs and benefits of active case management for musculoskeletal disorders" and published in 2006, concluded that this approach is perceived to be clinically and economically effective, although interestingly the market remains patchy in its acceptance of this conclusion. There is strong evidence, however, that rehabilitation programmes with a cognitive-behavioural orientation and an activity focus are both effective and cost-effective at reducing pain and increasing productive activity in both the sub-acute and the chronic groups. The report found that there was a strong perception among professionals that programmes to actively case manage those with MSDs were likely to be cost effective; indications are that with most programmes for every £1 spent

there was a saving of £2-£3. For the insurance companies, this sort of Return on Investment (RoI) is a necessary pre-condition to agreeing to pay for the treatment programme. An effective assessment process is therefore critical to identify appropriate candidates, and then to accept only individuals screened (in) as having a low risk of a poor outcome.



Evidence demonstrating the benefits of these programmes included a quicker return to work for the individual, reduced sickness absence cost, improvement of the individual's functional ability, retention of skilled staff, improved morale, and improved productivity. The report also stated that there was a need for improved marketing and for more service providers; the main obstacles to effective delivery of these programmes were reported by organisations as a lack of awareness of the benefits of such a service and lack of commitment to it, combined with a lack of resources and lack of appropriately skilled service providers.

The NICE Clinical Guideline 88 'Low Back Pain', recognises the importance of helping people with persistent non-specific back pain to self-manage their condition, and the importance of regular physical activity and exercise in combination with education. More specifically, the guidelines recommend the following components: a structured exercise programme tailored to the patient; a supervised exercise programme in a group of up to 10 people; and treatment comprising 100 hours combined physical and psychological programmes. These treatment programmes should include a cognitive behavioural approach and exercise, aerobic activity, muscle strengthening, postural control, stretching, advice and information to promote self-management, information about the nature of chronic back pain, and information regarding the importance of being physically active and continuing normal activities as far as possible.

Is anyone concerned?

'Datamonitor' analyses, and Association of British Insurers (ABI) projections, suggest there are some 16,500 intensive rehabilitation cases per annum managed by the insurance industry alone. There is growing awareness in the Department of Work and Pensions (DWP) of the unsustainable cost of incapacity benefit schemes. Furthermore, there is a growing recognition by Trade Unions that 'absence management' programmes should be provided by Employers. The NICE Clinical Guideline 88 'Low Back Pain', notes that one third of the adult population suffers from low back-pain, and of that, 20% of these (that is, 1 in 15 of the population) will consult their GP in any one year. The guideline specifically recommends that the GP "offers a supervised exercise programme in a group of up to ten people."

The CBI reported that 175 million working days were lost in 2006. They estimate that 43% of the 175 million working days lost are due to long-term sickness of 20 days and over. Critically, they estimate that just 6% of employees account for this 43% of total working days lost. Figure 3 shows an estimate of the duration of sickness absence and the rate of return to work for those absent with back pain: 35% have returned to

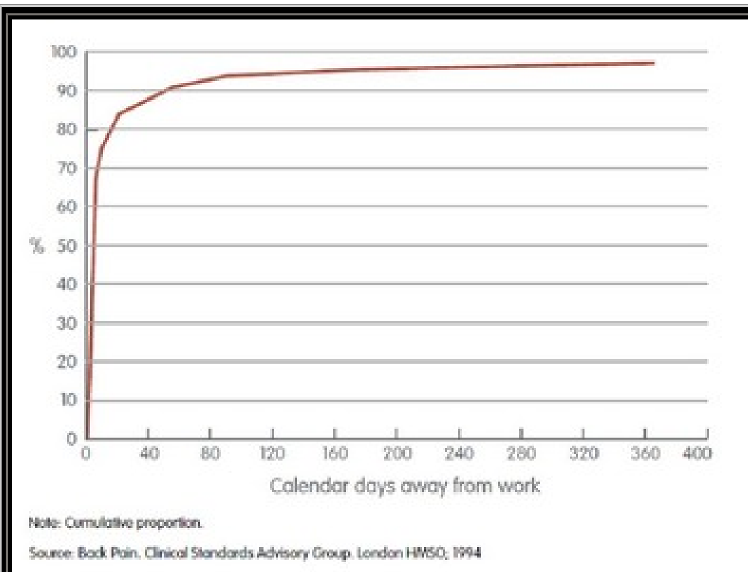


Figure 3: Proportion of people returned to work with back pain

work within two days and 67% within seven days; this rises to 75% within 14 days and further to 84% by the end of four weeks of sickness absence. Thus, although the majority of people return to work relatively quickly after starting a period of sickness absence, a significant minority are off sick for much longer and may ultimately progress to worklessness. There is a turning point in the curve where the propensity to return to work rapidly falls; for people with back pain this point is reached after four to six weeks, but this may differ for other conditions.

Who is doing what?

The rehabilitation sector includes a large number of well-known Insurance Companies including AXA, RSA, Chartis, Allianz, and Aviva. In the last 10 years, Case Management has become an important element of the General Insurance market. Feedback from Insurers suggests that the quality of the Case Managers (CMs) is mixed. There is increasing professionalisation of the sector, as seen for example in the establishment of the Case Management Society of the UK, the United Kingdom Rehabilitation Council, and the Vocational Rehabilitation Association. Feedback from CMs suggests that there is a need for additional suppliers of functional restoration programmes.

The existing rehabilitation suppliers tend to be focused on other services (such as providing 6-8 sessions of physiotherapy and occupational physiotherapy services) and few offer an integrated service. Each CM deals with some 40 to 50 high-value referrals (where the claim liability is likely to be more than £100k) and 100 to 120 mid-value referrals (£25k to £100k) per month. These referral numbers are increasing slowly year-by-year; this is supported by an increasing use of CMs by insurance companies, and may well be further impacted by recent legislation in relation to Lord Chief Justice Jackson's report on minor injury management. Indeed, the healthcare industry has many examples of market demand being driven by the increased supply of the service as the service becomes better marketed and understood. In the short term, growth will be driven by successful delivery of an acceptable RoI to the insurers, the continued education of the decision makers (claims handlers, CMs) and their influencers (clinicians, GPs, lawyers), and expansion of CMs into Employee Assistance Programmes (EAP).

In conclusion

Most importantly, growth will come through the consolidation of the Government's "Return to Work" approach - which is underwritten by the NICE Guidelines - and through the positive outcomes of the "Fitness for Work" programmes. The benefits to the UK economy could far outweigh some of the so-called cost cutting measures being debated today...

John Pilkington is Executive Chairman of Spring Active Rehabilitation (www.springrehab.co.uk), a provider of functional restoration services delivered through an intensive 3-week residential programme. John is also a member of the acumen7 network of business leaders, three of whom are working alongside John supporting the growth of the Spring business with strategic and operational input, and with capital investment.

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