

# Early rehabilitation – recognising and avoiding the imminent granting of disability benefit in good time

## “Health foundations” – a network of advisory bodies on work capacity, health and job retention

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### Introduction

There continues to be agreement among experts and political decision-makers that the demographic trend calls for employment to be prolonged, with the actual pensionable age postponed. In a word, workers are being asked to work longer. However, very few people realise that older workers by no means remain healthy longer. Working in “one’s old age” therefore frequently means working with “illness”. The high demands made by the working world nowadays often lead to changes in the state of health as people get older. Constant lifting and carrying, sitting for long periods, constant customer contact or dealing with certain chemicals can then become a problem. If this is the case, those affected find it difficult to practise their profession until the standard pensionable age. Although health deterioration processes take a long time, there are scarcely any efficient early warning systems at present for specifically counteracting invalidity or the incapacity for habitual occupation.

As a result, too many workers remain in their job until their state of health has got so worse that there is a threat of total incapacity. If they lose their job, they then oscillate in turn between the following systems: sickness absence, pension application (pension advances), unemployment benefit / unemployment assistance or even social assistance. In the case of less skilled workers in particular, the unemployment and pension insurance rules work in such a way that leads justifiably to the saying “Too ill for the job market, too healthy for a pension.” If someone finds him or herself trapped in this system for some time, then it is extremely difficult and complex to return to the labour market.

Given that the competences are split up at the official level (pension insurance institution, regional sickness insurance funds, Labour Market Service, Federal Welfare Office, Austrian Social Insurance for Occupational Risks / AUVA...), those affected and companies often have trouble finding the right point of contact at all. Unfortunately, this often leads to those affected unable to find their way through the jungle of competences between the institutions, which is why they often do not find the right services.

Employers are interested in simple, unbureaucratic solutions and often prefer to give notice to the employees in question because of a lack of alternatives. In smaller enterprises, there is often a lack of knowledge about resources and possibilities that are available to them in order to react correctly and in good time to reductions in employee benefits. What is more, the taboo of illness at enterprise level particularly among workers contributes to people not reacting, reacting too late or not enough to deteriorating states of health in enterprises. In addition, employers lack incentives for more intensive employment to protect the health of their workers – whilst they can still fall back on a sufficient labour supply on the job market, additional recruitment costs are often

the only financial consequences for companies that do nothing to prevent their workers' health from deteriorating and immediately give notice to workers that fall ill.

Supporting employees at work whose health is impaired with wage cost subsidies, retraining measures or workplace adaptations is more the exception in local enterprises. Those affected and the enterprises simply do not have enough knowledge about these possibilities. In addition, the "jungle of competences" described above makes it very difficult to use these possibilities.

Although the principle of rehabilitation before retirement is defined by law, workers only obtain access to rehabilitation measures on a small scale due to this knowledge gap and the fragmentation of responsibilities, competences and support offerings. These are still limited in many cases to stays in medical rehabilitation centres or sanatoriums. Early intervention and support in the respective enterprises in order to maintain the health and work capacity of those workers affected and preserve their job hardly ever occurs.

Against this background, two pilot projects<sup>1</sup> from AMS Vienna and AMS Lower Austria (Labour Market Service) were launched in 2005 as part of the special AMS programme for older employed persons and unemployed persons co-financed by the social partners, which has since become an integral part of the standard work programmes of both these regional Labour Market Service organisations. These two pilot projects were able to fall back on experiences from several projects carried out by the European Social Fund (ESF) as part of the EQUAL Community initiative.

Using the example of the project "Service Work and Health" carried out by BBRZ Vienna (Vocational Training & Rehabilitation Centre) on behalf of AMS Vienna, WGKK (Vienna Regional Sickness Insurance Fund), waff (Vienna Employment Promotion Fund) and the Federal Welfare Office for Vienna, the following aims to describe in more detail which objectives should be pursued with these projects together with the methods and results. Finally, we aim to depict which prerequisites are necessary and need to be drawn up for an Austrian-wide network of such advice and support possibilities in terms of the government project "Systematizing and bundling advisory services, care services and integration services for workers with health problems or those with impaired health (aim: range of services throughout the country)"<sup>2</sup>.

## Objective and working method of the "advisory bodies on work capacity, health and job retention"

Mr A is 35 years old, an engineer and has been working for a large airline for 12 years in a senior position. He has a high workload – shift work, deadlines – and Mr A is a very committed employee. Changes take place in his private life, and one day the pressure becomes too much: Mr A becomes psychologically unwell, fails to express incomprehensible ideas about fears and persecution and needs to be taken home by his superior. A stay in hospital is needed, and the ensuing sickness absence lasts for several months. When it is time to return to work, the works doctor consults an advisor at BBRZ. In talks with Mr A about integration and potential, the previous situation at work and stress factors are discussed in detail. Previous professional

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<sup>1</sup> "Service Work and Health" in Vienna, "workfit" in Lower Austria.

<sup>2</sup> Government programme for the 23rd legislative period, p. 49.

experience, training and qualifications as well as skills and interests are ascertained as potential and possibilities of deployment in a less stressful area of work in the company are drawn up with Mr A. The firm is very interested in continuing to employ Mr A, and a “round table” takes place in the company with superiors, the HR manager, works doctor, Mr A and the advisor. The new area of responsibility is specified and the internal retraining requirements are defined. A plan is drawn up for a continuous increase in working hours so as not to jeopardize the emotional/psychological stability that has been achieved. The company submits – supported by the advisor – an application for a wage cost subsidy for the reduction in work necessitated by retraining. Pension insurance guarantees this for one year. After a year of sickness absence, Mr. A’s start in his new area of responsibility goes really well. The advisor continues to be the contact person for Mr A and the company and acts as go-between with the public pension fund if there are any questions. Mr A is still working for the company one year later.

This example reveals the main objective of the projects mentioned: it is first of all about organising help and support in order to overcome and stabilise changes in the state of health of workers, and is about preserving their so-called employability and employment. As a result, these projects are therefore aimed at the early detection and early treatment of health dangers that could lead to those affected being granted disability benefit in the medium term and are therefore aimed at protecting against the loss of work capacity caused by health issues. They can therefore play an important role in avoiding high individual suffering and high income losses for the workers affected as well as avoiding high national costs due to premature retirement and loss of valuable labour.

As part of case management, existing offers of assistance and support from the different social security systems incl. offers from Länder (states) as part of their social assistance are developed with reference to the respective individual case. The case managers advise on ways to promote health that go beyond the immediate treatment of illnesses, on ways to adapt workplaces and vocational retraining that might be necessary or sensible, support enterprises in adapting work processes and organise support for those involved in reintegrating a worker into the enterprise after long absences caused by illness. All this takes place with the aim of preserving the current job held by the person with impaired health as far as possible, at any rate supporting him or her in such a way that a change of job in the enterprise or change of employer become passable ways of avoiding further injury to health.

## Experiences and results

A lesson should already have been learned from the EQUAL projects mentioned: a range of services geared only to employed workers with impaired health falls way too short – unemployed workers also need to be included at any rate. For health problems still lead very quickly to someone losing their job – for example, the abolition of the fund for continued salary payment (Entgeltfortzahlungsfonds/EFZG) in particular has clearly reduced the employment security of workers with health problems.

Restricting the target group to employed persons above 40 years of age has likewise not been very worthwhile. Changes in the state of health with a high risk of invalidity are already appearing among much younger workers. As a result, the offer of advice from the “Service Work and Health” project is now geared to all age groups and also to unemployed persons who will be out of work

for no longer than 3 months (for those with impaired health out of work for longer, other avenues need to be explored in order to restore employability and the capacity for placement as part of the active labour market policy).

However, enterprises are also increasingly interested in the advisory and support service of the “Service Work and Health” project, for instance regarding the question of reintegrating a person into the operating processes after a longer absence necessitated by health issues. Despite the relevant consultancy role of AUVA and the labour inspection office (Arbeitsinspektion), the high demand among companies for advice and help in adapting workplaces and work processes to promote health is striking.

Whilst it is not surprising that those industries and enterprises with rather higher job security enquire more about the services offered by the “Service Work and Health” project than industries and enterprises that react very quickly to workers being ill by dismissing them, it is still very unfortunate: after all, persons who are at particular risk of being granted disability benefit typically work in these industries – low-skilled workers or semi-skilled workers with physically demanding jobs, for example in the building and construction industry.

With 33%, diseases affecting the muscular system and skeleton and mental illnesses were the most frequent causes that led to care being offered by the project. Heart/cardiovascular diseases, neurobiological diseases and allergies were a lot scarcer at around 4% each, with all forms of disease isolated cases. The current trend in the causes of early retirements necessitated by illness reflects these experiences – mental illnesses and diseases of the musculoskeletal system are the main symptoms leading to disability benefit being granted.

The results of the consultations and support for individual cases as part of the “Service Work and Health” project are very encouraging. Of the 521 people supported up to the end of 2007, 67% of them are in employment after care ended, 4% have either submitted an application for invalidity pension or occupational invalidity pension or already have such a pension, 11% are undergoing retraining, and 7% are registered unemployed. The aim of “preserving employability and employment” has therefore been achieved in around two-thirds of the cases with strong support – a very high value in view of the highly advanced changes in the state of health in many cases. Another 20% were assured of good prospects even though they were unable to keep their job, whether through retraining for a new profession or smoothing the way for early retirement necessitated by health issues while avoiding the above-mentioned system trap.

## Further prospects

Projects like “Service Work and Health” appear to be a success story based on previous experiences: with relatively small investments – the costs of giving advice and organising further support come to around € 1,500 to € 2,000 for each individual case – we can avoid a deterioration in the state of health with resultant unemployment and a serious risk of invalidity in two-thirds of cases based on previous experiences and protect the job of those affected. At the same time, a clear increase in the efficiency and effectiveness of offers of assistance and support used from unemployment insurance, sickness insurance, pension insurance and accident insurance is achieved thanks to the case management method. Negative conflicts of jurisdiction that are detrimental to those affected are avoided thanks to cooperation between all social

security institutions involved in the projects. For the workers and enterprises being looked after, support simply means a clear increase in information and the avoidance of time wasting and administration costs.

How has the political system reacted up to now to the experiences of projects in the EQUAL development plan and as part of the special AMS programme for older workers? The Federal Chamber of Labour (BAK) calls for a nationwide network of such advisory bodies to be set up following a resolution in its general meeting. The Federal government has adopted this demand with the above-mentioned wording in the government agreement. Strengthening these advisory options has since been recommended by both social partners in the project "Invalidity undergoes change" under the aspect of avoiding disability benefit being granted as an accompanying measure to a reform of the invalidity pension and occupational invalidity pension. The prospect of a speedy end to the pilot phase and a nationwide roll-out of this project in Austria are therefore fulfilled at present.

Such a roll-out first of all needs a sufficient budget – around € 20 million would need to be made available by sickness insurance, pension insurance and unemployment insurance so that 15,000 initial consultations and around 10,000 in-depth individual case consultations could be held. It would be sensible if the nationwide deployment of this advisory and support service were to be supported and evaluated scientifically. It would be particularly important to have more knowledge on the motivation of those affected, why people and enterprises take up this offer of advice and why others do not. On this basis, we could then create sensible incentive models for using these benefits.

Enterprises with an increasing number of employees sick that is unusual in their industry should at any rate be referred to this advisory service directly. For workers, the combination of the advisory service being promoted publicly and information by letter for persons who are sick or ill longer and/or more frequently in particular due to one of the two most frequent illness groups has proved worthwhile thanks to their regional sickness insurance fund. A corresponding obligation for sickness insurance funds to act needs to be enshrined in law.

At present, the responsibility of sickness insurance or pension insurance in rehabilitation cases ends once health has been restored or once medical / occupational rehabilitation ends. Both social security systems are not obliged to also see to the reintegration of an employed person in an enterprise after treating or rehabilitating a sick person. "Employee integration management" should therefore be incorporated as a compulsory service of sickness insurance or pension insurance so that the offers of assistance from these two social security branches can be used fully for this purpose. At present, this is only possible through approval of individual cases and the high level of commitment of individual employees working for regional sickness insurance funds or pension insurance. However, deployment of this advisory and support approach on a huge scale cannot be supported on such a basis. If the compulsory service "Integration of previously sick or rehabilitated persons in enterprises" is enshrined in law, gaps in the current offer of assistance – for instance in the support of persons that need reduced working hours at the beginning of their return to work – can also be bridged easier in future.

The interface problems in particular between sickness insurance and unemployment insurance when caring for unemployed mentally ill persons who typically experience phases of being unfit for work alternating with phases of being fit for work should give reason for thoughts on

maintaining the protection of unemployment insurance even in the event of short-term incapacity and therefore enable the receipt of unemployment insurance benefits even in the event of short-term incapacity.

In the meantime, there are enough experiences from the EQUAL projects and the two pilot projects in Vienna and Lower Austria to provide sufficient proof of the high level of efficiency of a system of early rehabilitation in the form of care for individual cases and the bundling of prevailing assistance and support possibilities. The costs for a nationwide deployment of this system already pay for themselves if there is a success rate of 1%. The necessary investments for plugging the gaps mentioned in social insurance are reasonable at € 20 million in total. Action can, should and must therefore be taken quickly.