Developing the Business Case

Kevin Holland-Elliott
LLB(Hons), MBChB, FFOM, CMIOSH, MRCGP, DRCOG, Barrister

Director and Consultant, Department of Occupational Health and Safety, King’s College Hospital NHS Foundation Trust

Professor of Occupational Health and Health Risk Management, Brunel Business School
• Health in a business context
• Health risk transfer in the UK
• Health risk management process
• The CHAP study
• Outline business case approach
World Health Organisation

Health - Not Just the Absence of Disease

Should now include SAFE WORKING
Occupational Health

• Work affecting health
  • Physical
  – chemical
  – biological
  – ergonomic
  – radiation
  • Social
  – organisational
  – shifts
  – travel
  • Psychological
  – ergonomic
  – trauma

• Health affecting work
  • Physical
  – back pain
  – asthma
  • Social
  – child care
  – elderly care
  – work life balance
  • Psychological
  – anxiety and depression
  – serious mental disorders
• Work on Health
  • Health & Safety agenda
  • hazards
  • risk assessment
  • fitness in safety critical roles
  • human factors
  • health surveillance

• Health on work
  • Human Resources agenda
  • productivity
  • human capital
  • attendance management
  • rehabilitation
  • employee support
  • healthy worker effect

Europe has **Roman Law (codified)**, the UK has a **Common Law (fault based)** legal system
The Absence Problem

- 1,000,000 workers go ‘sick’ each week
- 3,000 are still off at 6 months
- 85% of those will not work again in the next 5 years

Regardless of diagnosis

What About the Workers
RSM 2004
### Table 7. Costs to individuals

<table>
<thead>
<tr>
<th></th>
<th>£billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>10.1 to 14.7</td>
</tr>
<tr>
<td>Ill health</td>
<td>5.9 to 9.4</td>
</tr>
<tr>
<td>Injury</td>
<td>3.3 to 6.3</td>
</tr>
</tbody>
</table>

Table 8. Costs to employers

<table>
<thead>
<tr>
<th></th>
<th>£billion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>3.9</td>
</tr>
<tr>
<td></td>
<td>to 7.8</td>
</tr>
<tr>
<td><strong>Ill health</strong></td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Injury</strong></td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>to 1.1</td>
</tr>
<tr>
<td><strong>Non-injury</strong></td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>to 5.3</td>
</tr>
</tbody>
</table>

Note: Upper limit is not the sum of the subtotals due to rounding

Table 10. Costs to the economy (£billion)

<table>
<thead>
<tr>
<th>Category</th>
<th>£billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>13.1 to 22.2</td>
</tr>
<tr>
<td>Ill health</td>
<td>7.6 to 11.6</td>
</tr>
<tr>
<td>Injury</td>
<td>3.2 to 6.2</td>
</tr>
<tr>
<td>Non-injury</td>
<td>1.4 to 5.3</td>
</tr>
</tbody>
</table>

### Table 9. Costs to society

<table>
<thead>
<tr>
<th>Category</th>
<th>£billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>20.0 to 31.8</td>
</tr>
<tr>
<td>Ill health</td>
<td>11.3 to 17.3</td>
</tr>
<tr>
<td>Injury</td>
<td>5.9 to 10.7</td>
</tr>
<tr>
<td>Non-injury</td>
<td>1.4 to 5.3</td>
</tr>
</tbody>
</table>

Health Risk Pyramid – Where Are We Positioned?

- High impact claims - ET, PI, DDA, H&S fines, IHR, reputation
  - Cost per case increases
  - Long Term Sickness Absence
    - Total cost to Organisation
      - Short term sickness absence
        - Sub-optimal performance at work
          - Well at work

Total cost to Organisation

Cost per case increases

Well at work

Sub-optimal performance at work

Short term sickness absence

Long Term Sickness Absence

High impact claims - ET, PI, DDA, H&S fines, IHR, reputation

Cost per case increases
Health Risk Management Process

Benefits: Retain trained staff, Improve performance

Occupational Health Service - end to end process management in a job

Education | Promotion | Risk Assessment | Risk Control
--- | --- | --- | ---
Primary Care | Screening | Surveillance | Gap

Secondary Care | Rehabilitation | Rehabilitation
--- | --- | ---
Screening | Surveillance | Gap

Disability

Death

Cost dispersed and not calculated or recognised:
- E.T. – DDA, unfair dismissal
- Personal injury
- HSE notice or fine
- Absence
- Sub Optimal Performance
- Ill Health Retirement

HSE / Safety Department in Organisation

DWP / insurer / pension fund

NHS

K Holland-Elliott
Corporate Health and Performance
Formed in 2000 - Became incorporated and formed a charity in 2003, to promote research and understanding of health and productivity issues
UK based multinational, private and public organisations
HSE, DWP and Dept of Health attend as observers
Sponsored by Investors in People
Research contract with Department of OH&S, Kings College Hospital NHS Foundation Trust
CHAP feasibility study then part one and two in two organisations

To look at:
- What data can we get?
- Can we link objective health data and
- Objective business performance / productivity data
Results - BMI

- BMI available for 2706 employees
- Mean BMI 29.3
Obesity and SA

Median number of days sick leave per annum

- Healthy weight
- Overweight
- Obese
- Very obese

Male
Female
Medical illness and SA

Number of diagnosed illnesses

Median number of days sick leave per annum

0 1 2 3 4 5 or more
Depression and workgroup performance
**Value Chain Model**

**Value creation** - Strategy and Leadership
- Identifying key health issues for the business
- Securing investment in wellbeing
- Influencing organisational change
- Transformational (Long term)

**Value Add** - Policies and Service Development
- Identifying innovative programmes
- Applying best practice
- Integrating products and services
- Transitional (Short-Mid Term)

**Value For Money** - Practice and Service Delivery
- Quality & Effectiveness
- Speed and Customer Satisfaction
- Immediate
Drivers

- Size of the business
- Nature of the business – safety critical
- Legislation
- Demographic issues
- Culture
- People as revenue or capital items?

- **Health of the workers is not the business of business**

- **BUT**

- **Do the people in the business need to be in good health for the business to be healthy?**
Health Risk Management

• Hidden cost
  – heavy risk on worker
  – understanding of importance of risk to business?

• Approach dictated by
  – Common Law in UK and many others
  – Roman Law in Europe

• Health risk management approach to expose costs and make business case?
Thank You

Any Questions?

- kevin.holland-elliot@kingsch.nhs.uk
- hollandk@doctors.org.uk
- 020 3299 3083 / 3387