

Increasing employer uptake of vocational rehabilitation

Summary

Inability to work is a big issue for the UK. According to the national director for health and work, Professor Dame Carol Black, the economic cost of sickness absence and worklessness associated with working age ill-health is over £100 billion. To help address this issue, Dame Carol Black, in her strategy to improve the health of the working age population, has called upon government to compel NHS providers (especially those working in primary care) to give greater consideration to the role of work (and its health benefits) for patients who are off work sick – especially those who are or are at risk of becoming long term sickness absentees.

Achieving this will require a major shift both in attitude and behaviour on the part of healthcare providers, patients and their employers, with much greater co-ordination between all of them. Key to this is increased utilisation of vocational rehabilitation (VR) – that is, whatever helps someone with a health problem to stay at, return to and remain in work.

VR service provision is patchy, however, and utilised chiefly by larger employers, with very little uptake by SMEs – an important concern as SMEs make such a large contribution to employment in Britain. Two important barriers to greater utilisation of VR services by employers (especially by SMEs) are cost and lack of awareness or conviction of the benefits of investment in employee health and wellbeing.

Introduction of policies that reduce the cost of VR will be key to increasing its uptake by employers and AXA therefore calls upon government to remove the fiscal imposts on VR. Currently employers and employees are adversely impacted by a collection of extra income tax, national insurance contributions and insurance premium tax when making VR services available.

Greater use of VR should, in turn, help to improve the health of the working age population, through better health and work outcomes for people who suffer injury, illness or disability. This should also help to reduce the number of people who move on to and/or remain on benefits when they still have some capacity for work and thereby help to increase employment.

The estimated £78.5m to £112.2m* loss to HMRC resulting from exemption of VR from taxation should be readily offset through increased economic output, provided increased utilisation of VR by employers results in 654,000 to 933,000 fewer working days being lost to sickness absence. This should be readily achievable based on evidence from studies of VR of working age people with musculoskeletal disorders and psychological ill health (especially stress, anxiety and depression).

To be eligible for tax exemption, employers must make VR services available to all employees.

To avoid possible mis-use of the exemption, strict eligibility criteria should be applied [the employee's condition must be preventing them from working or carrying out their normal duties, not treatable by self-medication or by a GP, not sufficiently serious to warrant emergency treatment through the NHS, and absence from work will continue and/or the employee's condition worsen (resulting in further absence) without specialist treatment] and employees must be assessed by a suitably qualified health professional.

As a longer term objective AXA believes that the government should undertake an advertising campaign to increase employers' understanding of the benefits of VR, many of whom (especially SMEs) are either unaware or unconvinced of the benefits of investment in employee health and wellbeing.

(source ABI submission to DWP 'Extending access to vocational rehabilitation', March 2009)*