

Valuable Assets

Appreciation and Care Considerations
for Older Workers





The average age of the American worker continues to increase, providing many benefits to employers and raising some special concerns about health and safety. Older workers are not only more experienced, they are also highly engaged and productive. And, while age is an essential factor in determining safety risks and appropriate patient care in workers' comp, general health issues occurring across the entire workforce population may be more significant.

It is no secret that the American workforce is getting older. Over the past two decades, the median age of people in the U.S. workforce has increased from 38 to 42, and in some high-risk industries the median worker age exceeds the national average: ¹

This trend is largely due to the greater number of people 55 and older who remain in, or re-enter, the workforce. In 2014, 40% of people aged 55 or older were employed or actively looking for work.⁵ Between 2000 and 2017, the number of people aged 60-64 who are employed increased by 10%, with the 65-69 age group closely following at a 9% increase in active workers. By 2024, the Bureau of Labor Statistics (BLS) projects that the U.S. labor force will include 164 million people, 41 million of whom will be aged 55 or older with 13 million of those aged 65 or older.⁶

An older workforce is a positive development in a number of ways: there is no substitute for experience, as the saying goes, and mature workers exhibit good judgment, strong work ethic, reliability, loyalty, motivation and, perhaps most important, high levels of engagement.

The Value of Older Workers

Better Engagement: A study by Aon Hewitt shows that 65% of workers 55 and older are engaged, as compared to 60% of workers under 45. Engagement is a telling measure of the relationship between an employee and an organization, and a 5% increase in employee engagement correlates to a 3% increase in revenue.⁷

Reduced Turnover: Loyal and highly engaged older workers help to reduce unplanned turnover by approximately 40% because they value stability and are less likely to look for new jobs.⁷

Increased Productivity: Contrary to popular belief, worker productivity increases with age, improving all the way to age 65.⁸

Mentors for Millennials: Older workers provide a good counterbalance to young millennials, complementing their innovation and creativity with professional experience and industry knowledge.



MEDIAN AGE BY INDUSTRY ¹⁻⁴



47.2
Agriculture
The highest of any industry



45.7
Utilities
>50% of utility workers will reach retirement age in the next decade



45.1
Transportation & Warehousing
One of the top five industries for fatal injuries



44.5
Manufacturing
Highest rate of nonfatal occupational injury & illness



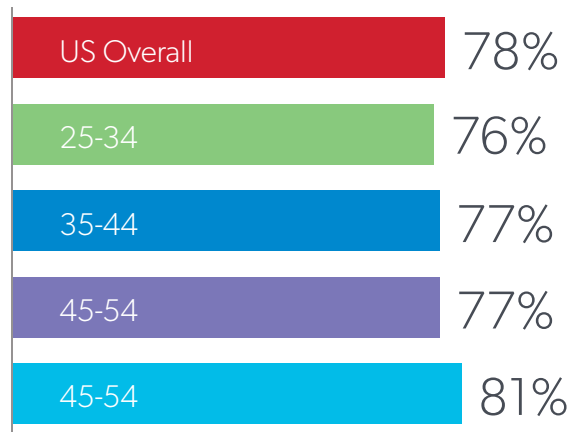
42.7
Healthcare and Social Services
50% of registered nurses are age 50 or older



42.6
Construction
Up from age 36 in 1985

Overall, having more people over 50 in the workforce is a big plus for employers. However, the aging workforce also brings with it some special considerations for workers' compensation.

AVERAGE WORKFORCE MOTIVATION BY AGE GROUP



Source: Aon Hewitt Engagement Database 2009-2013 covering 2M employees in 276 organizations

Older workers are more engaged and motivated than their younger counterparts.⁷

Care Considerations for Older Workers

Older workers are more susceptible to some types of injuries and illnesses than their younger counterparts. For example, workers 55 and over, particularly those who are employed in moderate and high manual-labor occupations, experience more strains and sprains,⁹ which account for 30% of workers' compensation claims and cause an average of 57 missed work days.¹⁰

Whatever the type of injury, older workers take longer to recover than younger workers – 13 days longer on average¹⁰ – and they are more likely to suffer from chronic conditions that can complicate treatment for those injuries. Four out of five Americans aged 50 and older suffer from one chronic condition, such as hypertension, diabetes, or obesity, and more than half of older adults have multiple chronic conditions, also known as comorbidities.¹¹

The high prevalence of comorbidities in the general population is undoubtedly part of the reason for an increase of workers' compensation claims with comorbid conditions, which almost tripled from 2.4% in 2000 to 6.6% in 2009.¹² Other reasons for the increase might be that some workplace injuries may be involved in the development of chronic conditions, such as prolonged pain leading to depression, or simply that more providers are noting the presence of pre-existing chronic conditions in medical files.

Human and Financial Costs

Comorbid conditions may also be a factor in the high rate of fatalities for older workers. In 2016, 1,848 workers over the age of 55 suffered fatal injuries, which accounted for 36% of work-related deaths (even though this age group comprised only 23% of the total workforce). This was the highest number of fatalities for this group since 1992 when workers 55 and over accounted for 20% of total workplace fatalities.¹³

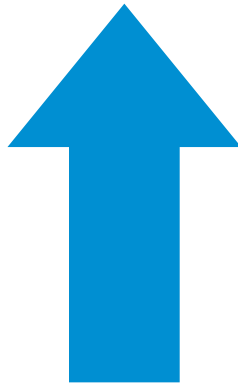
Older adults are also dying from drug overdoses at much higher rates. In 2015, adults aged 45–54 had the highest death rate from drug overdose at 30 deaths per 100,000, and the greatest percentage increase in the drug overdose death rate was for adults aged 55–64, from 4.2 per 100,000 in 1999 to 21.8 in 2015, an average increase of 10.5% per year.¹⁴ Opioid abuse is driving the high rate of drug overdoses across the board and older patients may warrant special attention from workers' compensation opioid management programs.

Undoubtedly, the highest price for drug abuse is being paid in human life and comorbidities adversely affect physical well-being and quality of life. But the financial costs are also heavy. In one study, claims for workers with multiple comorbidities cost 341% more than those for workers who had no chronic conditions and temporary total disability (TTD) increased by 285%.¹⁵ These increases are much higher than cost increases that correlate to age. On average, older workers who are injured incur 50% higher medical costs and 25% higher indemnity costs than younger workers.¹⁶

Presence of comorbidities at any age correlates to

**341%
higher**

claim costs, as opposed to age alone which increases costs by 50%.



Higher costs correlate with comorbid conditions more so than age because, while the incidence of comorbidities clearly rises with age, other modifiable risk factors (such as tobacco use, inactivity, or poor nutrition) are greater risk factors for chronic conditions than age itself. And these modifiable health risks have more effect on medical costs than age. For example, a worker who is 65 years old with low health risks will incur lower medical costs than a worker who is 45 and has high health risks.¹⁷

OLDER WORKERS EXPERIENCE:

More sprains and strains

Longer recovery times

Greater incidence of comorbidities

Higher rates of drug overdose deaths

More fatal injuries overall

ANNUAL MEDICAL COSTS ASSOCIATED WITH AGE AND HEALTH RISK¹⁷



Complications and costs for injured workers can be minimized with the right clinical management and care coordination strategies.

And that is good news for employers and insurers because it means that, in addition to reducing the risk of accident and injury, actions can be taken to reduce health risks and their impact on chronic conditions by offering employee health benefits that promote health and wellness.

Reducing Health Risks for All Workers

One way that general health risks can be reduced is with an employee wellness program. Taking many forms from gym membership discounts to on-site nutritional programs and health screenings, wellness programs have been highly effective in improving employee health. The positive impact on workers is even greater when wellness initiatives are combined with risk management programs that include careful candidate screening, safety management, and employee education. A culture that prioritizes health and safety not only reduces the incidence of accidents, it increases the likelihood that workers who are injured will recover well, reducing recovery times and workers' compensation claim costs.

According to the International Foundation of Employee Benefit Plans, every \$1.00 spent on wellness programs saves up to \$3.00 in healthcare costs, while a study from Harvard University concluded that every wellness dollar also saves over \$3.00 in costs due to absenteeism. And the Institute for Healthcare Consumerism found that effective wellness programs reduced workers' compensation and disability management claims by 30%.¹⁸

Of course, risk management and wellness programs cannot prevent all workplace injuries or chronic diseases. When older workers are injured, medical complications, opioid abuse risk, and high costs can be minimized with the right clinical management and care coordination strategies, such as:

- ▶ Careful review of medical records for pre-existing chronic conditions, which should influence treatment and can affect compensability determination
- ▶ Medication reconciliation with the injured worker and physician to ensure the use of appropriate medications and avoid undesirable drug-drug interactions, duplication in therapy, and/or side effects that could complicate recovery
- ▶ Aggressive opioid management strategies that include risk identification, stratification, and tailored intervention programs based on risk severity
- ▶ Provider and employer education about the injured worker's essential job functions to assist in determining abilities required for a safe return to work and/or if modified duties can be assigned to accommodate restrictions

Educating claims professionals about the biological processes of aging and the potential complications associated with comorbidities and health risks, as well as the importance of managing polypharmacy and opioid use, will go a long way in ensuring the best care and outcomes for older patients. And, perhaps the strongest safeguard against complex and costly claims in workers' compensation is to assess and actively address health risks for all workers, regardless of age.

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