REPORT OF THE STATE EMPLOYEE HEALTH PROMOTION PROGRAM COMMISSION

February, 1986

State Employee Health Promotion Program Commission

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STATE OF MAINE
DEPARTMENT OF HUMAN SERVICES
AUGUSTA, MAINE 04333

JOSEPH E. BRENNAN
GOVERNOR

MICHAEL R. PETIT
COMMISSIONER

The Honorable Joseph E. Brennan
Governor
State of Maine
Executive Department
State House, Station 1
Augusta, Maine 04333

Dear Governor Brennan:

I am pleased to present you with the final report of the State Employee Health Promotion Program Commission.

When we met in your office this Fall, you challenged us to think broadly about how we could improve the health status of State employees and at the same time bring health costs under control. We have identified more than twenty specific actions which ,when taken together, will accomplish these two objectives.

The Commission has critically examined the current status of employee health within State Government and compared it to what we believe should exist. We found State Government's current approach to employee health promotion fragmented and uncoordinated. While many of the components for an effective effort already exist within the system, improved organization and management are very much needed. A concerted effort in disease prevention and health promotion is seen as the best method for both improving health and achieving long term cost savings. Changes in health policy and the State's Health Insurance Plan are also suggested. In some instances, new legislation is required. Much of what is recommended, however, can be implemented through administrative action. Our recommendations do not necessarily reflect official policy of the agencies and organizations represented on the Commission.

The members of the Commission wish to thank you for the opportunity to serve on this important group. The Commission and staff brought a great deal of knowledge, experience and energy to this effort. It was my pleasure to chair this group and we are now ready to provide whatever further assistance you may require.

Sincerely,

Michael R. Petit
Commissioner

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PREFACE

Employees are an organization's greatest asset and resource. State Government as a "service industry" is heavily dependent on a well trained, efficient, and effective workforce. The health status of this workforce not only has impact on the services delivered, but also has a profound effect on the cost of government.

Concern about rising health care costs nationally has shifted from talk to action. Maine has played a leadership role in this movement. Since business and industry pay for a significant portion of health care, they have been particularly active in cost containment efforts. Organized labor has also played a major role in reducing health care costs without forfeiting long established benefits.

One of the most basic methods for reducing health related costs is to reduce the need for health care. Effective employee health promotion programs have demonstrated their ability to not only improve health but to reduce cost. Although cost benefit and cost effectiveness data in this area is still sparse, savings from a number of well organized programs have been sufficiently well documented to warrant implementation. The most effective employee health promotion programs take a comprehensive approach which involves health improvement programs, a safe and healthful work environment, supportive policies and organizational climate, sufficient resources and adequate insurance coverage.

Many private and public sector organizations in Maine and the nation have begun to take this planned approach to employee health promotion and are reaping the benefits. In Maine, the 112th Legislature passed and Governor Brennan signed L.D. 1428 a "Resolve Pertaining to State Employee Health Promotion" (Appendix A). This Resolve created a nine member State Employee Health Promotion Program Commission charged with undertaking a comprehensive study of the current status of employee health promotion and recommending necessary actions for creating a program to cover all state employees.

The following report represents four months of work by the Commission. The group's recommendations address the most serious concerns found in the areas of organization and management of employee health efforts, health insurance and health related policies. By implementing these recommendations, the Commission believes employee health will be improved and the State will realize immediate and long term cost savings. By making a sound investment in a quality employee health promotion program, the State will realize both human and economic benefits.

INTRODUCTION

The State of Maine is currently investing over $30 million in employee health, illness and injury and costs have risen rapidly in recent years. The premium for health insurance rose from $6.4 million in 1977 to over $24 million dollars this year. Workers Compensation costs have risen by over 60% in three years ($3 million in FY 83 to $4.4 million in FY 84 to $4.8 million in FY 85). Since over 10% of the State's workforce files a claim each year, it is an area that cannot be ignored. Total payments for disability rose 31% from 1982 to 1984 with spending now at $6.3 million. State employees comprise about one third of all members of the Retirement System. Over one third of the 156 State employees granted disability from July, 1978 to January, 1983 were under the age of 50. Other costs associated with the health status of employees are more difficult to measure. Absenteeism, lowered productivity, high turnover rates have all been associated with employee health problems.

Our genetic makeup, plus our physical and social environments interact with our lifestyle to increase or decrease our chances of developing disease or suffering injury. Social norms and customs support a variety of behaviors, many of which, such as excess alcohol consumption and smoking, constitute major health problems. In 1981, a Statewide survey was conducted on the health practices of Maine adults. This survey involved face to face interviews and actual blood pressure measurements on a randomly selected sample of over 1,200 Maine adults 18 years of age and over.

Applying this data to the current State Employee population, (Appendix B) it would suggest the following:

1,840 workers have uncontrolled high blood pressure

4,950 workers are current smokers

1,640 workers are heavy drinkers (fourteen or more drinks over a 7 day period).

1,460 workers are more than 20% overweight

2,860 workers never exercise

6,600 workers never wear seat belts

To accurately look at the actual risk of premature death and disability of current State Employees, much more careful calculations would need to be made which consider such factors as family history, work history, cholesterol level, dietary habits, and safety practices. The above calculations simply assume that the health habits of State Employees are consistent with those of other Maine adults. It is quite possible that in certain areas, the State Employee workforce may be at significantly higher or lower risk.

A great deal of the money spent on workers compensation, early disability and health insurance claims for State employees is for preventable problems. Blue Cross and Blue Shield of Maine developed a method to identify health insurance claims paid for lifestyle associated diseases. By their calculation, about 18% of all health benefits paid to current State employees from May 1983 to April 1984 were for lifestyle related diseases. ($2.1 million) Using a somewhat different formula that also included preventable hospitalization for causes beyond personal health habits (e.g. injuries), Dr. William Thar, a specialist in preventive medicine and epidemiology, calculated that 21% ($4.7 million) of 1982-83 Blue Cross inpatient claims for state employees were attributable to risk factors. These are smoking, overweight, uncontrolled high blood pressure, drinking and driving, heavy drinking, sedentary lifestyle and non-use of seat belts. His estimates show a $700,000 annual savings for modest reductions in these areas (Appendix C). These are both very conservative estimates. A similar analysis of workers compensation data would certainly reveal a large percentage of claims that might have been prevented by changes in the work environment, safe work practices, better training or some combination of all three.

As an example, Marvin Kristein, Ph.D., one of the nation's leading health economists, and an authority on the cost savings of prevention efforts, has estimated that $345/year is saved by an employer for each smoker who quits. If only 1,000 of the 5,000 current smokers in the state workforce quit, the annual savings would be about $345,000. His research on the savings gained from a heart disease prevention program can also be applied to the state workforce. If 6,000 of the State's 13,000 employees participate, 10% or 600 will have two or more risk factors for heart disease. If just 25% or 150 employees were to reduce these risk factors, savings to State Government are estimated to be $78,000 per year. Other savings would be realized by preventing diseases which share some of the same risk factors as heart disease (e.g. lung cancer, emphysema, stroke).

To reap the economic and health benefits of an effective employee health promotion program requires a determined organizational commitment to change demonstrated by supportive policy, competent management and adequate resources. An organizational focal point for employee health presently does not exist in State goverment. Programs and responsibilities are spread throughout the State system and involve at least four Departments. No mechanism is in place for policy setting, strategic planning or program coordination. Duplication is not readily apparent but significant gaps are present and opportunities for improving employee health and saving money abound.

SUMMARY OF RECOMMENDATIONS

Implementing all of the twenty recommendations will have a positive and significant impact on employee health. Time constraints limited the depth to which some parts of this complex area could be investigated but items for further study are noted. It was not possible to conduct extensive research in each area reviewed. Taken together, the following recommendations comprise a reasonable approach to both improving employee health and reducing health costs.

A. Organization and Management

1. Established an Office of Employee Health as part of the Executive Department by recognizing existing functions and adding a health promotion/disease prevention unit.
2. Assign responsibility for occupational injury and illness prevention to the proposed Office of Employee Health.
3. Use Division of Risk Management funds for employee health improvement efforts beyond injury control. ($270,000 available for FY 1986)
4. Pay all worker's compensation claims centrally through the Department of personnel.
5. Transfer the State Life Insurance Program and the Employee Health Station to the proposed Office of Employee Health.
6. Initiate a Heart Disease Prevention Program for all State employees.
7. All appropriate employees should be required to participate in a job safety and occupational risk educational program.

B. Health Insurance Program

8. Introduce legislation to allow the State the option of self insuring for health insurance.
9. Adopt a mandatory second surgical opinion program and a case management program as part of the State Employee Health Insurance Program (estimated savings $550,000 per year.)
10. Institute a moratorium on further mandated health insurance benefits.
11. Modify the current eligibility requirement for retirees to obtain State paid health insurance by instituting a sliding scale for premium reimbursement which is proportionate to the length of participation in the active employee health plan.

C. Health Policy

12. Establish State Government as a smoke free work environment.
13. Require that all supervisors be trained in the appropriate use of the Employee Assistance Program.
14. Require all drivers who use State cars to complete a certified defensive driving course at least once every three years.
15. The State's present policies governing equipment purchases should consider human engineering features (ergonomic design) in addition to the price of purchases in order to reduce preventable health problems.
16. Allow up to two hours per month of sick leave to be used for approved health promotion activities.
17. Direct the Bureau of Public Improvements to establish policies to assure maximum use of State owned, leased or rented property for employee health promotion activities.
18. Develop a group income protection plan for those State employees unable to join existing group plans due to their classification status.
19. Require a written employee health history to be completed and certified by a physician at the time of initial hiring.
20. Computerize sick leave systems throughout State Government.

COMPREHENSIVE EMPLOYEE HEALTH PROMOTION

What is it?

A comprehensive approach to employee health protection and improvement coordinates existing efforts within an organization, serves as a focal point for policy review and development, and initiates new cost effective efforts. A well planned approach to designing and managing an employee health program calls for the active involvement of employees from all levels of the organization throughout the process if long lasting individual and organizational change are to be achieved. The Commission recommends a carefully designed program which involves all employees. If only those employees who are the most highly motivated or those at lowest risk participate, the benefits of improved workforce health status and reduction in health-related costs will never be realized.

The following components are critical ingredients to assuring an effective employee health program.

System Management - It is essential that employee health efforts be coordinated and that the operating principles of each of the components be mutually supportive and reinforcing. Both long range and short range planning goals of the various functions must be consistent. Data needed to make sound decisions, to evaluate current efforts and to identify areas for future intervention should be pooled from many sources and not reviewed in isolation.

Advisory Function - An Advisory Committee representive of employees and management as well as the various boards and groups now providing input to some of the functional areas, is necessary. This group is needed during the initial stages of development and to maintain a program that is dynamic in its ability to meet changing employee and employer needs.

Supportive Health Related Policies - The employer contributes to the health of employees by the adoption or nonadoption of policies that govern the work environment. These include policies such as seat belt

use, smoking bans, preplacement physical exams, sick time conversion to "well time", attendance incentive programs, equipment purchasing guidelines and use of facilities for health promotion efforts.

Occupational Safety and Health - To ensure a clean and safe work environment, to identify potential on job and off job risks and to implement efforts to modify the environment, educate employees, or otherwise reduce the chances of injury or occupational illness.

Employee Assistance - To identify and help employees whose work performance has been affected by personal problems such as substance abuse, financial or interpersonal problems.

Periodic Health Screenings - To provide cost effective, confidential and appropriate screening and referral services to employees at the worksite. Examples might include screening for high blood pressure, elevated cholesterol, or cancer.

Personal Health Improvement Programs - To assure the availability of programs for employees who want to make positive changes in health-related behavior. Examples of such programs in this area would include smoking cessation, stress management, weight management, nutritional improvement, exercise, preventive dental health, and defensive driving.

Health, Dental and Life Insurance - To provide employees with affordable state-of-the-art policies that adequately protect them from the financial impact of major illnesses and which also provide incentives for disease prevention and health promotion. This unit is also responsible for analyzing and recommending changes in the current system that result in improved employee health, substantial savings, or improved access to services.

Income Protection - To assure the availability of an Income Protection Plan which would provide adequate income to employees who are unable to work for an extended period of time.

Does It Work?

The best way to reduce costs in the long run is to reduce the need for using the health care system in the first place. Does employee health promotion work? While research in this area is in its infancy, findings to date are promising. It is clear from all reports, however, that success is the result of careful planning, employee involvement and adequate administrative and financial support. New York Telephone has evaluated the health promotion program serving its 80,000 employees and found it saved $2.7 million per year or $2.50 for every dollar invested. Campbell Soup Company estimates that is has saved nearly a quarter of a million dollars over a ten year period by just providing colorectal screening every four years for employees over the age of 44. They also have an aggressive high blood pressure control program in which 90% of their hypertensive employees are being treated. They believe that 75% of expected strokes in the 55-65 year age group are now being prevented.

The Ohio Bell Company instituted a mandatory defensive driving program for all employees which resulted in a 60% reduction in accidents. At the Prudential Insurance Company in Houston an employee exercise program resulted in documented reductions in Monday and Friday absenteeism as well as measurable increases in levels of employee fitness. In addition to the personal health improvement programs cited above, a safe work environment is basic for injury control and avoidance of occupational illness.

MAINE STATE GOVERNMENT AND EMPLOYEE HEALTH: CURRENT STATUS

Four Departments, Personnel, Human Services, Finance and Administration and Labor play major roles in employee health promotion. This section provides a brief overview of current status in the State's efforts in health insurance, risk management, workers' compensation, sick leave, employee assistance, health services, occupational safety and health, disability, income protection, and health-related policy.

DEPARTMENT OF FINANCE AND ADMINISTRATION

State Employee Health Insurance Program

The Maine State Employees Health Insurance Program provides health insurance benefits to active employees and retirees. (5 MRSA Subsections 285-286). The Maine State Employees Health Insurance Program is administered by a six member Board of Trustees. Two members are appointed by the Governor, two are elected by MSEA membership, one is selected by the Retiree Chapter Presidents. The Commissioner of Finance and Administration is an ex officio member. The staff for the office consists of an Executive Director and two clerical assistants (Clerk Typist II, Clerk Typist III). The office's operating budget for the latest fiscal year (FY85) was $98,000. Experience rating is used to determine the premium paid. As a result, loss ratios based on the State's group health care use determines rate adjustments. The past nine years have seen dramatic increases in the health insurance premium paid for Blue Cross/Blue Shield and Major Medical coverage. This figure jumped from $6.4 million in 1977 to a projected figure of $24.4 million for the year ending April 30, 1986. Certainly additional services have been added to the contract, medical care costs have risen sharply due to inflation and new technology, and much of the premium is returned as paid claims. This bill, however, remains a major expenditure by all criteria.

The State's health insurance plan was sent out for competitive bidding in 1984. As a result, Blue Cross/Blue Shield of Maine was selected to provide hospitalization and medical/surgical coverage and Prudential Insurance was chosen to provide the Major Medical coverage.

Eligibility

Individuals who are eligible for membership in the Maine State Retirement System are also eligible for health insurance coverage (5 MRSA Subsection 285-286). Coverage becomes effective on the first of the month following the completion of one month of employment for active employees. The State pays all of the employee share for full-time employees and half of the dependent share under the present collective bargaining agreement. A retiree is eligible for health insurance coverage if the retiree has had a state group contract as an active employee for one year immediately prior to retirement. The state will then pay 100% of the retiree's share.

Risk Management Division

The Risk Management Division of the Department of Finance and Administration began activity in 1965 under a legislative mandate. The Office's functions are as follows:

- To review the entire subject of insurance as it applies to all state property and activities to insure or self insure any matter which insurance should address.
- To determine and review the values of property in which the state has a legal interest.
- To establish and promote safety in other loss prevention programs.
- To administer all claims for personal injury and property damage against the State.
- To pursue all claims against third parties in cases in which the State has subrogation rights.
- To administer a self insured fund to pay for claims which are self insured. This fund is also used to prevent any losses or injuries or to promote safety in loss prevention procedures.

- To bill each department for their insurance costs on a prorated basis, based on claims experience, safety practices, and timely reporting of claims.

The Division has been involved in employee health mainly in preventing auto accidents, fire evacuations, worksite inspection and hazard recognition. Seminars, video and written material are available on reducing lifting injuries, electrical safety, evaluating work area hazards, hearing conservation programs, and other similar types of prevention efforts. Risk Management has been involved with two joint projects with the private sector in reducing injuries on construction sites by producing a film for roadside "flaggers" and a second effort at chain saw and logging safety. The Division also is available to assist in developing departmental safety committees. The Division is administered by a Director, an Insurance Risk Analyst, and a secretary. Part of the Division's self insurance fund may be used for loss prevention programs. Five percent of the fund ($270,000) is available for this purpose during FY1986. In past years some of the money has been unspent. The total budget for the Office is approximately $640,000 of which the State appropriation is about $140,000 and half a million dollars is from other sources.

DEPARTMENT OF PERSONNEL

WORKER'S COMPENSATION

The State of Maine is self insured for workers' compensation. Prior to 1980, all claims were screened by the Department of Transportation. In 1980, an Executive Order issued by Governor Brennan moved responsibility for the program to the Maine Insurance Advisory Board. The Fred S. James Company was selected to provide services to the State of Maine in the area of workers' compensation. Their tasks were as follows:

- to provide State Government with claims data for loss control.

- to obtain professional evaluation and investigation of claims.

- improve procedures for claims handling.

- improve safety programs

- reduce the dollar and human costs of work-related illness and injury.

In 1983, another Executive Order by Governor Brennan placed the workers' compensation effort within the Department of Personnel's Employee Relations area.

Specifically, the order directs the Department to provide for:

- the consolidation, coordination and central case management of workers' compensation management in State Government

- improved personnel safety programs through the development and use of a Maine Safety Program involving the expertise and resources of other agencies including the Maine Insurance Advisory Board, the Bureau of Labor Standards, the Department of Transportation and others;

- continued improvement of administrative procedures, training and assistance to departmental and agency staff;

- a periodic workers' compensation/safety program review with each agency; and

- a semi-annual State Workers' Compensation System review and revision, involving primary administrative and user agencies.

Currently there are four full time professionals and two clerical staff within the Office of Employee Relations who are assigned to the Workers' Compensation Program. These include the Director, an Administrator, and two specialists who perform case management services. The State maintains a $125,000. a year contract with the Fred S. James Company for claims processing.

The total fiscal year cost* for workers' compensation rose from $1.8 million for FY1982 (which represented $1.2 million for claims filed in all of the years prior to 1981 and $.6 million in new claims for FY82) to $4.8 million dollars in FY85 ($.9 million in claims filed in 1985 and $3.9 million in claims from prior years). Each year there are between 1,500 and 1,700 claims filed. Due to the contract with the Fred S. James Company, a great deal of data exists to document the problem of workers' compensation claims within State Government. A relatively small number of departments account for a large percentage of claims. The following table illustrates this fact:

WORKERS' COMPENSATION
FY 1985

Department	% of Total State Employees	% Total W.C. Cost	% Open W.C. Claims	% Open Active W.C. Lost Time Claims
Transportation	18%	32%	27%	31%
Mental HE & MR	15%	27%	29%	31%
Corrections	6%	10%	7%	7%
Conservation	4%	5%	4%	5%
Finance & Administration	6%	4%	4%	5%
Public Safety	4%	5%	6%	4%
Human Services	15%	4%	5%	3%

*May differ from expenditure indicated by the Bureau of Accounts and Control because of pending payments and coding differences.

Although the Department of Transportation and the Department of Mental Health and Mental Retardation have only 18% and 15% of total state employees, they account for 27% and 29% of average monthly open claims and 31% each of the average monthly active lost time claims (ones in which people are out of work). Total costs figures for fiscal year 1984-85 show Transportation with $1.5 million (32% of total) and Mental Health with $1.3 million (27%).

For State Fiscal Year 1985 the following data represents the nature, site and cause of new workers' compensation claims. Forty-six percent of the claims were for sprains and strains. These injuries accounted for 66% of all compensation paid and 54% of expected total costs from the year. Back injuries accounted for 17% of all claims (262 of 1,527). These injuries accounted for 38% of compensation paid and 26% of expected total costs from the year. Seventy-one percent of all claims listed bodily motion as the cause of the injury (1,079 of 1,527). This cause also accounted for 71% of the total expected cost ($1.4 million of $2 million). Motor vehicle accidents accounted for 30 of the over 1,500 claims. Stress accounted for an additional 24. All motor vehicle accidents in FY85 have an expected total cost of just over $82,000. The comparable figure for stress is over $77,000.

Since 1977, 32 first reports of occupational fatalities among State employees have been filed with the Department of Labor. While these are initial claims and do not necessarily indicate agreement on the "work-relatedness" of the fatality, 22 of the 32 were heart attacks and 4 were auto accidents. Since 1980, all but one fatality was either a heart attack (14) or an auto accident (3).

Workers' compensation loss data is among the best health-related data existing within State Government. It would be possible, through the careful analysis of this information, to pinpoint problem areas for intervention. It would also be possible to assure that resources are directed at the major causes of workers' compensation claims.

SICK LEAVE

According to current contract language, sick leave may be used for illness, necessary medical or dental care or other disability of the employee or a member of the employee's immediate family which requires the attention or presence of the employee. A medical examination or doctor's certificate may be required if sick leave is used for five or more consecutive work days or when repeated absences occur on days preceding or days following a holiday or weekend. There is no centralized monitoring of sick leave within State Government. A number of departments have computerized systems to track sick leave, but none have information on the reasons for the absence.

The Commission was charged to make recommendations to reduce the incidence of sick leave. A survey of the incidence of sick leave conducted by the Department of Personnel for this report collected data on 7777 employees which is approximately two-thirds of the total State employee population. In FY85, these employees used 471,502 sick leave hours for an average of 60.6 hours per employee. There were 60,632 occurrences for an average of 7.8 hours per occurrence. (Occurrences of less than one hour are not included.) The absence rate was 2.9% which means that on an average day 2.9% of the State workforce was on sick leave. The highest use was during the months of January and March; the lowest during June and July. Five hundred and two employees (7.5%) are at maximum accrual which is 120 days (960 hours). Sick leave accrues at one day per month for full time employees. Comparable data is available for State employees of five other Northeastern states. The range is from 8.3 days per year to 11.5 days; in Maine the figure is 7.6 days.

DEPARTMENT OF HUMAN SERVICES

State Employee Assistance Program

The purposes of the EAP are assessment and referral of employees whose work performance has been effected by behavioral or medical disorders defined as, but not limited to, alcoholism and drug abuse, misuse of other drugs, emotional problems, family disorders, financial, legal, marital and any other stresses. The major elements of the program consist of assessment interview, referral to appropriate treatment, follow up, coordination of benefit package, continuous care, maintaining confidentiality of client records, assurance of accessibility and education of State Employees.

Employee participation in the program is strictly voluntary. Consultation with the program counselor is considered Administrative Leave without loss of pay or benefits. The Department of Human Services oversees the implementation of this program. The EAP recognizes the critical nature of confidentiality in its procedures. No records of the identity, assessment, diagnosis, prognosis, referral or treatment of a client of the program may be maintained in the personnel records of individuals who participate in the program. Any such records which are maintained in connection with the performance of functions of the program are confidential.

State Employees have had an Employee Assistance Program (EAP) available since September of 1977. However, the original Employee Assistance Program, which was established by Personnel Memorandum 10-78, put in place an inadequate system for addressing employee needs. Only one counselor was available for the total State workforce and support services were similarly limited. In July, 1982, a Labor-Management Committee was formed to design and develop a substantially expanded Employee Assistance Program for State Government. It was composed of one employee representative from each of the State's bargaining units and an equal number of management representatives. This group presented its

recommendations for the establishment of a "Broad Brush" (not just addressing substance abuse problems) employee assistance program to Governor Brennan on February 1, 1983. They recommended initial implementation in FY84 and fully operational program during FY85. The 112th Legislature passed, and Governor Brennan signed the State Employee Assistance Program Bill (22MRSA C254-A) which created and funded an expanded Employee Assistance Program.

In January of 1984, an administrator was hired for the Employee Assistance Program and additional resources were available for support services and counselling. During FY84 1100 telephone calls for information were received 205 State employee spouses, dependents and retirees were also actively involved. From January 1, 1985, to October 31, 1985, the program received 2,650 telephone calls for information. Of this number, 295 employees, spouses, dependents and retirees have actually become involved in the E.A.P. The types of problems seen include alcohol related (84), other drug abuse (38), multiple substance abuse (20), financial problems (19), mental health concerns (19), family problems (115). To date, employees have been seen from all departments. The average salary of clients is $16,800 for males (age 38.4) and $15,300 for females (age 36.9).

According to Blue Cross/Blue Shield's data, the number of claims paid for life style related diseases (which includes substance abuse disorders) for the period May, 1982 to April, 1983 was 397 cases for a total cost of $1.5 million. This expenditure is a very small part of the cost of a troubled employee who is not receiving care. Estimates of cost savings to State Government with a fully functioning Employee Assistance Program which sees approximately 25% of the troubled employees each year (325 individuals) are estimated at $6.5 million (Appendix D). In terms of cost savings, employee assistance is clearly one of the most effective employee health programs that can be provided.

At present the Employee Assistance Program consists of four employees (two additional positions to be filled during FY86). Two of those are specialists presently covering the entire State, and are on call 24 hours a day, 7 days a week (the additional two positions will be assigned a geographic area of coverage). Day to day office operation is provided by a Clerk Steno III. The operating budget for the program for the year $185,000.00.

Health Services

The Department of Human Services has funded a nurse to staff the Health Station in the State Office Building since 1954. This office provides primarily individual services such as health education, blood pressure monitoring, and routine first aid care to approximately 700 people per year. It operates in a small space and is limited by staffing and location in its ability to address the health related needs of all employees.

DEPARTMENT OF LABOR

Occupational Safety and Health

The Department of Labor, Bureau of Labor Standards, has had responsibility for enforcement of Occupational Safety and Health Administration standards within State Government since the late 1970's. The Division conducts routine inspections (unannounced) and responds to specific complaints.

Another occupational safety component is the interdepartmental State Safety Committee which was established in 1983 to develop and improve the State's safety programs and to implement training and education programs to meet the needs of State employees. In the past year and a half the group has established a State of Maine Safety Statement, reviewed a number of programs on back injury prevention, reviewed programs on video display terminal safety, and purchased six Evacuchairs for removing handicapped persons from State buildings in times of emergency. There are 16 members on the Committee which meets on a monthly basis. There are no union representatives. It is organized into four subcommittees: Development of a Safety Officer; Development Direction Planning; Compilation of Existing Safety Material; Safety Training/orientation. Once the Committee identifies an area in need of attention, it typically requests financial assistance or resources from the Risk Management Division, Department of Finance and Administration. The Risk Management Division then determines whether or not the request will be honored. At this time, the Director of Risk Management is not a member of the State Safety Committee.

MAINE STATE RETIREMENT SYSTEM

Life Insurance and Disability

The carrier for the plan is the Union Mutual Life Insurance Company. Employees must signify in writing if they do not want the basic life, accidental death and dismemberment coverage. Elective and appointive officers, employees of the State of Maine and teachers eligible for membership in the Maine State Retirement System, Justices of the Supreme Judicial Court or Superior Court, Judges of the District Court or the Administrative Court, Workers' Compensation Commissioners and employees of participating local districts who have voted to offer this group life insurance program may, under such conditions of eligibility as the Board of Trustees may by regulation prescribe, be eligible for coverage under the Group insurance plan.

The basic life disability benefit is an extension of employee basic life insurance during total disability. To qualify, an employee must become totally disabled while insured and under age sixty and be continuously disabled for at least nine months. Other restrictions also apply. Total payments for disability from the State Retirement System increased 31% from 4.8 million in FY82 to 6.3 million in FY84. State Employees make up about a third of the members in the entire Retirement System. From July, 1978, until January, 1983, 156 State Employees were granted disability. Over a third of these workers were under the age of 50.

STATE EMPLOYEE UNIONS

Income Protection

Income Protection provides payment for any medical, non-work related condition which prevents an employee from working when they are under a doctor's care. It includes pregnancy (6 weeks post partum on a normal delivery), stress-related conditions and alcohol and drug problems. Payments start after a member has been out two weeks. Union membership is required to participate in a group plan. Each union's plan is a bit different. In general, a member may purchase coverage up to a percentage of regular weekly salary with a maximum benefit set. The coverage usually continues for a maximum of 52 weeks as long as the member is physically unable to work and is under a doctor's care. The AFSCME plan also provides life insurance and payment for accidental dismemberment.

Presently, 1,243 State Employees from the Institutional bargaining unit are AFSCME members. 1,076 members are enrolled in the Income Protection plan. A request for similar information from the Maine State Employees Association by their member representative on the Commission was denied.

EXECUTIVE DEPARTMENT

Health Related Policies

Many policies of State Government influence the health of employees (Appendix E). Some are inherent in the operation of the programs and initiatives listed above. For example, the confidentiality policies of a good employee assistance program are critical to its success. They also communicate employer respect for employee privacy.

Recent State Government Executives Orders have had a direct impact on the health practices of employees. One Executive Order (5FY 84/85) issued in 1985 directs all employees to wear seat belts when driving on State business. Another (7 FY 85/86) requires all departments to designate smoking areas in compliance with PL 126, the Workplace Smoking Act of 1985. Other policies influencing employee health include such areas as flex time, work practices, training and continuing education opportunities, equipment purchasing, facility use and career ladder advancement opportunities.

FINDINGS AND RECOMMENDATIONS

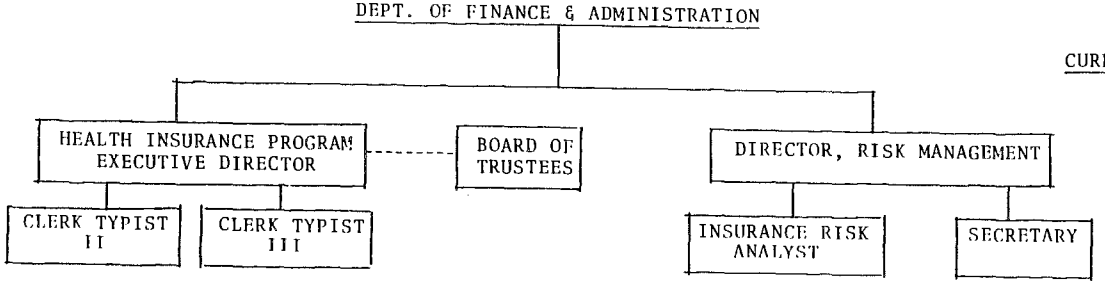
Organization and Management

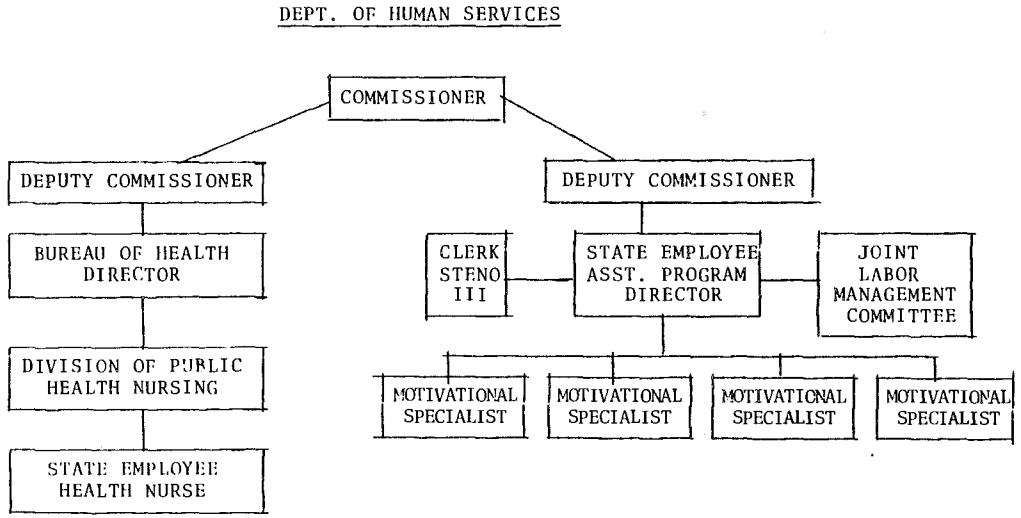
Employee health promotion responsibilities are now spread over four departments and have no central planning. No mechanism exists to assess employee and employer needs, establish objectives and priorities, implement targeted interventions, or evaluate the impact of such initiatives. While over 30 million dollars are being spent each year in the name of employee health and illness, the management of this effort is fragmented. While limited communication between managers responsible for various functions within State Government exists, there is no formal process for coordination and overall policy review and development (Chart 1). Disease prevention and health promotion efforts that do exist result from isolated initiative rather than organizational strategic planning. Many of the well documented, cost effective employee health initiatives that have been adopted by businesses throughout the country are not present within Maine State Government. One major exception to this is in the State's investment in the Employee Assistance Program.

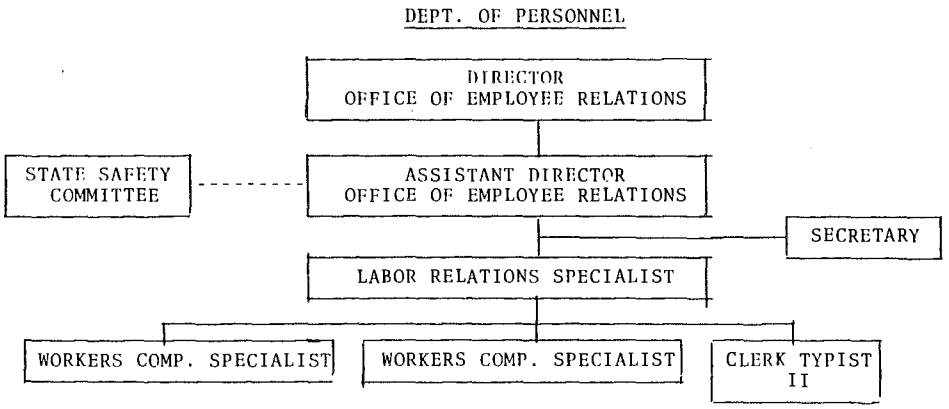
Use of existing talent within State Government is hampered by the lack of a coherent administrative structure. Most of the components for a comprehensive program, such as described earlier, exist but are dispersed throughout the system. For example, the need for improved coordination is evident in the area of injury control and occupational health. The workers' compensation claims data and the State Safety Committee are located in the Department of Personnel. The Department of Labor is responsible for safety inspections and code enforcement. The Bureau of Health in the Department of Human Services addresses the health impact of worksite problems. The Department of Finance and Administration's Risk Management Division has funding for prevention programs. There is no structure within State Government responsible for coordinating these efforts. Each year, dollars available for prevention programs are left unspent. While this may seem to be beneficial on the surface, it results from lack of an effective system for identifying and addressing preventable employee health problems. With 10% of the workforce filing claims for Workers' Compensation each year and rising health insurance costs, investment in prevention is good management practice.

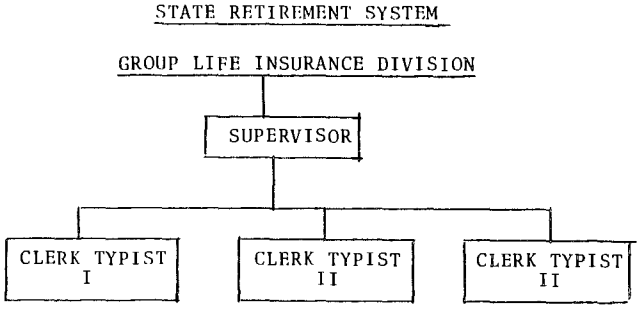
CHART 1

CURRENT STATUS OF EMPLOYEE HEALTH PROMOTION









Proposed Office of Employee Health

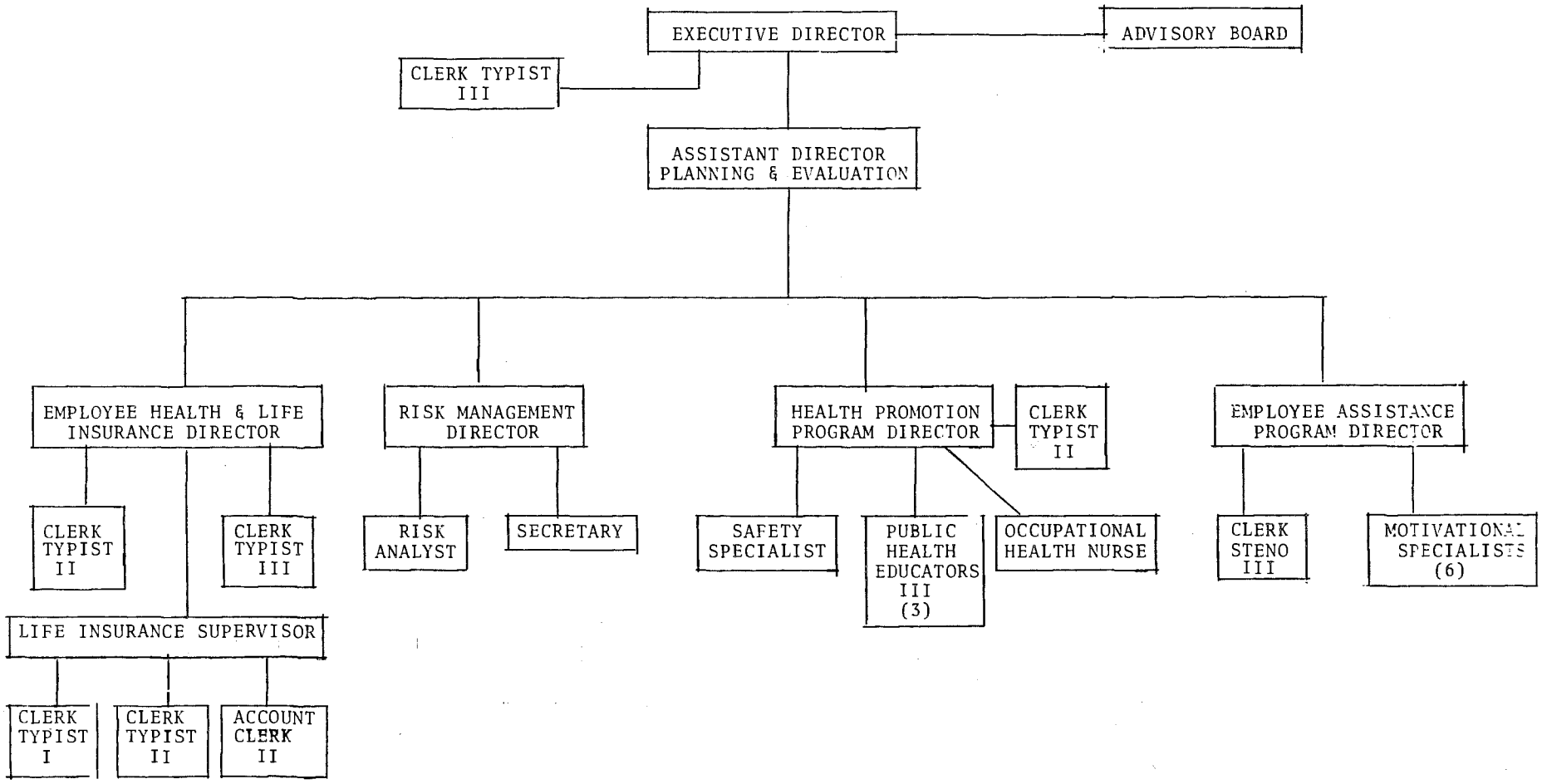
The major recommendation of this Commission calls for the consolidation of employee health functions into a new office located in the Executive Department (Chart 2). The Office of Employee Health should consist of two major functional units, health promotion/disease prevention and insurance. The Commission recognizes the need for administrative and organizational flexibility in establishing the Office. It also recommends that the staff positions be classified positions. An Executive Director and assistant should provide overall planning, administration, policy setting and evaluation with the assistance of an advisory board with labor management representation. The advisory board should include members of the Board of Trustees of the State Employee Health Insurance Program, the State Safety Committee, and the joint labor/management board which currently oversees the State Employee Assistance Program. Its membership must be broadly representative of employees and of the expertise within State Government necessary to provide competent advice and direction. Its new funding requirements should be met by cost savings realized by changes in the State Employee Health Insurance Program. (See Recommendation 9). The Commission estimates $455,000 of new funding will be required. The majority of the Office's total funding will come from existing budgets. (Appendix F).

Insurance Function

The Office's insurance functions should consist of the existing State Employee Health Insurance Program plus administration of the Dental Program and Life Insurance Program. The latter program is recommended to be transferred to this unit from the Board of Trustees of the Maine State Retirement System in order to consolidate health-related insurance programs into one office. The Risk Management Program currently in the Department of Finance and Administration should also be moved into the Office of Employee Health. The Risk Management Division's prevention and education functions and funds should be used by the health promotion program within the Office to finance targeted prevention efforts.

CHART 2

PROPOSED OFFICE OF EMPLOYEE HEALTH



The Commission recommends that all workers' compensation claims be paid by the Department of Personnel rather than through each Department. The Commission does not recommend that all claims processing for employee health-related programs be operated by the Office of Employee Health at this time, but this area needs further investigation. The ability to identify duplicate claims filed under health insurance and workers' compensation should be present. The case management of workers' compensation cases should remain with the Department of Personnel at this time.

Health Promotion Function

The health promotion program will be responsible for injury prevention and helping employees improve their health. Partial funding should come from money now appropriated to risk management prevention efforts ($270,000 in FY 1986) and from cost savings recovered from changes in the State's Health Insurance Plan.

In carrying out its responsibility for injury prevention, the unit should analyze monthly claims data obtained from the workers' compensation system and other sources to identify high priority areas for prevention. It will also work with the Department of Labor to assure that all appropriate federal or state occupational health and safety standards are met. It also should be responsible for working with the Department of Personnel to assure the implementation of adequate employee job orientation especially concerning occupational risks.

The new health promotion unit should also organize a comprehensive program to assist employees to improve their health and avoid preventable illness. Working with employee groups throughout the State, the unit should establish committees to assess employee interest and need and develop a planned approach to meet these needs. This unit should also train employees to offer programs, particularly in those areas of the State where services do not exist. It should also be responsible for

monitoring health status and health needs of employees as a group (not individuals) to determine progress and areas in need of further attention. Current State Health Station functions should also be administered by this unit and responsibility for supervision moved from the Department of Human Services to the proposed Office.

In addition to injury control, the Commission is recommending that the health promotion unit focus on heart disease prevention. This is suggested for the following reasons: heart disease is common among workers; it is the major cause of death in the State; the major risk factors for it are known and modifiable; prevention resources exist throughout the State; changes in risk factors for heart disease also reduce risk from other diseases such as cancer, stroke, lung disease and diabetes; an effective program will realize short term and long range cost savings. In this activity, as in all efforts of the Office, the Commission stressed the need to assure accessibility for all employees, including the handicapped.

The final program within this Office will be the already established State Employee Assistance Program. The only changes would be the expansion of current staff (for more counseling and training) and the integration of the existing joint labor/management committee into the overall advisory board for the Office.

Recommendations

1. Establish an Office of Employee Health as part of the Executive Department. This Office would be the focal point for all issues concerning employee health and would consolidate functions that are now located in three separate Departments. The Office would have two broad functional units, one addressing insurance issues and the other focusing on health promotion and injury control. A labor management advisory committee would provide input on overall planning and direction. The $445,000 in new funds needed to operate this office can be obtained through first year cost savings realized by changes in the State Employee Health Insurance Program (Recommendation 9).

2. Leave the workers' compensation claims processing and administration within the Department of Personnel but assign responsibility for prevention of injury to the proposed Office of Employee Health.

3. Encourage the use of Risk Management funds (totalling about $270,000 for FY86) for targeted efforts to improve employee health beyond the area of injury control.

4. All workers' compensation claims should be paid centrally by the Department of Personnel rather than through each Department.

5. Transfer the State Life Insurance Program from the Maine State Retirement System to the proposed Office of Employee Health in order to consolidate all state insurance functions. Transfer responsibility for administration of the Health Station from the Bureau of Health, Department of Human Services to the proposed Office of Employee Health to better coordinate health promotion/disease prevention efforts.

6. Begin the personal health improvement component of an employee health promotion program by initiating a Heart Disease Prevention Program for all State employees (cost included in Recommendation 1).

7. All appropriate employees should be required to participate in a job safety and occupational risk educational program.

HEALTH INSURANCE

The area in which the Commission found the most promise for rapid cost savings was in the State's health insurance program. Three cost savings provisions have been incorporated into the existing plan: voluntary secondary surgical opinion, outpatient diagnostic testing, and outpatient surgery. There is no single blend of health insurance plan components

which produces the optimal results for all worksites. The cost containment actions recommended by the Commission have been adopted by other employers and are likely to save money, protect health and result in no detrimental effects to employees or their families. They enjoy widespread business and labor support throughout the Nation.

The Commission's major finding in the area of health insurance concerns the addition of two new components to the existing plan. These are a mandatory second surgical opinion program and a case management program. Switching from a voluntary to a mandatory second surgical opinion program results in more use of this option and protects employees from the potential dangers of unneeded operations. A case management program assures that in-hospital care for employees is coordinated and efficiently managed. While it is impossible to give an exact figure on the cost savings of these two measures, the Commission estimate is $550,000 ($190,000 for second opinion and $360,000 for case management). This amount is more than enough to pay for all of the Commission's major recommendations.

Many private sector industries and some public sector groups the size of State Government have realized substantial savings by self insuring for health insurance. The State of Maine is currently self insured for other types of insurance and has a variety of contractual arrangements for handling the administrative aspects of claims processing. The feasibility of this option has been studied in the past but no recent analysis has occurred. The Commission felt that this option needs immediate attention.

The Commission found a number of other insurance issues in need of attention. The present system allows employees who retire directly after one year of State service to obtain fully State paid health insurance benefits. This policy is quite different than the retirement policy which requires ten years of service to fully participate. The Commission also felt that there should be a moratorium on mandated health insurance benefits. Recently, a number of legally required benefits have been added to group insurance policies resulting in increased premiums. The Commission recommended a halt to this practice until the full impact of past changes can be assessed.

Recommendations

8. Introduce legislation to allow the State the option of self insuring for health insurance. Include a study order to investigate the potential cost savings, administrative benefits and employee impact of this option with or without direct claims payments by the State.

9. Adopt a mandatory second surgical opinion program and a case management program as part of the State Employee Health Insurance Program. (cost savings estimated as $550,000 per year)

10. Institute a moratorium on further mandated health insurance benefits long enough to evaluate the impact of past changes (up to 3 years).

11. Modify the current eligibility requirement for retirees to obtain State paid health insurance by instituting a sliding scale for premium reimbursement which is proportionate to the length of participation in the active employee health plan.

HEALTH POLICY

Improving employee health status and reducing the costs of poor health, injury and disability involves more than changes in individual behavior. The health practices of employees have a major impact on their level of health, but worksite policies also play a major role both in protecting health and helping people change unhealthy practices. Worksite policies are also important to assure data is collected to identify potential health problems and monitor their elimination. Due to this lack of data collection, little is currently known about the health status of State employees as a group. Although the Commission was charged with identifying a program to reduce sick leave, computerized systems exists to document baseline sick leave or status to monitor improvement exist in only a few Departments.

Institution of an employee health promotion program is a significant organizational undertaking. Current health-related policies should be consistent with increased emphasis on improved health. While recognizing that the State has recently adopted a smoking policy, the Commission found it too weak in protecting nonsmokers. The Risk Management Division's efforts in auto safety are commended and should be expanded to assure all drivers of State cars receive defensive driving training. Too few supervisors have been trained in the appropriate use of the Employee Assistance Program. The Commission acknowledged this program as one of the most cost-effective but only if used appropriately. The Commission felt that the current definition of sick leave should be expanded to allow up to two hours a month to be used for approved health promotion activities. Maximum use of State facilities for health promotion activities should also be encouraged in policy.

Many occupational problems can be eliminated by the use of equipment that is designed to minimize strain and injury to the operator. The science of ergonomics involves matching machines to people and not people to machines. Video display terminals with detachable keyboards and glare-free screens are one example of ergonomic design. The Commission recommends that in addition to price, human design features be included as a critical factor in the purchasing of new equipment.

The loss of income due to sickness or other disability produces devastating effects on the worker and family. The Commission reviewed the current status of income protection plans within State Government and found gaps. It is clear that income protection plans are a major benefit derived from joining one of the unions representing State employees. There are other State employees, however, who due to their classification status, are ineligible to join the union and are left without the option of purchasing group income protection. The Commission felt that a group income protection plan should be made available to those employees unable to join existing group plans due to their classification status (this does not include those employees who are eligible but chose not to join a union and purchase income protection).

Recommendations

12. Establish State Government as a smoke free work environment by banning smoking in all State owned, rented or leased buildings or work areas.

13. Require that all supervisors be trained in the appropriate use of the Employee Assistance Program.

14. Require all drivers who use State cars to complete a certified defensive driving course at least once every three years.

15. The State's present policies governing equipment purchases should consider human engineering features (ergonomic design) in addition to the price of purchases in order to reduce preventable health problems.

16. Allow up to two hours per month of sick leave to be used for approved health promotion activities.

17. Direct the Bureau of Public Improvements to establish policies to assure maximum use of State owned, leased or rented property for employee health promotion activities.

18. Develop a group income protection plan for those State employees unable to join existing group plans due to their classification status.

19. Require a written employee health history to be completed and certified by a physician at the time of initial hiring in order to document employee health status.

20. Computerize sick leave systems throughout State Government to allow the identification of areas with high and low utilization.

APPENDICES

Appendix A

APPROVED
MAY 23 '85
BY GOVERNOR

CHAPTER
23
RESOLVES

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-FIVE

H.P. 990 - L.D. 1428

Resolve, Pertaining to a State Employee Health Promotion.

Emergency preamble. Whereas, Acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, many health needs of state employees are not currently being met; and

Whereas, there is an immediate need for a comprehensive state employee health promotion program; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

State Employee Health Promotion Program Commission established. Resolved: That there is established the State Employee Health Promotion Program Commission. The commission shall consist of 9 members to be appointed by the Governor as follows:

1. One member representing the Department of Human Services, Bureau of Health;

2. One member representing the Maine State Employees Health Insurance Program;

3. One member representing the Department of Finance and Administration, Risk Management Division;

4. One member representing the Department of Finance and Administration, Bureau of Public Improvements;

5. The Assistant Director of the Department of Personnel, Office of Employee Relations;

6. One member representing the Alcohol and Drug Abuse Planning Committee;

7. One member representing the State Employee Assistance Program; and

8. Two members representing the 2 employee unions or associations representing the largest number of state employees; and be it further

Duties of commission. Resolved: That the commission shall conduct a study, including, but not limited to, the following:

1. The inclusion in state employee health insurance of coverage for surgical opinions and testing prior to hospital admission;

2. Smoking policies in the workplace;

3. The use of seat belts in state-owned vehicles and privately-owned vehicles where the owner is reimbursed by the State for mileage;

4. Income protection programs; and

5. The feasibility of implementing wellness programs dealing with, but not limited to, the following:

A. The hazards of smoking;

B. Drug and alcohol abuse;

C. Stress management;

D. Weight reduction;

E. Low cholesterol diet programs; and

F. High blood pressure clinics; and be it further

Goals. Resolved: That, in conducting the study and in making its recommendations, the commission shall adopt the goals of reducing incidence of sick leave and reducing the number of workers' compensation claims against the State; and be it further

Report. Resolved: That the commission shall, by no later than the date required of reports of joint standing committees as provided in the Joint Rules of the Legislature, report its findings, together with any implementing legislation, including a proposed program for state employee health promotion covering all state employees who are eligible for state health insurance, to the Joint Standing Committee on State Government for consideration at the Second Regular Session of the 112th Legislature; and be it further

Compensation. Resolved: That the members of the commission shall receive no compensation. Members of the commission representing agencies of State Government shall be reimbursed for all necessary expenses from the budgets of the respective agencies. The 2 employee members representing employee unions or associations shall be reimbursed from the appropriations of the Department of Human Services; and be it further

Employee members' compensation and benefits. Resolved: That for the purpose of this resolve, the 2 employee members of the commission representing state employee unions or associations shall continue to receive their regular wages or salaries for time spent in the work of the commission. The time that the employee representatives spend in the work of the commission shall be deemed part of the regular duties of these employee members and shall accrue for the purposes of fringe benefits, including vacation and sick leave, health and life insurance and retirement; and be it further

Bargaining negotiations. Resolved: That nothing in this resolve may be interpreted to limit or re-

strict, in any way, any issues or proposals to be included in bargaining negotiations between the State and state employee labor unions and associations; and be it further

Staff. Resolved: That the Department of Human Services, Bureau of Health shall provide staff to the commission to assist the commission in all its work.

Emergency clause. In view of the emergency cited in the preamble, this resolve shall take effect when approved.

Appendix B

MAINE STATE EMPLOYEES HEALTH INSURANCE PROGRAM

Census of active and retired state employees participating in the health insurance plan.

As of May, 1985

	Active		Retired	
Age	Male	Female	Male	Female
under 21	96	96	0	1
21-25	503	558	0	0
26-30	853	860	0	2
31-35	1269	1028	1	2
36-40	1467	915	4	3
41-45	1020	676	19	12
46-50	866	575	46	23
51-55	847	524	118	78
56-60	735	467	232	186
61-65	341	243	465	420
66-70	85	51	557	473
over 70	50	11	1145	1216
Total	8132	6004	2587	2416

The total contract number is based on the actual number of contracts according to the latest Blue Cross billing. The age-sex distribution is representative of the M.S.R.S. state employee membership as of June, 1985.

Appendix C

BLUE CROSS SUMMARY DATA*

William Thar, M.D., M.P.H.
Health Analysts P.C.
East Lansing, Michigan

$22.4 million total expenditures per year
4.7 million for conditions related to the risk factors
2.4 million attributable to the following risk factors:

Risk Factor	Prevalence	Cost per Year
Smoking	34%	$643,000
Uncontrolled High Blood Pressure	10%	$282,000
Overweight 10-20%	20%	$ 63,000
20%	15%	$176,000
Drinking and Driving	10%	$ 99,000
Heavy Drinking	12%	$835,000
Sedentary Lifestyle	65%	$147,000
Non Use of Seat Belts	86%	$160,000
	TOTAL	$2,405,000

$704,000 amount saved through modest risk reduction derived by the following changes:

Risk Factor	Prevalence	Cost Savings per Year
Smoking	34 to 25%	$170,000
Uncontrolled High Blood Pressure	10 to 6%	$113,000
Overweight 10-20%	20 to 10%	$ 31,000
20%	15 to 13%	$ 23,000
Drinking and Driving	10 to 5%	$ 49,000
Heavy Drinking	12 to 10%	$139,000
Sedentary Lifestyle	65 to 40%	$ 56,000
Non Use of Seat Belts	86 to 20%	$123,000
	TOTAL	$704,000

*Dr. Thar's analysis is quite conservative and underestimates the cost savings possible through a targeted health promotion effort. Areas, for example, which are not included in his analysis but which involve high cost are pregnancy and infant health problems resulting from tobacco use, alcohol abuse or nutritional deficiencies. In fact, no preventable congenital problems have been included in this analysis. These cost savings are also limited to those areas of Blue Cross coverage and exclude out of pocket savings by employees as well as reductions in absenteeism.

Appendix D

Cost-Savings Worksheet

Cost Without EAP

A.	Number of Employees in Workforce	13,000
B.	Number of Troubled Employees in Workforce (A x .10)	1,300
C.	Average Wage of Employees (per year)	$ 17,000.00
D.	Wages to troubled Employees (B X C)	$ 22,100,000.00
E.	Reduced Productivity (D x .375)	$ 8,287,500.00
F.	Average Healthcare Costs per Employee (per year)	$ 1,200.00
G.	Troubled Employee Healthcare Costs (B x F x 2.5)	$ 3,900,000
H.	Total Costs of Troubled Employees (E + G)	$12,187,500

Cost-Savings Worksheet

Cost with EAP

I.	Number of troubled employees contacting EAP per year (A x .05)	650
J.	Number of troubled employees not contacting EAP (A x .05)	650
K.	Number of troubled employees rehabilitated through EAP (1 x .75)	486
L.	Number of troubled employees not rehabilitated through EAP (1 x .25)	164
M.	Program costs (A x $15/employee)	$195,000.00
N.	Non-hospital treatment (A x .025)x($225/employee)	$ 73,125.00
O.	Hospital treatment (A x .025)x($7,000/employee)	$2,275,000.00
P.	Unsuccessful rehabilitation costs	
	L x C = D* or wages or unsuccessfully rehabilitated employees, $2,788,000.00	
	D* x .375 = E* or reduced productivity of unsuccessfully rehabilitated employees, $1,045,600.00	
	F x L x 2.5 = G* or healthcare costs of unsuccessfully rehabilitated employees, $492,000.00	
	E* + G* = P	$1,537,600.00
Q.	Costs of troubled employees not contacting EAP	
	J x C = D^1 or wages of troubled employees not contacting EAP, $11,050,000.00	
	D^1 x .375 = E^1 or reduced productivity of troubled employees not contacting EAP, $4,143,750.00	
	F x J x 2.5 = G^1 or healthcare costs of troubled employees not contacting EAP, $1,950,000.00	
	$E^1 + G^1$ = Q	$6,093,750.00
R.	Total costs with EAP (M + N + O + P + Q = R)	$10,174,475.00

*Relates to unsuccessfully rehabilitated employees

1. Related to troubled employees not contacting the EAP

COST-SAVINGS WORKSHEET

COST-SAVINGS WITH EAP

S. SUCCESSFUL REHABILITATION COST-SAVINGS

$K \times C = D^1$ OR WAGES OF TROUBLED EMPLOYEES REHABILITATED TRHOUGH EAP, $8,262,000.00

$D^1 \times .375 = E^1$ OR REDUCED PRODUCTIVITY OF TROUBLED EMPLOYEES REHABILITATED THROUGH EAP (THIS RETURNS TO NORMAL), $3,098,250.00

$F \times K \times 2.5 = G^1$ OR HEALTHCARE COSTS OF TROUBLED EMPLOYEES REHABILITATED THROUGH EAP (THIS RETURNS TO NORMAL), $1,458,000.00

$E^1 + G^1 = S$ $4,556,250.00

T. ACTUAL COST WITH EAP (R - S = T) $5,618,225.00

U. TOTAL COST-SAVINGS WITH EAP (H - T = U) $6,569,275.00

1. RELATES TO SUCCESSFULLY REHABILITATED EMPLOYEES

Executive Order

OFFICE OF
THE GOVERNOR

NO. 7FY 85/86

DATE ~~December 16, 1985~~

PROHIBITION OF SMOKING IN STATE WORKPLACES
EXCEPT IN DESIGNATED AREAS

WHEREAS the "Workplace Smoking Act of 1985", 22 MRSA Sec. 1580-A, takes effect on January 1, 1986; and

WHEREAS that Act requires all employers, including the State, to have "a written policy concerning smoking and non-smoking by employees"; and

WHEREAS that Act requires that "the policy shall prohibit smoking except in designated smoking areas" for the stated purpose of protecting the employer and employees from the detrimental effects of smoking by others; and

WHEREAS smoking is already prohibited at all State executive proceedings to which the public is invited by virtue of Executive Order No. 9FY 78/79;

NOW, THEREFORE, I JOSEPH E. BRENNAN, Governor of the State of Maine do hereby order:

1. Effective January 1, 1986, for all State workplaces, the policy of the State of Maine is that: SMOKING IS PROHIBITED EXCEPT IN DESIGNATED AREAS. This policy applies to members of the public as well as to State employees.

2. Each Commissioner and Agency Head is hereby authorized and directed:

   a) to designate and post any area(s) where smoking will be permitted within his or her Department or Agency, consistent with 22 MRSA Sec. 1580-A(2) (A);

   b) to implement the State's Smoking Policy by issuing and posting a work rule on smoking in the workplace by Friday, December 20, 1985, as directed by the Governor's Office of Employee Relations ("GOER") and consistent with provisions of applicable collective bargaining agreements; and

   c) to provide appropriate supervision of the implementation of the State's Smoking Policy, in consultation with GOER and as required by 22 MRSA Sec. 1580-A(3).

Joseph E Brennan

JOSEPH E. BRENNAN
Governor

Executive Order

OFFICE OF
THE GOVERNOR

NO. 9FY 78/79
DATE March 30, 1979

PROHIBITION OF SMOKING AT ALL STATE EXECUTIVE PROCEEDINGS

WHEREAS, medical evidence released by the U. S. Public Health Service indicates that non-smokers are vulnerable to certain health hazards as a result of exposure to tobacco smoke in their environment; and

WHEREAS, many citizens of the State of Maine are unable to attend or to fully participate in State proceedings because of the presence of tobacco smoke offensive to them; and

WHEREAS, public health would be promoted and public participation in the official business of the State would be encouraged by a ban on smoking at public meetings;

NOW, THEREFORE, I, JOSEPH E. BRENNAN, Governor of the State of Maine, direct that smoking shall be banned at all Executive proceedings. These Executive proceedings shall include those public proceedings conducted by any Executive department, agency, board, commission or other authority to which the public is invited.

This Executive Order shall be read by the presiding officer at each State Executive proceeding during the first four months following promulgation of this Order, and thereafter when he may deem it advisable to do so.

Joseph E. Brennan
JOSEPH E. BRENNAN, Governor

Executive Order

OFFICE OF
THE GOVERNOR

NO. 5FY 84/85

DATE February 1, 1985

STATE POLICY REGARDING USE OF SAFETY BELTS BY STATE EMPLOYEES AND THEIR PASSENGERS

WHEREAS, national statistics demonstrate that one out of every five deaths occurring on the job are motor vehicle related; and

WHEREAS, lap safety belts have been proven to reduce the likelihood of fatal injury for adults by 40% and lap/shoulder safety belts reduce the chance of death by more than 60%; and

WHEREAS, the chances of avoiding moderate or critical injuries in a crash improve 31% if a lap belt is worn and by at least 57% where a lap/shoulder belt is worn; and

WHEREAS, state employees in serving the State are responsible individuals who pride themselves in maintaining the highest standards of personal concern for themselves and others; and

WHEREAS, the actions of employees of the State exemplify a standard of personal behavior for the public at large;

NOW, THEREFORE, I, JOSEPH E. BRENNAN, Governor of the State of Maine, by virtue of the authority vested in me, do hereby issue this Executive Order as a necessary step to insure the safety of state employees and to set an example for the people throughout the State to travel safely upon the public ways.

IT IS DECLARED that it is the policy of the State that all state employees and their passengers shall wear seat belts when they are traveling in state-owned vehicles or when traveling on official business for the state in privately-owned vehicles.

IT IS ORDERED that the Governor's Office of Employee Relations, with the cooperation of all state departments and agencies, immediately take all actions necessary to implement this policy by preparing and posting work rules applicable to all state employees.

Dated and effective at Augusta, Maine this 1st day of February 1985.

Joseph E Brennan

JOSEPH E. BRENNAN
Governor

Appendix F

OFFICE OF EMPLOYEE HEALTH
BUDGET SUMMARY

New Resources Required

Personnel and Fringe Benefits (13 positions)	$335,880
All Other	$108,400
Capital	$ 10,760
TOTAL	$455,040

BUDGET DETAIL

New Resources Needed

PERSONNEL (new)	Salary	(Range)
Executive Director	$30,100	(32c)
Clerk Typist II (2)	$26,000	(8d)
Assistant Director	$27,000	(29c)
Health Promotion Director (Health Program Manager)	$24,300	(26c)
Public Health Educator III (3)	$63,900	(23c)
Safety Director (Occupational Health Specialist)	$23,400	(25c)
Motivational Specialist (4)	$85,200	(23c)
Personnel Total (13)	$279,900	
Fringe Benefit 20%	55,980	
	$335,880	

ALL OTHER (new)

Travel		$30,000*
Supplies		5,000
Printing/Copying		3,500
Mailing		2,500
Rentals		2,000
Consultation		2,500
Training Programs		4,000
Purchased Services		58,900
Physical Exams (written)	3,800	
Blood Pressure and Cholesterol Screening	52,000	
Health Interest Survey	1,600	
Computerized Health Risk Appraisal	1,500	
	ALL OTHER TOTAL	$108,400

*$18,000 for Employee Assistance Program based on actual travel experience of current employees.

CAPITAL EQUIPMENT (new)

Office Equipment		
Desks	8 regular, 2 secretarial	$3,900
Chairs	8 regular, 8 Executive 2 Secretarial, 10 Conference	$1,860
Tables	2	$300
Typewriters	2	$1,200
Word Processing Equipment		$3,500
	Capital Total	$10,760

Existing Program Budgets

Existing Program Budgets* (personnel, all other capital)

Employee Health Insurance Program	$98,000	(3 employees)
Risk Management**	$397,000	(3 employees)
Occupational Health Nurse	$30,000	(1 employee)
Employee Assistance Program	$185,000	(6 employees)
Life Insurance Program	$160,000	(4 employees)
TOTAL EXISTING PROGRAMS	$870,000	

*Excludes premium payments or fund reserves
**Includes loss prevention funds ($270,000 FY86)