

## avenir debate

### **Include, Don't Exclude: Integrating Disability Cases into the Workforce Pays Off**

**The Covid-10 crisis has made disability an even weightier component of social welfare, in particular when it comes to mental illness. A new study by Avenir Suisse drawing on exclusive data provided by the Swiss Federal Social Insurance Office shows how the (re)integration of incapacitated people into the workforce could be improved in the cantons. This would benefit not only the people themselves, but private and public providers and funding agencies as well.**

Incapacity is a heavy burden to bear for people who suffer it, primarily because of the disability itself. But added to this are financial issues and the desire to be integrated or reintegrated in the workforce. This marks the beginning of dealings with multiple institutions – a marathon that can hardly be managed without support. In addition to the disability insurance (IV/AS) authorities, private individuals (employees, employers and doctors) and private institutions (daily benefits insurers and pension funds) are also involved, and in many cases government institutions such as the employment insurance and social security as well.

The person will only be granted benefits (a disability pension) if they cannot be integrated in the primary labor market. Reintegration is a challenging business at the best of times, and is only made more difficult by the present pandemic. Not only are fewer suitable jobs available, but given that around six times more people have been suffering symptoms of serious depression since the outbreak of Covid-19, the number of applications for disability insurance is also likely to rise.

#### **Significant Differences between Cantons**

The new study from Avenir Suisse, produced under the leadership of Jérôme Cosandey, director for French-speaking Switzerland and head of welfare research, for the first time analyzes data from the Federal Social Insurance Office (FSIO) and looks into integration efforts on a canton-by-canton basis. Data for people from six cohorts (2010–15) were analyzed four years after they applied to the IV/AS authority. Looking at the data by application rather than by inhabitant excludes sociodemographic differences between the cantons and focuses on the controllable activities of the IV/AS authorities.

Considerable differences emerge between the cantons. The pension ratio – in other words the number of pensions awarded per application – is at least 27 percent higher in French-speaking Switzerland and Ticino than in the rest of the country, and as much as 41 percent higher in the canton of Geneva. These differences reflect the interpretation of federal law by cantonal IV/AS offices and, in part, by the cantonal courts. But they are also the result of different workforce integration strategies.

The cantons of Appenzell-Ausserrhoden, Jura, and Zug spend more than three times as much per recipient of measures as Ticino. It's not just the amounts that vary widely, but the number of

recipients and the success of integration efforts as well. The success rate in the cantons of Solothurn and Valais is much lower than in Canton St. Gallen. The FSIO in its capacity as supervisory authority is called upon to investigate the reasons for these differences and to lay the basis for comparing cases of mental illnesses with a uniform nomenclature (ICD-10). To ensure more efficient use of resources, a cost ceiling for all occupational measures at each IV/AS office should be set on the basis of the number of applications per year, similar to the arrangements for unemployment insurance.

### Optimization Measures for Private and Government Actors

Avenir Suisse estimates the total cost of treatment, integration, and benefits for people with disabilities at CHF 24 billion per year. With so many people and such high costs involved, it's important to avoid communication deficits, misaligned incentives and duplications.

The so-called resource-based integration profile advocated by Compasso, for example, could help improve communication between doctors and employers. This type of instrument documents a patient's *capacity* rather than their *incapacity* for work, facilitating planning of their return to work. Employers should request a certificate from the doctor providing treatment on the basis of a resource-based integration profile after thirty days of absence.

Another point is that daily benefits insurers generally find out about cases of incapacity for work long before the IV/AS authorities, and often assign a case manager. This benefits the disability insurance authorities and the pension funds, as they do not have to contribute to these costs. This distortion leads to suboptimal results because it means too few case managers are deployed. The disability insurance authorities and the insurance industry should define mechanisms to ensure that all service providers and funding agencies that benefit also pay a portion of the costs.

Finally, overlaps between the activities of the IV/AS, the employment insurance authority, and social services should be eliminated for the patient's benefit, as Canton Aargau has already done in exemplary fashion: the Aargau authorities involved bundle their services under the banner of "labor market cooperation" to simplify the interfaces with patients and employers. The report calls for cantonal parliaments and governments to review the objectives and form of inter-institutional collaboration and adapt them to local circumstances. Ultimately the secret will be to learn from successful models that work on the basis of the federal system.



**Media conference:** Tuesday, 13 April 2021, 10 am, with Peter Grünfelder and Jérôme Cosandey on [www.avenir-suisse.ch](http://www.avenir-suisse.ch).

**Publication:** "Eingliedern statt ausschliessen: Gute berufliche Integration bei Invalidität lohnt sich." Jérôme Cosandey in collaboration with Diego Taboada and Sarah Neuenschwander. 82 pages. Available online [here](#) from 13 April 2021, 7 am.

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