



# Fact Sheet

IWPR #B291

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## Paid Sick Days Can Help Contain Health Care Costs

### Background

- Health spending in the United States as a proportion of GDP has more than doubled in the past 35 years and is the highest among all nations in the OECD (Organization for Economic Cooperation and Development).<sup>1</sup>
- Many American workers, though they may soon have new health insurance coverage due to health insurance reform, still find themselves in the difficult position of lacking paid sick days. Over 50 million American workers do not have paid sick days.
- Workers without paid sick leave may put off doctor's appointment or medical treatment because they either cannot miss work or will lose pay if they do, and are more likely to attend work despite being ill.
- Because paid sick days allow workers to address their own medical needs and those of their family without resorting to emergency room use, to seek out preventative care, and to remain home when ill rather than risk infecting coworkers, customers, and the public, paid sick days can help contain health care costs.

### Reducing Contagion

- A recent IWPR report released this year found that workers attending work while ill with H1N1 – a practice more common among workers without sick days – may have infected as many as seven million additional people (15 percent of the 44 million infected) with H1N1 over just three months during the height of the H1N1 pandemic in 2009, extending the duration of the outbreak.<sup>2</sup>
- Passage of the Healthy Families Act would result in savings for workers of over \$100 million a year in out-of-pocket medical expenses resulting from seasonal flu alone, plus other savings for employers and insurers. Allowing workers to take paid leave to care for elderly parents or other family members who become ill could save over \$700 million a year by avoiding temporary placement in care facilities.<sup>3</sup>
- Other illnesses, such as norovirus (stomach flu) and hepatitis A, can be transmitted by sick workers in food service and care occupations, causing outbreaks and increasing health care costs.
- In addition to out of pocket health care savings for workers, paid sick days are expected to reduce job turnover and improve productivity, producing billions in annual savings for employers and the broader economy.<sup>3</sup>

## Preventative Care and Managing Chronic Conditions

- Health reform requires that insurance plans cover preventative care, but workers who are unable to get time off work for preventative care will be less likely to seek it out.
- Many proposed paid sick days laws, including the Healthy Families Act, require that sick days be usable for preventative care.
- Preventative medical care – such as immunizations, cancer screening, and tobacco cessation counseling – can improve medical outcomes while reducing medical costs.
- Over 130 million Americans had at least one chronic illness in 2005; managing chronic conditions with routine care is a key strategy in containing health care costs.<sup>4</sup>
- Heart disease, chronic respiratory disease, and diabetes – all of which are manageable with regular primary care – accounted for 34 percent of all U.S. deaths in 2006.<sup>5</sup>

## Reducing Emergency Department Use

- Many emergency department visits are either avoidable or occur due to difficulty scheduling an appointment with a primary care physician.<sup>6</sup>
- 14 percent of emergency room visits in 2005 were non-urgent, and some estimates of avoidable ED use, including visits that could have been prevented with primary care, near 50 percent.<sup>7</sup>
- Emergency department care can cost two to five times as much as primary care; the cost of non-urgent emergency room care is \$20 to \$32 billion annually.<sup>7</sup>
- Increasing access to paid sick leave could help reduce emergency department usage and improve health outcomes by allowing workers to more readily make doctor's appointments and address their health needs with primary care providers.

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<sup>1</sup> Organization for Economic Cooperation and Development. 2009. OECD Health Data 2009: Statistics and Indicators for 30 Countries.

[http://www.oecd.org/document/30/0,3343,en\\_2649\\_34631\\_12968734\\_1\\_1\\_1\\_37407,00.html](http://www.oecd.org/document/30/0,3343,en_2649_34631_12968734_1_1_1_37407,00.html)

<sup>2</sup> Institute for Women's Policy Research. 2010. "Sick at Work: Infected Employees in the Workplace During the H1N1 Pandemic." <http://www.iwpr.org/pdf/B284sickatwork.pdf>

<sup>3</sup> Institute for Women's Policy Research. 2005. "Valuing Good Health: An Estimate of Costs and Savings for the Healthy Families Act," updated calculations. <http://www.iwpr.org/pdf/B248.pdf>

<sup>4</sup> Centers for Disease Control and Prevention. "Chronic Disease and Health Promotion." <http://www.cdc.gov/chronicdisease/overview/index.htm>

<sup>5</sup> Centers for Disease Control and Prevention. 2009. "Deaths: Final Data for 2006." [http://www.cdc.gov/nchs/data/nvsr/nvsr57/nvsr57\\_14.pdf](http://www.cdc.gov/nchs/data/nvsr/nvsr57/nvsr57_14.pdf)

<sup>6</sup> Oster, Ady, and Andrew Bindman. 2003. "Emergency Department Visits for Ambulatory Care Sensitive Conditions: Insights into Preventable Hospitalizations." *Medical Care* 41 (2) 198-207.

<sup>7</sup> New England Healthcare Institute. 2008. "Emergency Department Overuse: Providing the Wrong Care at the Wrong Time." [http://www.nehi.net/uploads/one\\_pager/ed\\_onepager.pdf](http://www.nehi.net/uploads/one_pager/ed_onepager.pdf)