

Replacing disability pension for young people under 40 with rehabilitation model

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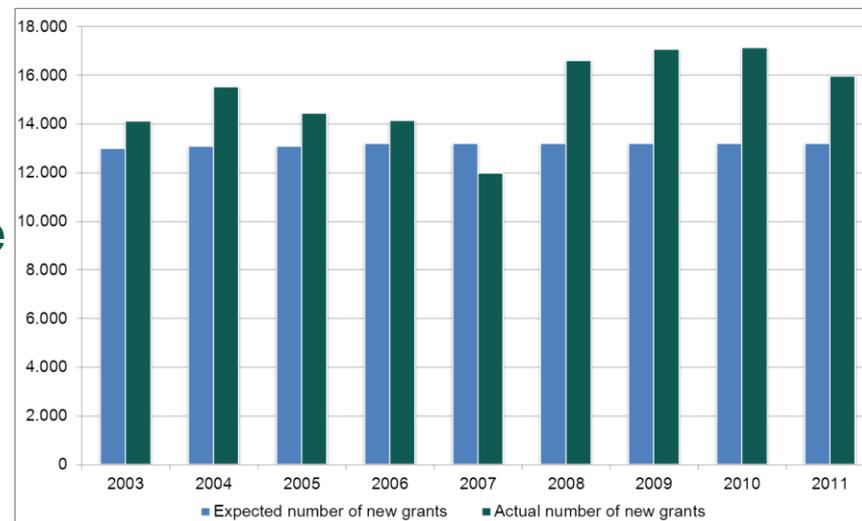
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Prior to the reform

- The reform from 2003 has not worked out as planned – rising number of people granted disability pension.
- Rising share of grants to young people (Aged 40 or below)
 - 2001: 24 pct., 2011: 27 pct.
- Rising share of grants awarded because of mental disorders.
 - Especially among young people (2001: 54 pct., 2011: 73 pct.)



Objectives and expectations

- Fewer people - especially young people under 40 with mental health problems - on disability pension
- More focus in the jobcenters and the municipalities and in the health system on developing the work ability
- Better integration of health, employment and social services for people with complicated problems
- Better use of the health system in the employment service

The new rehabilitation model

- Young people under 40 cannot be granted a disability pension unless very severe disability
- Under 40s has potentially many years left on the labour market and an age limit gives a clear signal to the young adults, their families, the jobcenters and the health system that disability pension is not an option
- Instead they shall have rehabilitating measures (coordinating health, employment and social services) to make them ready for work or education (a rehabilitation plan og 1-5 years and a rehabilitation grand)
- Complicated cases that need a coordinated service between different sectors must have their work ability and their case assessed by new Rehabilitation Teams in the municipalities before the jobcenter can grand af disability pension, a flexjob or a rehabilitation plan.
- The rehabilitation plan is worked out by the rehabilitation team, but the different measures in the plan is granted by the the relevant division of the municipality or the jobcenter
- The Rehabilitation Team consists of caseworkes from all sectors in the municipality (social, education and employment) and a "health system coordinator".

Stakeholders

- Jobcenters must establish rehabilitation teams by January 1, 2013
- Must make agreement with the regional health system about "health coordinator" and the prizes for regional health service by July 2013
- Jobcentres must end cooperation with their own municipal health advisors
- The GPs must be actively involved in the rehabilitation plan
- Jobcenters must find new ways to work with employers and social partners and private actors to get these clients out in real work trials in real work places
- Mentors/social guides
- Different parts of the municipality must work closer together and work in close coordination with the health system
- Doctors (the hospital doctors as well as the GPs) must have more focus on the possibilities of returning to work also during treatment
- Clients and jobcenters must have less focus on disability pension and more focus on returning to or entering the labour market for people with mental illness

Expected Outcomes

- Fewer people on disability pension, instead in so-called "ressource process".
- But, conservative assumption on the transition from ressource process into ordinary employment and flexijob (5 pct.)
- Increased labour supply by 5.000 full-time employees in 2020 and 12.500 when fully phased in
 - Including 2.300 and 7.700 in non-subsidised employment respectively in 2020 and fully phased.
- Improved public finances with € 370 million in 2020 and with as much as € 520 million long-term.

Main challenges

- Getting the rehabilitation teams to function and cooperate and have the right focus on jobs and education for people with mental health problems
- Getting jobcenters to accept the assessments and plans coming from the rehabilitation teams (economy)
- Rehabilitation plans must have the right active measures and proper follow up by the jobcenters (avoid long periods of inactivity)
- Finding the right jobs for people with severe mental health problems (the new flexjobscheme may help plus more focus on social businesses)
- The educating system
- The health system - treatment

Lessons learnt

- It takes time to understand that,
 - Needs assessment difficult when up against strong incentives
 - Mental health problems not necessarily permanent handicaps
 - Coordination of different efforts not a task for weak clients
 - Hard to change the view of pension as the only way forward