

# 14 Questions to Help You Find the Right Absence Management Partner

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A decade ago, there were approximately 50 laws pertaining to the Family and Medical Leave Act (FMLA). Today, there are more than 450. Those same 10 years saw the fines and penalties for non-compliance with the Americans with Disabilities Act (ADA) increase significantly. Today, a mismanaged case involving wrongful termination related to an FMLA absence can cost in excess of \$500,000.<sup>1</sup> The costs for an entire organization can run into millions of dollars. During that same time, employers also began to quantify the impact of absence. In one study, the direct and indirect costs of absence averaged 8.1% of payroll.<sup>2</sup>

In response, employers began outsourcing absence management to leverage the expertise and technology that vendor partners offer and create more effective absence management solutions. But not all vendors offer the same array or quality of services, and the rapid changes in absence management and compliance have created challenges for all vendors as well as employers.

To select a partner to provide the absence management solution that is right for your company, look for:

- A single-source solution
- Specific expertise in leave management and compliance

- Sophisticated technology and data integration

- Help managing a stay-at-work/return-to-work (SAW/RTW) solution

- Customization

## Single-Source Solution

Today, it doesn't matter why employees are absent — FMLA, ADA, short-term disability (STD), long-term disability (LTD), or workers' compensation (WC). What matters is being able to track and manage all absences across the entire company to reduce overall impact and cost.

A true single-source solution includes more than STD, FMLA, and ADA. Granted, having one vendor manage those leaves is likely to be more efficient, produce better results, and deliver a better employees experience. But if your solution does not include WC claims, you have a less-than-complete view of absence across your organization — and it may impact your absence management outcomes.

Consider a scenario in which multiple vendors are used: An employee reports a WC claim to the company managing those claims. If a different vendor manages FMLA, a second report must be made. If the report is not made and the leaves are not coordinated, they will not run concurrently.

If the injury triggers FMLA leave, the employer must notify the employee of

their rights and responsibilities within five days of receiving notice of the injury. If an injury is reported on Tuesday and the employer and FMLA vendor receive a weekly report of WC claims on Mondays, then by the time they read the report, they are non-compliant.

If the WC claim is denied, the employee may be eligible for STD. But that employee could fall into a black hole if the STD vendor doesn't also receive a claim report. That can lead to delays in claim payments to the employee, dissatisfaction, lower morale, and increased litigation. Having one vendor manage intake for all leaves, if not the leaves themselves, can prevent that problem.

Employers also need to budget for the overtime, replacement workers, and decreases in productivity that can be triggered by employee absence. If WC absences are not included in the data, the solution — and the budget — may fall short of what is needed.

Ask your absence management partner:

1. Can your reporting platform handle all types of absence?
2. Do you integrate information on various types of absence through technology, or does your solution require manual communication between multiple parties?

## Specific Expertise

In addition to the high volume of regulations governing absence, employ-



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ers also must contend with differences between federal and various state regulations. Tracking new regulations or changes to current regulations, understanding their impact, and ensuring compliance are an essential service your absence management partner must deliver.

Ask your absence management partner:

3. How do you track changes in leave regulations on the state and federal levels?
4. What experience does your team have in interpreting these regulations?
5. How do you incorporate these changes into your solution to ensure that your clients remain compliant?

### Sophisticated Technology and Data Integration

In a recent survey,<sup>3</sup> employers indicated that managing intermittent FMLA poses significant challenges, including simply knowing when employees take intermittent FMLA. An effective solution must make it easy to request or report leaves through multiple channels, including telephone, online, and via mobile technology.

From there, a reporting system that is jurisdictionally compliant and accepts employee demographic data will enable cases managers to immediately verify employee status and eli-

gibility for various leaves based on regulations and company policy. The system should track leaves by the minute, not just the day or even the hour. An employee may take an entire day or just 45 minutes for a doctor's appointment. If your system can't track to the minute, your tracking will be inaccurate, and employees may file complaints or be forced to take more time than is needed, resulting in greater degrees of absence.

When all your data is collected, it must be analyzed to give you the big picture. Identifying patterns across your organization (e.g., by location, position, shift, and day of the week) allows you to proactively manage the absence drivers — but only if your data is readily available in easily accessed reports.

To make your absence management program even stronger, consider incorporating workers' compensation absence into the reporting/tracking component. Including absence associated with occupational disability gives you a more complete view of absence across your organization and facilitates better understanding of and planning for absence.

Ask your absence management partner:

6. How and how quickly does your system determine an employee's eligibility for leave?
7. How do you track leave requests and time taken (by minutes, hours, or days)?
8. How do you integrate data, and what reporting options do you offer?

### SAW/RTW Solutions

Getting employees back to work as soon as possible helps reduce the cost of absence. A sound SAW/RTW program will help injured workers return to work faster, often to a light-duty job as they complete their recovery. With appropriate accommodations, some injured workers do not need to miss any time from work. Those accommodations, however, must be ADA-compliant. A case management team should be able to provide expert guidance on how to follow — and document — the required interactive process and the accommodation itself to help ensure ADA compliance.

Case managers can also manage communications with the treating physician. When all parties understand the light-duty options available, the provider can assess fitness for duty and release the employee to return to work.

Ask your absence management partner:

9. What assistance do you offer with SAW and RTW solutions?
10. Does your team include case managers with RTW experience?
11. Can your team provide guidance in developing ADA-compliant accommodations?

*Program Showcase continued on p. 22*

## Time Off. Time On.

At Unum, we recognize that life doesn't always give you a gracious heads up – and sometimes you have no choice but to face a challenge head-on. We believe that productive time off – time devoted to healing caring and loving – leads to more productive time “on the clock” And we're willing to bet that your employees agree.

To learn more about Unum's Leave & Absence solutions visit [unum.com/fmla](http://unum.com/fmla)

### References

1. Integrated Benefits Institute (IBI). Health & Productivity Benchmarking. Data year 2016
2. Peterson-Kaiser Health System Tracker. Retrieved from [https://www.healthsystemtracker.org/chart-collection/much-u-s-spend-treat-different-diseases/?\\_sf\\_s=disease#item-start](https://www.healthsystemtracker.org/chart-collection/much-u-s-spend-treat-different-diseases/?_sf_s=disease#item-start).
3. Kronos Incorporated, Mercer. The Total Financial Impact of Employee Absences, p. 12. June, 2010.
4. IBI. Health & Productivity Benchmarking. Data Year 2016, All Employers.
5. These are STD diagnostic categories in the IBI Benchmarking Data Base (data year 2016, all employers) where the percentage of closed STD claims is more than 5% of all closed claims.

### Program Showcase continued from p. 18

#### A Better Employee Experience

To help attract and retain good employees, companies are offering generous benefit packages. The way a benefits program is administered, however, can affect employees' view of both the program and you as their employer. Customizing your absence management solution to your culture helps ensure that your program creates the right employee experience.

The tone of communications with employees will shape their perception. An employee's request for leave is often triggered by a negative event (e.g., illness or injury, the need to care for a family member). Your absence management partner must provide empathy as well as information as it guides your employees through the leave process.

Because managers may be the first to hear

about a request for time off, managers, too are a key component of employees' experience with your leave programs. Yet managers often do not recognize when such a request falls under FMLA or ADA regulations. Training for front-line supervisors and managers about the basics of your organization's leave programs helps ensure that employees receive appropriate information and guidance.

Ask your absence management partner:

12. How can you customize your solution to my organization's culture?
13. How will your team deliver a positive experience for my employees?
14. What training do you offer for managers to recognize when a request for time off involves FMLA, ADA, or other regulations and policies?

#### Ask the Right Questions

When you are looking for the right absence management partner, the key is asking the right questions. The best place to start is to ask yourself what you want in an absence management solution, such as:

- A custom solution aligned to your culture
- A positive employee experience
- Reduced duration and cost of absence
- Compliance with the many overlapping regulations
- A comprehensive view of all absence across the organization
- Integrated data that supports proactive management of absence

Once you know what you want, use the questions above to help you find the partner and the solution you want for your organization.

### References

1. Figure based on range of settlements from \$87,500 to \$450,000 for wrongful termination related to FMLA absence (EEOC), plus \$78,000 average FMLA litigation defense costs regardless of outcome (U.S. Dept. of Labor).
2. Kronos and Society for Human Resource Management. Total Financial Impact of Employee Absences in the U.S. Aug. 2014. Retrieved from [https://www.shrm.org/hr-today/news/hr-magazine/documents/kronos\\_us\\_executive\\_summary\\_final.pdf](https://www.shrm.org/hr-today/news/hr-magazine/documents/kronos_us_executive_summary_final.pdf).
3. DMEC. 2017 DMEC Employer Leave Management Survey White Paper. 2018. Retrieved from <http://dmec.org/2018/02/26/2017-dmec-leave-management-survey-white-paper/>.

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