ABSENCE COMPLETE

TOTAL ABSENCE MANAGEMENT

Agenda

- Meet The C2 Total Absence Management Team
- Introductions
  - Client Team & TAM Team
- Discovery Goals & Objectives
  - Current Program, Process and Challenges, Desired Future State
  - Absence Advisor Services Needed
- Absence Management Solutions
- Absence Complete Case Study
- Insourcing & Outsourcing Considerations
- Questions

TPG – A FOUNDING MEMBER OF C2 SOLUTIONS

CONNER STRONG & BUCKELEW

HOLMES MURPHY®

M3 INSURANCE

McGohan Brabender

THE PARTNERS GROUP

SCOTT

Sterling Seacrest Pritchard

CROSS INSURANCE

Discovery Topics

- Overview of current leave and ADA process

- Internal HR team and Payroll

- External Partners (Insurance Carriers, Benefits Administration, HCM Systems)

- Technology Integration

- Legal and Compliance Resources

- Pay policies and administration

- Employee Experience

- Managers and Supervisor Experience

- Reporting and Utilization

ABSENCE MANAGEMENT SOLUTIONS

WHY ABSENCE COMPLETE

Highly Customizable Product

- Custom Services and Timeline of Initiatives to fit Client Needs
- Dedicated Client Service Team that provides Ongoing SME & Advisory Support
- Discovery and Review of Client's Current Program
- Leave and ADA Program Analysis
- RFP and Implementation
- Reporting and Analytics (PFML)
- Leave Administration Solution Recommendations
  - Software Solution (Insourced)
  - Outsourced (Carrier or TPA)
- Fees Based on Scope Needed by Client

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CASE STUDY

OUR CLIENT WORK

- **Assessed impact, analyze options, and provide recommended approach** to incorporate the Washington Paid Family Leave Law at a large Puget Sound area employer

- **Reviewed end-to-end internal LOA and ADA process** for a national employer; identified gaps and solutions for improving consistency, compliance and efficiency

- **Conducted comprehensive market review** of over 30 software, TPA, and insurance carriers for Leave and ADA Solutions

- **Discovery, vendor selection, and implementation** of leave management and ADA software tool for a 35,000-employee group

- **Transitioned a large employer** from a costly Extended Illness Bank to a managed Short-Term Disability and outsourced Leave of Absence program

- **Designed and implemented** a transitional Return to Work program

- **Conducted a peer review and provided best practices recommendations** for a national employer's integrated leave, disability, and paid time off policies

- **Assisted Manager/Supervisors and HR Team** with Leave and ADA trainings and communication strategies

- **Provided Total Cost of Absence analysis and ROI projections** for a large multi-state employer

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OUR PROCESS

- Discovery Criteria & Process
- Absence Management Assessment Scoring Tool
- SWOT Analysis
- Observations
- Recommendations
- Solution Implementation & Program Management

DISCOVERY CRITERIA & PROCESS

CASE STUDY

Document Request

- Identify key internal contacts and roles
- Collect a list of existing HR systems/technology
- Collect communication materials related to TAM
- Collect existing leave and pay policy documents
- Collect historical data reports
- Request questions or concerns of stakeholders

Interview Process

- 2-hour discovery interview
- Participants included: HR Manager, Payroll Specialist, Leave Specialist, and Clinical Staff (if any)
- Description of current TAM functions: ADA, disability, workers comp, and leave workflow
- Additional calls to external vendors if applicable
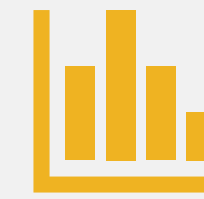
Scoring Tool

SIX CATEGORIES SCORED:
- LOA Process
- Return to Work
- System/Admin
- Pay & Benefits integration
- Compliance (LOA and ADA)
- Training and Reporting

GIVEN RATING OF 1 – 5:
- 4 – 5 = strength
- 3 = neutral
- 1 – 2 = weakness
- Highest Possible Score = 160

ASSESSMENT SCORING TOOL

RATING OVERVIEW

🔥🔥🔥🔥 Significant compliance risk or large financial exposure

🔥🔥🔥 Moderate compliance risk or business efficiency

🔥🔥 Mild compliance risk or process improvement

🔥 Minimal compliance risk or creating best practices

CASE STUDY

🔥🔥🔥🔥

Action Item	Timeline
• LOA process definition & education to Retail	Immediately

🔥🔥

Action Item	Timeline
• Downsize LOA Packet	3rd Quarter 2020
• Implement an attendance policy for Retail	1/1/21
• Feed employee schedule to LOA Vendor	4th Quarter 2020
• LOA Vendor Reimplementation	2021

🔥🔥🔥

Action Item	Timeline
• Map out denial process to ensure consistency	3rd Quarter 2020
• Apply occupational RTW practices for non-occupational injury/illness	3rd Quarter 2020
• Direct RTW notes for Retail to an HR Resource	Immediately

🔥

Action Item	Timeline
• PIP duration should "freeze" if an employee goes on leave	Immediately
• Employee should be solely responsible for initiating leaves and reporting missed time	1/1/21

SWOT ANALYSIS

CASE STUDY

EMPLOYEES
6,000

LOCATIONS
IL, CA, CT, NY, VA

UNION
Yes

LEAVE INCIDENCE
120 to 130 new requests every month; 400 open leaves at any given time

SUMMARY OF FINDINGS
Client is a retail organization with a high population of Spanish and Eastern ESL workers

BARRIERS TO OUTSOURCING
HR is in favor of outsourcing or implementing a leave tracking software. However, passing an outsourced solution past the 2 unions may prove to be more difficult.

STRENGTHS	WEAKNESSES
1. Though leave processes vary by union groups and non-union group, the organization has found a way to centralize some aspects of leave administration 2. FMLA policy is included in employee's initial leave packet 3. Utilization of medical certification process best practices allows for complete follow-through including denials where applicable 4. Premium payment expectations are sent in multiple formal communications during the life of a leave	1. Language Barriers exist with heavy ESL population 2. Vacation pay is being issued in lieu of disability benefits to keep employees whole during disability certification process 3. Intermittent leave tracking is not centralized 4. Manager communication is left up to each site HR 5. FMLA entitlement is tracked in timekeeping system

OPPORTUNITIES	THREATS
1. Additional compliance and template resources in the Corporate Toolkit 2. Formal training for managers and HR 3. Easier more consistent way to track intermittent leaves	1. Supervisors are entering intermittent time into employee timecards 2. Union A measures FMLA on a rolling forward basis while Union B measures on a rolling backward basis; this may present administration challenges in an outsourced model

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OBSERVATIONS

CASE STUDY

Personnel/Training

- Varying levels of experience and knowledge among HR and leave administrators
- Supervisor and manager leave training almost non-existent
- Supervisors often performing leave administration functions (intermittent leave coding & tracking)
- Lack of connection between the employee and HR while on leave

Leave & ADA Tracking

- Inconsistent and incomplete state/federal leave and ADA tracking
- Wide variance in the type of data captured for tracking absence among locations
- Inconsistent or non-existent tracking of intermittent leaves
- Conspicuous lack of leave denials
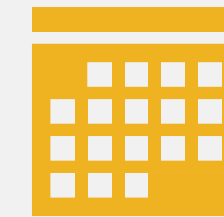
Payroll & Benefits

- Pay gap often results due to a delay in notice when STD is extended
- Payroll codes used for absence varies between locations
- Widely varying practices around substitution of paid leave
- Inconsistent administration of benefits and contributions during leave

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RECOMMENDATIONS

	ACTION ITEM	DESIRED OUTCOME
INTEGRATED ABSENCE MANAGEMENT STRATEGY	• Set Goals • Identify Corporate Champions • Identify Roles and Responsibilities • Develop Health & Productivity Road Map	• Metrics and Benchmarking • Visibility and Awareness • Program Alignment • Better Customer Experience • Process Efficiency
ALIGN POLICIES	• Review all benefit contracts/SPDs to ensure consistent provisions for continuation of coverage while on leave • Ensure adherence to CBA policies • Unify substitution of paid leave	• Ease of administration • Ability for centralized oversight • Ability to identify trends in utilization
ALIGN PROCESS	• Unify regulatory options (call method, married couple, notice requirements) • Unify pay process, coding, and options	• Ease of administration • Ability for centralized oversight • Ensure common codes used and consistent application
MANAGER AND HR TRAINING	• Consistent process for training annually and upon promotion	• Preserve consistency of processes • Risk mitigation • Increase competence job satisfaction

INTEGRATED OUTSOURCED MODEL	• Evaluate current disability and WC carriers
	• Develop the outsourced LOA road map
	• Evaluate ADA technology tools
	• Determine roles and responsibilities
	   • Compliance and legal oversight
	   • Benefit and Payroll level admin
	   • Vendor management
	   • Financial reporting
	   • Manager, supervisor, employee communication and training
	   • Liaison to employee relations
	   • ADA
		• Ensure consistency of decisions and process
		• Clear lines of accountability
		• Audit and benchmark capabilities
		• Minimize risk of non-compliance
		• Quality control
		• Strong SLAs with vendor
		• Build competent internal team with strong subject matter expertise

CHANGE MANAGEMENT	• Develop Change Management Strategy • Obtain buy in from all key stakeholders	• Provide for smooth transition with less noise

SOLUTION IMPLEMENTATION & PROGRAM MANAGEMENT

CASE STUDY

RFP

Conduct Vendor RFP and prepare marketing analysis based upon identified requirements and objectives

Finalist interviews, vendor selection and negotiation of scope of services, price and benefit competitive products and services

Manage project deliverables and provide implementation oversight

PLAN MANAGEMENT

Develop Benchmarking reports and ROI measurements

Vendor management, reporting, issue resolution and performance guarantees

Quarterly stewardship meetings; reporting on key performance metrics, incidence and trends; customer experience oversight

ONGOING PLAN MANAGEMENT

Best practice recommendations and assistance deploying TAM initiatives

Consulting on complex claims involving Leave and ADA; access to legal resources

Ongoing monitoring and communication of Leave and ADA regulatory changes

Assistance with training, education, and communication strategies

Advisement on reducing cost of absence and improving overall health and productivity

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INSOURCING & OUTSOURCING CONSIDERATIONS

ABSENCE MANAGEMENT OPTIONS

INSOURCING VS OUTSOURCING

Insourcing	Outsourcing
Software	Vendor Partner
Internal Staff	External Staff
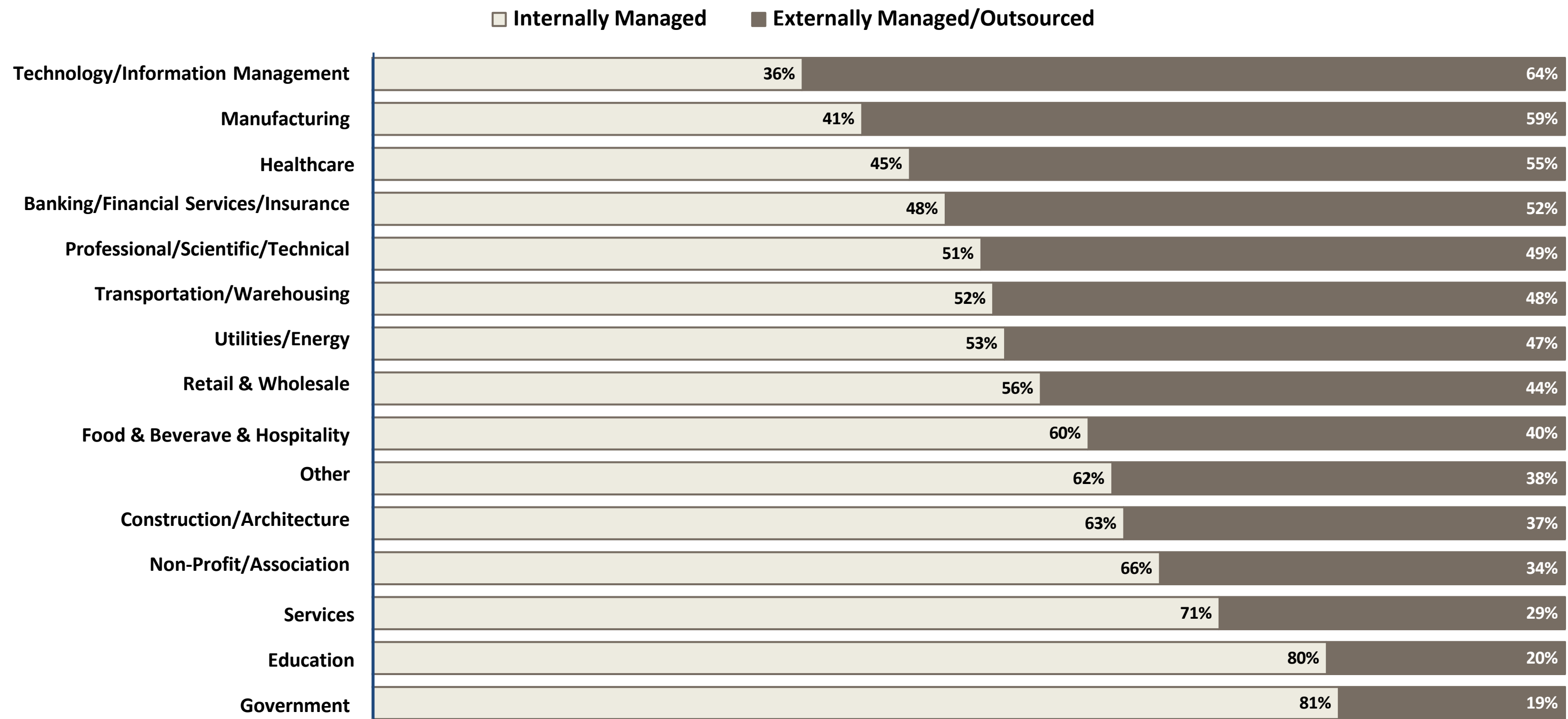
INSOURCING CONSIDERATIONS

PROS

EMPLOYEE EXPERIENCE	LEAVE PROCESS EMPLOYER CONTROL	LEAVE ADMIN TECHNICAL SKILLS & COMPLIANCE	STRENGTH OF EXISTING HR TECHNOLOGY	REPORTING	CUSTOMIZATIONS	COST OF SOLUTION
Complete control and ability to pivot quickly to address process gaps and employee escalations	Control over all aspects of leave process allows for full information transfer between departments that must touch leave (benefits, payroll, etc.)	Employer maintains control over leave decisions Employer has visibility into leave abuse/misuse Software tools can help ensure compliance with federal/state leave laws	Building connections between HR systems and leave system will allow for more automation and efficiencies	Leave technology provides easy access to leave volume dashboards and reporting that helps with capacity planning	Complete control and ability to pivot quickly to address process gaps and employee escalations	Control over all aspects of leave process allows for full information transfer between departments that must touch leave (benefits, payroll, etc.)

CONS

EMPLOYEE EXPERIENCE	LEAVE PROCESS EMPLOYER CONTROL	LEAVE ADMIN TECHNICAL SKILLS & COMPLIANCE	STRENGTH OF EXISTING HR TECHNOLOGY	REPORTING	CUSTOMIZATIONS	COST OF SOLUTION
Resource intensive; Potential for inconsistent employee experience	Resource intensive/employer must continue to own all internal touchpoints of the LOA process	Employer must invest in hiring and ongoing training to maintain deep regulatory subject-matter expertise	Lack of strong internal systems will mean that insourcing with technology will bring less efficiencies & automation. Internal technology often needs customized and/or altered to pass appropriate information to leave system	Leave technology does not provide higher-level strategic reports - these must be built with custom reporting options	Customizations incur added cost	

OUTSOURCING CONSIDERATIONS

	EMPLOYEE EXPERIENCE	LEAVE PROCESS EMPLOYER CONTROL	LEAVE ADMIN TECHNICAL SKILLS & COMPLIANCE	STRENGTH OF EXISTING HR TECHNOLOGY	REPORTING	CUSTOMIZATIONS	COST OF SOLUTION
PROS	Employee experience is consistent. Vendor brings efficiencies to leave review process	Vendor could take on some (not all) aspects of internal process (HRIS connection, ATP feeds, etc.)	Employer does not need to maintain deep subject matter expertise in-house. Ability to rely on the vendor as an expert in technical knowledge and skills. In-House expert attorneys on staff.	Building connections between HR systems and leave vendor will allow for more automation and efficiencies	Leave vendors can provide easy access to leave volume dashboards and produce higher-level strategic reports on a consistent basis	Some customization is available	
CONS	Little to no control over employee experience. Customizations to improve employee experience are often costly and error-prone	Employer will be reliant on vendor for information needed to complete their internal processes. Employer will not have control over timeline of Vendor-owned process steps	Vendor maintains control of application of technical skills to make all leave determinations	Lack of strong internal systems will mean that outsourcing with a vendor will bring less efficiencies & automation. Internal technology often needs customized and/or altered to pass appropriate information to leave system	Employers must often request customizations to strategic reporting for it to provide meaningful segmentation of the population	Customizations are sometimes problematic/lead to errors. Customizations incur added cost	Outsourcing is higher cost when compared to leave technology

QUESTIONS?

THE *Power* TO BE *Greater*

c2 solutions