

ESIS®

Now is the Time to Integrate

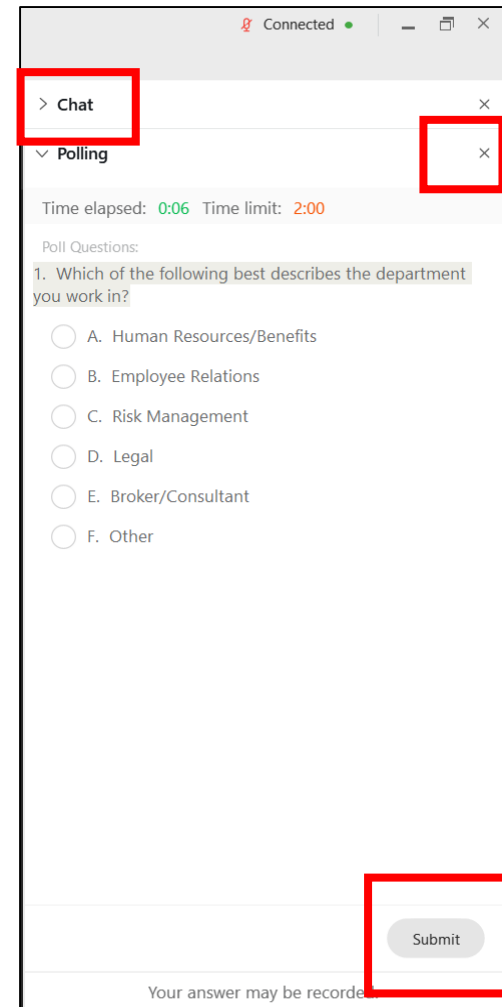
Wednesday, July 29, 2020
1:00 – 2:00 PM

Sonja Teague
CPDM, ARM, AIC
Vice President
Integrated Absence Management

Karen English
CPCU, ARM, MBA
Senior Vice President
Spring Consulting Group, LLC

A Few Administrative Details

- Session is being recorded and the recording and a PDF of the slides will be available in our resource library: www.esis.com/absencemanagement
- Participants are on Mute
 - Please use Chat to communicate
- To respond to polls:
 - Use the polling panel that will appear when we open a poll



Now is the Time to Integrate



Sonja Teague

CPDM, ARM, AIC
Vice President
Integrated Absence
Management
ESIS

As ESIS' Integrated Absence Management (IAM) Practice Leader, Sonja Teague is responsible for the overall business design, product distribution, marketing and P & L for ESIS' integrated absence management product solution.

Sonja has more than 25 years of insurance industry experience, which includes a multi-lined background in claims management and oversight for both carriers and third party administrators. She has established herself as a visionary and innovative thought leader in both the P & C and Benefit insurance business segments. Additionally Sonja has been featured in several periodicals including Risk Advisors and Disability Management Employer Coalition (DMEC) @Work Magazine as a thought leader on the key components in managing absence. In 2018 Sonja was recognized by Business Insurance as one of the "2018 Women to Watch." Over the span of her career, she has progressed through multiple levels of leadership and management in both the claims and operations aspect of the industry. She has her Certified Professional Disability Management (CPDM), Certified Leave Management (CLM), Associate in Risk Management (ARM), and Associate in Claims (AIC) designations.

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Karen English

CPCU, ARM, MBA
Senior Vice President
Spring Consulting
Group, LLC

As a Senior Vice President with Spring Consulting Group, An Alera Group Company, Karen has over 20 years of experience in the property/casualty, health, and welfare arenas, with a focus on integrated absence management solutions for employers and service providers.

Karen provides strategic direction, analysis, and implementation expertise and routinely works with integrated disability, absence and health management programs, including spearheading industry leading research and surveys to help employers, carriers and TPAs set their strategies and product approaches. Prior to Spring, Karen was a senior consultant with Watson Wyatt. Karen led the regional risk & insurance practice for a small consulting firm, held the role of Assistant Risk Manager for one of the nation's largest banks, and was a casualty broker for two of the world's largest insurance brokers. She is an active member and sits on the Advisory Board of the Disability Management Employer Coalition (DMEC) , has her CPCU, ARM, and MBA designations and regularly speaks at industry conferences both locally and nationally.

Now is the Time to Integrate

Agenda

- Supporting Employees in the “New Not Normal”
- Better Understand and Manage the Impact of Absence
- Reduce Compliance Exposures
- Leverage Knowledge, Processes, Solutions, and Data
- Improve Efficiency and The Employee Experience
- Questions and Answers

Polling Question

Which of the following best describes the department you work in?

- Human Resources/Benefits
- Employee Relations
- Risk Management
- Legal
- Broker/Consultant
- Other

Supporting Employees in the “New Not Normal” Requires HR and Risk Management to Work Together

Workforce Management

- Staffing and demographics
- Flexible approaches to work



Supporting Employees in the “New Not Normal” Requires HR and Risk Management to Work Together

Employee Support

- Absence policies and processes
- Health and wellbeing impacts
- Maintaining productivity and focus



Supporting Employees in the “New Not Normal” Requires HR and Risk Management to Work Together

Health and Safety

- Creating and implementing Return-to-Office plans
- Implementing guidance
 - CDC
 - OSHA
 - Local/state governments
 - Management





Working together allows you to take a more **consultative approach** and **find solutions** for the organization as a whole.

What Do You See When You Look at The *Whole* Absence Picture?

Absence Increases Cost

15.4%
of payroll tied to
direct costs

6.2%
of payroll tied to
indirect costs

Absence Reduces Productivity

29.5%
reduction

3.0%
avg. daily absence
for U.S. workforce



Add in concerns about

- ▶ **Safety**
- ▶ **Compliance**
- ▶ **Quality**

Source: Society for Human Resource Management; Kronos, Total Financial Impact of Employee Absences in the U.S., and Total Financial Impact of Employee Absences Across the United States, China, Australia, Europe, India, and Mexico

Are You Looking at the Sum or Just the Parts?

- ✓ **Disability**
 - WC
 - Short-term disability
- ✓ **Leave granted under the FMLA**
Federal & State Leave Laws
- ✓ **Leave entitlement under ADA/ADAAA**
- ✓ **Company-specific leaves**
- ✓ **Voluntary Benefits**
- ✓ **CI, Acc, Disability income protection**

TOTAL

Cost and Impact of Absence

\$





Employee Absences Don't Occur
in Isolation.

Why Manage Them That Way?

Polling Question

How many claims do you think cross-over between
Workers Compensation and STD?

- A. 5%
- B. 16%
- C. 20%
- D. 27%

Polling Question

How many claims do you think cross-over between Workers Compensation and STD, cross-over?

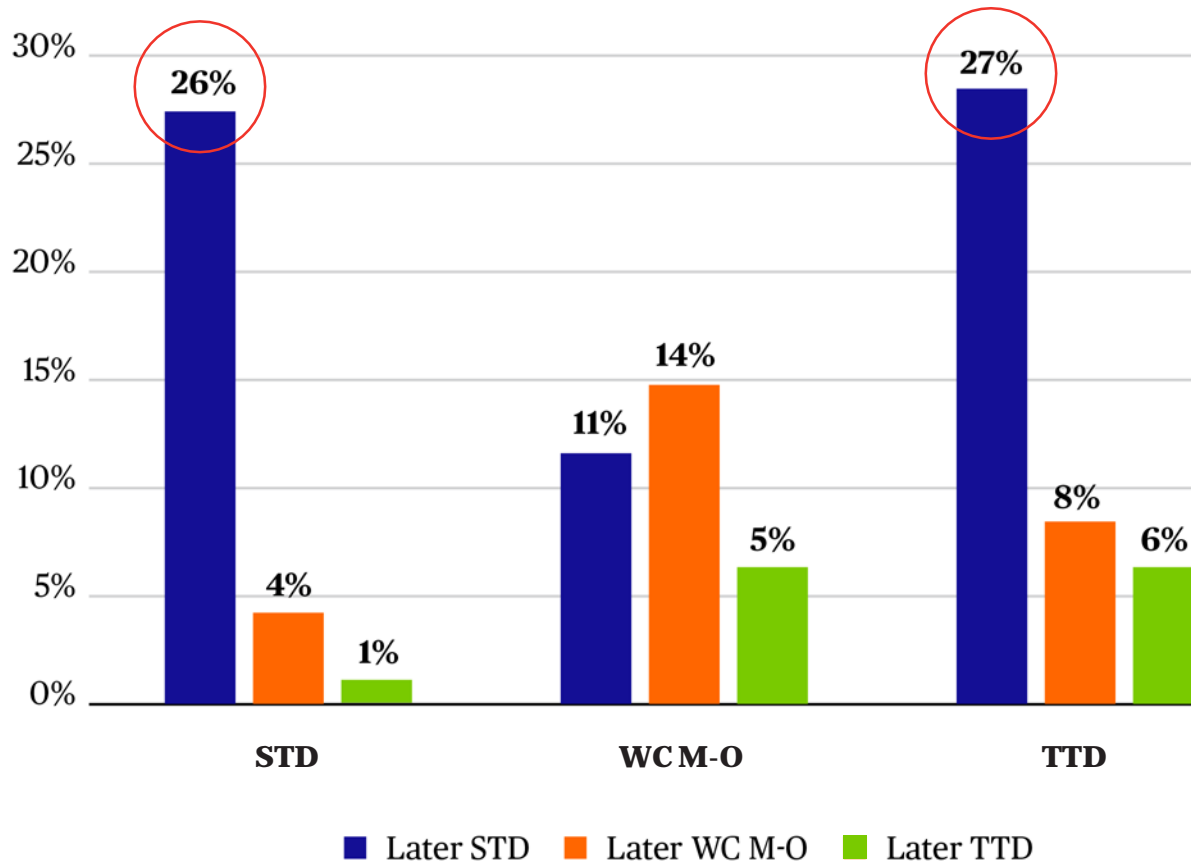
A. 5%

B. 16%

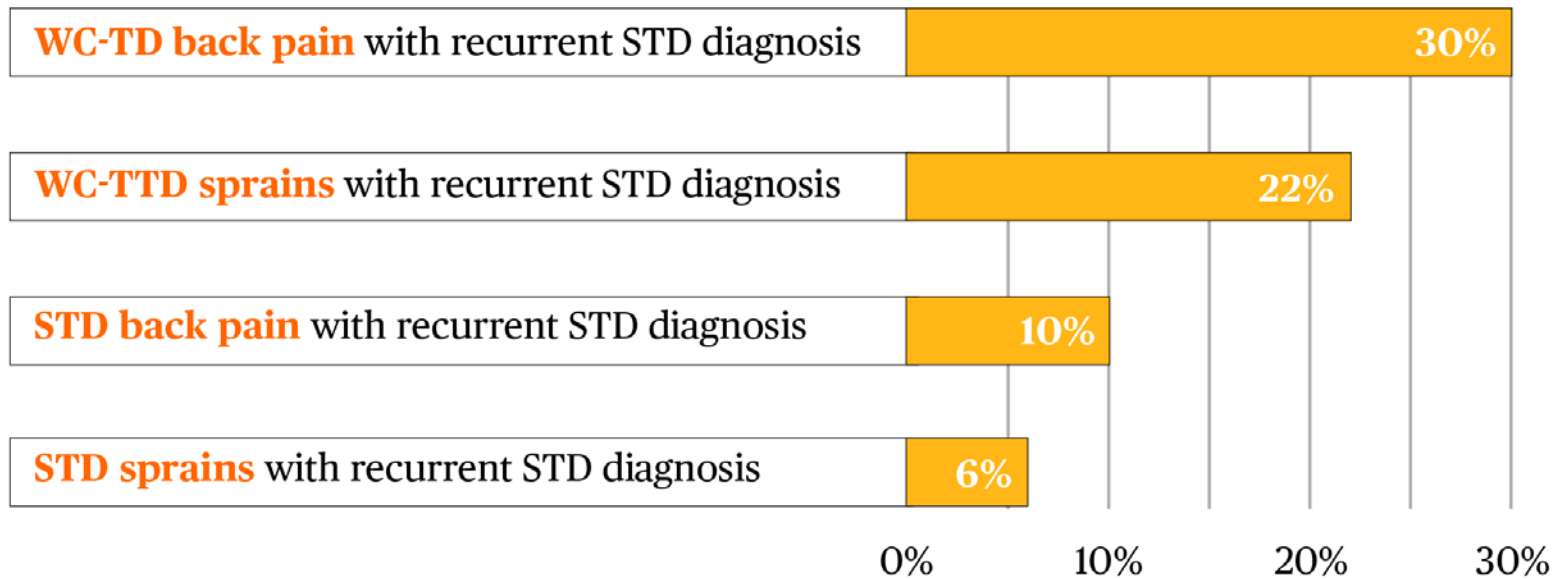
C. 20%

D. 27%

Crossover Claims Complicate the Impact of Injuries and Absence



Recurrence of Back Pain and Sprains

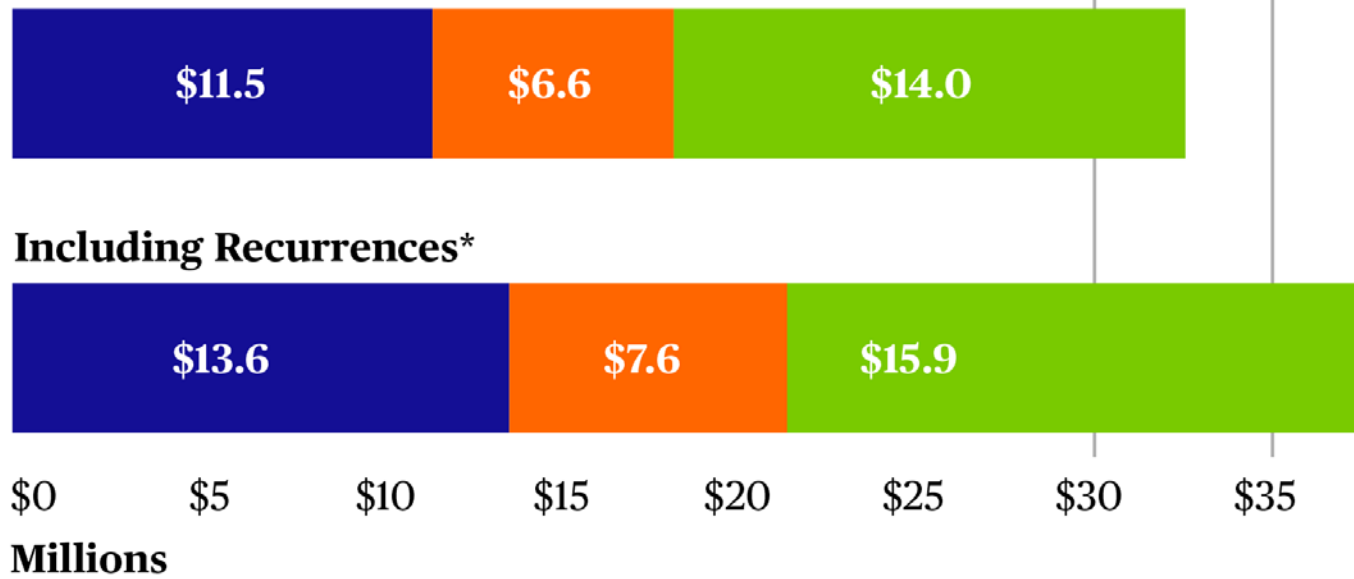


Recurrences of Sprain and Back Pain Diagnoses Add About 13% to Claim Costs

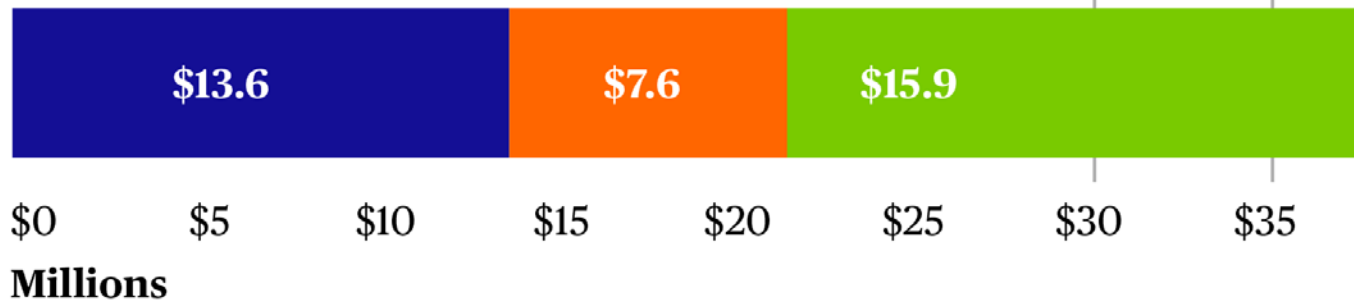
Simulated costs for 5,533 sprain and back pain claimants with and without recurrences

■ WC Medical ■ TD Wages ■ STD Wages

Without Recurrences



Including Recurrences*



Program Complexity is Continually Increasing

Federal FMLA

- Unpaid family and medical leave
- Limited paid family leave under FFCRA

600+ State/Municipal Leaves

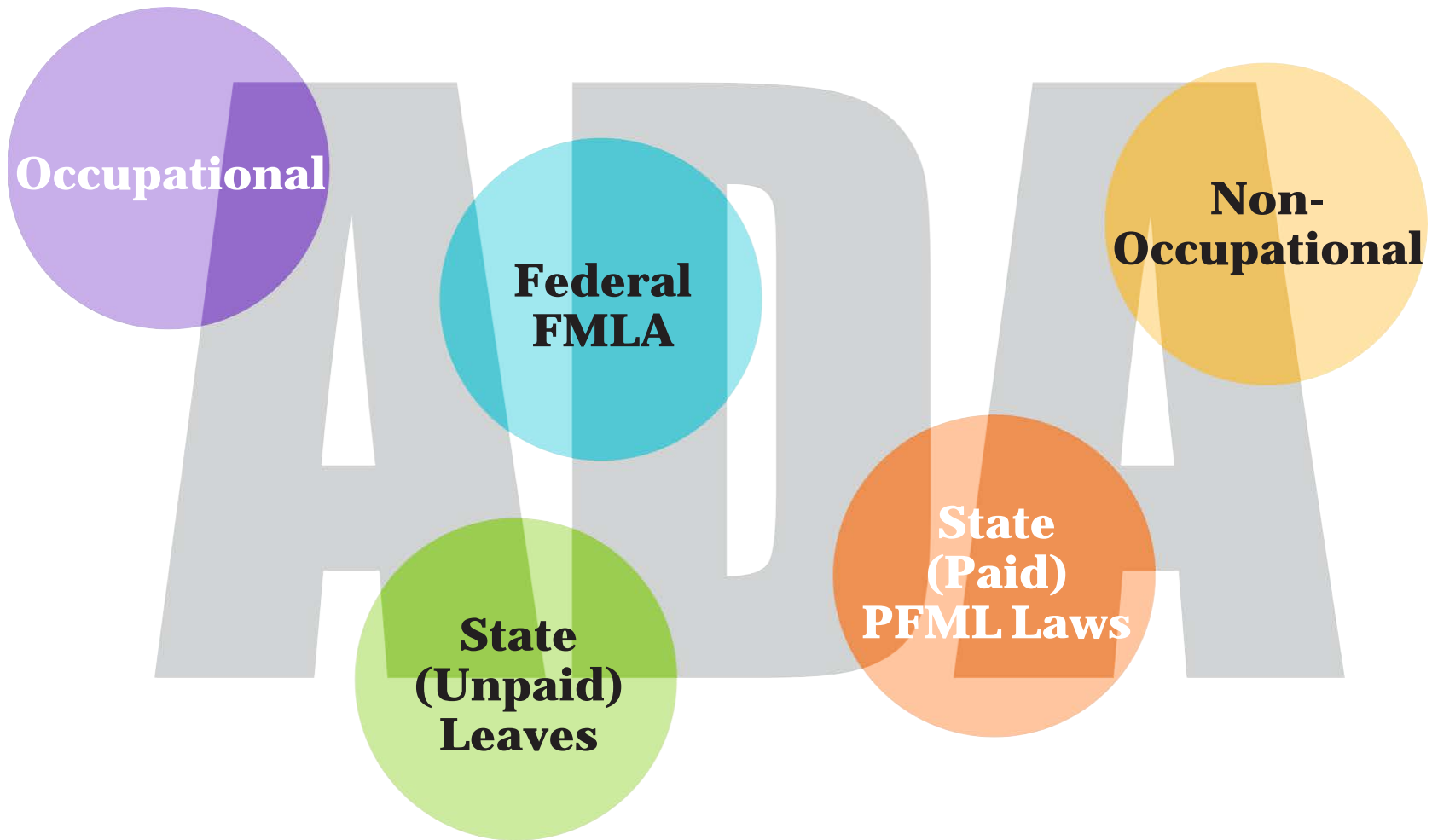
- Unpaid state leaves
- Paid state PFL/PFML
- Sick & Safe Harbor

Paid Employer-Sponsored Leave

- Paid parental leave
- Paid family leave



ADA is a Consideration for All Claim Types



Penalties for Noncompliance can be Steep



**Cost
to Defend**



**Wrongful
Termination**



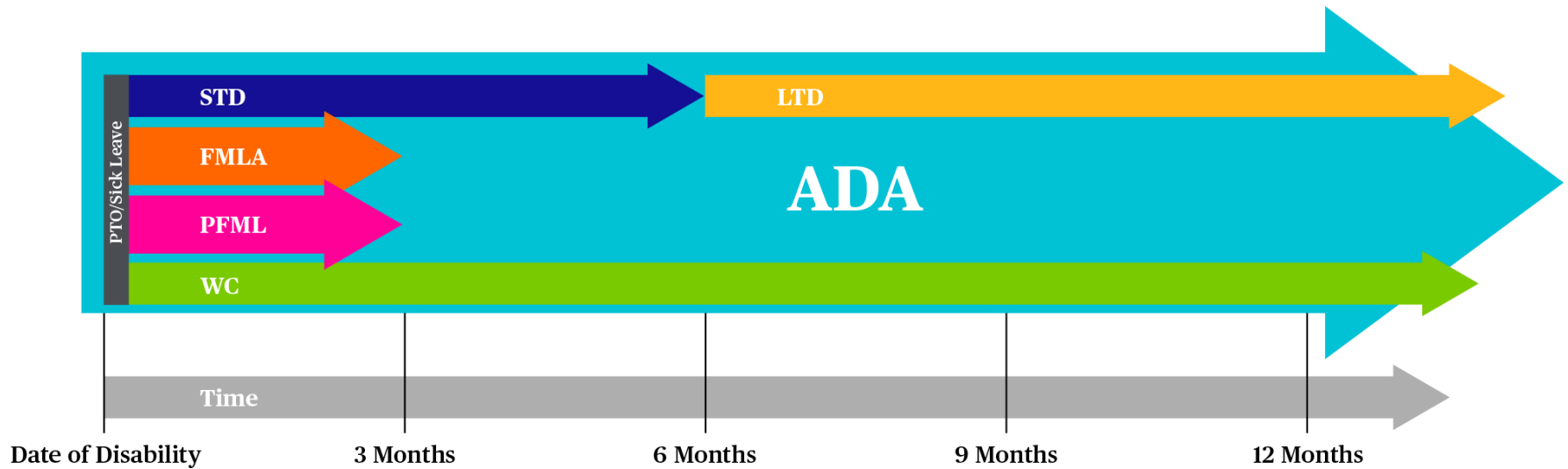
**Personal
Liability**

Consequences of Not Integrating Affect the Program and Employees

- Inconsistent approaches
- Inappropriate use, overuse, abuse
- Uncoordinated processes
- Duplicate efforts
- Ongoing inefficiencies
- Multiple vendors
- Confusing employee/
manager experience
- No comprehensive view
of absence



Best Practice is Managing All Absence Programs Holistically



Integration Allows You to Share/Leverage Knowledge, Processes, Data, and Solutions



RTW/ SAW

- Common RTW/SAW across occ and non-occ
- Strategic case management
- Seamless process inclusive of ADA
- Reduction in days absence improves overall cost



Data/ Reporting

- Complete data sets — easier to understand absence drivers
- Track & trend unique data points
- Make comprehensive decisions

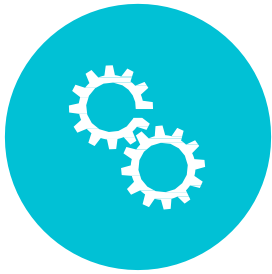


EAP/Stress Counseling

- Stress related to injury/recovery
- Stress related to financial impact of illness/absence on employee
- Focus on the employee recovery

Bridging the Gap Through Integration

The right absence management solution can:



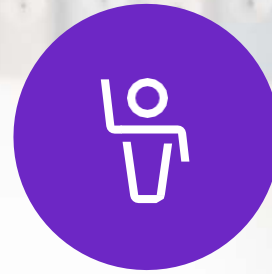
**Streamline
the process**
*and create better
efficiencies*

- One event, one intake = three potential claims
- Secure medical one time
- Horizontal case management



**Stronger
compliance**
*resulting in fewer
fines and lawsuits*

- Timely notification of benefits employee is entitled to
- Seamless transition from one benefit to another
- Jurisdictionally compliant and configurable technology



**Better
experience**
for the employee

- Proactive contact
- Guided and strategic transitions
- Reduced frustration and litigation



**Reduce
the overall cost
of absence**

- Fewer administrators
- Prevent leakage from non-concurrence and/or multiple claims
- Consistent RTW/SAW across occ/non occ to avoid discrimination

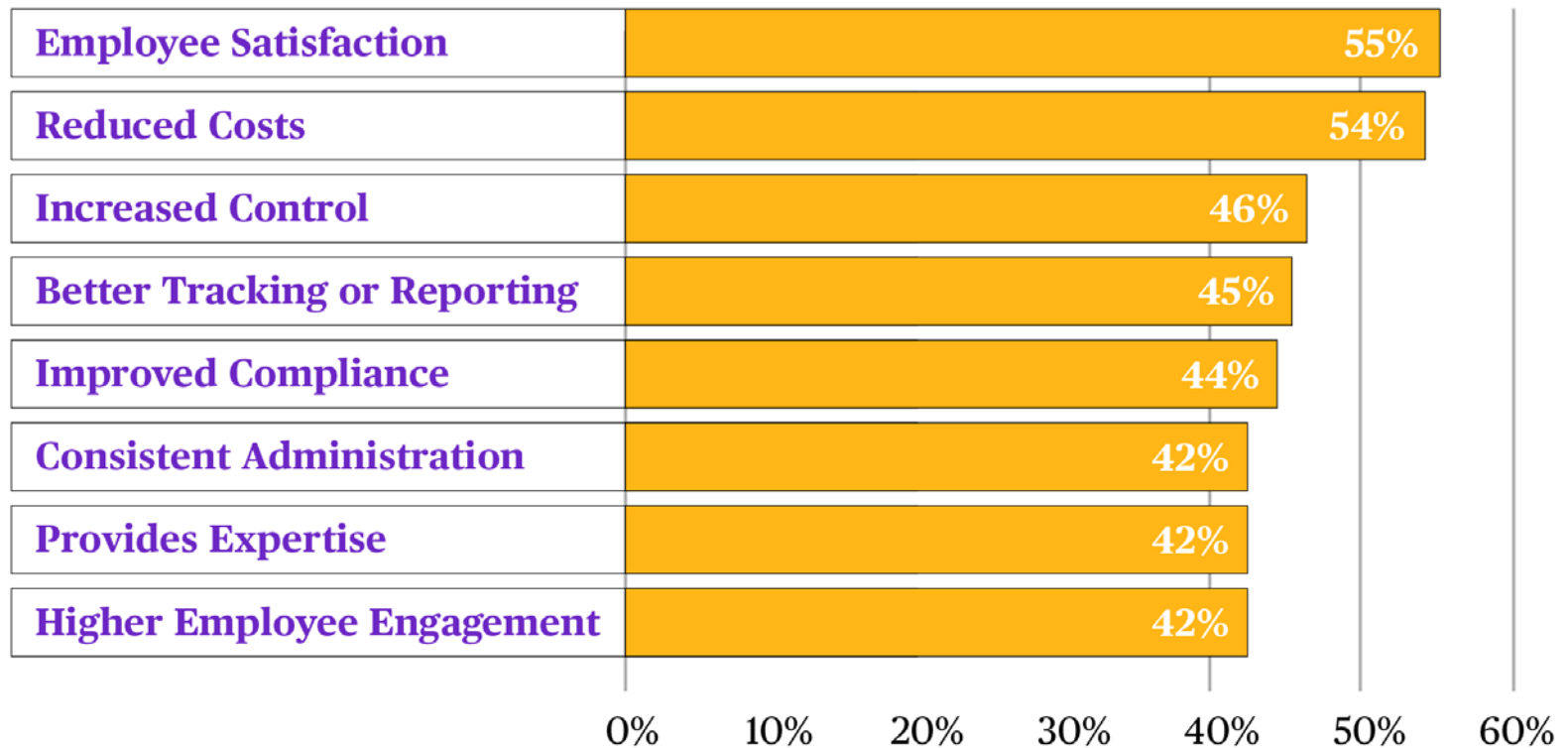
Polling Question

What areas do you think that integrated programs can influence the most? Select all that apply.

- Employee satisfaction
- Reduced costs
- Increased control
- Better tracking and reporting
- Improved compliance
- Consistent administration
- Provides expertise
- Higher employee engagement

Areas That Integrated Programs Have the Potential to Influence the Most

Survey responses for employers that integrated WC, STD, and FMLA



Source: Spring Consulting Group's 2020 Integrated Employer Survey.

Question: What have been the biggest advantages to your organization in implementing an integrated program? (N=402)

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Questions?



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