2015 IBI Annual Forum

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A PATH TO ABSENCE MANAGEMENT SUCCESS







What We Will Cover

 Guardian Research: Absence Management Activity Index

Gene Lanzoni Guardian Life

 An Employer Path to Absence Management Success Karen English
Spring Consulting

Case Study: Getting Started

Jane Ryan Mayo Clinic

Guardian Life Research

2015 Absence Management Activity Index & Study



Absence Management Activity Index/Study

Why we did the research

- **How** was it conducted
- Partnership with Spring







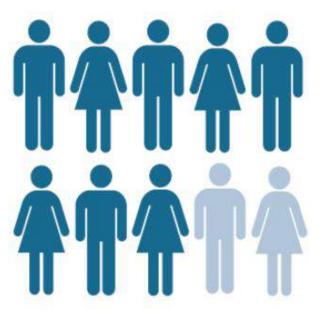
- 1. Continued Focus on Workforce Productivity
- 2. Better External Resources

- 3. Impact of ACA & Compliance Concerns
- 4. Getting Started on a Proven Path
- 5. Measuring for Success





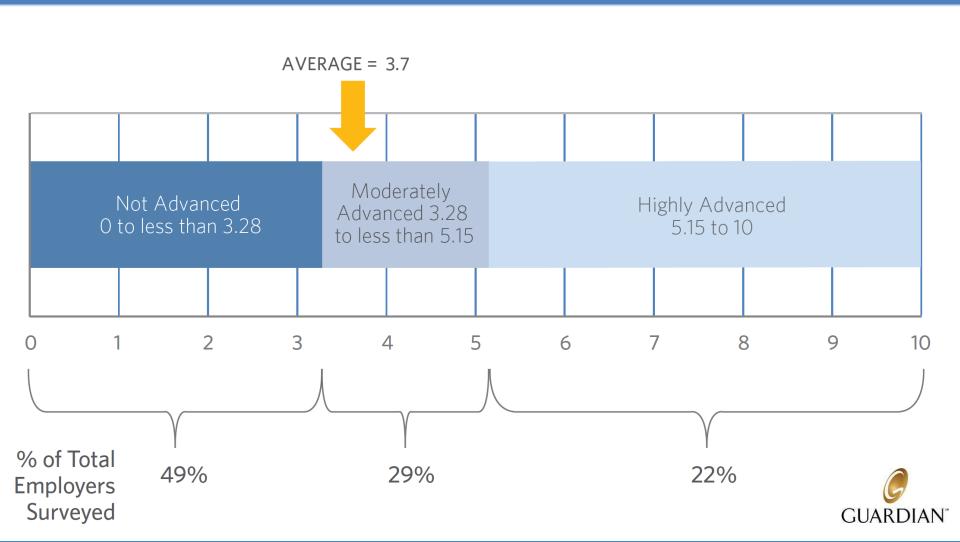
MANY EMPLOYERS ARE MAKING AN EFFORT



Eighty-one percent of employers surveyed say they are making at least some effort to manage absences.



THE ABSENCE MANAGEMENT SPECTRUM



- Employers of All Sizes Are Working to Address Absenteeism
- Larger Firms Are Further Along in their Efforts

FIGURE 2: ABSENCE MANAGEMENT ADVANCEMENT BY EMPLOYER SIZE			
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	Small Employers 50-249 Employees n=386	Medium Employers 250-999 Employees n=272	Large Employers 1,000+ Employees n=274
Not Advanced	53%	35%	23%
Moderately Advanced	28%	32%	30%
Highly Advanced	19%	33%	47%
Average Index Score	3.5	4.3	4.9

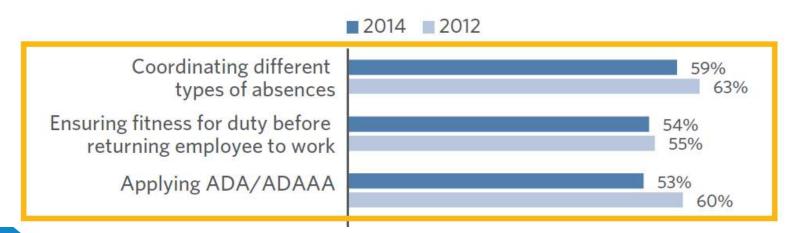


And Fewer Are Experiencing Obstacles to Making Progress

FIGURE 5: CHALLENGES EXPERIENCED BY ORGANIZATIONS

DUE TO EMPLOYEE DISABILITY

BASE = ALL (n=932)





Yet, Obstacles Remain for by Many Employers...



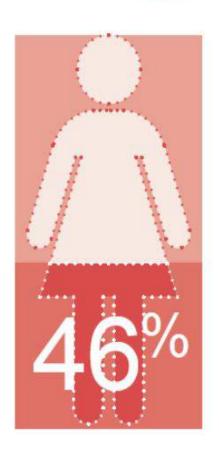


3 in 5 employers have difficulty interpreting federal and state leave laws





AND MOST AREN'T SEEING THE RESULTS THEY WANT



Nearly half of those with an absence management program have not achieved more than two of these positive outcomes:

- Enhancing productivity
- Reducing lost time
- Improving employee experience
- Decreasing overall absenteeism
- Reducing direct costs
- Increasing back-to-work rates



 Employers That Outsource STD & FMLA Report More Positive Outcomes

FIGURE 31: NUMBER OF OUTCOMES ACHIEVED BY TYPE OF ABSENCE MANAGEMENT RESOURCES USED

	No External Resources for STD or FMLA n=133	External Resources for STD only n=473	External Resources for STD and FMLA n=123
No outcomes	26%	30%	21%
1 to 2 outcomes	22%	19%	10%
3 to 4 outcomes	33%	22%	22%
5 to 6 outcomes	19%	29%	46%



 Employers Using a Private Exchange Are More Focused on Absence Management

FIGURE 23: ACTIVITY AND EFFORT OF ABSENTEEISM MANAGEMENT BY MEDICAL AND DISABILITY PLAN TYPE

	CDHP	Private Exchange	HMO/PPO/ Other	Voluntary STD	Voluntary LTD
Absenteeism reduction: Major effort	25%	57%	21%	23%	18%
Higher return-to-work activity	30%	52%	40%	40%	40%
Higher wellness activity	24%	43%	15%	15%	16%
Absence Management Index: Advanced	31%	57%	22%	22%	22%



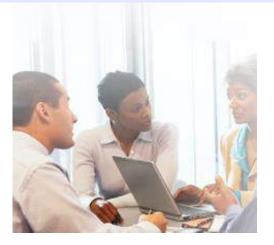
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Five Best Practices That Drive Absence Management Success

- 1. Full Return-to-Work Program
- 2. Access to Detailed Reports
- 3. Referrals to Health Management Programs
- 4. Central Portal for Reporting
- 5. Same Resource for STD and FMLA

Positively Impact...

- Productivity
- Employee Experience
- Return-to-Work Rates
- Lost Time
- Direct Costs
- Absenteeism





HOW COMPANIES CAN GET STARTED

SET A PHILOSOPHY

Your highest priorities should be returning employees to safe and productive work, while encouraging overall wellness.

TAKE FOUNDATIONAL STEPS

Getting buy-in from senior management and following a strategic communications campaign are essential.

DEVELOP A MODEL

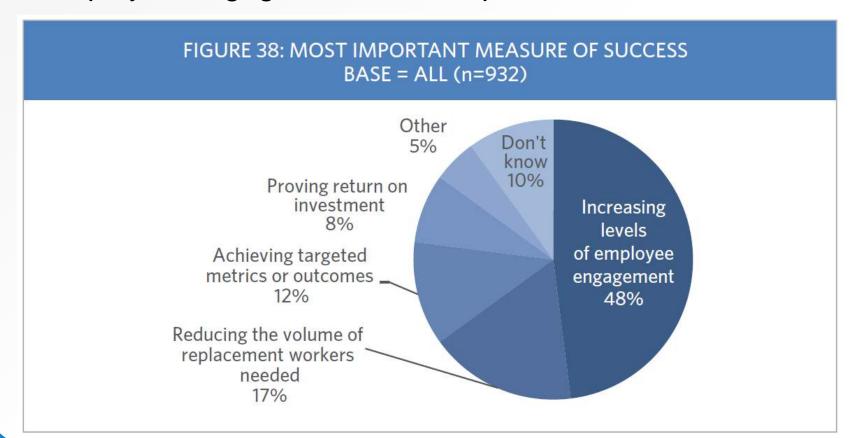
Outsourcing management of both short term disability, and family and medical leaves can maximize success.

MEASURE SUCCESS

Nearly half of all employers surveyed reported employee engagement to be the most critical measure of success.



Employee Engagement is the Top Measure of Success





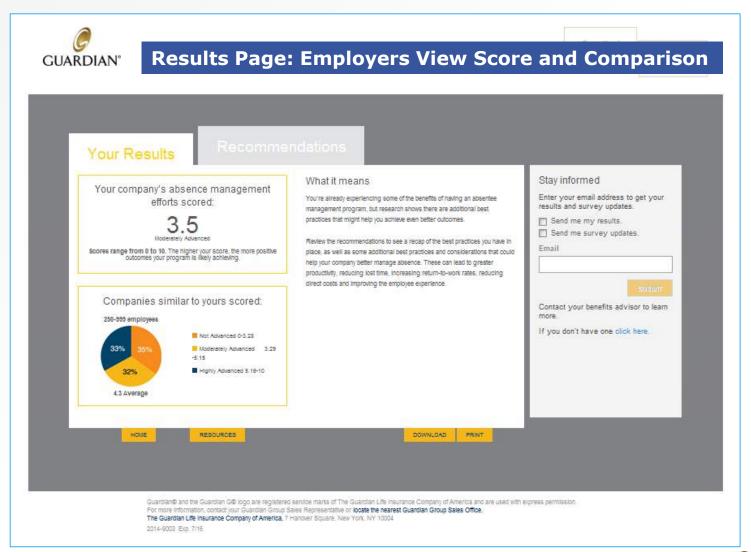
Web-Based Employer Scorecard Tool

- Short, eight question survey
- Produces a "score" and benchmarking data
- Tailored recommendations based on the "5 Best Practices"





Web-Based Employer Scorecard Tool





Spring Consulting

An Employer Path to Absence Management Success



Solid Philosophy

- Underlying philosophy is associated with early decisions
- Sets those getting started on a proven path
- Helps experienced employers refine their approach
- Provides an opportunity for continual review and improvement

- 75% support safe and productive return to work
- 73% encourage employee health and wellness

Highly advanced employers see these as equal



Foundational Steps

- Organizational challenges have decreased
- Proven path requires organization and discipline
- A strong plan initial plan is necessary
- A baseline assessment makes it compelling

- 78% gain senior management buy-in
- 69% follow a communication campaign
- 64% incorporate change management
- 62% establish baseline metrics
- 61% make a formal business case

Large employers take a phased/pilot approach



Return to Work

- An increasing number of employers are focusing on return to work
- The ADA has increased awareness and triggered a sense of urgency
- Best practice programs apply equally across both occ and non-occ plans

- Written RTW policy
- The interactive process
- Transitional RTW plans
- Duration guidelines
- Nurse case management
- Accommodations to facilitate RTW

62% actively seek ways to return employees to work



Reporting for Disability & FMLA

- Data and information is critical to success
- Employers routinely struggle to collect credible information
- Industry has been working hard to set benchmarks
- Key priorities are real time data, self-service capability and tools for analysis

- Claimant status
- Usage patterns
- Incidence and duration trends
- RTW rates
- Cost implications
- ROI achievements
- Benchmarking results

50% can produce a wide range of reports



Referrals to Health Management

- Health management programs are becoming increasingly fundamental
- The number of programs is broadening
- How incentives can drive behaviors is a focus
- The ability to illustrate outcomes is still lacking; inroads are being made

- EAP
- Wellness
- Health risk appraisals
- Disease management
- Nurse care hotlines
- Health coaching
- Employee advocacy

44% are already making referrals



Centralized Reporting

- A growing number of employers centralize their efforts
- Policies are becoming more uniform
- Processes are becoming more consistent
- Providing resources and tools for front line staff is key
- A single source of intake is preferred

- Short term disability
- Long term disability
- FMLA
- Other leave of absence
- Sick time
- Personal time
- Vacation
- PTO banks





Same Resource for Administration

- A key advantage of absence management as an easier or better employee experience
- Closely tied to employee engagement rates, employer efficiencies, cost savings and keeping in compliance
- Employers want a single resource that manages STD and FMLA – and more recently ADA

- ADA leave
- Long term disability
- Other leave of absence
- Sick, vacation, personal
- Health management
- Medical benefits
- Workers' compensation
- Life insurance
- Dental benefits



Using the same resource for STD and FMLA is a predictor for absence management success



Measuring for Success

- Employers use a variety of metrics
- Employee engagement is most critical
- Other outcomes must support and be tied to it
- All should have consistent tracking or reporting methods

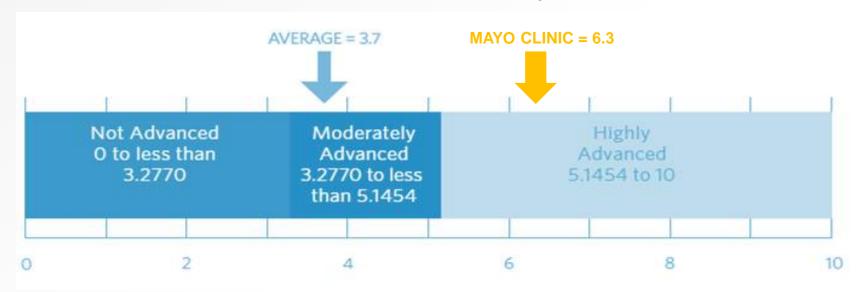
- 52% enhanced productivity
- 51% improved employee experience
- 50% reduced lost time
- 50% decreased absenteeism
- 41% increased RTW
- 38% reduced direct costs



Benchmarking should be against company and industry



Case Study



- Mayo's absence management program is considered "highly advanced" scoring a 6.3 on the activity index
- Many areas that are lacking are already on Mayo's roadmap for change in 2015 - 2016



Mayo Health System

Case Study: Getting Started



Who We Are

Three group practices in Scottsdale, Rochester, and Jacksonville. Mayo Clinic Health System has additional sites in 70 communities in MN, IA, GA, and WI.

Mayo Rochester

28,429 Allied Health 2,154 Physicians, Scientists & Research Associates 2,596 Residents and Fellows

Outpatient Practice
1.5 million visits annually

2 Hospitals and one long-term Care Facility 2,059 licensed beds

5 Schools

 Health Related Sciences
 Mayo Medical School
 Mayo School of Graduate Education
 Graduate School of Medical Education

 School of Continuing Professional Development



U.S. News & World Report ranked Mayo Clinic in Rochester, MN as the best hospital in the nation in their 2014-2015 rankings



Our Mission and Philosophy



To serve Mayo Clinic through an integrated disability management program which maximizes employee resources and potential, minimizing the cost and duration of disability. Mayo recognizes the value and contributions of all staff and supports its employees during medical recovery by utilizing work as therapy in an environment focused on communication, collaboration and respect.





Origins of Our Philosophy

History of institutional commitment to patients and staff

'The best interest of the patient is the only interest to be considered '

'Respect the individual contributions of each member of the Mayo family. No one is big enough to be independent of others.'

'Long ago I learned from my father to put people to bed only for as short a time as was absolutely necessary, for they were like a foundered horse, if they got down it was difficult for them to get up, and their strength ebbed away very rapidly while in bed. '



Dr. Charles H. Mayo and Dr. William J. Mayo



Current Structure





Current Structure

Occupational and Non-Occupational Focus

- Self Insured WC and LTD
- STD Advice to Pay
- Compliance Support
- On Site Occupational Medicine
- FMLA Administration Pilot



RTW Regardless of Cause

- □ Written RTW policy
- **☑** The interactive process
- ☑ Transitional job development
- **☑** Duration guidelines
- Nurse case management
- ☑ Workplace accommodations
- ☑ Job analyses
- ☑ Vocational rehab
- ☑ Job search programs and assistance

Formal RTW policy has never been necessary

Physician case management is underway



Our Top Event Types

2013	2014
Exertion	Exertion
No Specific Physical Activity	Slip, Trip, Fall – Same Level
Slip, Trip, Fall – Same Level	No Specific Physical Activity
Struck Against	Caught In Between/Under
Slip, Trip, Fall – Stairs/Steps	Aggression by Person



Our Success

Lost Time Rate	Maintained or slightly reduced: MCR at.98 Hospital at 2.56
RTW Rate	94% for WC and LTD
RTW Savings	\$8.8M for WC and LTD
RTW Satisfaction Rate	90% for Employees 88% for Supervisors



What's Next

- Single source of intake
- Early intervention for STD
- Case management for STD
- Consistent FML management
- More robust information system(s)

- STD policy to STD plan
- Partial disability for LTD plan
- Disease management referrals
- Employer side Occ Health office
- Policy development



Our Proven Path



- A series of prescriptive steps
- Typically driven by compliance, cash or complaints
- Routinely applied to each situation
- Refines our program over time



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