The Importance of Absence Management

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The Cost of Absenteeism

- According to DOL, the direct cost of managing employee absence is 20% of payroll (medical coverage, overtime, replacement workers, job accommodation, sick leave, worker's compensation, short and long term disability and health improvement programs)
The Cost of Absenteeism

• Absence is on the rise
  – Aging workforce
  – More protected leaves
Goals of Absence Management

• Legal compliance
  – 53% of employers do not properly comply with federal FMLA
• Litigation avoidance
• Fostering a Return to Work ("RTW") culture
• Reduction in costs
# Effective Absence Management

- Know the law
- Tear down the silos
- Build your policies
- Effective administration
- Effective communication
- Foster a return to work culture
- Measure
Effective Absence Management

Know the Law
Effective Absence Management

• Know the law
  – Federal: FMLA, USERRA, ADA
  – State and local—150 different leave laws
    • FMLA
    • Worker's compensation
    • Maternity leave
    • Military Leave
    • Jury duty, voting leave, school activities, organ donation and others
    • Disability discrimination
Effective Absence Management

- Know the law (cont'd)
  - Benefits laws and plan/policy provisions
  - Health
    - COBRA and state mini-COBRA
    - HIPAA portability
    - Extension of benefits for total disability
    - Plan/policy terms regarding leaves of absence
  - Life and disability
    - Waiver of premium
    - Conversion
Case Study 1
Effective Absence Management

Tear Down the Silos
Effective Absence Management

• Tear Down the Silos
  – Leaves can overlap
  – Holiday, vacation, sick pay, PTO
  – Worker's compensation
  – Short-term disability/salary continuation
  – Long-term disability/retirement disability
Effective Absence Management

Build Your Policies
Effective Absence Management

- Build your policies
  - Attendance policy
  - Paid time off policies
  - Leave policies
  - RTW programs
  - Interactive accommodation procedures
## Effective Absence Management

- **Build your policies (cont'd)**
  - Attendance policy
    - Call-in procedures
    - Excused absences
    - Consequences
Effective Absence Management

• Build your policies (cont'd)
  – Paid time off policies
    • Holidays
    • Personal days
    • Vacation days
    • Sick days
    • PTO
Case Study 2
Effective Absence Management

- Build your policies (cont'd)
  - Leave policies
    - Type of leave
    - Notice requirements
    - Supporting documentation
    - Recertifications and IMEs
    - Pay or income replacement
    - Benefits
    - Periodic reporting
    - RTW process and rights
Case Studies 3 and 4
Effective Absence Management

• Build your policies (cont'd)
  – RTW programs
    • Light duty
    • Transition duty
Effective Absence Management

• Build your policies (cont'd)
  – Accommodations
    • Consult EEOC and Job Accommodation Network ("JAN") resources
    • Evaluate jobs, openings and qualifications and status of employee
    • Invite employee's participation in process
    • Utilize medical experts
Effective Absence Management

Effective Administration
Effective Absence Management

• Effective administration
  – Centralize absence management: sensitive information flows uphill only
  – Insourse, co-source or outsource?
  – Electronic solutions
  – Don't play doctor
Effective Absence Management

- Effective administration (cont'd)
  - Centralize
    - Medical information should only be in the hands of those with need to know
    - Front line supervisors and managers need to know restrictions and accommodations, not medical conditions
    - If medical information received at lower level, it should be passed up to absence manager
    - Meet confidential filing requirements
Case Study 5
Effective Absence Management

• Effective administration (cont'd)
  – Insourse, co-source or outsource?
    • Size of organization
    • Culture
    • Part or all
    • Competency of partner
Effective Absence Management

• Effective administration (cont'd)
  – Electronic solutions
    • Integrate with HRIS system
    • Specialized software
    • Intermittent absence tracking
Effective Absence Management

• Effective administration (cont'd)
  – Don't play doctor
    • About 50 to 70% of employees on leave also qualify for sick pay/short term disability
    • Engage outside medical expertise to determine appropriate length of absence based on medical condition
Effective Absence Management

• Effective communication
  – To employee
    • Be clear
    • Be prompt in providing information to employees and timely in responding to their inquiries
    • Be available to assist and answer questions
    • Be cooperative and not irritated
    • Engage employee in process
Effective Absence Management

• Effective communication
  – To staff
    • Among absence management team
    • Among first line managers and supervisors
    • "Real time" information critical
    • Keeping track of timeline for stages of leave, associated benefits and return to work is critical
Case Study 7
Effective Absence Management

• Foster a return to work culture
  – Don't let employees fall between the cracks
  – Don't allow an impossible work backlog to build
  – Consider a light duty/transitional work program
  – Fitness for duty evaluation
    • Can employee perform job?
    • Is accommodation or reassignment appropriate?
Effective Absence Management

- Measure absence characteristics
  - Type(s) of leave
  - Diagnosis, if applicable
  - Duration
  - Intermittent scheduling, if applicable
  - Repeat rate
  - Denial Rate
Effective Absence Management

- Statistical metrics
  - Job title
  - Business unit, geographic location, etc.
  - Supervisor
  - Employee type (FT, PT, etc.)
  - Age, gender
  - Length of service
The End

Questions???