

The Absence Minded

December 2018

A look back at 2018 and what to look forward to in 2019

Times are changing! Young employees are no longer seeking the highest paying jobs on the market. In fact, a 2017 survey of 2,000 employees conducted by a content marketing firm, FRACTL, found that 88% of those employees would consider a lower-paying job to get perks like better health insurance and more flexible hours.

With unemployment at an all-time low (as of November 7, 2018 we sit at 3.7% according to the U.S. Bureau of Labor Statistics), employers are forced to be more strategic about their employee benefit offerings. According to a new analysis of Bureau of Labor Statistics data by Bank of America, wages and salary now make up just 68% of employees' total compensation.

So how does an employer weed through the hundreds of offerings out there? Do you offer paid family leave? How much paid leave is enough? Do we offer free coffee in the breakroom or do our employees want flexible work hours? Identifying the right employee benefits for your organization means you must understand your current workforce, incoming workforce, and where your organization wants to be with your future workforce.

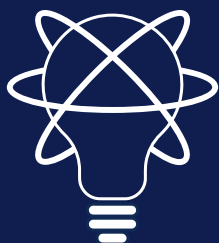
PAID LEAVE

More and more employees are voicing the importance of having paid leaves available through their employer. A 2017 survey of 1,227 employees showed that out of 15 options (noninsurance type benefits), paid leave was the most important benefit an employer could offer.¹

Of the various types of paid leave offered, Maternity/Paternity pay is currently the top contender.

- According to the Society for Human Resource Management's (SHRM) annual benefits survey, released in June, data shows that the percentage of employers offering paid maternity leave increased from approximately 26% in 2016 to 35% in 2018 and paid paternity leave increased from 21% to 29% over the same period.
- The National Partnership for Women and Families highlighted several maternity/paternity pay policies of large employers. Paid time varied from two weeks, offered by a large manufacturing employer, to 26 weeks paid time for e-commerce companies.
- Don't forget that employers that offer paid medical and family leaves may also be eligible for the Federal Tax Fund Credit. (For more information, visit: <https://www.irs.gov/newsroom/section-45s-employer-credit-for-paid-family-and-medical-leave-faqs>)

¹ Survey conducted by Unum



2018 Highlights

- WA PFML
- MA PFML
- MI Paid Sick Leave
- NJ Paid Sick Leave
- Expansion of CA Paid Family Leave
- Expansion of NY Paid Family Leave

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WORKPLACE FLEXIBILITY

Employees continue to look for employers that offer flexible and family-friendly work schedules. According to the SHRM's latest employee benefits survey released in June, more than two-thirds (70%) of organizations now offer some type of telecommuting, either on a full-time, part-time, or ad-hoc basis. This is up from 62% last year and 59% in 2014.² Employers who allow remote work options have employees who:

- Have an increased feeling of personal control over their schedules, which often leads to increased productivity
- Avoid the stress of lengthy commutes
- Have greater flexibility to meet family needs enhancing their work-life balance

2018 has also seen the concept of a 4-day work week become more of a reality for several companies. The companies piloting the 32-hour work week have seen a dramatic shift in productivity and the overall well-being of their employees. While we don't expect this benefit to be widely applied anytime soon, we believe we will continue to see innovative employers continue to evaluate their employee's maximum productivity.

As the needs and concerns of our workforce continue to evolve so must our benefit offerings. We are challenged with finding new and innovative ways to incentivize and show value to our hard-working employees, but remember, bigger isn't necessarily better - employers hitting it out of the park have designed meaningful options that truly impacted their employee base.

EMPLOYEE EXPERIENCE

The employee experience through the leave and disability process is one that many employers are re-evaluating from a design perspective.

Many employers leverage a third-party vendor for their absence administration and, while that approach has many positive impacts, one area that can be negatively affected is the employee's experience through the absence event. Having to work with a third party can create a feeling of detachment and lack of empathy from the employee's perspective. The third party, as much as they attempt to be an extension of the employer, is simply not the employer and that can be painfully clear to an employee as they navigate the absence process. Vendors have taken steps to meet the employee where he or she is and create an absence process that is more closely aligned with how the employee operates in daily life.

Leveraging tools that are common means of communication have had a positive impact on the employee experience: two-way chat, mobile uploads of pictures of medical documentation, the capability to text back and forth and schedule appointments with a claim manager, and the capability to electronically sign a release of information. These are tools that most people use every day in other areas of their lives and to apply them to a disability or leave process, when circumstances are challenging enough for an employee, makes it all that easier to navigate the process and find an advocate.

Some vendors and clients have taken this approach even further, expanding the ease of use concept to other areas of the leave and disability experience. Many are creating short videos, such as one would find on YouTube, that educate employees on what happens at critical points in the process, from intake to decision to return to work. Videos are even leveraged to instruct the employee on how to use a selfservice portal to find key information about the status of the claim. Similar videos are created with managers and supervisors as the intended audience, educating them on the process and their specific role within it, especially on return to work, how to identify the potential need for an accommodation, and who should be engaged if that need is identified. These videos, whether for the employee or the supervisor/manager, range from 60 seconds to three minutes; long enough to describe the specific portion of the process and short enough to maintain the viewer's attention. These can be valuable, just-in-time tools for employees new to the process, and to support the need to continually educate new managers and supervisors.

² Data from Society of Human Resource Management's June 2017 annual benefits survey



Vendors and clients are also recognizing the continual need to review and improve written communications, both email and paper, so that they are easier to read and understand while still communicating the necessary information under the disability plan or any federal- or state-mandated legislation. Communications to employees are generally the primary focus of these improvement efforts; however, communications to supervisors, managers, and human resources contacts are also being evaluated for ease of understanding and clarity, particularly as it refers to any action required vs. information-only. Employers should evaluate the employee experience during a leave or disability event as a primary component of their strategic plan. Surveys, both vendor-initiated, employer internal surveys, and net promoter scores may be used to query your employee population to find opportunities to improve experience and create a process that minimizes stress during the absence event.

TELEMED

Telemedicine has been around for almost 40 years. It was originally started as a way to treat patients in remote areas. However, today telemedicine is much broader and is used in hospitals, home health agencies, and private physician offices as well as homes and workplaces. It includes patient consultations via video conferencing, ehealth (patient portals), and remote monitoring of vital signs. Looking into 2019 and beyond, the new healthcare “door” may not be a physical door at all, but will be a laptop, iPad, or smartphone.

Benefits of Telemedicine:

- ✓ Improved Access – Provider shortages make it difficult to get in to see a provider, especially a specialist. Telemedicine provides access to providers across the nation.
- ✓ Cost Efficiencies – Reducing the cost of healthcare is one of the reasons that stakeholders will be supporting the use of telemedicine in the future. Telemedicine may allow for better management of chronic conditions, reduce needed staffing at brick and mortar facilities, reduce travel times, and even result in a decrease in inpatient stays.
- ✓ Improved Quality – Access to more specialists anytime night or day will improve the overall healthcare services provided to patients.
- ✓ Patient Satisfaction – The best part of telemedicine is the impact on patients and their families. It reduces travel time, time away from home or work, and the stress that goes along with trying to get yourself or a loved one into to see a provider. Plus, the added bonus of having the service cost less.

A recent survey of 1,300 adults showed that 44% of Americans skip treatment due to costs.

View survey here:

<https://www.forbes.com/sites/brucejapsen/2018/03/26/poll-44-of-americans-skip-doctor-visits-due-to-cost/#6e4441b66f57>

Easier access to healthcare has a positive impact to employee health, which is a win/win for employees and their employers—as it not only reduces healthcare costs, but can impact absence and productivity as well.

TELEMED | To integrate or not with leave and disability



With telemedicine being on the rise, we would encourage employers to align their medical policies with their leave and disability practices. If an employee has Telemed opportunities through your medical plans, make sure that under your leave and disability policies you would accept certification from a Telemed provider. Finally, if your organization has not yet thought about Telemedicine consider internal conversations in strategizing your approach.



A concept that we are discussing with several of our employers is the speed of trust for disability and leave events. Speed of trust is an idea that expedites the approval of disability and leave claims based on predefined criteria. This is different than the concept of fast tracking claims through the disability process. Because it applies to both leave and disability. With speed of trust, disability claims with specific diagnoses, such as fractures, sprains, strains, arthritis, diabetes and simple pregnancies, can have an initial duration within optimal guidelines are approved upon receipt of the claim from the employee. In other words, they are approved as soon as the intake is completed, without the need for validation with the provider nor for any specific medical documentation to substantiate the claim. If the claim extends past the initial expected duration or experiences unexpected complexities, the claim reverts to the standard evaluation process as defined by the plan. The employee then must provide medical substantiation from a physician. Claims that would not fall into the speed of trust model may be those with diagnoses with co-morbid conditions, mental health claims or other complex diagnoses that have a more ambiguous potential duration. These claims would follow the standard process, again as defined by the plan, for collecting medical documentation prior to any payment of benefits.

The speed of trust concept is also being applied to leaves of absence, such as those under the Family Medical Leave Act (FMLA), that meet predefined criteria, such as bonding or care of a family member, that are anticipated to last for a short duration, e.g., less than three weeks. Intermittent claims generally do not fall into this expedited process so that information on the anticipated frequency and duration of intermittent absences may be collected, documented and managed against actual utilization. But, like disability claims, leave claims are being initially approved without the need for medical substantiation or other documentation to support the leave, such as proof of relationship. Under the FMLA, an employer is permitted to seek medical certification for an employee's request for leave but is not required to do so. If the employer has enough information that they feel supports the need for leave, the request may be approved without a formal medical certification from the employee. It is important that there is consistent application of this process across all employees, for both disability and leave, so that there is no perception of, or actual discrimination applied to the approval process. Employers who have decided to take this approach are watching these claims carefully for appropriateness and duration, to evaluate and ensure criteria used aligns with the intent and trust placed in the employee.



EMPLOYEE BENEFITS

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