Trends in Absence Management

Aon Hewitt

March 21, 2013
Think Tank Webinar Series

March 21  Trends in Absence Management
April 18  Executive Compensation and Benefits
May 16  Engaging Employees through Technology and Communications Strategies
June 20  Wellness in Action
July 18  Alternative Investment Strategies to Improve Returns and Lower Risk

August 15  Compensation Trends and Planning
September 19  HR Technology Best Practices
October 17  Retirement Trends
October 24  Communication Trends in Retirement
November 21  Global Benefits Hot Topics
December 19  HR Effectiveness, Talent and Leadership
Our Time Together Today

- New realities, new opportunities for managing employee absence
- Strategic approaches bring best value and solutions
- How/where to begin, expected outcomes
- Our experience in the West region
- Providence’s story
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Julie Norville, Aon Hewitt
Absence and the Bottom Line

- C-Suite: Absence management is not perceived to be a major business concern.

- When employers learn that the cost of Absence may be 8% of the cost of payroll, it gets attention.

- Savings are real, significant, demonstrable, and near-term.

- It’s a compelling value proposition but unexplored by most employers.
The smartest way to look at absence is to consider its full spectrum of dynamics, including causes, effects and current tactics for managing it.

Absence can stem from many causes, and its impact can be far reaching, extending beyond bottom-line costs to less measurable yet critical areas, including:

- Regulatory Compliance
- Legal Risk
- Cost
- Administrative Burden
- Employee Engagement
- Health and Wellness
Our comprehensive solutions are designed around your needs to address your unique absence challenges.

Each integrated phase of our process builds on the one before, which creates the strongest foundation for achieving best-in-class results.
By addressing your full range of absence dynamics, we can help create stronger, more strategic improvements in all areas.

- **GREATER:** Compliance
- **REDUCED:** Cost
- **BETTER:** Program outcomes
- **LESS:** Administrative burden
- **IMPROVED:** Employee engagement
- **LINKS TO:** Health and wellness, Worker’s Compensation, Long-term disability, Other medical time-off related benefits
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Tammy Green, Providence Health and Services
Anne Lloyd, Aon Hewitt
West Coast-based Health System continues to grow by acquisition

60,000 employees currently

Leaves of Absence (LOA) policies and administration along with STD, LTD, and Life benefits varied by location. Some union, some non-union, some voluntary, some employer-paid
  - Leaves of Absence utilization was significantly higher than norm for like population and industry
  - Multiple vendors and carriers did not leverage Providence’s buying power or offer consistent performance across the system

Administrative processes did not support business’s information and compliance need or provide for adequate vendor oversight

Newly-centralized HR function allowed for opportunities to improve policies, vendor harmonization, and performance
Providence and Aon Hewitt

Aon Hewitt’s multi-phased project includes analyzing of the Leaves of Absence policies and administration, harmonizing plans and vendors for STD, LTD and Life; Return to Work planning along with improving integration with health and wellness programs and data:

- LOA administration needs were process mapped and streamlined to create a new baseline process for outsourced administration; this new model allowed for customizations to occur at the health system level if needed
- New policies are being created for FMLA and other leaves of absence with intent of streamlining administration, improving employee productivity while still offering competitive time off benefits
- Evaluated current administrative options – both in- and outsourced – and guided selection of administrative model and selection and implementation of the vendor system-wide
- Considering the blended larger system, Providence used Aon Hewitt’s actuaries to leverage potential plan improvements for less benefit spend for both employee and employer
- Expanding individual disability coverage and meeting specific income replacement strategies to improve attraction and retention of key employment segments
- Developing change management and communication strategy
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Core Communication, Change Management, and Training Approach
Smooth transition, minimal disruption, cohesive benefits picture

KNOW how to use new processes and apply new policies correctly

FEEL comfortable and confident in service delivery

DO access the right resources at the right time
## Providence and Aon Hewitt

### HR

- **Associates need time off from work due to their own illness, injury or pregnancy.**
- **Associates need time off from work to care for a family member with a serious illness or injury.**
- **Associates need time off from work for a work-related illness or injury.**
- **Associates need time off from work to report to active duty or training in the military.**
- **Associates need time off from work for personal reasons.**

### Managers

- Prepare HR and managers to use new systems and processes and respond to employee questions.
- Provide the opportunity to discuss disability and leave in the broader context of Total Health.
- Explain what is expected of them.
- Provide details on ongoing service delivery and information on types of leaves to support appropriate use of leaves and disability.

### Quick Reference Guide

- Change impact analysis
- Leader briefings

### Table: Types of Leave

<table>
<thead>
<tr>
<th>Type of Leave</th>
<th>Personal Medical Leave</th>
<th>Family Medical Leave</th>
<th>Workers’ Compensation</th>
<th>Military Leave</th>
<th>Personal Leave</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>When It Applies</strong></td>
<td>Associates can take personal medical leave if they are unable to work due to a non-work-related injury or illness, including pregnancy.</td>
<td>Associates can take family medical leave if they need time away from work to care for a family member with a serious illness or who is an injured military service member. It's also available in the case of a qualifying emergency resulting from a covered military member being called to active duty.</td>
<td>Workers’ compensation applies if associates are unable to work due to a work-related injury or illness.</td>
<td>Associates can take military leave if they are on active military duty or active duty for training, inactive duty training, Reserve and National Guard duty, and examinations to determine fitness for duty in any of the U.S. uniformed services.</td>
<td>Associates can take personal leave if they require an extended period of time off from work for personal reasons.</td>
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<tr>
<td><strong>Eligibility</strong></td>
<td>Regular, full-time associates are eligible after six months of service. The SBRC will determine eligibility.</td>
<td>Regular, full-time or part-time associates are eligible after 12 months of service and 1,250 hours worked in the 12 months immediately prior to leave. The SBRC will determine eligibility.</td>
<td>Regular, full-time associates are eligible for workers’ compensation leave their first day on the job. The SBRC will determine eligibility.</td>
<td>Regular, full-time associates are eligible for military leave their first day on the job. The SBRC will determine eligibility.</td>
<td>Regular, full-time associates are eligible after six months of service. The SBRC will determine eligibility.</td>
</tr>
<tr>
<td><strong>Time Away</strong></td>
<td>Time off can last for up to six months, unless additional leave time is a reasonable and approved accommodation under the Americans With Disabilities Act.</td>
<td>Time off can last up to 12 weeks over the course of one year. Time off for a service member caregiver leave can last up to 26 weeks over the course of one year. It may be taken intermittently in 30-minute increments.</td>
<td>Time off can last for up to 12 months through the leave system, unless additional leave time is a reasonable and approved accommodation under the Americans With Disabilities Act.</td>
<td>Time off can last up to 12 months.</td>
<td>Time off can last up to 90 days.</td>
</tr>
</tbody>
</table>

- Call the SBRC to report discrepancies in actual time off versus reported intermittent FMLA time used.
- * tupit to emails or calls from the SBRC with requests that require action.*
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**Poster**
- Promote service and tools
- Provide access information

**Employee Brochure**
- Provide details on ongoing service delivery and information on types of leaves to support appropriate use of leaves

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**What If...**

- Your own medical condition forces you to be out of work?
- You are expecting a baby?
- Your back is flaring up and you just can’t make it in today?
- You need to take time off to care for an elderly parent?

Starting July 1, 2012, NV Energy has a new team in place to help you answer all those questions. If you will be off work for more than three consecutive days, or if you will be out on intermittent leave:

1. Call your leader, and
2. Call the Disability and Leaves Service Center at 855-874-6364 (toll-free).

Representatives are available 8 a.m. to 5 p.m., Monday – Friday.

We’re here to help!
For more details, please use the “What If...?” brochure from your booklet.

Help yourself to good health

**How to Request a Leave**

- Personal medical leave
- Family medical leave
- Workers’ compensation
- Military leave

Within 30 days prior to the first day of absence or 30 days after the first day of absence:
- Log on to the secure portion of the ServiceMaster Benefits Resource Center (SBRC) website at http://resources.nvenergy.com/ and select “Request a Leave,” or
- Call 877-382-6372 and select the Leave and Disability prompt, Monday through Friday from 8 a.m. to 6 p.m. Central time

Be prepared to provide:
- Your Social Security number or payroll ID number
- Last day worked
- Physician name, telephone and fax number (for medical leave)
- Reason for leave with related dates

If applicable, your manager will work with you to document paid time off and submit appropriate documentations for payroll purposes.

Note: Your manager, HR manager, or a family member may request a leave on your behalf.

**Personal leave for personal reasons**

Contact your HR manager to request your personal leave for personal reasons. If approved, your HR manager will submit your leave request to Aon Hewitt Absence Management.
Providence: Where We Go From Here

- Evaluate future role of on site clinics

- Create health/absence dashboards to highlight impact, next areas of opportunities for health improvement and absence management programs

- Look at opportunities to leverage employee health and safety programs
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