



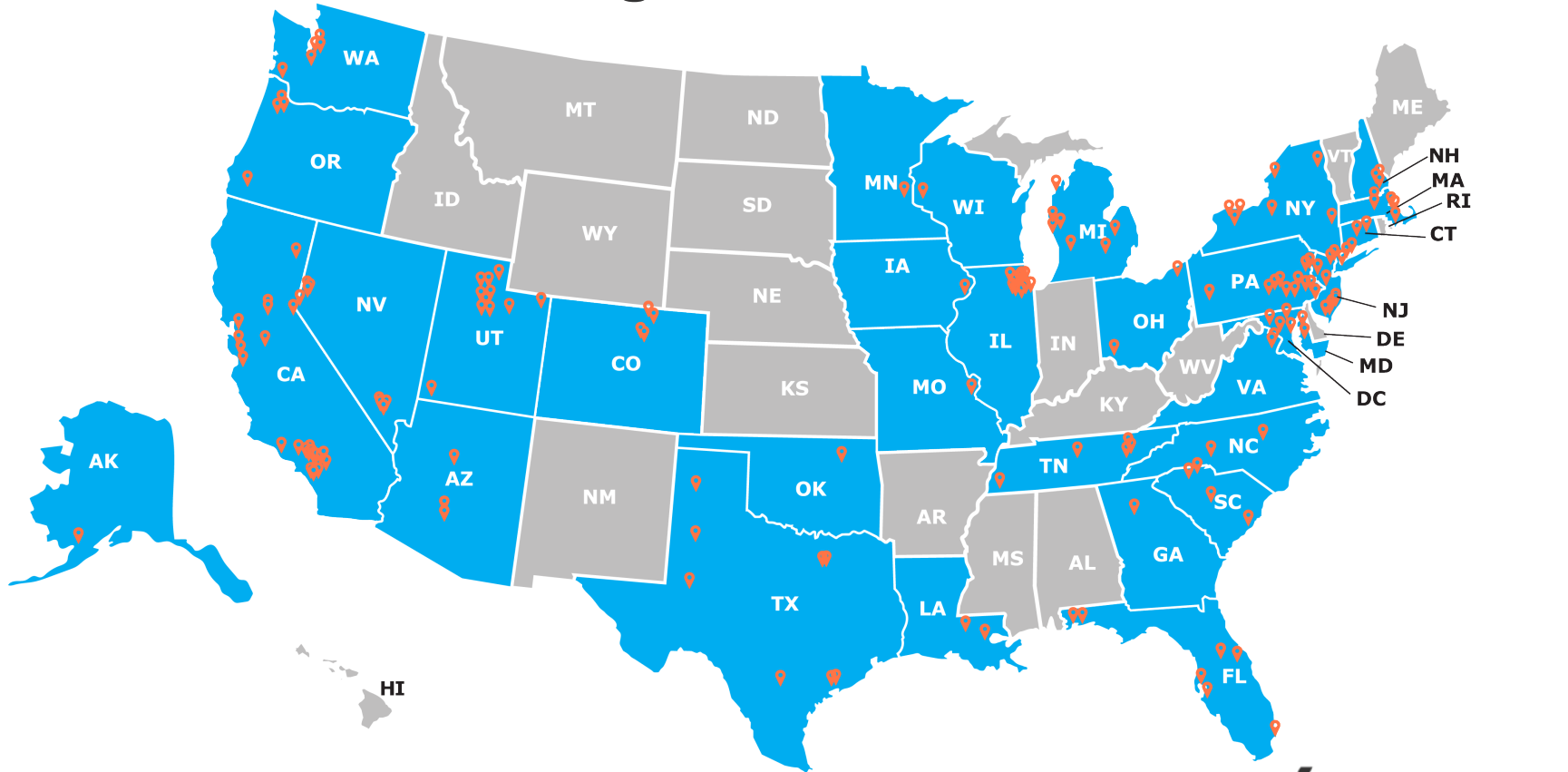
Welcome to Our Webinar Series  
**Leave Management: Trends,  
Challenges & Best Practices**

**Teri Weber & Grace Giannattasio |  
*Spring Consulting***

**September 15, 2022**



# Welcome to Our Regional Alera Partner Firms!





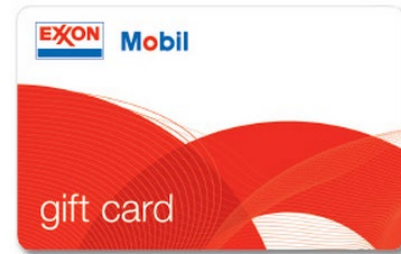
# Questions?

During the webinar if you have any questions, please feel free to...

- 🗨 Zoom Chat: Enter questions via the “Chat” feature in the Zoom meeting

# Reminders

1. Slides and resources will be emailed after the webinar and are available on [silbs.com/events](https://silbs.com/events)
2. Complete our 2-minute post webinar [SURVEY](#)\*\* All completed surveys will be entered to win a \$100 Exxon gift card!



## UPCOMING

### What's Hot and Trending in Q3

September 15th, 2 PM – 3 PM EST

### Rehumanize Your Workforce

October 20th, 2 PM – 3 PM EST

### Consumer Directed Healthcare and Account-Based Plans: HDHPs, HSAs, FSAs, and HRAs

October 26th, 2 PM – 3 PM EST

### The Hidden Truths About Burnout – What Leaders Need to Know to Reverse, Control, and Prevent Burnout in the Workplace

October 27th, 1 PM – 2 PM EST

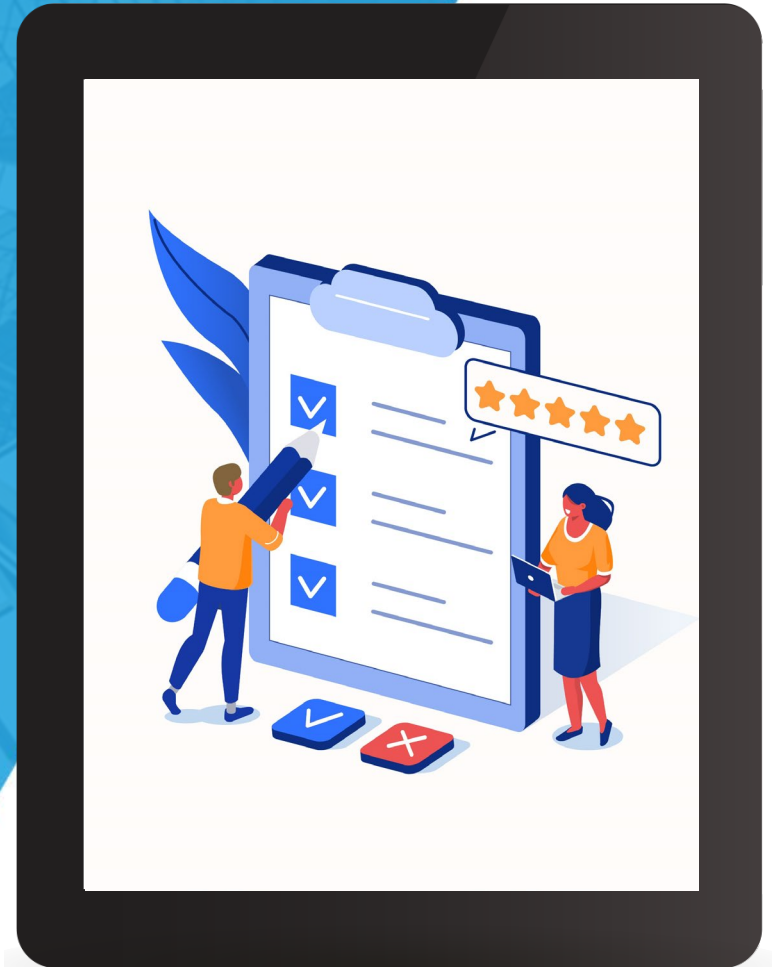
## Webinars



# 2022 Mid Atlantic Benchmarking Survey

**If you are a Mid Atlantic employer with 50 or more employees, then you are invited to participate in the 2022 Mid Atlantic Benchmarking Survey**

- ▶ Our survey provides companies with comparable benchmarking data for:
- ▶ Medical Plans
- ▶ Dental, Life, and Disability Benefits
- ▶ Innovative Benefits & Strategies
- ▶ Wellness & Vision
- ▶ Other Specialty Benefits
- ▶ Click [Here for More Information!](#)





# Welcome

Teri Weber & Grace Giannattasio, *Spring Consulting*

# Alera's Absence Management Practice:



**THE D.B.L. CENTER LTD.**  
NICHE INSURANCE SPECIALIST  
AN ALERA GROUP COMPANY



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# Not a New Concept

Absence management can mean different things to different people but most commonly includes disability, FMLA and other related leaves, including state paid and unpaid leaves.

|                              |   |
|------------------------------|---|
| <b>Short-Term Disability</b> | <b>Family and Medical Leave (FMLA)</b>                  |
| <b>Long-Term Disability</b>  | <b>Other State (paid and unpaid) and Company Leaves</b> |
| <b>Statutory Disability</b>  | <b>State and Local Sick Leaves</b>                      |
| <b>Workers' Compensation</b> | <b>Americans with Disabilities Act (ADA)</b>            |

- ▶ Coordinate plan and policy provisions
- ▶ Single point of intake for claim reporting
- ▶ Trigger supplemental coverages (e.g., AI, CI, HI, EAP, Wellness)
- ▶ Consistent and compliant management
- ▶ Timely communication to managers
- ▶ Integrated data and reporting

# Challenges are Many

- ▶ Employer pain points vary by size, industry and culture but are centered on compliance, consistency and employee experience

**Keeping up with rapidly evolving federal, state and local laws**

**Knowing when employees are absent in the first place**

**Designing disability, leave and ADA plans and policies**

**Tracking and managing intermittent leave**

**Training managers and supervisors**

**Controlling abuse and costs**

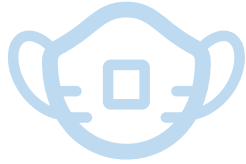
COVID highlighted the need for policy change, accommodation flexibility, supportive caregiving, mental health and wellbeing services, and collaboration across HR, Benefits and Risk.

Sources: DMEC Employer Leave Management Survey, 2019. Spring Consulting Group Employer Integrated Disability, Absence and Health Management Survey, 2018. Society for Human Resources Management (SHRM), January 2, 2020.

# Top Trends



State Paid Leave  
Development



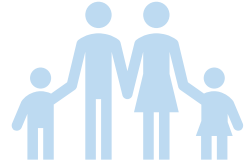
Pandemic Impact



Wandering  
Worker



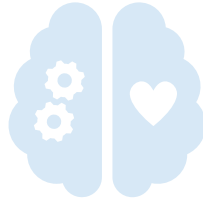
Parental Leave



Family Leave



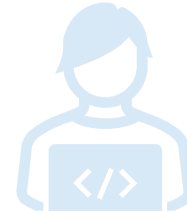
Bereavement  
Leave



Mental Health



Insourcing vs  
Outsourcing



Self-Service

# Paid Family & Medical Leave Landscape

As of August 2022

**SDI + PFL Currently in Place**  
 California New York  
 New Jersey Rhode Island

**SDI Currently in Place**  
 Hawaii\*\* Puerto Rico

**PFML Currently in Place**  
 Connecticut Washington  
 Massachusetts Washington, D.C.

**PFML Insurance Rules in Place**  
 New Hampshire Virginia

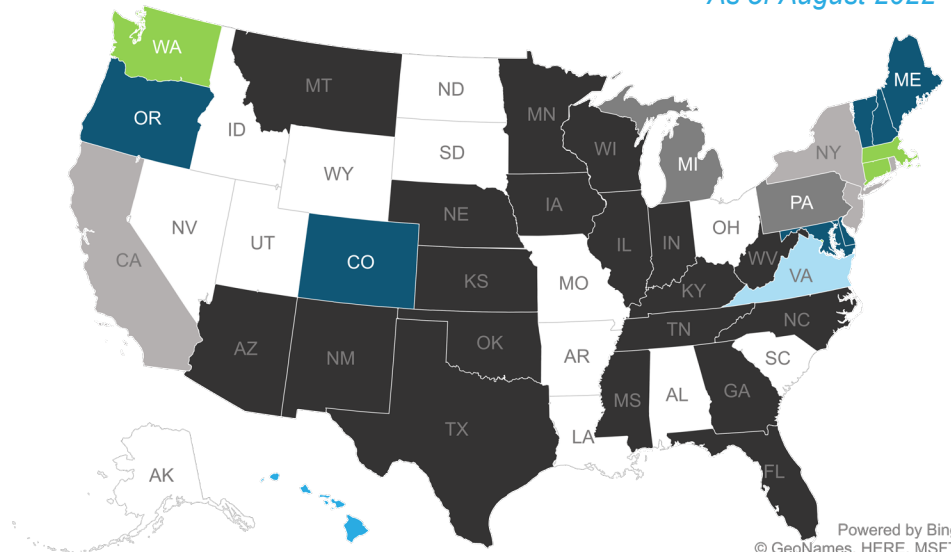
**Proposing PFML Program**  
 Michigan Pennsylvania Hawaii\*\*

**PFML Proposal Rejected\***

|          |                |               |
|----------|----------------|---------------|
| Arizona  | Kentucky       | Oklahoma      |
| Florida  | Minnesota      | Tennessee     |
| Georgia  | Mississippi    | Texas         |
| Illinois | Montana        | Vermont       |
| Indiana  | Nebraska       | West Virginia |
| Iowa     | New Mexico     | Wisconsin     |
| Kansas   | North Carolina |               |

**PFML in Regulatory Phase**

- Colorado**..... contributions begin 1/1/23; benefits available 1/1/24
- Delaware**..... contributions begin 1/1/2025; benefits available 1/1/2026
- Maine**..... created commission to study PFML program with proposal expected in 2023
- Maryland**..... contributions begin 10/1/23; benefits available 1/1/25
- New Hampshire**..... voluntary program expected to begin 1/1/23
- Oregon**..... contributions begin 1/1/23; benefits available 9/3/23
- Vermont**..... Voluntary program expected to begin 7/1/23 for state employees, 7/1/24 for other employers and 7/1/25 for individuals



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Beyond FMLA, the Fischer Tax Credit, FEPLA and FFCRA, federal proposals include the FAMILY Act, New Parents Act, The American Families Plan, and The Building an Economy for Families Act.

# State Paid Leave Development

- ▶ As states continue to propose and implement statutory paid family and medical leave programs, employers are challenged to determine the best approach for their population

## Consider:

- State vs Private plan options
- Outsourced or internally administered private plans
- Coordination with employer provided benefits

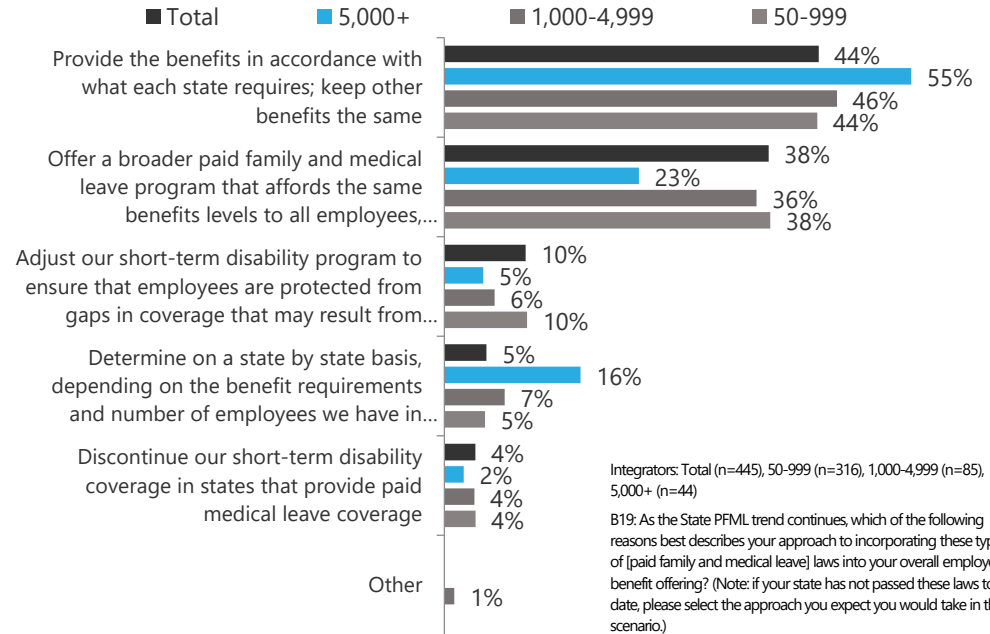
The most common strategy continues to be providing benefits in accordance with what each state requires; keeping other benefits the same.

## Trends:

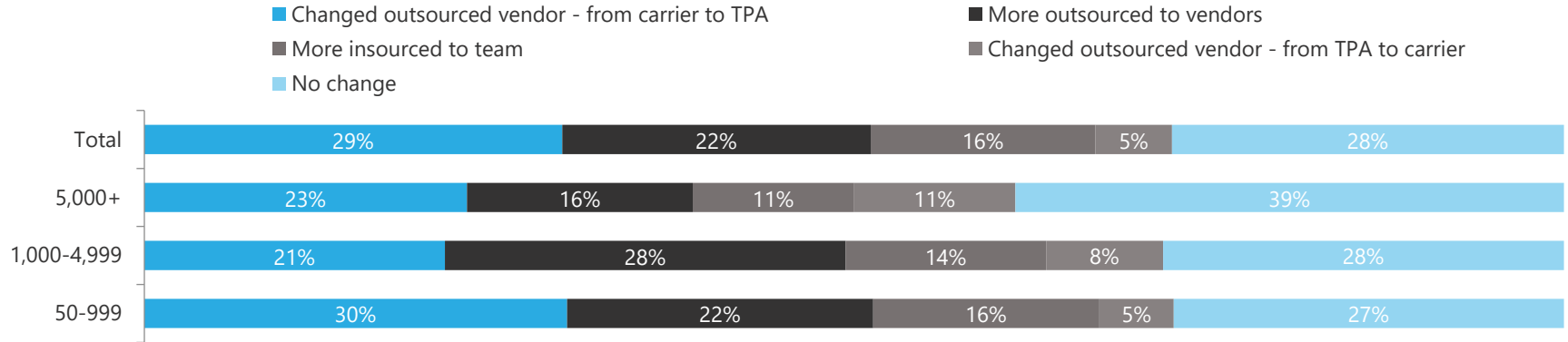
- An increasing number (almost 4 in 10) of integrators offer a broader paid family and medical leave program than in 2020 (3 in 10), affording the same benefits to all employees, regardless of work state.

## Employer Differences:

- Jumbo employers (5,000+ employees) tend to determine their approach on a state by state basis.



# Pandemic Impact



**7 out of 10 integrators have made changes to their absence management program as a result of the pandemic.**

## Employer Differences:

- Jumbo employer (5,000+) are more likely to have not made changes to their absence management program as a result of the pandemic.
- Smaller employers (50-4,999) are more likely to have changed outsourced vendors – from carrier to TPA or outsourced more to vendors.

Integrators: Total (n=445), 50-999 (n=316), 1,000-4,999 (n=85), 5,000+ (n=44)

G0 What has changed about your absence management program as a result of the pandemic? *Not asked in previous years.*

# Wandering Worker

- ▶ With remote work being common due to the pandemic, more workers are taking the opportunity to move across state lines
- ▶ Employers are struggling to monitor employee locations and ensure compliance with relevant employment laws
- ▶ An estimated 58% of employees having the opportunity to work remotely, employers must review their policies

**An increasing number of integrators have a PTO program for sick and vacation leave and 6 in 10 integrators offer a work from anywhere policy, allowing employees to work from any location for a certain amount of time, with 2-4 weeks most common.**

## **Consider:**

- Strategy for “approving” remote work states
- How to monitor relevant leave and employment laws
- Impact on employee benefit strategy
- Employee equity

# Parental Leave (Paid)

- ▶ Paid parental leave continues to increase in popularity
- ▶ Data continues to evolve
  - IBI vs. Industry Focused vs. Spring Benchmarking
- ▶ Benefit and duration varies considerably by employer size and industry
  - Average benefit ranges from 40% - 60% but many firms provide full salary replacement
  - Duration is typically 5-14 weeks; varies depending on how group STD and maternity plans are administered
- ▶ There is movement toward standard bonding plans (i.e., parental leave) and away from gender specific policies (i.e., maternity vs. paternity) or policies that categorize caregivers (i.e., primary vs. secondary). Given this, coordination with STD is important



# Family Leave (Paid)

- ▶ Paid family leave has become more prevalent than in previous years, and is only slightly less common than parental leave
  - Prevalence increases with employer size
- ▶ Data continues to evolve
  - IBI vs. Industry Focused vs. Spring Benchmarking
- ▶ Benefit and duration varies, largely drive by employer size
  - The average benefit ranges from 40% - 79% of pay, with large employers (1,000+) more likely to pay 100%
  - Average duration ranges from 3 to 9 weeks
- ▶ Coordination with federal or state family leave laws (e.g., FMLA, PFML) is critical to ensure compliance, however other considerations exist
  - Equity
  - Cost
  - Administration

# Bereavement Leave

- ▶ An estimated 4 in 5 employers has a formal bereavement policy
- ▶ Over time, approaches to bereavement leave have evolved, approaches include:
  - PTO to include bereavement
  - FTO that includes bereavement
  - Expanded definition of bereavement leave to include pregnancy loss and infertility
  - Expanded relationships beyond immediate family members or simply not defining family members
- ▶ States have begun to include bereavement leave and expand family leave definitions

Bereavement leave policies can be high-value for employers, supporting retention, when employees are going through difficult times

# Mental Health

- ▶ Mental Health continues to be a high priority for employers
- ▶ Benefit offerings range from allowing time off for mental health to enhanced EAP services and digital therapy services

Increasing number of integrators offering EAP and telemedicine since 2018

45% of integrators offer mental health day(s) as an emerging benefit (new option on survey in 2022)

Mental health separate from EAP and health is more commonly integrated than EAP or wellness in 2022

Early intervention activities have shifted to prioritize wellness and mental health (separate from EAP) referrals and behavioral health management at higher rates than RTW

The most common strategies integrators are taking to attract and retain talent are focusing on benefit affordability and offering greater mental health benefits/resources, followed by more voluntary coverage and new leave types

# Insourcing vs Outsourcing

- ▶ Interest in outsourcing continues to grow
- ▶ Insurers remain a critical vendor partner for small and mid-sized employers
  - Natural fit is working with your group disability carrier for leave administration
- ▶ Third party administrators are usually more flexible but may not be available for all sized groups
- ▶ System providers are also a hybrid solution that allow for insourced management with robust tools; newer entrants in the market have strong systems but may or may not have the back office required
- ▶ Do not short-cut finding a vendor partner; relationships usually last 5+ years; finding the optimal solution is critical

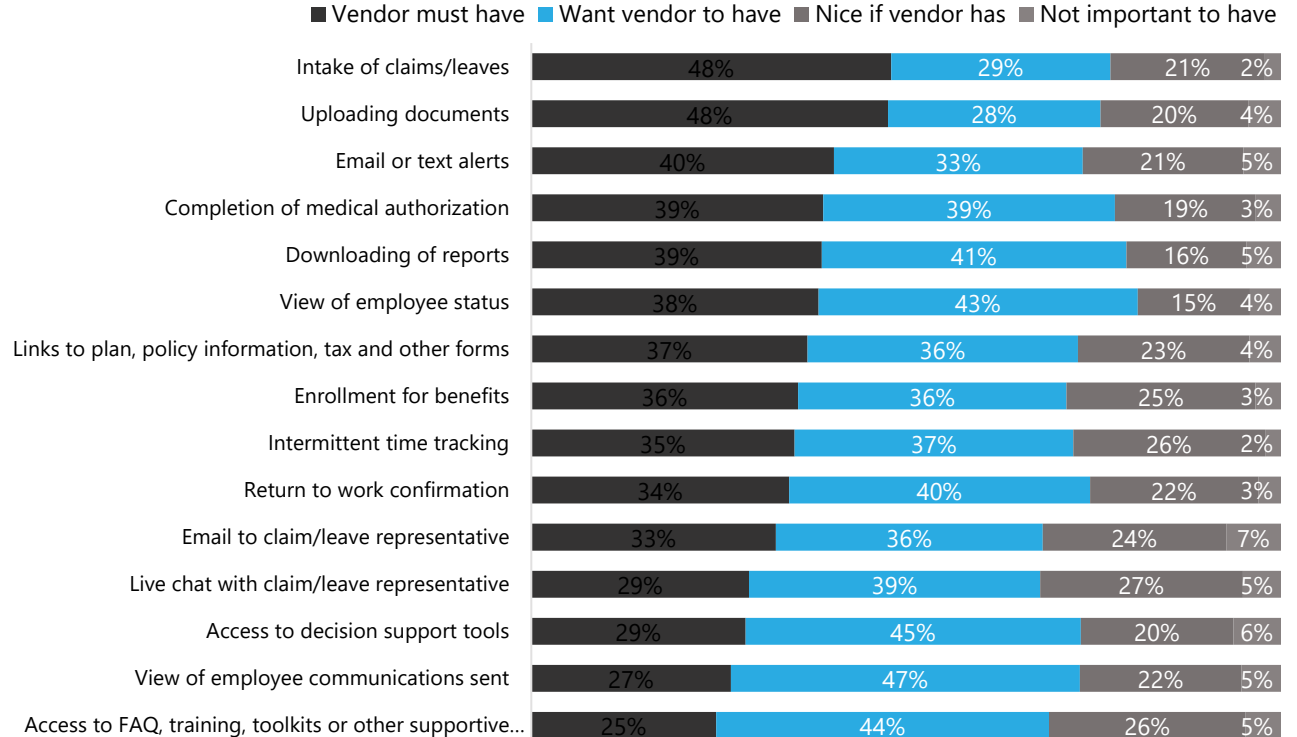
# Self-Service

Integrated employers want vendors to have a broad range of self-service portal capabilities, with intake of claims/leaves, uploading documents, email or text alerts, completion of medical authorization, and downloading reports most critical.

Employers that outsource FML prioritize completion of medical authorization, view of employee status, RTW confirmation, email to claim/leave representative and view of employee communication sent (★).

## Employer Differences:

- Completion of medical authorization, enrollment for benefits and access to decision support tools are less important for 5,000+
- All other features increase in importance with employer size

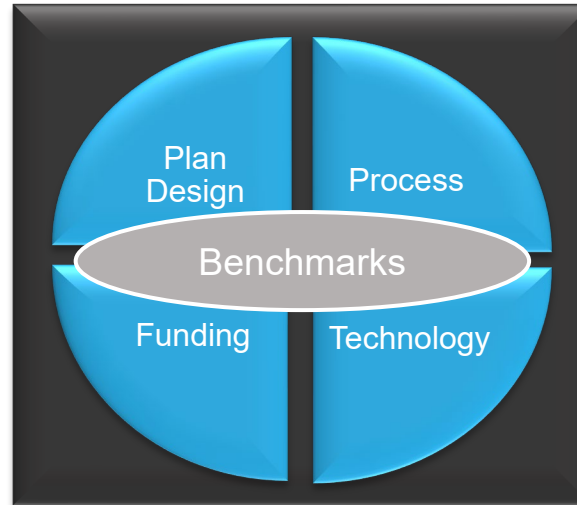


Integrated benefits program includes a self-service portal; Integrators: Total (n=303), 50-999 (n=205), 1,000-4,999 (n=60), 5,000+ (n=38)  
 F7: How critical to your vendor selection process is the vendor's ability to provide the following self-service functionality?

# Our Approach

**Plan Design:** Includes assessment of the current plans compared to best practice and providing suggestions for more appropriate plan design and policy details or better overall structure(s)

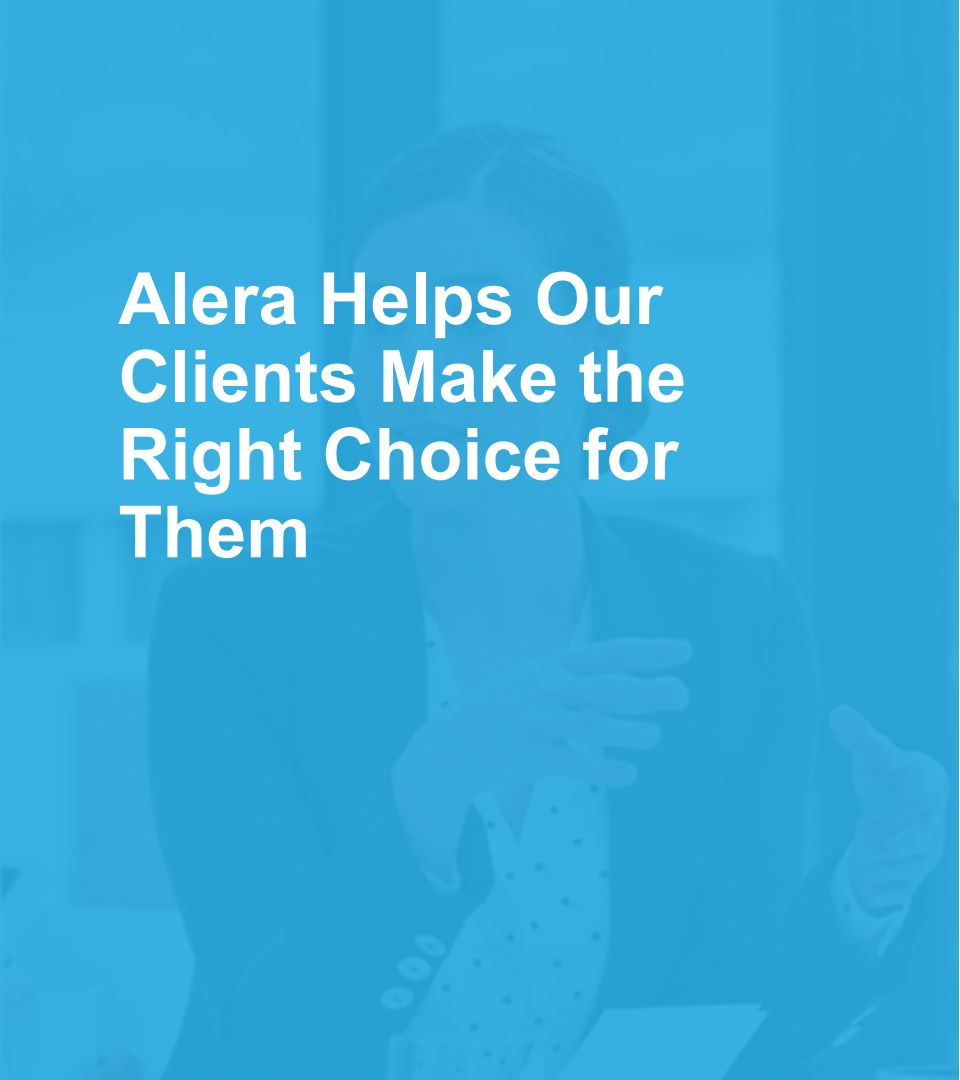
**Funding:** Explores insurance, self insurance, captive insurance and other hybrid options to identify the most effective option(s)



**Process:** This is all encompassing from communications to leave management to touch points between providers and internal stakeholders. Clear processes ensure a smooth offering and enhanced employee experience

**Technology:** Establishes appropriate metrics to evaluate financial impact as well as areas for process and plan design improvements. This examines both internal and external technology used to manage employee time away from work

**Benchmarks:** Leveraging benchmarks is critical for success. A holistic view requires consideration of peer groups in order to appropriately compare your offering and potential enhancements



## Alera Helps Our Clients Make the Right Choice for Them

- ▶ What are your biggest concerns with the current state of your absence program?
- ▶ What is thought to be working well?
- ▶ What needs the most improvement?
- ▶ What is most important to you with how absence is administered?
- ▶ How does this fit with your company's strategic objectives?

# Addressing Your Questions

A blue-tinted photograph of three people in a modern office setting, viewed through a large window. The people are silhouetted against the bright light coming from the window. They appear to be in a meeting or discussion, with one person standing and two others seated or standing nearby. The background shows a city skyline with various buildings under a clear sky. The entire image is overlaid with a semi-transparent blue filter.

**Thank you!**







# Thank You for Attending

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