



## Absence Management

"A Challenge for Employers of Every Size"

Once thought to be an effective strategy for primarily large employers, small and mid-size employers are now realizing the benefits of outsourcing the administration of federal and state mandated Family and Medical Leave Act (FMLA) claims, sick leave and disability benefit programs.

Outsourcing options vary and range from stand-alone administration of FMLA claims and state-specific programs to integrated benefits delivery of FMLA, short-term disability and workers' compensation.

With the downturn in the economy, employers of all sizes are facing similar challenges - rising health care costs and lost productivity due to absences. Yet, small to mid size employers are further burdened due to fewer available resources and time to help them effectively manage workplace absences and promote a healthy workforce.

CareWorks USA's Disability Management Solutions division is an administrator for FMLA and integrated disability benefit programs. One third of small to mid-size employers who responded to a recent CareWorks USA survey were not satisfied with their current FMLA program.

Survey results help provide perspective on how small employers are struggling to manage the complexity and burden of FML claims and new regulations. Other findings of the surveys included:

- 49 percent of all respondents have challenges in administering FMLA.
- 82 percent of all respondents track FMLA time manually.
- 59 percent of all respondents do not provide training on FMLA to their managers and supervisors.
- 100 percent of all respondents currently unsatisfied with their current FMLA program have or are considering outsourcing as an option.

Many employers indicated that in addition to the manual record keeping and lack of education of managers and supervisors, the burden on human resources staff and consistency issues posed significant challenges to effective and efficient administration of leaves. Others were concerned about compliance due to new federal regulations announced in January, 2009.

Outsourcing FML administration can not only improve consistency and compliance, but can enhance fairness for the employee and promote return to work. For FMLA and other disability-related absences from work, an employer can most positively impact their costs by helping the employee restore a healthy, productive lifestyle as quickly and safely as possible.

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