



disability and absence management



It all starts simply enough – an employee is absent from work. But what happens next can turn a routine absence into a complex, costly claim – one that increases exposure and drains productivity. If this sounds familiar, call Sedgwick’s disability and absence management experts today.

At Sedgwick, we know that finding ways to manage employee absences can be challenging and complex.

At any point in time, the average large employer has 20% of employees absent from work due to an active Family and Medical Leave (FML) claim, workers’ compensation, or other type of absence request. The impact of unscheduled employee absences on American business has been estimated as much as \$74 billion or 36% of payroll. And that’s a drain on everyone.

We know our clients need help supporting and improving the health of valuable employees and the productivity of the organization in a way that is cost effective, efficient and compliant.

We are the largest full-service third party administrator (TPA) to offer clients the convenience of one-stop shopping for absence management, including:

- State, federal and municipal leave, such as FML
- Short-term disability (STD)
- Long-term disability (LTD)
- Military service
- Employer specific policies

Plus, our state-of-the-art technology means you can access one system to obtain all necessary information along the continuum of an employee absence. This depth and breadth of integrated services makes Sedgwick

unique in the market, as most TPAs and insurers can’t provide absence, disability and workers’ compensation services on an integrated basis. And that can be a real problem for employers, often resulting in increased costs and lower productivity.

We give you insight to see the big picture on all types of leave. And, because all of that data is on a single platform, you also receive integrated reports. This includes not just data on each employee, but also aggregate data from the entire workforce. This wealth of data enables employers to discover underlying reasons for excessive absenteeism and develop appropriate interventions from wellness to organizational development.

The technology difference

Technology is the cornerstone of our approach to absence management. It allows us to identify, track and report our findings and program results. Our proprietary tools provide clients and their employees with 24/7 access to real-time claims information, and a fully customizable home page that includes a metrics dashboard and the ability to drill down to the claim level.

Our consumer self-service tool provides clients and their employees quick, easy access to claims information. Clients can see which employees are off work at any time and it offers limited access to a broader group of users based on their roles. Intake capabilities are available for workers’ compensation, disability, leave, property, and general and auto liability claims.



disability and absence management

Employees can view claim and payment status, update return to work dates, securely interact with their claims professional, opt in to receive push technology communications, report new claims or intermittent absences, sign up for direct deposit, search for a medical provider specializing in occupational injuries in select states, securely upload claim or medical documents, information or images, view and complete medical authorization and medical history release forms, and much more. Our consumer self-service tool offers responsive design, which adapts to any device and offers full functionality on personal computers, tablets or smartphones.

In addition, our advanced technology allows us to identify individuals who have excessive absences and better analyze those patterns. It also enables us to manage all aspects of leave and job retention programs that may be applicable to the employer under federal, state, or municipal guidelines.

Sedgwick is the only TPA offering integrated workers' compensation and disability claims services on a single paperless system. We operate in a fully transparent environment; maintain SOC1, Type II certification; and provide fully secured technology.

Automated time and attendance

Our system includes automated time and attendance capabilities offering additional benefits for clients. Consider what might happen with an employee taking care of an elderly family member. One day that employee is at work and the next day, they are on intermittent FML. This is followed by a longer duration leave of absence and then the employee is back on the job. Employers partner with Sedgwick because of our ability to track this level of absence detail.

Sedgwick knows that efficiency is key to the success of any organization. We have worked with many of our clients to use the absence detail we already track to

update their time and attendance or HRIS systems to alleviate that burden from managers and supervisors, freeing them up to focus on core business needs.

Sedgwick's technology tools at-a-glance

- Self-service capabilities for employees and supervisors include the ability to view claim status, payment information and examiner communications; and update personal information and return to work dates
- Employees can choose their communication preferences including text and email to keep them continually up to date throughout the claim process
- Clients can view real-time claim data and document images, run reports and add diaries/alerts
- Reporting features include options to deliver regular reports to various departments, locations, or divisions showing only relevant data
- Fully encrypted data with high standards of identity protection
- Claims management programs can interface with client systems such as payroll, HRIS, eligibility and data warehouse applications

Helping to ensure compliance

What's the biggest headache facing employers when it comes to absence management? Many would answer compliance.

Federal laws governing disability, FMLA and ADA are complex and ever changing. There are always those situations where it seems as if laws are being followed, but problems can still arise.

Imagine an employer faced with a worker who is consistently late or absent. The employer follows HR guidelines with regards to warnings and discipline, but when there is no change, the employee is fired. This seems straightforward – right? However, if the employer has not



disability and absence management

taken into account FMLA regulations, the company could still be at risk for lawsuits and fines for non-compliance. Under today's guidelines, local managers can be held personally and civilly responsible for violating FMLA guidelines. We help remove the administrative burden, and ensure that our clients are aware of the compliance implications of all federal, state and local laws.

Absence management in action

A school teacher was unable to come to work due the flu. She went to the school's custom view in our self-service tool, keyed in that she would be absent and the reason why. The information was transmitted – in real-time – to the scheduling manager or via email and within just a few minutes, a substitute teacher was assigned to teach that day. Sedgwick can provide this level of service 24/7/365 for any U.S.-based employees.

The Sedgwick team

We believe by creating dedicated client programs, our colleagues can play a key role in helping employers create effective disability and absence management programs. We work closely with clients to ensure we understand every element of their disability and absence policies and procedures, and equally important, the culture of their organizations. That level of knowledge is not generally available at insurance companies or most TPAs.

Sedgwick provides:

- A single intake solution for all absences including workers' compensation, disability and leave
- 24/7/365 customer service through telephonic and web channels
- Immediate, real time absence notifications to employer contacts
- Automatic generation of concurrent FMLA claims upon report of STD or workers' compensation events

- Ability to channel callers to other employer offerings, such as EAP and wellness
- Clinically driven claims management focused on facilitating the earliest possible return to work

What you don't know might be hurting you...and your injured employees

Many employers today have no idea how much disability and other absences are costing their organizations. Research shows that the average annualized federal FMLA utilization rate is 14.5%.

When state and municipal leaves are added, that number grows to more than 20%. To put this in perspective, consider the following:

- FMLA utilization ranges from 30 to 40 workdays per year for every 100 active employees
- Employers can expect to spend \$50 to \$170 per employee, per year due to the FMLA. That translates to more than \$1 million for an employer with 10,000 employees
- Employers that do not track FMLA absences concurrently with paid disability leave may experience 50% more FMLA days
- Legal costs can add 10% to the cost burden of the FMLA

Productivity improvements

Sedgwick managed the workers' compensation program for a large auto manufacturer for several years. In order to find a more efficient operating model, the client turned to Sedgwick to also manage their disability and integrate that program with workers' compensation. Within a few years, Sedgwick reduced this sizeable employer's disability and workers' compensation claims by approximately 1%. What did this improvement mean for our client? About 1,500 employees were on the job instead of away on disability or workers' compensation, productivity increased, and the company saved millions of dollars per year in related costs.



disability and absence management

Working with people

We take every measure possible to ensure our clients have a strong disability and absence management program that focuses on increased productivity and cost management. However, we remember we are dealing with people who are experiencing a major life event and ensure they receive the highest level of customer service while ensuring only applicable benefits are administered.

The vast majority of employees who file for disability or leave have never had a previous need for these benefits. It is a new and often troubling experience for them. We treat each employee with compassion and respect, and believe we play a key role as an advocate for the overall health and wellness of the individual.

Reducing unnecessary absences

After just one year of working with our clients, we typically see a 15% to 20% reduction in unnecessary absences. In addition, Sedgwick's programs provide an educational and sentinel effect – meaning employees better understand what absence management is and how to ensure they follow employer guidelines.

The Sedgwick difference

There are many options for disability and absence management today. Our technology, expertise and integrated services set us apart. At Sedgwick, we work closely with employers to help them enhance their programs and achieve results.

We offer:

- The most flexible system on the market, enabling you to create a customized program for your organization's unique needs
- An integrated approach that shows you the big picture when it comes to absences
- A single solution with no need for multiple vendor agreements, governance, invoices, technology platforms, or program renewals; allowing clients to focus on overall performance
- The ability to measure the return on investment of a managed absence program
- More detailed information on who will be at work on any given day so you can plan accordingly

Contact us today to learn more about Sedgwick's disability and absence management services.

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