



Milwaukee County

Family Medical Leave Act Administration
Contract Award Recommendation

Background

- ▶ Milwaukee County self-administers FMLA leaves since 1990s
- ▶ 2 year leave average:
 - 1,500 leaves applied for annually
- ▶ 2 positions in Risk Management handle leave administration
- ▶ Leaves tracked manually



FMLA Financial Impact

Costs for employee paid FMLA leaves:

- ▶ 2013: \$2,511,942
- ▶ 2014: \$3,055,344
- ▶ Does not account for associated overtime costs

- ▶ Annual administration hard costs:
 - ▶ Positions: \$158,784
 - ▶ Postage: \$6,500

- ▶ 32 FMLA related lawsuits from 2010– present
 - ▶ \$344,000 in litigation expenses



Background:

2014 DOL Compliance Agreement

- ▶ Department of Labor citation: “Milwaukee County has failed to comply with the provisions of the Family Medical Leave Act (29 USC §§ 2601 *et seq.*)... due to inherent systemic violations which the DOL believes have been caused by the current manner in which Milwaukee County administers leaves”
- ▶ DOL cited issues with:
 - inability to meet regulatory deadlines
 - improper leave denials
 - inability to track leave data
 - pattern of non-responsiveness from the leave administrators to the employees



Exhibit A

Cross functional workgroup

- ▶ Multi-jurisdictional workgroup met over 6 month period to research alternatives
- ▶ Representatives from:
 - Corporation Counsel
 - Comptroller
 - IMSD
 - HR
 - Risk

Also met with PRB, DC 48/32, employees, and department heads

Workgroup: Three Alternatives

- ▶ Decentralized administration – X
 - Liability, lacking expertise, no analytics
- ▶ Purchase technology – X
 - Costly, lacking expertise
- ▶ Third Party Administration ✓
 - Technology
 - Automation
 - Analytics
 - Customer service
 - Medical and legal experts
 - Cost efficient
 - Eliminates conflict of interest

RFP Process

- ▶ RFP released April 13, 2015
- ▶ Bid responses due May 15, 2015
- ▶ Five proposals received
- ▶ Proposals evaluated on technical ability and also separately on a cost metric
- ▶ FMLA Source was the highest point earner
- ▶ Panel conducted on-site interviews with top 3 proposers and FMLA Source remained top selection upon conclusion of this process

Who We Are

Part of ComPsych, offering employee assistance programs that help employees navigate stresses impacting work performance.

Our leave management solution now serves more than 1,700 organizations for FMLA administration and more than 1,000 for state leave administration, covering 1.9 million employees overall.

Leave types administered include:

- FMLA
- State FMLs
- Jury, bereavement, company and personal leave
- Military
- ADA
- Provincial (Canada)

Offices in Chicago (HQ), Ft. Lauderdale, Las Vegas



Experience in Industry

Over 80 Clients in Public Administration, Education & Social Services



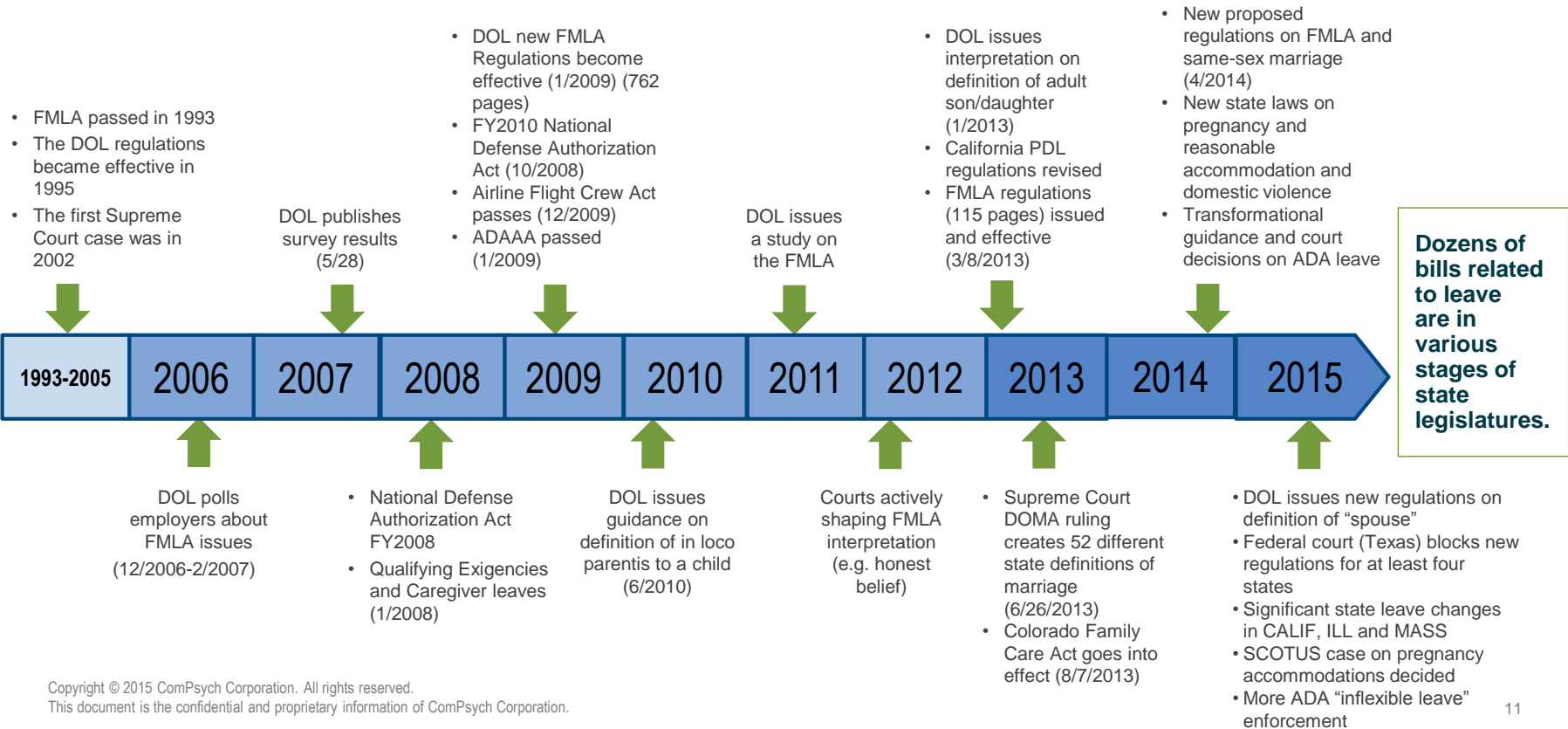
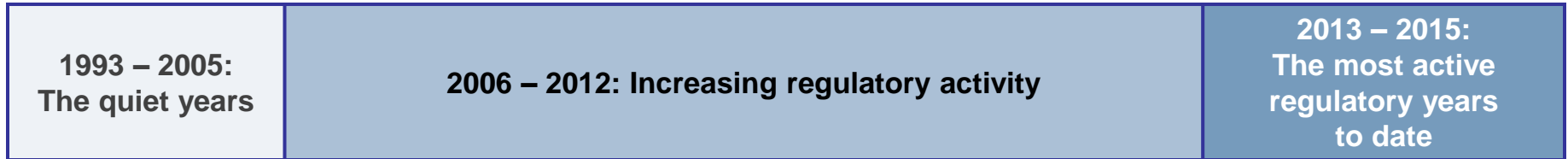
How FMLASource® Can Help

- **Expertise/Compliance**
- Ease of Administration
- Reducing Cost of Absence



FMLA Compliance Landscape

Regulatory expertise is a requirement for administering leaves in today's complex and dynamic environment



Expertise Helps Keep Clients Compliant

Embed all relevant guidance (e.g., regulations, DOL letters, court decisions) into our processes

Consultative approach to absence policies and practices (e.g., honest belief)

Updates on legal actions and changes

- federal and state statutes
- regulations
- administrative opinions
- important course cases

Access to FMLA specialists for consultation prior to any employment and/or disciplinary action

Supreme Court's Ruling on Same-Sex Marriage and Revised EEOC Guidance on Pregnancy Disabilities

June 26, 2015

Highlights

- Within a 24 hour span, we witnessed two significant developments related to leave administration.
- First, the United States Supreme Court ruled that states cannot ban same-sex marriage, thereby allowing employees in all states to take leave for a same-sex spouse.
- Second, the EEOC, in reaction to the Court's decision in *Young v. UPS* issued revised guidance on accommodations for pregnancy-related disabilities.

Same-Sex Marriage and Friday's Supreme Court Opinion

The Supreme Court was presented with two issues regarding same-sex marriage:

- 1) Whether states could ban same-sex marriage, and
- 2) Whether states had to recognize lawful marriages performed in other states.

In both instances the Court ruled in favor of allowing same-sex marriage nationwide. The ruling grants married same-sex couples the same legal rights and benefits as married opposite-sex couples nationwide. The ruling will not take effect immediately as the Court gives 25 days to ask for reconsideration. However, many states that had previously banned same-sex marriage have already started issuing same-sex marriage licenses to same-sex marriage couples.

The Supreme Court ruling also makes the Texas federal court case (*Texas v. US*) involving the DOL's expansion of the definition of "spouse" moot. In that federal court case, the states of Texas, Arkansas, Nebraska, and Louisiana joined in a lawsuit against the DOL's position of expanding the FMLA's definition of "spouse" to same-sex spouses.

Our Comment

Although the Supreme Court's decision has broad implications and is not specific to FMLA, the ruling has a significant impact on the definition of spouse under the law (which has been actively challenged for the last two years in the courts, state legislatures, administrative agencies, etc.)

After the DOL's expansion of the FMLA's definition of "spouse," we moved forward with the new definition in all states except for Texas, Arkansas, Louisiana, and Nebraska. As a result of the Supreme Court ruling and its effect on the Texas federal court case, we will now apply the expanded definition of "spouse" nationwide to include leave for both opposite-sex and same-sex spouses. For employees with a valid marriage who reside

Striving to Make it Easy

Easy-to-navigate process

Process designed to guide employees under stress through each step:

- Proactive communication to employees on status and next steps
- Safety net in place to outreach to employees when they need guidance (i.e. 3 day before medical certification is due)

Easy access and intuitive tools

- Phone center open 14 hours a day, Monday – Friday
- Claim received by phone, fax, or website, from employee, manager or HR
- Viewing communication, checking status, and tracking intermittent time by phone, mobile app or website
- Spanish capabilities

Our people are HR specialists

To ensure a high quality employee experience our people are:

- College graduates
- Extensively trained and monitored
- Specialists with backgrounds in clinical, legal and HR expertise

Philosophy of continuous improvement and customer focus

Multiple Access Channels

The screenshot shows the FMLASource dashboard. At the top left is the logo 'FMLASource®'. Below it is a 'Dashboard' header with a 'Log Out' link on the right. The main content area is titled 'Rockstar FMLA Team'. It features a 'Message Area' with an envelope icon and the text 'We haven't sent you any new letters since your last login.' and a 'View Letters' button. To the right is a 'My Profile' section showing 'Logged in as: rockstar' and 'Last Login: 09/10/2013'. Below the message area is a 'Leave Requests' section with a 'Report Time' and 'Add New Request' button. A table lists several leave requests with columns for Request #, Requested Date Range, Leave Reason, Taken For, and Status/Reason. The table has a pagination bar at the bottom showing page 1 of 6. At the bottom of the dashboard are links for 'Terms of Use', 'FMLA Calculator', and 'Feedback'. Copyright © 2013 FMLASource® Corporation. All rights reserved.

Request #	Requested Date Range	Leave Reason	Taken For	Status/Reason
742128	09/09/13 - 09/26/13	Employee's Serious Health Condition	Self / Employee	Open
741725	09/13/13 - 09/20/13	Employee's Serious Health Condition	Self / Employee	Open
741723	09/20/13 - 09/20/13	Maternity Leave	Self / Employee	Open
741595	09/12/13 - 09/19/13	Employee's Serious Health Condition	Self / Employee	Open
741594	09/18/13 - 09/25/13	Employee's Serious Health Condition	Self / Employee	Open

Website Highlights

- Easy-to-navigate dashboard
- Employees can open new leaves, track time or adjust current leaves
- HR can “work on behalf of” employees, review letters sent, check usage and generate reports
- Dashboard highlights action items for employees and summary status.
- FAQs help employees through process

FMLASource
Now

The FMLASource **mobile app** allows employees to track intermittent leave usage, check status, update their leave, etc. while on the go.

Proactively Guiding HR Through the Process

We empower HR to oversee the holistic absence program

We provide:

- Communications that align with your culture and approach
- Real-time and configurable status notifications throughout the life of the claim
- Standard, custom and ad hoc reporting
- Designated account management

Designated Account Manager

Experienced, collaborative, expert resource

- Provides day-to-day, single point of contact for managers and HR
- Collaborates within account management team of attorneys, HR and customer service experts, consultants, etc.

Consultative oversight and advocacy

- Reviews usage weekly to flag relevant issues or trends
- Drives outcomes on escalated cases
- Engages other resources where appropriate
- Provides guidance on complex leave requests
- Keeps you informed on legal changes and suggested approaches
- Analyzes results, benchmarks data to similar-industry employers and reports results



HR Reporting and Online Tools

Timely pushed reporting

- Weekly – view of individual employee leave dates, status, and usage (including patterns)

- Monthly – overall results and trends, compared to book of business and industry benchmarks

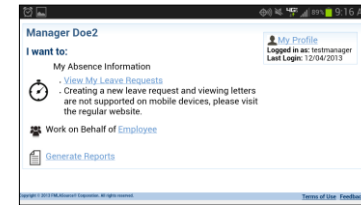
Executive Summary			
Avg Employees Per Admin	4,199	0.7%	4,632
% of Employees with 1st Leave	7.2%	2.0%	7.4%
Total Decisions	338	22.4%	607
% Approved	73.0%	-0.6%	69.4%
% Denied	26.0%	0.2%	30.6%
Total Hours Used	61,096	0.5%	69,367
Total Hours Denied	16,728	2.5%	17,181

KEY FINDINGS

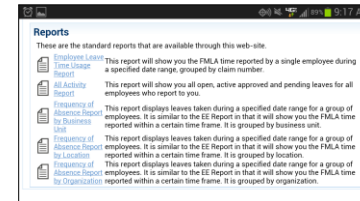
- Total decisions have increased which is a sign of increased compliance.
- Intermittent usage has decreased by 20% since 2011.
- The average protected hours per approval is higher than our book of business. This is due to the low intermittent usage.

Easy access to comprehensive data online

- At-a-glance view of individual employee leave dates, status and usage
- Work on behalf of employees to keep data in synch across HR systems



- On-demand reporting – utilization summary across employee population gives HR insight to trends



Implementation and Training

Customized 90-120 day implementation managed by a dedicated implementation expert

- Project management process ensures results

Thorough review of our workrules and procedures

- Review policies from regulatory perspective
- Compare current state procedures to best practices
- Design “Build-to-Suit” program that will meet our needs

Support the change with flexible training

- Initial training for HR and managers
- Ongoing training provided when changes are made to the Act
- Ongoing customized trainings with multiple delivery options



Reducing the Costs of Absence

Two Methods

Identify and challenge potential abuse

- Majority of FMLA leaves are intermittent leaves
- Unplanned intermittent leave is especially difficult to manage
- We regularly review trends and identify potential abusers
- Account manager will discuss various strategies for challenging suspected abusers

Identify and leverage all resources

- Refer to EAP or Work-Life resources
- Outreach to occupational health support
- Connect to disease management programs

Customize how we monitor absence based on your strategy

Results in Government Administration

More than 80 clients in Public Administration, Education, & Social Services

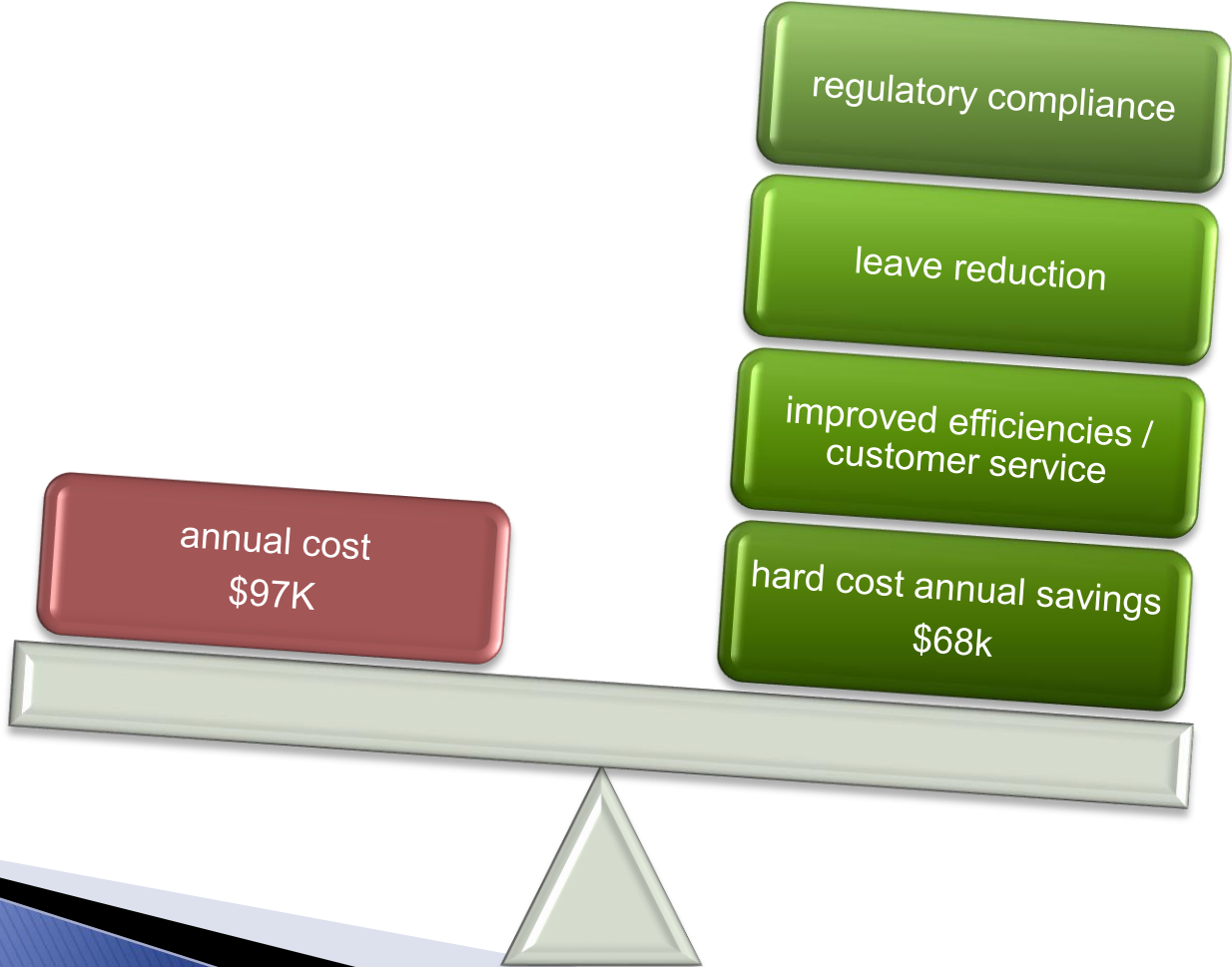
Average FMLA usage – FMLASource clients in this industry	232 lost workdays per 100 employees
Median FMLA usage – industry benchmark*	329 lost workdays per 100 employees
Number of days improved over the median employer	97 days difference per 100 employees
Difference for 1,000-employee organization	973 workdays better than the median employer

Our results would provide you the equivalent of 4.8 more people to support your operation than similar organizations on average

**EMPAQ Study by National Business Group on Health. Last numbers reported, 2010*

costs

benefits



Conclusion

- ▶ Questions?
- ▶ Thank you!