Leave Management: Q&A for Managers

1. What is changing with leave of absence management?
   We will have a new model and different administrators for leave management services starting April 1. CHI has an agreement with Reed Group to administer short-term disability (STD), extended illness bank (EIB) and other leaves. Prudential was selected for long-term disability (LTD) claims processing. Leave management services currently are provided by Aon Hewitt and Unum.

2. When does the change take place?
   Reed Group will begin administering STD, EIB and leave of absence plans on April 1, 2013.
   LTD claims processing transitioned to Prudential on December 1, 2012.

3. What prompted the change?
   CHI sought a new leave management model to improve consistency, use more technology for efficiency, save costs, to provide more clinical case management and a more positive employee experience.

4. What will be different with the new administrator?
   Please remember, only the leave of absence administrator is changing April 1; leave of absence plans will stay the same. The new leave model, administered by Reed Group, will offer:
   - More automation through technology, including a new online tracking tool available through Inside CHI
   - Support by phone 8 a.m. to 8 p.m. EST, Monday to Friday; automated phone and online access 24 hours a day
   - Consolidation with Reed Group as a single vendor instead of two (AonHewitt and Unum)
   - Tracking and recording intermittent Family Medical Leave (currently handled locally)
   - More leave management knowledge and expertise from Reed Group, plus more clinical RN case management in relation to leaves

5. How will the leave administrator change affect me as a manager?
   More timely and accurate leave information will be available online, helping you better manage your staffing and schedules. Improved reporting also will help you plan ahead. Productivity may increase as a result.

On the process side, managers will have similar tasks as they do today:
   - Make sure the employee contacts Reed Group to initiate the leave
   - Enter the employee’s pay and tracking codes for the elimination period for continuous leaves and/or enter PTO or unpaid tracking code for intermittent leaves
   - Call Reed Group with the employee’s return-to-work status. Obtain return-to-work release.

“Leave of Absence” includes:
- Short-term disability
- Extended illness bank
- Long-term disability
- Family Medical Leave
- Medical leave
- Maternity leave
- Military leave
- Personal leave
Changes for managers include:

- Managers will stop the employee’s schedule in KRONOS if working with an exempt employee on continuous leave.
- Reed Group will track and record all intermittent FMLA absences, rather than the manager. The manager will no longer need to code intermittent days with INTFMLAA. The INT FMLA pay code will be removed from all manager's/editor’s access in Kronos.

6. How will the leave process change for employees?
Similar to today’s process, the employee will contact his/her manager and the HR/Payroll Connection Support Center to initiate the leave. The employee will be transferred to Reed Group, where a representative will guide the caller through the necessary forms and information, such as completing the Health Care Provider Form or having a disability claim reviewed. The employee also will notify Reed Group of all intermittent FMLA absences. Failure to report intermittent FMLA absences to the Reed Group, within 48 hours, may result in disciplinary action. The employee needs to keep his/her manager and Reed Group updated on his/her leave status.

7. Will training be available?
The Leave Management LEARN module has been assigned to all managers. A webinar for managers is being developed and should be available in April.

8. Will employees need training?
Employee training will be available in a few different ways. Information will be posted on "KentuckyOne Online" and will be presented in various “In Person” updates. The Leave Coordinator and HR leaders will have presentation slides to share with employees upon request.

9. How does the change in plan administrator affect employees on leave at the time of transition?
Employees on leave April 1, 2013 will automatically transition to Reed Group and should not experience any interruption in their leave arrangements or benefits. Reed Group will send an explanatory letter to those employees before the transition occurs.

10. How should we handle employee leave requests right now?
Please follow the current leave request and approval processes until the transition on April 1, 2013.

11. Will our STD/EIB benefits change because of this work?
No. Any benefit changes are made separate from the transition to a new leave of absence administrator.

12. How does the change affect our HR staff?
Relying more on technology, consolidation and administrator expertise, the new leave model supports HR business partner transformation across CHI. This initiative focuses on moving business partners from reactionary activities to more proactive, forward-thinking, strategic work.
13. Will the change affect HR staffing?
HR roles and assignments may change as we move to a more consistent, standardized leave of absence management system. HR roles will be more clearly defined through this work.

One newly created role is the “leave coordinator.” The coordinator will facilitate return-to-work activities, ensure policies are applied consistently, be the point of contact for plan administrators, escalate issues, initiate leave requests for employees in critical situations and be a resource for employees and managers.

14. How was Reed Group selected?
The leave management project began as an effort to improve the current model and the role of local HR staff members in the process. An RFP process validated pricing and viable options. Based on the RFP outcomes, in June 2012 Reed Group was selected as the STD/EIB/LOA partner and Prudential was selected as the LTD partner.

15. What types of concerns have been reported with the current model?
The new leave management model is intended to address several challenges with the existing program:

- Roles of the administrator and local HR have been confusing or redundant
- Paperwork redundancies
- Miscommunication or lack of communication among the two plan administrators and employees, managers and local HR representatives
- Number of inaccuracies of leave of absence dates and benefit payments
- Employees, managers and local HR representatives are dissatisfied with the current leave management process
- Some MBOs have seen an increased number of leaves
- Complexities of having two plan administrators (AonHewitt and Unum)

16. How will the new leave administration model save money for CHI?
We anticipate the total annual cost savings with the new process and selected vendors to be around $5 million. Cost savings will result from:

- Reduced payments for STD and/or EIB time
- Fewer total lost days associated with STD and/or EIB time
- Fewer FMLA days lost
- Less time spent with overpayments/underpayments of disability claims
- Consolidating to one plan administrator instead of two