



IBI's Health and Productivity Benchmarking

Includes Nationally Standardized Metric Definitions

FAMILY AND MEDICAL LEAVE PROGRAM

PREPARED FOR

Employer: Sample Co.

SIC Division: S. Sample

Calendar-Year Data: 2008

Based exclusively on claims active during the calendar year

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PREPARED BY

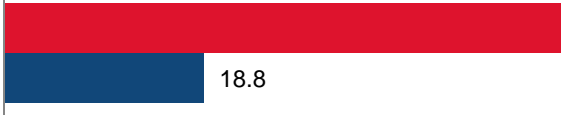

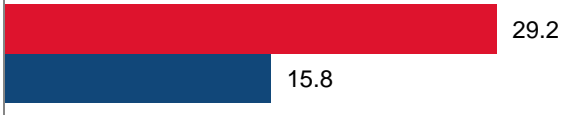
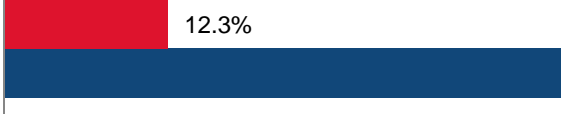


Integrated Benefits Institute
595 Market St., Suite 810
San Francisco, CA 94105
415-222-7280

benchmark@ibiweb.org



Employer Direct FML Report -- Dashboard Metrics Scorecard

■ Your Company ■ Group Average -- Claims-level

Performance Area	Key Metrics and Results	
Claims Experience	Approved and used claims per 100 eligible employees	
		22.0 18.8
Lost Workdays	Non-concurrent lost workdays per 100 eligible employees	
	Non-concurrent lost workdays per non-concurrent claim	
	Concurrent lost workdays as a percentage of total lost workdays	
Lost Productivity†	Annual lost-productivity costs per eligible employee	
	Annual lost-productivity costs per non-concurrent claim	

* The metric's arithmetic mean and related statistics are determined using **individual employers** in your industry comparison group as the basis for calculation

** The metric's arithmetic mean, determined using **all claims** in your industry comparison group as the basis for calculation

† Estimates calculated using 0% wage-replacement assumption (see "Lost Productivity Estimates" for further explanation)



**FML Report, Section II: Sample Co.
Results by Metric: Employer-level experience**

Calendar-year Data: 2008
SIC Division: S. Sample

	Your Company	Group Average	Group Median	10th Percentile	25th Percentile	75th Percentile	90th Percentile	N ERs	N Claims	All Group Median*
Claims Experience -- How well is the program working?										
How often is the program used by employees?										
Approved and used claims per 100 eligible employees (incl. those concurrent with other benefits programs)	22.0	18.8	14.0	5.0	8.0	22.8	38.2	104	258005	14.0
What share of FML lost time is run concurrent with other benefits programs?										
Concurrent lost workdays as a percentage of total lost workdays	12.3%	45.8%	53.5%	25.0%	55.3%	84.1%	100.0%	252	345444	53.5%
How much lost work time does the program generate?										
Non-concurrent lost workdays per 100 eligible employees	410.6	44.0	32.8	0.0	0.0	54.1	120.8	104	258005	32.8
Non-concurrent lost workdays per non-concurrent claim	29.2	15.8	14.5	8.8	11.4	18.2	24.0	214	114415	14.5
Lost workdays for continuous claims as a percentage of all lost workdays	57.9%	82.5%	84.8%	85.2%	82.5%	88.8%	88.8%	415	420404	84.8%
Lost workdays for intermittent claims as a percentage of all lost workdays	23.4%	4.5%	2.5%	0.0%	0.8%	4.4%	13.4%	415	420404	2.5%
What share of the claims burden is for the employee's own medical condition?										
Claims for employee's own medical condition as percent of total non-concurrent claims	19.8%	42.5%	45.5%	0.0%	14.1%	42.3%	80.0%	252	143244	45.5%
What share of FML lost time is for the employee's own medical condition?										
Lost workdays for employee's own medical condition as a percentage of all non-concurrent lost days	45.3%	54.4%	40.0%	15.1%	40.0%	54.4%	88.8%	214	252845	40.0%

* The median for all employers, all SIC divisions in The IBI database

Note: metrics with few employers are less reliable and more variable



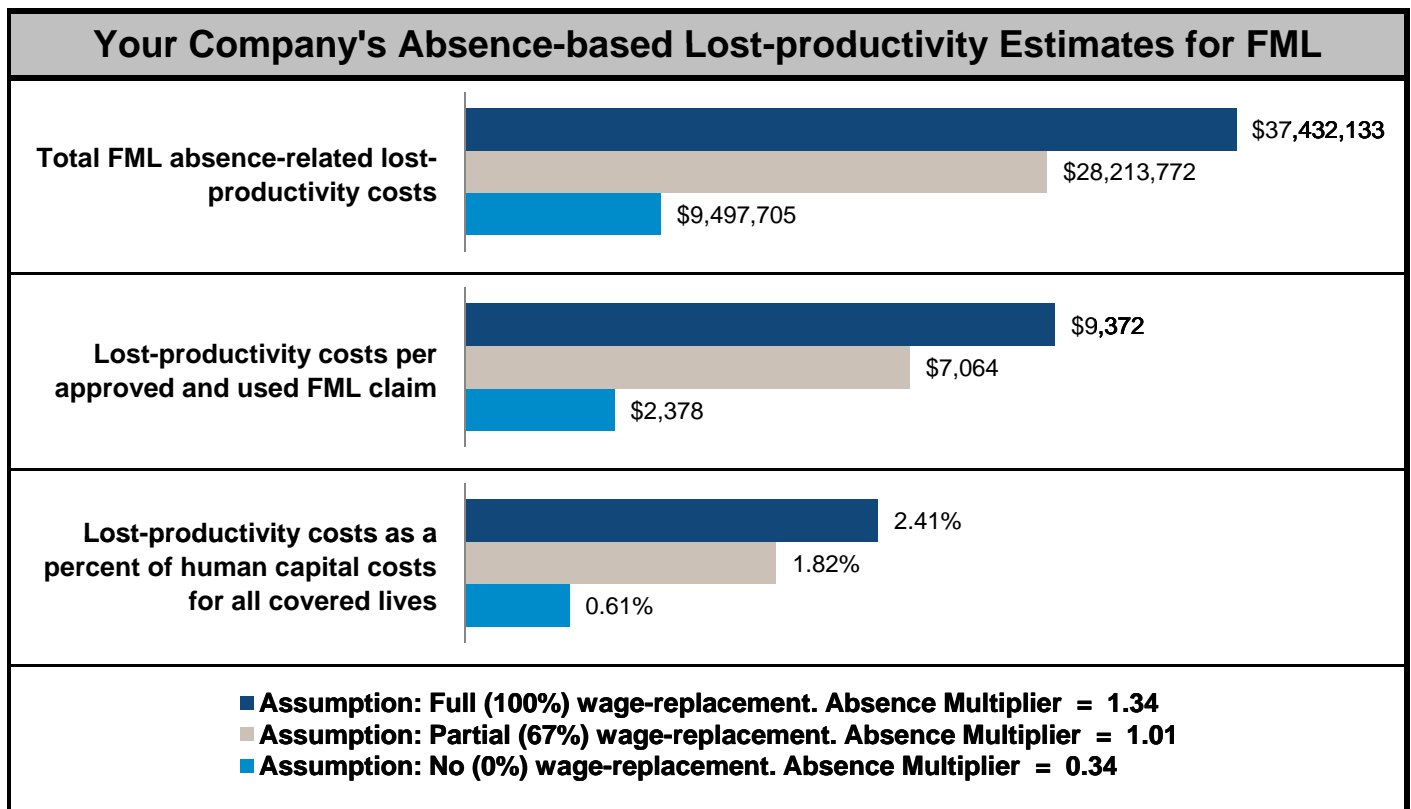
Employer Direct FML Report -- Lost Productivity Estimates

Research shows that the real costs of absence are typically significantly greater than the wage-replacement payments made to absent workers. These costs can be considered lost-productivity costs because the organization is forgoing use of the resources in other productive endeavors. Based on peer reviewed research by Dr. Sean Nicholson and others published in Applied Health Economics & Health Policy*, as well as methodology developed by IBI and Dr. Nicholson, IBI is able to estimate absence-related lost-productivity results for your company's 2008 FML experience using industry-specific multipliers.

Dr. Nicholson et al found that absence-related lost-productivity costs are a function of: a) the ability of an employer to replace absent workers with an equally productive substitute, b) the time value of employees' output so that market opportunities are not lost and c) the degree to which employees work in teams. The authors found a relationship between these factors and the cost of workers' absences beyond wages, which they use to estimate a series of lost-productivity "multipliers". An absence multiplier can be used to monetize the lost-productivity associated with lost work days as follows:

$$\text{Claimant lost-productivity} = \text{claimant lost work days} * \text{avg. daily salary and benefits} * \text{multiplier}$$

Lost-productivity cost estimates for Family and Medical Leave lost time may differ depending on the organization's and state's disability policies. IBI models FML lost-productivity costs under three possible scenarios: full (100%) wage-replacement, partial (67%) wage-replacement and no (0%) wage-replacement across the claimant group. Each assumption produces a different multiplier, reported in the key of the exhibit below.



* Nicholson, Sean; Pauly, Mark V; Polsky, Daniel; Baase, Catherine M; Billotti, Gary M; Ozminkowski, Ronald J; Berger, Marc L; Sharda, Claire E. *How to Present the Business Case for Healthcare Quality to Employers*. *Applied Health Economics & Health Policy*. 4(4):209-218, 2005.



TERM	DEFINITION
Employer demographics	
Covered lives	Number of full time equivalent (FTE) employees covered under the Family and Medical Leave Act (FMLA), averaged over the year. A full-time worker is counted as an FTE of 1.0 , while a half-time employee would count as an FTE of 0.5.
Timing of claim	
Approved and used claims	Claims that were open at any point in the calendar year, including those concurrent with other benefits programs.
Continuous claims	Claims where absence from work occurs in one uninterrupted leave episode.
Intermittent claims	Claims where absence from work occurs in one uninterrupted leave episode.
Claim type	
For employee's own medical condition only	Claims where leave is for an employee's own health condition. Caring for a close relative, adoption, and the birth of a child are excluded.
For family medical condition	Claims where leave is for care of a close relative, adoption, or the birth of a child.
Concurrent claims	Claims where leave occurs concurrently with another benefits program (such as STD or WC).
Non-concurrent claim	Claims where leave does not occur concurrently with another benefits program (such as STD or WC). A non-concurrent FML claim may be considered under an organization's policy for identical sick leave (paid or unpaid) and/or vacation/paid time off.
Lost time	
Lost workdays	Lost workdays claimed during the calendar year.



METRIC	NUMERATOR	DENOMINATOR
Claims Experience -- How well is the program working?		
How often is the program used by employees?		
Approved and used claims per 100 eligible employees (incl. those concurrent with other benefits programs)	Number of approved and used claims for own and family medical, incl. those concurrent with other benefits programs, multiplied by 100	Average number of covered lives
How severe are the cases?		
Concurrent lost workdays as a percentage of total lost workdays	Number of workdays absent concurrently with other benefits programs for own medical conditions	Number of workdays absent for claims for own and family medical, concurrent and not concurrent with other benefits programs
How much lost work time does the program generate?		
Non-concurrent lost workdays per 100 eligible employees	Number of workdays absent for own and family medical for claims not concurrent with other benefits programs	Average number of covered lives
Non-concurrent lost workdays per non-concurrent claim	Number of workdays absent for own and family medical claims not concurrent with other benefits programs	Number of approved and used claims for own and family medical, not concurrent with other benefits programs
Lost workdays for continuous claims as a percentage of all lost workdays	Number of continuous workdays absent for own and family medical conditions, including those concurrent with other benefits programs	Number of workdays absent for own and family medical conditions, including those concurrent with other benefits programs
Lost workdays for intermittent claims as a percentage of all lost workdays	Number of intermittent workdays absent for own and family medical conditions, including those concurrent with other benefits programs	Number of workdays absent for claims for own and family medical, including those concurrent with other benefits programs
How successful is the company at returning employees to work?		
Claims for employee's own medical condition as a percent of total non-concurrent claims	Number of approved and used claims for own medical conditions, not concurrent with other benefits programs	Number of approved and used claims for own and family medical, not concurrent with other benefits programs
How successful is the company at returning employees to work?		
Lost workdays for employee's own medical condition as a percentage of all non-concurrent lost days	Number of workdays absent for own medical conditions for claims not concurrent with STD or WC	Number of workdays absent for own and family medical conditions for claims not concurrent with other benefits programs