



FMLA: WHAT ARE THE REAL OPPORTUNITIES FOR IMPROVEMENT?

INDUSTRY DIFFERENCES IN IBI'S 2014 FMLA BENCHMARKING CLAIMS

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EXECUTIVE SUMMARY

Background

Employers face challenges in managing lost work time under the Family Medical Leave Act (FMLA) – particularly leave days that are taken intermittently and without prior notice. An employee's request for FMLA leave also is an early indicator of an elevated risk for a later short-term disability claim. Adding to the complexity, employers that are unaware of typical FMLA leave experiences for their industry may not know if they have a particular issue in their workforce – and if so, how much improvement in outcomes is reasonable. Benchmarks that differentiate the “best” employer experiences from the “worst” within an industry can help employers understand what types of outcomes are feasible. It can also help third-party administrators better understand how well absences in a particular market segments are being managed.

Results

Analyzing FMLA claims data from IBI's 2014 health and productivity benchmarking system, we find that:

- The typical (median) employer experienced about 16 intermittent FMLA leave days per 100 eligible employees, and about 234 continuous days per 100 eligible employees.
- FMLA leave days differ across industries. This could be due to the nature of the work, the kinds of workplace time-off and scheduling policies in place, and the overall health patterns of the workers.
 - The typical employer in the finance industry had 31 intermittent leave days per 100 eligible employees, compared to only 8 intermittent leave days per 100 eligible employees for the typical professional services employer.
 - The typical employer in the healthcare industry had 292 concurrent leave days per 100 eligible employees, compared to 146 concurrent leave days per 100 eligible employees for the typical information industry employer.

- The range of leave days that separates the best employer outcomes from the worst also differs across industries. If the best outcomes (or even the typical outcomes) indicate leave days that are not only possible, but also feasible, then industries with wider ranges imply greater room for improvement.
 - In the healthcare industry, 64 intermittent leave days per 100 eligible employees separate the employers with the best outcomes from the employers with the worst outcomes. The comparative range in the professional services industry is only 17 days per 100 eligible employees.
 - In the healthcare industry, 458 continuous leave days per 100 eligible employees separate the employers with the best outcomes from the employers with the worst outcomes. The comparative range in the finance and retail industries is only 194 days per 100 eligible employees.

Implications for Employers

Employers stand a better chance of managing FMLA lost work time if they begin with an understanding of leave outcomes among their industry peers. This means not only taking into account the typical leave experiences, but also the range of leave days that separates the best employer outcomes from the worst.

Within a given industry, employers that find their FMLA experiences on the high end of the distribution can develop strategies for improving outcomes based on reasonable targets at the low end of the distribution. This will also help employers better understand the dollar value of the productivity they stand to gain from reducing FMLA lost work time.

About IBI

Founded in 1995, the Integrated Benefits Institute (IBI) is a national, non-profit research and educational organization committed to helping business leaders and policymakers understand the business value of workforce health and to recognize the competitive advantages of helping employees get and stay healthy. IBI is supported by over 1,100 member companies representing over 20 million workers.

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