



DCH STRENGTHENS COMPLIANCE AND CUTS COSTS WITH PRESAGIA



THE CUSTOMER

As a public, nonprofit health network, DCH Health System counts family among its highest values. That's why the community of West Alabama trusts the DCH team to provide vital support and health care, and to create a welcoming environment for patients and their families. DCH knows its employees are also a key part of that community and strives to treat them as it would valued customers, with respect and care.

Locally owned for over 90 years, DCH Health System is a true Alabama institution. Over its long history it has evolved and grown strategically to continue to provide the best care possible, with state-of-the-art technology and facilities. Its large, dedicated workforce of over 4,700 physicians, nurses, specialists and support staff serve an average of 641 patients per day across DCH's 3 locations: DCH Regional Medical Center, Northport Medical Center and Fayette Medical Center.

KEY FACTS

4,700+ employees

3 Hospitals

Using Presagia since 2013

>\$200,000 saved in decreased absenteeism (for more ROI data check out "The Results" below)

DCH Health System provides high-quality, compassionate community-based health services to the communities we serve through our employees, physicians and volunteers in a financially responsible manner.

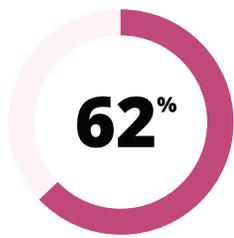
– DCH Mission Statement

DCH's core mission to provide high-quality care in a financially responsible manner led the company to a comprehensive review of leave management in 2013. The manual leave management process DCH used was error-prone, non-transparent and inefficient, resulting in frustrated employees, costly absenteeism and the risk of non-compliance. Seeing these issues, DCH realized that it was not living up to its mission and began to explore revamping and streamlining leave management.

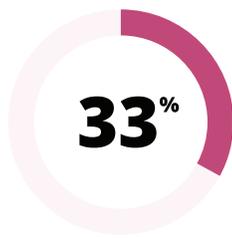
THE ISSUES

Leading up to 2013, DCH had one leave management specialist per location administering FMLA, Military and Hospital Medical Leaves. "These three leave specialists followed a manual, paper-driven leave process that relied heavily on hard copies and physical files and documents," explained Felicia Ellison, MSN, FNP, COHN-S, Director of Employee Health & Leave Management for DCH. With an average of 624 open active leave cases per month and 1,087 total leave cases per year, the leave managers were not equipped to keep up with the volumes.

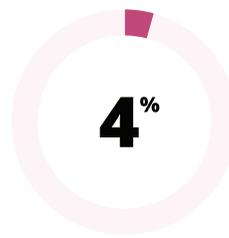
LEAVE TYPES TRACKED BY DCH EACH YEAR



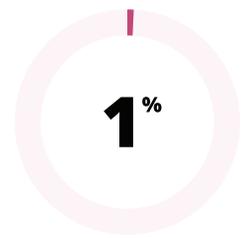
Intermittent Leave



Continuous Leave



Hospital Medical Leave



Other

Adding to this, each location was siloed and the process was complicated, slow and error-prone. With decentralized data, the three leave specialists were not familiar with each others' practices, and each had developed individual strategies to determine eligibility and manage leave cases. The process was fragmented and did not always adhere to standard procedure. "The result was that more people might have been approved for leave than were entitled," stated Ellison.

This fragmentation was just one part of the health system's need for a leave management overhaul, something Ellison realized right away when she took over the leave management program. She also recognized issues causing potential compliance risks and excessive time off, including managers coding leave incorrectly, the use of a fixed-year calendar method for tracking FMLA and a leave policy document that was lengthy and difficult to follow and understand.

Managers' issues with coding leave were "a major determining factor in why we needed a new system," said Ellison. Managers were tasked with coding absences when employees called in sick, but many often found they had difficulty recalling their training on proper coding procedure.

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"Managers were often coding employees for intermittent FMLA when they hadn't provided certification or when the certification they had provided was several years old," Ellison elaborated. With the lack of visibility in the manual system, it was hard to keep track of who had returned certification or even the dates for approved leaves. As a result, employees often exceeded their intermittent FMLA entitlement or were given FMLA for which they weren't entitled.

A technological solution would remove this task from managers and give the employee service center team coding absences the visibility into leave cases that they needed to follow the proper procedure.

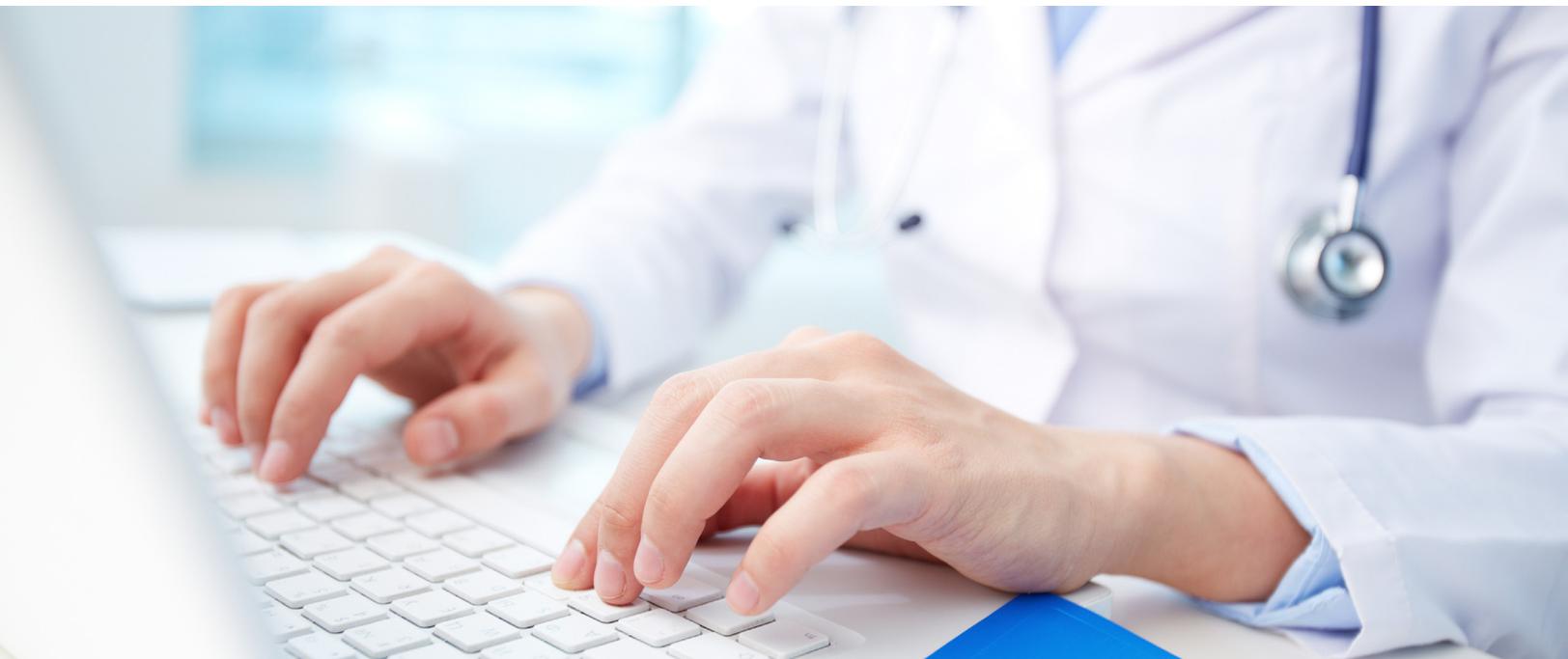
Leave management software would also support DCH in making another urgently needed change—the FMLA calendar method. "We had continued to use the fixed-year calendar method of calculating leave, because while it was not the most efficient, it was the most manageable with the hard copy files we were still using," Ellison pointed out. This allowed some "frequent flyer" employees to "stack" leave time, and even those not trying to abuse the system often exceeded entitlement due to calculation errors. "We could not have changed to a rolling calendar year without a system to help us do so. This was a big thing that got the attention of management," stated Ellison. Employees' ability to stack leave, coupled with leave specialists' inconsistently, was causing "a lot of dissatisfaction and frustration from department heads," Ellison continued.

While absence coding and the calendar system held a lot of responsibility for excess absenteeism, the leave management team was also dealing with another major issue which was causing errors determining eligibility and entitlement. Making calculations manually is already difficult, but DCH's leave managers were dealing with a leave policy document that was confusing due to an outdated format. It attempted to cover all of the relevant leave policies in one piece of material, rather than separating each policy, law and process. "It was very hard to follow and there was a lot of redundancy," said Ellison.

Struggling with this document resulted in hours of time wasted as well as incorrect determinations and the risk of missing steps. "I was concerned with the timing of some of the leave correspondence we were sending," explained Ellison.

These issues led the charge as DCH started the hunt for a better way to manage leave.

THE SOLUTION



Ellison started the search process with extensive research into her leave management options. The health system considered outsourcing leave management, but felt it would lead to impersonal service that simply wouldn't fit with DCH's community-oriented culture—they couldn't guarantee the quality of customer service provided to their employees. They also worried about paying for a service that would still require significant involvement on their end as they would inevitably be stuck in the middle fielding leave questions from employees.

When Presagia was presented, Ellison knew she had landed on the right solution. Presagia provides a cloud-based solution to manage the nation's 450+ pieces of federal, state and municipal leave legislation, as well as company policies. Presagia also integrates with DCH's API Healthcare Time & Attendance system to automatically receive the employee demographics, attendance and absence data required for leave management. This has greatly improved the accuracy of leave calculations and usage tracking, while eliminating a vast amount of the manual, time-consuming data entry that previously plagued leave management.

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said Ellison.*

Having an integrated, dedicated leave management software solution provided Ellison with the support needed to make important changes to the leave management program. DCH has successfully transitioned from a less efficient, siloed leave program run by three leave management specialists to a centralized, streamlined program administered by one leave specialist following consistent and equitable processes.

It has also tackled the absence coding issue by moving the responsibility from managers to the employee service center and implementing a comprehensive training program to ensure the new procedure is followed. As a result, the employee service center, which has visibility into approved leave dates and the status of medical certifications, ensures absences are coded properly and employees are promptly and clearly notified when there are issues. Through training, managers know



that they are not to approve absences and how to refer employees to the right employee service center and leave contacts. Presagia's integration with DCH's Time & Attendance system also means that intermittent absences automatically flow into Presagia to deduct leave balances. On top of this, the system automatically triggers alerts and generates exhaustion notices when it detects entitlement exhaustion approaching, greatly reducing absence abuse. DCH also leveraged Presagia to switch to a rolling calendar method for FMLA to address leave stacking. Presagia has, "really helped eliminate the problem of abuse," said Ellison.

Another key issue addressed by Presagia is compliance with the FMLA, military and hospital leave policies. Because Presagia's system was built and is maintained in consultation with the national employment law firm Jackson Lewis P.C., the system's leave rules and decision support align with legal best practices. "Presagia has provided much needed compliance support by staying current with changes to laws and by making sure that the system is always up to date, including leave correspondence templates," explained Ellison.

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Having a leave management software solution also freed up time so that Ellison was able to focus on updating DCH's leave policy documents. "I simplified our leave policy document, as well as updated it to ensure we were compliant with the law," stated Ellison. Their original document was all-encompassing, covering Family Medical Leave (FML), Military Leave USERRA (ML) and Hospital Medical Leave (HML).

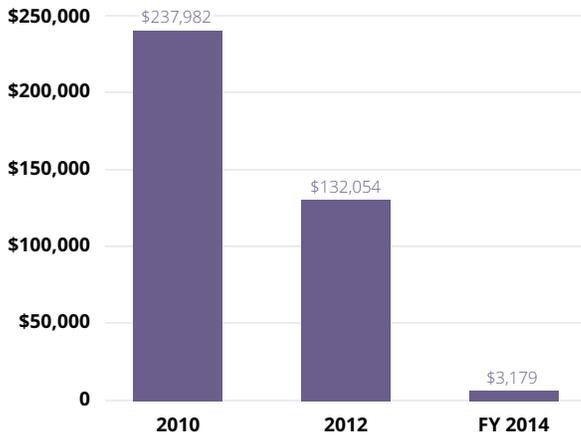
"I separated the document into FML and non-FML, and formatted it so that the policy and the procedure were separate. I created procedure sections for FML, ML, and HML which clearly describe what the employee's, manager's, and leave team's responsibilities are," Ellison explained. The HML policy was then configured within Presagia so it is managed alongside the federal and state leaves. The system can automatically determine when FML, ML and/or HML are applicable, tells the leave manager when to complete each next step in the process, and generates any notices that need to be sent to the employee. Doing so, DCH enforces adherence to its policies, addresses issues like missed deadlines, and makes sure employees receive the right amount of leave.

THE RESULTS

Since the switch to Presagia in 2013, DCH has seen a dramatic improvement in the consistency, accuracy and efficiency of its leave management program, and in the first year was already measuring dramatic financial savings, as well as seeing an increase in employee and manager satisfaction.

While DCH didn't have access to much leave data for analysis pre-Presagia, they were able to quantify some costs around excess absenteeism, and the results are striking. Prior to Presagia, DCH spent upwards of \$230,000 a year on a combination of sick bank payouts, benefits continuation and overtime pay for replacement workers, as a result of employees taking excess FMLA leave. By implementing a dedicated leave management solution, simplifying policies and focusing on proper absence coding, DCH reduced this to \$3,000 in 2014.

FINANCIAL LOSS ASSOCIATED WITH EMPLOYEES EXCEEDING ANNUAL FLMA LEAVE ENTITLEMENT



On top of this, Presagia’s reporting feature gives DCH greater visibility into financial savings and all other aspects of the program. DCH can now create and view reports on virtually any data in the system. Report filters allow them to look at issues by department, by leave policy, over a specific date range and by a huge amount of other criteria. They can now analyze what does and does not work, whereas before it was guessing game with no way to identify trends and risks, and measure outcomes. At the end of the day, stronger reporting means more intelligent leave management.

Presagia saves DCH a lot of time with its built in automation of mundane and repetitive administrative tasks like filling out leave paperwork. As a result, DCH went from a team of three leave specialists to one, all while managing leave more accurately and providing a higher level of service to employees.

GREATER VISIBILITY INTO PROGRAM TRENDS



AVERAGE LOST WORKDAYS PER LEAVE, LAST 4 QUARTERS



PATTERN OF INTERMITTENT LEAVES BY DAY OF THE WEEK IN THE PAST YEAR

Managers have voiced their satisfaction with the change, as they are no longer frustrated by excess absenteeism and a complicated absence coding system. "Presagia has streamlined communications between managers and the leave management program," said Ellison. During the transition to the new system, managers and employees became better educated about procedures, and the employee service center successfully took over absence coding.

"Prior to implementing Presagia, managers often expressed frustration with coding intermittent leaves," Ellison remembered. Repeated errors not only meant increased absenteeism, but also excessive time spent making payroll adjustments, correcting errors and tracking employees down for medical certification.

**MANAGERS RESPONSE WHEN ASKED
HOW SATISFIED THEY ARE WITH THE NEW
INTERMITTENT FMLA TRACKING PROCESS**



Total Satisfaction

"Once we went live with Presagia, the burden of coding intermittent leaves no longer fell to managers," Ellison explained. Instead, staff members at the employee service center process absences. "This has greatly improved accuracy," Ellison said. "With restricted access to the system, the service center can see if an

employee has an active leave case, and if so, for what condition." If the employee doesn't, the service center escalates the request to leave management to follow up. Employees now know how often they must renew their medical certification, and intermittent leave is granted according to a consistent and accurate system.

As well, Presagia provides tools specifically designed to monitor intermittent leave. The system alerts the leave case management about potential abuse, such as employees exceeding their approved frequency or always taking leave on the same day of the week. With these measures, DCH now has a safety net to ensure fair and consistent intermittent leave management.

Remembering her past compliance fears, Ellison's newfound confidence in her company's compliance is a relief "As the person responsible for our leave management program, having a more consistent, accurate approach allows me to feel secure," she said.

ABOUT PRESAGIA

Presagia provides Software as a Service (SaaS) absence management solutions to employers and Human Resources Outsourcing (HRO) providers. We monitor and manage more than 450 pieces of federal and state leave legislation in our proprietary Compliance Engine, including the FMLA and the ADA, and update the system on a continuous basis. Our software automates leave processes to increase efficiency, minimize absence, reduce cost and above all improve compliance.

