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# OCI *insight*

Turning History Into Foresight<sup>SM</sup>

SUMMER 2011

## INCIDENTAL ABSENCE PREDICTS DISABILITY

In a recent OCI blog post, we asked ourselves the following question - *What happens when an employee begins to abuse the various leave programs an organization offers? Can excessive incidental absence be a precursor to disability use?*

From previous studies, we know that when employees interact with multiple forms of absences, i.e. sick leave and FMLA, they can become accustomed to these programs. Some users can gain knowledge of how to use the absence programs to their advantage and many of these users have personal incentives to stay out of work for as long as possible while retaining job security.

We conducted a study and confirmed our suspicion, finding a positive relationship between incidental absence (sick leave/PTO, FMLA, and vacation) and subsequent disability use.

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## SHRM 2011 WRAP UP

In June, OCI attended the SHRM 2011 Annual Conference & Exhibition in Las Vegas, NV. As always, it was a well-attended conference with a lot of networking opportunities, excellent sessions, and an exciting location. While there, we got the opportunity to speak with many human resource and leave managers regarding some of the challenges and business issues they face each day.

Managing leave, especially federal and state regulated leave, within an organization can seem multifaceted and overwhelming. Regulations change frequently and vary from state to state, which can be difficult to manage – especially for large organizations.

In addition to compliance concerns, leave managers now have to be mindful of the impact their department has on the company's bottom line. Not only do they need to ensure that proper processes are being followed to mitigate the risk of a leave lawsuit, they need to return their healthy employees back to a productive workplace quickly, and in the most efficient way possible, to save the company money.

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## *Message from Archie Anderson*

It's hard to believe we're more than half way through 2011! I hope the first half of the year has brought good fortune to you and your organization.

Here at OCI, the past few months have been full of socializing! The Marketing Team has amped up our social media efforts as well as our traditional networking game. We've been actively blogging, tweeting, hosting webinars, and have added many conferences to our event roster.

Is all this socializing paying off? It is! Thanks to our social media and in-person networking, we're continuing to gain deeper knowledge of the needs of the marketplace and best practices. We feel that to truly understand how to provide the best data integration and software solutions to our clients, we must identify the client's business issues, workflow and processes, and know what's most important to their business.

All of the opportunities to listen to you, our clients, partners, and colleagues, have allowed us to continually improve our product suite to add the important features that you have told us you want.

Keep an eye out for an OCI representative online or at your next networking event! I look forward to your feedback.

Best regards,

*Archie Anderson*  
President & CEO

twitter - @archieoci

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# INCIDENTAL ABSENCE PREDICTS DISABILITY

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The results showed that as the use of each absence type increases, the likelihood of filing a future disability claim increases. As you might expect, the type of absence incurred has an effect on the probability of future disability claim filing.

Additionally, incidental absence had the largest association with filing a subsequent disability claim, followed by FMLA use and then vacation use. Also, as incidental absence rates increased, the likelihood of filing a disability claim increased faster than FMLA or vacation days.

Once an employee incurred 40 incidental absence days in a year that employee was more likely than not to file a disability claim during the following year. Wait, 40 days? One reader of our blog stopped after that sentence and immediately asked us:

*"What company actually allows someone to take 40 incidental absence days in a year?!"*

Our expert, Andy Kersh (who you can read about in the Employee Spotlight) responded to the question with the following:

*"This is precisely why we have an absence problem in America. Managers don't even believe it's possible to have 40 sick days in year. One of our clients had more than one person take in excess of 100 sick days in a single year. And these employees remained employed. When programs are not being managed appropriately you would be surprised how many employees can fall through the cracks."*

Statistics like those above truly do point to the importance of properly managing your leave and disability programs. Potentially knowing when an employee is likely to go out on disability can allow managers to be more proactive than ever before. If you can intervene before the costly claim arises you might be able to avoid the cost all together or at least mitigate much of the increased costs.

## The OCI Webinar Series Continues!

Keep an eye out for information on our next OCI Webinar with guest speaker:

### **Jennifer Ramos of FedEx Express!**

Jennifer is partnering with our own David Spring to share her experience with OCI's absence management solutions.

The webinar will be scheduled in the early fall, so please watch your inbox for an invitation!

To sign up to receive details about this event, email us at [solutions@oci.com](mailto:solutions@oci.com).

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# INDUSTRY TRENDS IN 2011 - PART II

At the beginning of the year, we predicted various industry trends we'd see throughout 2011 that would continue to shape the healthcare IT industry. Let's take a look at a few of these trends and see how we're doing at the half way point.

- **Legal compliance will become more and more complex, especially in the case of leave management.**
  - *FMLA State leave laws are becoming more and more complex and varied. The Equal Employment Opportunity Commission (EEOC) has recently sued several large employers nationwide for alleged ADA violations.*
- **HR Departments will need to leverage technology via SaaS or cloud offerings to most effectively streamline processes and improve productivity.**
  - *Did you attend the Annual SHRM Conference? Dozens of exhibitors stormed Las Vegas with software offerings trying to ease overloaded HR departments. Solutions which operate in the cloud give users the convenience of accessing their information via the internet, instead of installing software on a user's desktop computer.*
- **Employer Medical Costs will continue to rise – studies indicate it will increase by as much as 9%.**
  - *Current health care reform, such as increased preventative care and covering dependents to age 26 will mostly likely contribute to the uptick in 2011. But, it's looking like the increase isn't as much as we originally expected. Employers are modifying their health plans to best fit the needs of their organization. Using the tools of predictive modeling, stakeholders can forecast outcomes and tailor their programs.*
- **Data security will be in the spotlight more than ever due to cloud computing, smartphones, social networks, and insider threats.**
  - *News of the World, a tabloid newspaper published in the U.K. closed its doors this month amidst a phone hacking scandal. It's events like these that remind us that security breaches can have ever-lasting - and oftentimes terminal - effects on businesses.*

## SHRM 2011 WRAP UP

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While at SHRM, we looked for solutions that provided end-to-end leave management and found surprisingly few options. There are a lot of tools in the HR marketplace that can help leave managers track FMLA, but there are few that provide the information leave managers need to make timely, informed decisions to improve their leave programs.

In efforts to help leave managers looking at potential vendors, we've compiled a list of requirements and functionality that should be considered:

- **Data Expertise** – pick a vendor that's a data expert. Simplify the consolidation of current and historical data from various vendors into a single database
- **Flexible Reporting** – have the ability to quickly and easily generate and distribute business-relevant reports to corporate stakeholders

- **Compliance** – the system should provide complete and up-to-date rules and regulations of not only your company policies, but also federal and state leave laws and regulations to enable efficient and accurate decision-making
- **System Integration** – seamlessly integrate data from all the disparate systems on which your organization depends to manage various leave and claim events
- **Cost & Functionality** – ensure the system fits your budget and the needs of your organization. It should be an easily configurable tool that enables your HR leave management team to be more productive with fewer manual intervention processes



# Employee Spotlight

**Andy Kersh**  
Senior Data Analyst



**Current Role:** I work as an analyst on the Product Development team. I am responsible for bringing new and innovative content to OCI's products.

**Why I like working at OCI:** I enjoy the challenge. My job is never boring and every day brings new opportunities.

**Background:** I received my bachelor's degrees in Math and Statistics from the University of Wyoming. I began my career with OCI right out of college and have worked at OCI for 16 wonderful years!

**Outside of work, my interests are:** Golfing and playing poker.

**The last book I read was:** Kingdom Keepers, Disney After Dark - I read it with my daughter (actually, she read it to me.)

**My favorite sports team is:** The Wyoming Cowboys

**Follow me on:** LinkedIn

*Scan barcode with mobile scanner to contact a member of the OCI Sales Team*



## 2011 Events Calendar

**DMEC 2011 Annual Conference**  
July 31 - August 3  
Dallas, TX

**Illinois State Conference & Expo**  
August 22 - 23  
Oakbrook Terrace, IL

**Indiana State HR Conference**  
August 29 - 31  
Indianapolis, IN

**HR Florida**  
August 29 - 31  
Orlando, FL

**Arizona SHRM**  
August 30 - September 2  
Chandler, AZ

**HR Technology Conference**  
October 3 - 5  
Las Vegas, NV

**HR Northwest**  
October 5 - 7  
Bellevue, WA

**Michigan Council of SHRM**  
October 5 - 7  
Grand Rapids, MI

**HR Southwest**  
October 30 - November 2  
Fort Worth, TX

