Navigating the Unpredictable Labor Compliance Landscape

## How an Automated HCM Solution Helps Healthcare Organizations Manage Regulatory Risk

Labor compliance is risky business. Healthcare organizations need to comply with constantly shifting labor laws and regulations — FLSA, FMLA, ACA, overtime, minimum wage, meal breaks, and more — at the federal, state, and local levels. Organizations that operate across multiple geographies face even greater complexity. It's important to stay on top of legislation because noncompliance can result in costly fines and litigation that jeopardize already thin profit margins.

Managing compliance is an uphill battle.

The Department of Labor administers more than **180 federal laws** — and there are **state and local regulations too.**[1]
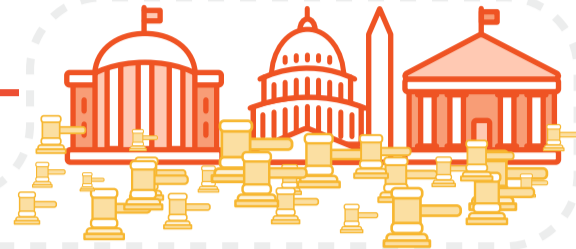
Regulatory changes can become law in as little as **60 to 90 days,** giving employers **limited time to update their policies.**[2]
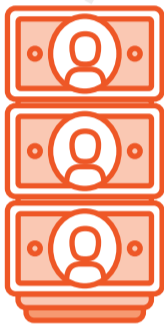
2 out of 3 HR and payroll leaders say they expect compliance to become **even more complex.**[2]

Keeping up with regulatory change is expensive.

54% of HR and payroll leaders surveyed say it costs as much as **$100,000** to prepare for each workforce-related **regulatory change.**[3]

68% say compliance has become **more expensive in just the last year.**[3]

Noncompliance is risky business.

58% of HR and payroll professionals surveyed say they've **seen colleagues cut corners** when it comes to compliance.[4]

The average **cost to defend an FMLA lawsuit is $78,000**.[5]

The **median judgment** for employment lawsuits that go to trial is about **$200,000**.[6]
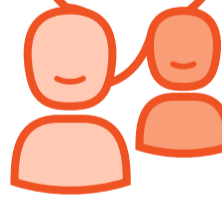
1 in 4 employment cases result in a **judgment of $500,000** or more.[6]

An HCM system can help.

59% of HR and payroll professionals **rely on their HR/payroll system vendor for legislative updates.**[7]

HCM automation streamlines compliance management.

Organizations that use a fully integrated HCM solution see:

Time to track and manage **ACA**	⬇ **80% – 90%**
Time to track and manage **FMLA**	⬇ **40% – 60%**
Time to track and manage **FLSA**[8]	⬇ **35% – 50%**

Our HCM solution facilitates proactive compliance management by automating time and attendance, payroll processes, and scheduling using business rules for reduced incidence of human error and scheduling assignments. Complete automation and real-time visibility help you manage benefits eligibility, reduce unauthorized work time, and enforce meal and rest breaks mandated by law. Plus, our solution makes it easy to apply work rules uniformly across healthcare organizations while generating detailed audit trails to demonstrate compliance efforts.

[1] U.S. Department of Labor, *Summary of the Major Laws of the Department of Labor,* found at https://www.dol.gov/general/aboutdol/majorlaws.
[2] The Workforce Institute at Kronos, *Legislative Compliance — the $100,000 Bill,* Kronos and Future Workplace" (September 5, 2017), found at https://workforceinstitute.org/legislative-compliance-the-100000-bill/.
[3] Ibid.
[4] Ibid.
[5] GCG, *FMLA Violations Can Cause Serious Financial Risk to Your Company,* GCG Insights (March 9, 2016), found at https://gcgfinancial.com/insights-employee-benefits/fmla-violations-that-can-cause-serious-financial-risk-to-your-company/.
[6] Andrew C. Simpson, *What Are Chances a U.S. Business Will Face an Employee Lawsuit?,* Insurance Journal (October 28, 2015), found at http://www.insurancejournal.com/news/national/2015/10/28/386321.htm.
[7] Sanjeev Aggarwal, Laurie McCabe, and Dwight Davis, *Research Study: Cloud-Based Workforce Management Powers Midsized Organizations,* SMB Group (August 2015), at 6.
[8] Ibid.