

REPORT TO THE 122nd LTD FULL BOARD

Re: Rehabilitation Report # 63

Date: April 20, 2016

From: Steve Matovic
Director, LTD Benefits & Rehabilitation

Executive Summary

This report covers the period from January 1, 2015 to December 31, 2015. At the beginning of the year 807 members were in receipt of LTD benefits. This included 329 (41%) members who received collateral benefits only. At the end of December 2015, the total declined by 9% to 730 members on LTD, including 254 (35%) who received collateral benefits only.

Please refer to the Appendix for tables with the number of members in each claim category by age range at December 31, 2015.

The average caseload for each of the seven rehabilitation counsellors was 59 at the end of 2015. 57% of the average caseload was comprised of early rehabilitation referrals for members during the weekly indemnity period.

517 members returned to work during 2015. 498 of these members returned to work with their own employer. 443 returned to work during the weekly indemnity period, and 74 returned to work from LTD.

Expenditures for rehabilitation services during the LTD period continued to decline in 2015 and were well under budget, as the proportion of the rehabilitation caseload attributed to members referred during the weekly indemnity period continued to grow. Costs for rehabilitation services for most members during the weekly indemnity period are coded under the Evergreen Rehabilitation Management Society and a good portion of these expenses are recovered via invoicing to the health and welfare plans that have a contract with Evergreen.

Two of the Plan's rehabilitation counsellors continue to assist members with applications and appeals for the Canada Pension Plan (CPP) Disability Benefit which resulted in estimated offsets of \$989,000 for 2015.

87% of members in the 01 claim category and 19.8% of members in the 03 claim category had qualified for the CPP Disability Benefit at December 31, 2015.

More details regarding the above information are provided in the balance of this report.

Report to the 122nd LTD Full Board

New LTD Claims Approved

From January 1, 2015 to December 31, 2015, the Plan approved 131 new LTD claims. This is reduced by 7 claims from the 138 new LTD claims approved in 2014.

Caseloads

In 2015, there were a total of 739 new referrals to Rehabilitation Services (STD* and LTD). This is a 24.6% increase over the previous year total of 593 referrals (2014).

At the end of December 2015, there were 411 cases assigned to seven (7) Rehabilitation Counsellors, for a caseload average of 59. This compares to a total of 361 cases and a caseload average of 52 at the end of 2014.

235 of the 411 cases assigned to rehabilitation counsellors at the end of December 2015 were for members referred for early rehabilitation services during the weekly indemnity period. 57% of the average rehabilitation caseload was comprised of members on weekly indemnity claims.

**Note: in this report STD is an abbreviation for "short term disability" which is synonymous with weekly indemnity.*

Return to Work Outcomes

517 members returned to work during 2015. Of these, 498 (96%) returned to work in their own occupation with the same employer; either directly (97%) or with job modifications (3%). Of the remaining 19 members; 3 returned to work in a different occupation with the same employer, 8 moved to work with another forest industry employer, and 8 secured new employment outside the forest industry.

Of the 517 members who returned to work, 443 were early STD cases (86%), and 74 were LTD cases (14%).

Of the 443 STD claimants, 435 (98%) returned to work with the same employer either in the same occupation (418), or in a modified or alternate occupation (17); 4 found work with another industry employer, and 4 secured new employment outside the industry.

Of the 74 LTD claimants, 66 (89%) returned to work with the same employer, either in the same occupation (63), or in a modified or alternate occupation (3); 4 found work with another forest industry employer, and 4 secured new employment outside the forest industry.

The counsellors closed an additional 11 cases where rehabilitation services were completed and a return to work was expected and pending at time of case closure.

Overall, out of a total of 549 members who were on STD or LTD and fit to return to work, 517 successfully returned to work (94%), and a combined total of 528 were either at work or expecting a return to work at time of case closure (96%).

Report to the 122nd LTD Full Board

Of the 19 members who were fit to return to work but did not, reasons were as follows: LTD claim terminated (4), WCB claim activated for vocational rehabilitation (5), inactive/non-compliant (4), and unable to locate (6).

There were an additional 17 rehabilitation case closures for members who retired in 2014. This compares to 13 retirements in 2014.

Rehabilitation Expenses

Rehabilitation expenditures for 2015 totalled \$119,467 and were \$147,933 under budget. The largest segment of rehabilitation expenditures was applied to the funding of physical conditioning and assessment services to prepare members for return to work (\$68,462), the associated costs of travel and accommodation to help members to access services (\$31,303), and the sponsorship of vocational assessments, education and training programs to help members secure work in alternate occupations (\$15,192).

Canada Pension Plan Disability Benefit & the Percentages of 01 & 03 Claims that Qualified

Over the period January 1, 2015 to December 31, 2015 our Rehabilitation counsellors successfully finalized fifteen (15) Canada Pension Disability claims for an estimated offset of \$989,000.00. Nine were finalized at the initial application stage, three at the reconsideration stage and three at the Social Security Tribunal.

We are currently awaiting a decision on one appeal that is being reviewed at the Social Security Tribunal.

Four hundred and thirty-three (433) of the four hundred and ninety-six (496) members in the 01 claim category (87%) at December 31, 2015 had qualified for the CPP disability benefit.

Forty-Two (42) of the two hundred and twelve (212) members in the 03 disability category (19.8%) at December 31, 2015 had qualified for the CPP disability benefit.

Two of the Plan's rehabilitation counsellors, Gordon Philip and Brian Lukyn, are continuing to work in cooperation with the medical adjudicators from FIDAS to identify members who require assistance to apply or appeal for the CPP disability benefit. Some members will not qualify for the CPP disability benefit because: they have insufficient contributions to CPP within the timeframe required to support eligibility, they do not meet Canada Pension Plan's definition of disability, or they have exhausted the opportunity for any further appeal.

Report to the 122nd LTD Full Board

Appendix

Of the 730 members receiving LTD benefits at year-end, 496 (68%) were in Category “01” (permanent total disability); 212 (29%) were in Category “03” (temporary disability), and 22 (3%) were in Categories “02” (commitment agreement in place) or “02A” (rehabilitation assessment and planning).

Age Distributions for LTD Claim Categories at December 31, 2015:

| CATEGORY 01 | | | CATEGORY 02 | | |
|---------------|-------------------|-------------|----------------|-----------------|-------------|
| Age | Count | % | Age | Count | % |
| 21 - 30 | 1 | 0.2% | 21 - 30 | 0 | 0 % |
| 31 - 40 | 9 | 1.8% | 31 - 40 | 2 | 28.6 % |
| 41 - 50 | 68 | 13.7% | 41 - 50 | 0 | 0% |
| 51 - 54 | 102 | 20.6% | 51 - 54 | 2 | 28.6% |
| 55-59 | 316 | 63.7% | 55-59 | 3 | 42.8% |
| AVG:55 | Total: 496 | 100% | AVG: 50 | Total: 7 | 100% |

| CATEGORY 02A | | | CATEGORY 03 | | |
|---------------|------------------|-------------|---------------|-------------------|-------------|
| Age | Count | % | Age | Count | % |
| 21 - 30 | 2 | 13.3% | 21 - 30 | 6 | 2.8% |
| 31 - 40 | 2 | 13.3% | 31 - 40 | 37 | 17.4% |
| 41 - 50 | 7 | 46.7% | 41 - 50 | 46 | 21.7% |
| 51 - 54 | 1 | 6.7% | 51 - 54 | 51 | 24.1% |
| 55-59 | 3 | 20.0% | 55-59 | 68 | 32.1% |
| >60 | 0 | 0% | >60 | 4 | 1.9% |
| AVG:45 | Total: 15 | 100% | AVG:49 | Total: 212 | 100% |