

REPORT TO THE 125th LTD FULL BOARD

Re: Rehabilitation Report # 66
Date: May 12, 2017
From: Steve Matovic
Director, LTD Benefits & Rehabilitation

Correction to past Rehabilitation Reports:

It has been determined that past reports over reported the number of LTD claimants due to a technical error with the automated reports that included terminated LTD claims with ancillary benefits still in effect. The automated report has been in place since prior to 2006 so the over reporting of the number of claimants would have occurred since that time. The table below shows for 2011 to 2015 the previously reported number of LTD claimants at each year end compared to the actual number of claimants. For 2016 when the error in the automated reporting was still in effect the reported number of claimants at year end was reported as 680, but following the correction to the report the actual number of claimants for 2016 at year end is 637. We apologize for the past errors and future reports will accurately report the number of claimants.

Discrepancy in Reported LTD Claimants

Year	Reported	Actual	Difference
2011	1,016	1,010	-6
2012	949	935	-14
2013	898	883	-15
2014	808	776	-32
2015	730	705	-25
Grand Total	4,401	4,309	-92

Due to inclusion of terminated claims continuing to receive ancillary benefits.

Executive Summary

This report covers the period from January 1, 2016 to December 31, 2016 and reflects the corrected actual claim numbers.

At the beginning of the year 705 members were in receipt of LTD benefits. This included 486 members who received payments and 219 (31%) members who received ancillary benefits only.

At the end of December 2016, the total claimants declined by 9.7% to 637 members on LTD, including 542 who received payments and 95 (14.9%) who received ancillary benefits only. The increased percentage of members in receipt of a payment at year end is explained by the \$500 increase to the gross LTD benefit effective July 2016.

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Please refer to the Appendix for tables with the number of members in each claim category by age range at December 31, 2016.

The average caseload for each of the seven rehabilitation counsellors was 57 at the end of 2016. 53% of the average caseload was comprised of early rehabilitation referrals for members during the weekly indemnity period.

589 members returned to work during 2016. 582 (99%) returned to work with their own employer. 508 returned to work during the weekly indemnity period, 76 returned to work from LTD, and 5 returned to work from a subsequent WCB claim.

Expenditures for rehabilitation services during the LTD period in 2016 totalled \$196,322 and were \$21,678 under budget. 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 \$602,200 for 2016.

85.7% of members in the 01 claim category and 15.1% of members in the 03 claim category have qualified for the CPP Disability Benefit at December 31, 2016.

More details are provided in the balance of this report.

New LTD Claims Approved

From January 1, 2016 to December 31, 2016, the Plan approved 120 new LTD claims, down 8.4% from the 131 new LTD claims approved in 2015.

Caseloads

In 2016, there were a total of 760 new referrals to Rehabilitation Services (STD* and LTD). This is a 2.8% increase over the total of 739 referrals in 2015.

At the end of December 2016, there were 401 cases assigned to seven (7) Rehabilitation Counsellors, for a caseload average of 57. This compares to a total of 411 cases and a caseload average of 59 at the end of 2015.

214 of the 401 rehabilitation cases assigned at the end of December 2016 were for members referred for early rehabilitation services during the weekly indemnity period. So 53% 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

589 members returned to work during 2016. 571 returned to the same occupation and 11 to a different job with their employer, so 98.8% returned to the same employer in the forest industry. 7 members found jobs outside of the forest industry.

Of the 589 members who returned to work, 508 were early STD cases, 76 were LTD cases, and 5 were members who transitioned to WCB claims and subsequently returned to work in the forest industry.

503 of the 508 STD claimants returned to work with the same employer; 482 to the same occupation and 21 to modified or alternate work. 5 members found new employment outside of the forest industry.

74 of the 76 LTD claimants returned to work with the same employer; 66 in the same occupation and 8 in a modified or alternate occupation. Two members found work in new jobs outside of the forest industry.

Overall, out of a total of 628 members who were on STD or LTD and fit to return to work, 589 successfully returned to work (93.7%), and 14 cases (2.2%) involved members where a return to work was expected or pending at the time of case closure.

For the remaining 25 members (3.9%) who were fit to return to work but did not, the reasons were as follows: LTD claim terminated (6), WCB claim activated (7), inactive/non-compliant (6), and unable to locate (6).

There were an additional 22 rehabilitation case closures for members who retired in 2016. This compares to 17 retirements in 2015.

Rehabilitation Expenses

Rehabilitation expenditures for 2016 totalled \$196,322 and were \$21,678 under budget. The largest segment of rehabilitation expenditures was applied to the funding of physical conditioning, counselling and assessment services to prepare members for return to work (\$112,775), the associated costs of travel and accommodation to help members to access services (\$39,487), and the sponsorship of vocational assessments, education and training programs to help members secure work in alternate occupations (\$36,060).

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

Two of the Plan's rehabilitation counselors, Gordon Philip and Brian Lukyn, continue 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.

Over the period January 1, 2016 to December 31, 2016, they have successfully assisted with thirteen (13) Canada Pension Disability claims for an estimated total offset of \$ 602,200.00. Of the thirteen (13) claims; six (6) were approved at the initial application stage, six (6) were approved at the reconsideration stage and one (1) at the Social Security Tribunal.

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366 of the 427 members in the 01 claim category (85.7%) at December 31, 2016 had qualified for the CPP disability benefit. 29 of the 191 members in the 03 disability category (15.1%) at December 31, 2016 had qualified 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, some do not meet Canada Pension Plan’s definition of disability, and others have exhausted the opportunity for any further appeal.

Appendix: Age Distributions for LTD Claim Categories at December 31, 2016

Of the 637 members receiving LTD benefits at year-end, 427 (67%) were in Category “01” (permanent total disability); 191 (30%) were in Category “03” (temporary disability), and 19 (3%) were in Categories “02” (commitment agreement in place) or “02A” (rehabilitation assessment and planning).

CATEGORY 01			CATEGORY 02		
Age	Count	%	Age	Count	%
21 - 30	1	0.2%	21 - 30	1	8.3 %
31 - 40	6	1.4%	31 - 40	7	58.3 %
41 - 50	45	10.5%	41 - 50	1	8.3%
51 – 54	71	16.6 %	51 - 54	0	0%
55-59	304	71.3%	55-59	3	25%
AVG: 55.1	Total: 427	100%	AVG: 42.7	Total: 12	100%

CATEGORY 02A			CATEGORY 03		
Age	Count	%	Age	Count	%
21 – 30	0	0%	21 – 30	4	2.1%
31 – 40	3	42.8%	31 – 40	30	15.7 %
41 – 50	1	14.3%	41 – 50	35	18.3%
51 – 54	1	14.3%	51 – 54	43	22.5%
55-59	2	28.6%	55-59	79	41.4%
>60	0	0%	>60	0	0%
AVG: 50.1	Total: 7	100%	AVG: 46.2	Total: 191	100%