



REPORT TO THE BOARD OF TRUSTEES

From: Steve Matovic

Date: February 22, 2018

Subject: Rehabilitation Report # 69 - 128th LTD Full Board Meeting

EXECUTIVE SUMMARY

This report covers the period from January 1, 2017 to December 31, 2017. At the beginning of the year 637 members were in receipt of LTD benefits. This included 536 members who received payments and 101 (15.9%) members who received ancillary benefits only.

At the end of December 2017, the total claimants declined by 3.8% to 613 members on LTD, including 522 who received payments and 91 (14.8%) who received ancillary benefits only.

Please refer to the Appendix for tables with the number of members in each claim category by age range at December 31, 2017.

The average caseload for each of the seven rehabilitation counsellors was 58 at the end of 2017. 53.8% of the average caseload was comprised of early rehabilitation referrals for members during the weekly indemnity period.

438 members returned to work during 2017, which was a 25% reduction compared to 2016, due in part to the absence of early rehabilitation referrals from BC Life from early July to late October during essential service staff levels. 376 members returned to work during the weekly indemnity period, and 62 returned to work from LTD. 427 (97.5%) members returned to work with their own employer.

Rehabilitation expenditures during LTD (unaudited figures) for 2017 totalled \$255,974 and were \$71,744 over budget.

Two of the Plan's rehabilitation counsellors continue to assist members with applications and appeals for the Canada Pension Plan (CPP) Disability Benefit. Over the period January 1, 2017 to December 31, 2017, they have successfully assisted with and appealed nine (9) Canada Pension Disability claims for an estimated total offset of \$ 661,256.

More detailed information follows in the body of the report.

NEW LTD CLAIMS APPROVED

From January 1, 2017 to December 31, 2017, the Plan approved 135 new LTD claims, an increase of 12.5% from the 120 new LTD claims approved in 2016.

CASELOADS

In 2017, there were a total of 675 new referrals to rehabilitation services (STD* and LTD). This is an 11.2% decrease compared to the total of 760 referrals in 2016. From early July to late October no early referrals for rehabilitation were received for three of the four health and welfare plans that have contracts with the Evergreen RMS because STD claims staff at BC Life were on essential service levels.

At the end of December 2017, there were 407 cases assigned to seven (7) Rehabilitation Counsellors, for a caseload average of 58. This compares to a total of 401 cases and a caseload average of 57 at the end of 2016.

219 of the 407 rehabilitation cases assigned at December 31, 2017 were for members referred for early rehabilitation services during the weekly indemnity period. So 53.8% 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

438 members returned to work during 2017, which is a 25% reduction from 2016, largely impacted by the reduced number of early referrals for rehabilitation received from BC Life as noted above. 404 members returned to the same occupation and 23 to a different job with their employer; so 97.5% returned to the same employer in the forest industry. Four (4) members found work with a different employer in the forest industry, and six (6) members found jobs outside of the forest industry. One (1) member retrained during LTD and is working in a new job outside of the forest industry.

Of the 438 members who returned to work, 376 were early STD cases and 62 were LTD cases.

368 of the 376 STD claimants (97.9%) returned to work with the same employer; 348 to the same occupation and 20 to modified or alternate work. Four (4) members found work with a new employer in the forest industry, and four (4) members found new employment outside of the forest industry.

59 of the 62 LTD claimants (95.2%) returned to work with the same employer; 56 in the same occupation and three (3) in a modified or alternate occupation. Two (2) members found work in new jobs outside of the forest industry. One (1) member retrained during LTD and is working outside of the forest industry.

Overall, out of a total of 456 members who were on STD or LTD and fit to return to work, 438 successfully returned to work (96.1%). 15 cases (3.3%) involved members where a return to work was

expected or pending at the time of case closure. Three (3) cases involved members who received retraining and job search assistance during LTD but were not working at closure.

14 rehabilitation cases were closed due to termination of STD or termination/declination of LTD claims. Eight (8) of these cases involved members over the age of 60 years. One (1) member returned to work in the forest industry on termination of LTD benefits. One (1) member was working with a new employer on termination from LTD. Four (4) members did not return to work in the industry.

20 rehabilitation cases were closed due to inactivity or non-compliance with rehabilitation. Eight (8) of these members subsequently returned to work in the forest industry. Four (4) of these members who did not return to work were aged 60 years or older. One (1) member transitioned to a WCB claim. Two (2) of these members subsequently qualified for LTD benefits. The five (5) remaining members did not apply for LTD, nor did they return to work in the forest industry.

Five (5) rehabilitation cases were closed because the rehabilitation counsellor was unable to locate the members. Two (2) of these members later returned to work in the forest industry with no applications filed for LTD. One (1) member over the age of 65 years did not return to work when STD concluded. One (1) member's STD claim was concluded followed by the termination of his employment. One (1) member was later accepted on LTD benefits and began working with a rehabilitation counsellor towards a planned return to work in the forest industry.

13 members transitioned from STD or LTD to WCB claims, and two (2) of these members subsequently returned to work in the forest industry.

There were 20 rehabilitation case closures for members who retired in 2017. This compares to 22 retirements in 2016.

REHABILITATION EXPENSES

Rehabilitation expenditures (unaudited figures) for 2017 totalled \$255,974 and were \$71,744 over budget. The largest segment of rehabilitation expenditures was applied to the funding of physical conditioning, physical activation and assessment services to prepare members for return to work (\$119,343). The other main expenses were the sponsorship of vocational assessments, education and training programs to help members secure work in alternate occupations (\$69,677); costs of travel and accommodation to help members to access services (\$36,154), and psychological/clinical counselling services (\$17,722). Increases in the costs of retraining, psychological counselling, activation fees, functional assessments and job search accounted for the over budget amount.

CPP DISABILITY BENEFIT: APPLICATIONS, RECONSIDERATIONS & APPEALS

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, 2017 to December 31, 2017, they have successfully assisted with and appealed nine (9) Canada Pension Disability claims for an estimated total offset of \$ 661,256. Seven (7) claims were approved at the reconsideration stage and two (2) claims were approved at the Social Security Tribunal.

PERCENTAGES OF 01 & 03 CATEGORY CLAIMS WITH THE CPP DISABILITY BENEFIT

321 of the 383 members in the 01 claim category (83.8%); and 33 of the 205 members in the 03 claim category (16.1%) had qualified for the CPP disability benefit at December 31, 2017.

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 the Canada Pension Plan's definition of disability, and others have exhausted the opportunity for any further appeal.

REHABILITATION COUNSELLORS - SUCCESSION & REGIONAL ADJUSTMENTS

Brian Lukyn, a rehabilitation counsellor with the Plan for over 15 years is retiring and his last day of work will be on March 9. Brian ran the rehabilitation office in Comox and was responsible for members in northern Vancouver Island and other coastal areas. Brian also played an important role in assisting members with CPP disability benefit applications and appeals. Brian's hard work on behalf of members has been invaluable, and his professional contributions to the rehabilitation team are extensive. We thank Brian for his excellent service and wish him well. The rehabilitation office in Comox will be permanently closing effective February 28, 2018.

The recruitment for a new rehabilitation counsellor is in progress, and the goal is to establish a second counsellor working out of the rehabilitation office in Prince George as soon as possible.

Cliff Dundas at the Victoria rehabilitation office will be transitioning to cover all of Vancouver Island. Cliff has covered southern Vancouver Island; and has also travelled north since 2010 to provide counselling for members along the highway 16 corridor west of Prince George to Houston. The plan going forward is to transfer the northern portion of Cliff's cases along with the Terrace region to the new rehabilitation counsellor from Prince George.

Gabriel Horvath relocated in the fall of 2017, and he established a home office in Sorrento to continue to cover rehabilitation cases in the southern interior and in Quesnel.

Some adjustments to regional assignments for other rehabilitation counsellors are also expected with a goal to rebalance counsellor's caseloads to support the efficient delivery of services.

Two counsellors will be trained by Gordon Philip to assist members with CPP Disability Benefit applications and appeals since Gordon will be the only counsellor providing assistance with CPP cases after Brian's retirement.

APPENDIX

AGE DISTRIBUTIONS FOR LTD CLAIM CATEGORIES - DECEMBER 31, 2017

Of the 613 members receiving LTD benefits at year-end, 383 (62.5%) were in Category "01" (permanent total disability); 205 (33.4%) were in Category "03" (temporary disability), and 25 (4.1%) 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	0.3%	21 - 30	1	9.1 %
31 - 40	8	2.1%	31 - 40	7	63.6 %
41 - 50	48	12.5%	41 - 50	2	18.2%
51 - 54	75	19.6 %	51 - 54	0	0%
55-59	251	65.5%	55-59	1	9.1%
AVG: 55	Total: 383	100%	AVG: 38	Total: 11	100%

CATEGORY 02A			CATEGORY 03		
Age	Count	%	Age	Count	%
21 - 30	2	14.3%	21 - 30	9	4.4%
31 - 40	1	7.1%	31 - 40	36	17.6 %
41 - 50	2	14.3%	41 - 50	45	22%
51 - 54	2	14.3%	51 - 54	46	22.4%
55-59	6	42.9%	55-59	66	32.1%
>60	1	7.1%	>60	3	1.5%
AVG: 49	Total: 14	100%	AVG: 49	Total: 205	100%