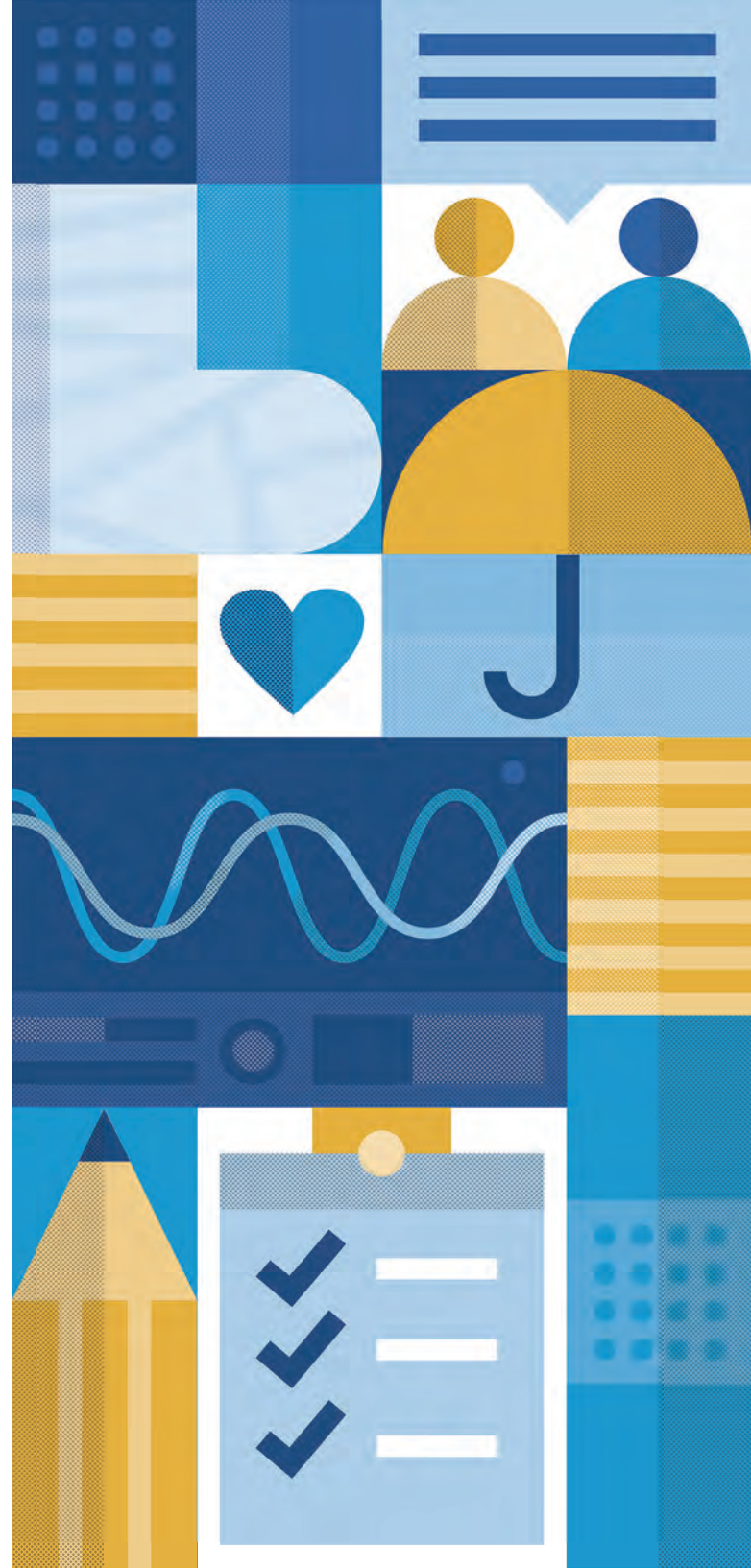



Long Term Disability

Annual Report 2017/2018



Where ideas work





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Message from the Deputy Minister

The BC Public Service Agency (the Agency) leads a wide range of services and supports to build productive, engaged and efficient organizations. Our innovations aim to advance workplace practice and equip our clients to manage evolving trends. Workforce disability claims information can offer insights for organizations into the health of the workforce. This report identifies an increase in overall claims and a rising incidence of mental health claims.

The National Standard for Psychological Health and Safety in the Workplace specifically underscores the potential connection between psychosocial risk factors in the work environment and future mental illness. Employers aiming to further improve workforce mental health can better target their interventions using workforce measurement tools, such as the well-established Work Environment Survey. It measures the majority of known psychosocial risk factors for mental illness.

To address mental health within the BC Public Service, the Agency has enhanced proactive support services and operates a well-developed medical case management model. We've diversified our occupational health and rehabilitation team by adding injury recovery specialists to target musculoskeletal disabilities and to refocus occupational health nursing on mental health cases. Through the Employee and Family Assistance Services provider, we offer enhanced services focused on depression and trauma support.

A competitive Request for Proposal process for a Long Term Disability carrier has concluded and, as of June 1, 2018 a contract was signed with The Great-West Life Assurance Company (GWL). The new contract incorporates industry-leading LTD practices and performance, and builds on the long standing positive partnership between the Province and GWL. Some of the highlights in this new contract include:

- A four year all-inclusive contract term with two optional renewal periods;
- An all-inclusive pricing model that aligns the plan member and the employer interests, resulting in lower administrative fees;
- Ongoing customer-centric service standards;
- Enhanced return to work case management for employees in the Total Disability – Any Occupation period; and
- Optional additional services focussed on prevention and improving disability outcomes for employees and the employer.

As a reflection of the continuous efforts of the Workplace Health and Safety and the Financial Management Services branches supporting the Agency, I am pleased to provide you with this 2017/2018 Long Term Disability Annual Report.

Lori Halls

DEPUTY MINISTER
BC PUBLIC SERVICE AGENCY

The Long Term Disability Plan



The members of the plan consist of British Columbia Public Service employees and employees of various Crown Corporations, Agencies, Boards and Commissions (see list on page 10). As of March 31, 2018 there were approximately 33,643 members covered by the plan. This is an increase of 1043 members from March 31, 2017.

The LTD plan is 100 per cent funded by the participating employers. While the landscape in Canada is changing with respect to the ability to self-insure LTD plans, the BC Public Service Agency has adopted practices to minimize risks, including continuous funding, optimizing investment returns, establishing funding and rate-setting policies, and signing participation agreements with all participating employers.

GOVERNANCE

Members' LTD benefits are established under the Public Service Benefits Plan Act and the Long Term Disability Plan Regulation. The Regulation sets out which employees are covered by the LTD plan, the eligibility criteria for receipt of plan benefits, the participating employers' rate, and other provisions related to the administration of LTD benefits. The plan structure attributes disability costs to each participating employer or group of participating employers.

In keeping with the BC Public Service Agency's commitment to accountability and transparency, the Deputy Minister, BC Public Service Agency relies on a number of policies to govern the plan.

These policies include, but are not limited to:

LTD PLAN INVESTMENT POLICY: Provides BC Investment Management Corporation guidelines, policies, and direction for the investment and administration of the special account and sets performance objectives and other criteria to be used to review and evaluate the investment results.

LTD PLAN FUNDING AND RATE SETTING POLICY: Establishes the funding objectives and guidelines to adequately fund, as assessed by the actuarial valuation, all payment obligations and set future rates that minimize large variations in contribution rates from year to year, while ensuring adequate funding continues.

LTD PLAN AUTHORITIES DELEGATION MATRIX: Defines the level of financial and decision making authority for the Deputy Minister, BC Public Service Agency, plan administrator, and other stakeholders.

Discussion and Analysis



Financial Summary

Claims administration of the LTD plan is provided by the BC Public Service Agency's Workplace Health and Safety branch, in conjunction with claims adjudication and claims paying agent services that have been contracted from The Great-West Life Assurance Company.

	2017/ 18	DESCRIPTION
Gross Benefit	\$61 M	Total gross benefit payable on any claims open during the fiscal year.
Offsets	(\$16 M)	Total deducted from the benefit including other sources of income such as CPP, Rehab, WCB, etc.
Net Benefit	\$45 M	The net benefit payables for the fiscal year.

Claim Summary

The new accepted claim totals illustrated below had a LTD benefit start date within the corresponding fiscal year.

	2013/14	2014/15	2015/16	2016/17	2017/18
New claims as at March 31	438	432	429	453	482*
Approximate Plan Members	33,270	32,720	32,490	32,600	33,643

*The new claim total will increase if claim is accepted in current fiscal year but benefit start date is within prior fiscal year

Discussion and Analysis



Claims Information

Disabling medical conditions are grouped into 19 different diagnosis categories. Of the 482 new claims in fiscal year 2018, 38.2 per cent were mental disorders and 18.5 per cent were muscle, bone, joint and tendon conditions. These are a significant portion of claims; the breakdown of each of these conditions is illustrated below. Case management, rehabilitation and modified return to work options can shorten many of these types of claims and improve long term medical outcomes.

Fig 1: New LTD Case Count

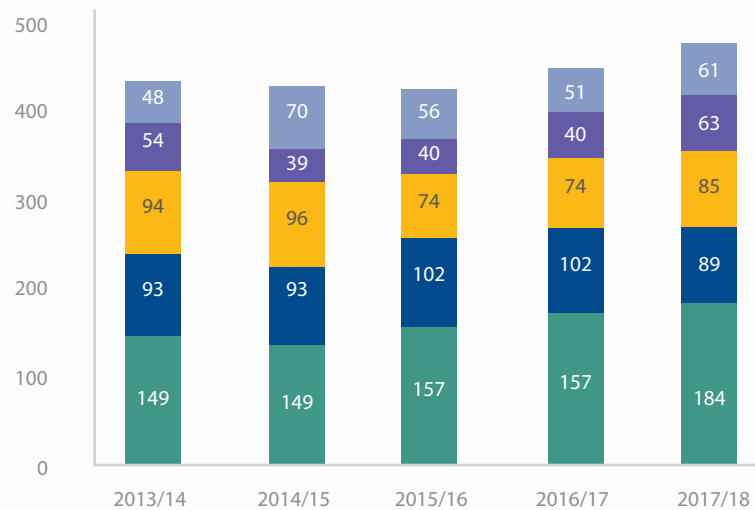
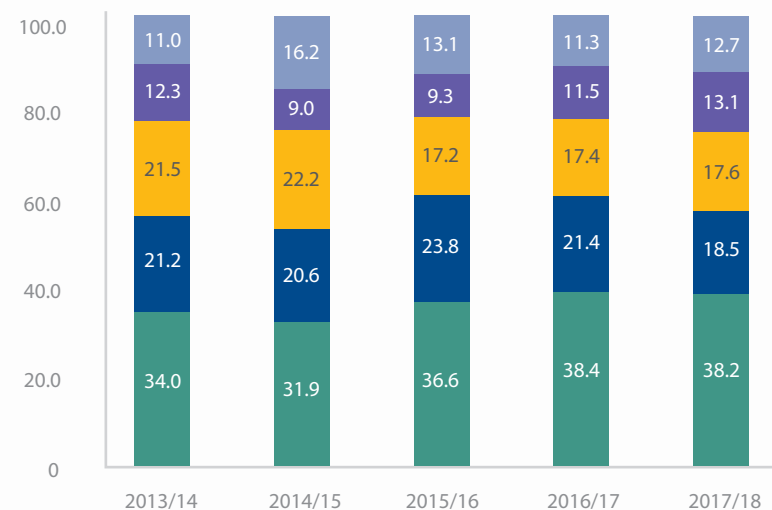


Fig 2: Percentage of New Claims by Medical Condition



■ CANCER
 ■ ACCIDENTS & INJURY
 ■ MEDICAL CONDITIONS
 ■ MUSCULOSKELETAL & CONNECTIVE TISSUE
 ■ MENTAL DISORDERS

Discussion and Analysis



Performance

PLAN PARTICIPATION AND COMPARISON	2013/14	2014/15	2015/16	2016/17	2017/18
Active claims as at April 1	1944	1923	1889	1860	1831
Approved	456	440	445	453	547
Re-opened	83	68	48	43	82
Resolved	474	542	522	525	540
Active Claims as at March 31	1923	1889	1860	1831	1920

The LTD plan approved or re-opened 629 claims in 2017/2018. The overall participation rate increased 4.86 per cent from March 31, 2017 to March 31, 2018.

REHABILITATIVE TRIALS	2013/14	2014/15	2015/16	2016/17	2017/18
Number of Rehab Trials	261	240	237	272	300
LTD Plan Savings	\$1.7M	\$1.6M	\$1.6M	\$2.1M	\$2.8M

An active focus on rehabilitation and return to work continues to be a key component in reducing LTD plan costs. In our plan, approximately half of resolved claims are a result of LTD claimants returning to work.

Discussion and Analysis



Service Provider Scorecard

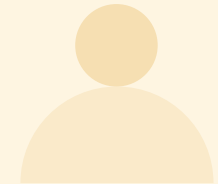
The 2013-2018 service provider contract with The Great-West Life Assurance Company contained customer-centric service standards. The information below illustrates the continued efforts to meet these high standards and indicates how these goals were met in 2017/2018.

SERVICE STANDARD	GOAL	ACHIEVED	MET STANDARD
Claim responsiveness: Will respond to requests within 14 days.	90% of the time	92.7% of the time	Exceeds
Claim responsiveness: Decisions will be communicated within 40 days of receiving a complete application.	90% of the time	96% of the time	Exceeds
Claims payment: Accurate and timely payment of monthly benefit within 30 days of eligibility.	90% of the time	96.5% of the time	Exceeds

In addition to challenging service standards we also measure effectiveness through annual audits. Below is an excerpt from the 2016/2017 audit report indicating the success rate of two major indicators: overall claims management and financial claims management.

SERVICE STANDARD	GOAL	ACHIEVED	MET STANDARD
Overall claims management: Accuracy, quality responsiveness and correct decision making confirmed through an audit of 25 claims.	90% of the time	100% of the time	No Change
Financial claims management: Accuracy and timeliness of LTD payments confirmed through an audit of 10% of all claims.	100% of the time	96% of the time	1.8% Reduction

How the Plan Works



STIIP

Employee reports their illness or injury is going to extend beyond six days.

Supervisor obtains information from employee to determine and approve eligibility for STIIP benefits.

Supervisor and employee explore early return to work opportunities and receive advice regarding those and other options from disability case management team.

Employee applies for LTD benefits.

LTD

LTD pre-qualification period ends, if employee is medically unable to work in their own occupation, they start to receive LTD benefits.

Employee continues to fully participate in their treatment plan and works with their supervisor and disability case management team on return to work planning options.

At the end of their own occupation period (24/25 months of LTD) if the employee is medically unable to work in any gainful employment they continue to receive LTD benefits.

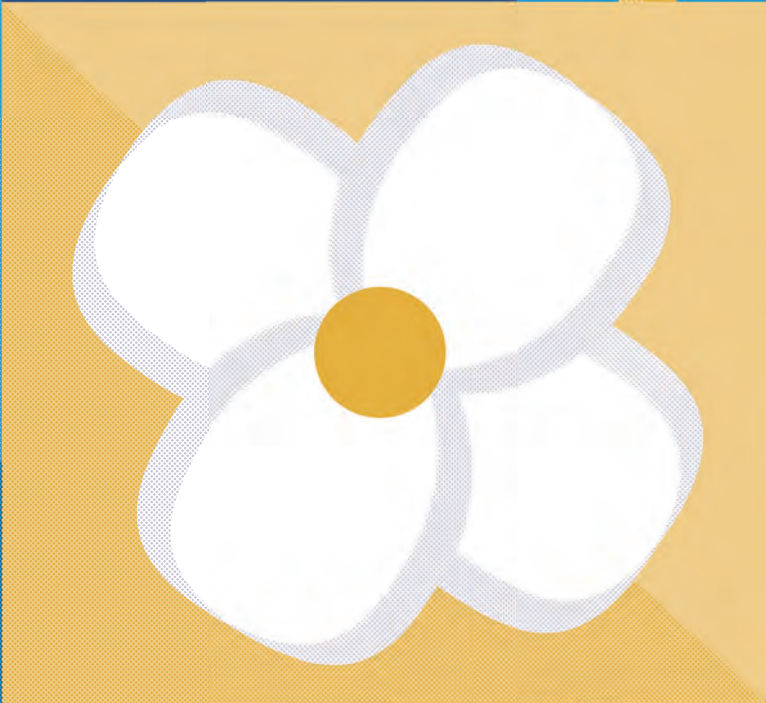
Employee continues to fully participate in their treatment plan and work with their supervisor and disability case management team on return to work planning options and opportunities.

LTD benefits stop when the employee is capable of working in a gainful occupation, retires or reaches maximum age for benefits entitlement.

Participating Employers



- BC Excluded Employees' Association
- BC Ferry Services Inc.
- BC Innovation Council
- BC Investment Management Corporation
- BC Oil and Gas Commission
- BC Pension Corporation
- BC Provincial Government regular employees
- BC Securities Commission
- BC Treaty Commission
- BC Utilities Commission
- Community Living BC
- Conflict of Interest Commissioner
- Constituency Assistants
- Consumer Protection BC
- Elections BC
- First Peoples' Heritage, Language and Cultural Council
- Forest Practices Board
- Freshwater Fisheries Society of BC
- Government House
- Habitat Conservation Trust Foundation
- Information and Privacy Commissioner
- Islands Trust Council
- Judges and Masters of the Supreme Court of BC
- Labour Relations Board/Chair/Associate Chair
- Legislative Assembly of BC
- Liquor Distribution Branch
- Office of the Auditor General of BC
- Office of the Merit Commissioner
- Office of the Ombudsperson
- Partnerships BC
- Police Complaint Commissioner
- Professional Employees Association
- Representative for Children and Youth
- Royal BC Museum
- Transportation Investment Corporation
- Workers' Compensation Appeal Tribunal





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