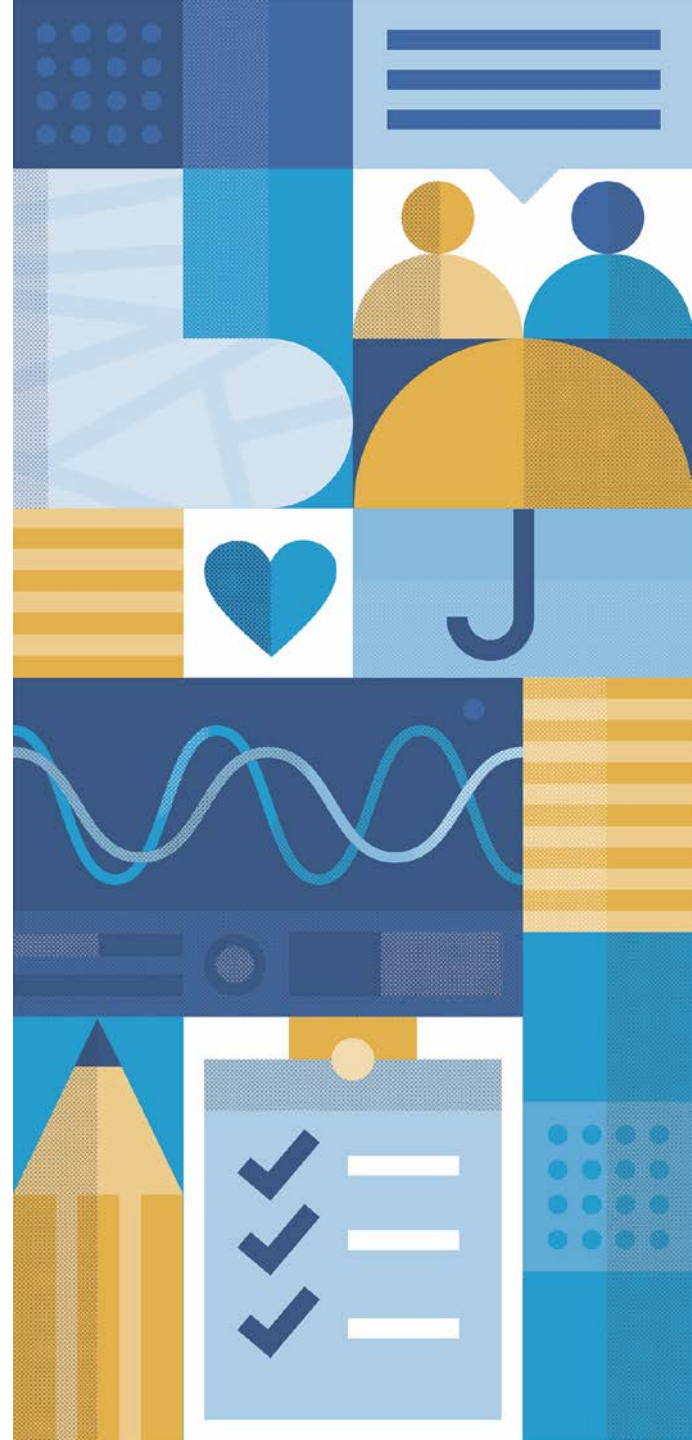


Long Term Disability

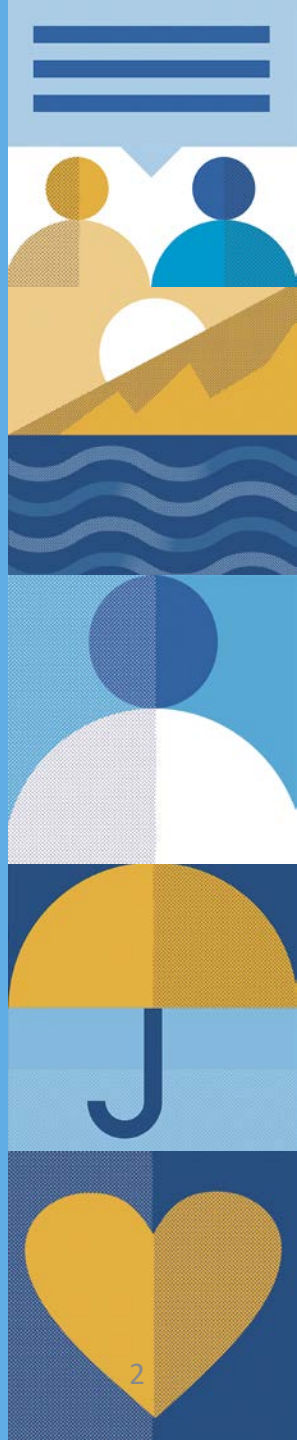
Annual Report 2019-2020



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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 9). As of March 31, 2020, there were approximately 38,200 members covered by the plan. This is an increase of 2,781 members from March 31, 2019.

The Long Term Disability (LTD) plan is 100 per cent funded by the participating employers. Being the Province of BC LTD plan is self insured, the BC Public Service Agency has adopted practices to minimize risks, including continuous funding, 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, 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: With the change to a Special Account, the Long Term Disability Plan no longer holds investments. Instead, Government pays interest to the plan on the spending authority available for the Special Account at the end of the previous fiscal year as reported in the Public Accounts. The interest rate is currently set at 6%.

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 Canada Life Assurance Company. Please note that this table is derived from the Canada Life Period Summary Report.

	2019/20	DESCRIPTION
Gross Benefit	\$66.6M	Total gross benefit payable on any claims open during the fiscal year.
Rehab Offsets	\$1.7M	Total deducted from the benefit for rehabilitative employment trials.
Offsets	\$16.8M	Total deducted from the benefit including other sources of income such as CPP, WCB, etc.
Net Benefit	\$48.1M	The net benefit payable for the fiscal year.

Claim Summary

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

	2015/16	2016/17	2017/18	2018/19	2019/20
New claims as at March 31	429	454	527	492	423
Approximate Plan Members	32,490	32,600	33,643	35,419	38,200

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

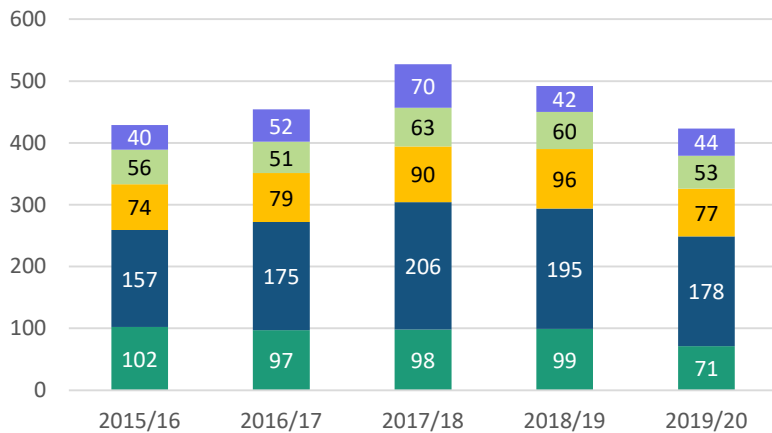
Discussion and Analysis



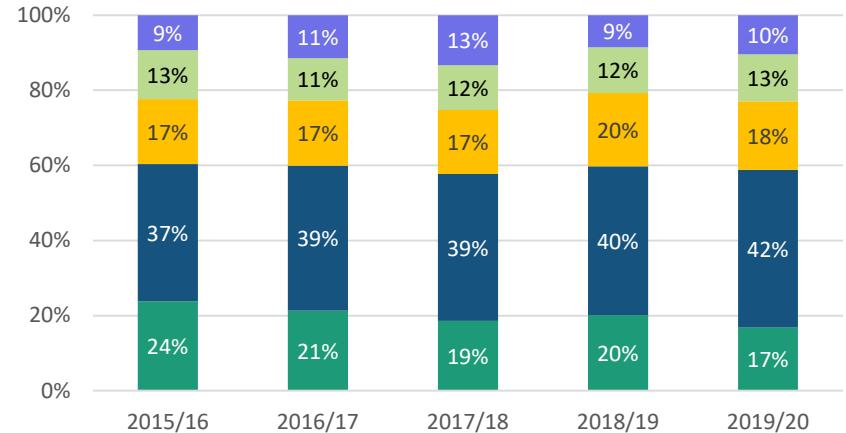
Claims Information

Disabling medical conditions are grouped into 19 different diagnosis categories. Of the 423 new claims in fiscal year 2019/20, 42 per cent were mental disorders and 17 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.

New Accepted LTD Claim Count

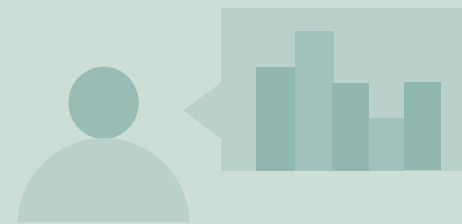


Percentage of New Accepted LTD Claims by Diagnosis Category



■ Musculoskeletal & Connective Tissue ■ Mental Disorders ■ Medical Conditions ■ Cancer ■ Accidents & Injury

Discussion and Analysis



Performance

PLAN PARTICIPATION AND COMPARISON	2015/16	2016/17	2017/18	2018/19	2019/20
Active claims as at April 1	1889	1860	1831	1920	1893
Approved	445	453	547	507	518
Re-opened	48	43	82	56	86
Resolved	522	525	540	590	634
Active Claims as at March 31	1860	1831	1920	1893	1863

Discussion and Analysis



Service Provider Scorecard

The service provider contract with Canada Life Assurance Company contains customer-centric service standards. The information below illustrates the continued efforts to meet these high standards and indicates how these goals were met in 2019/2020.

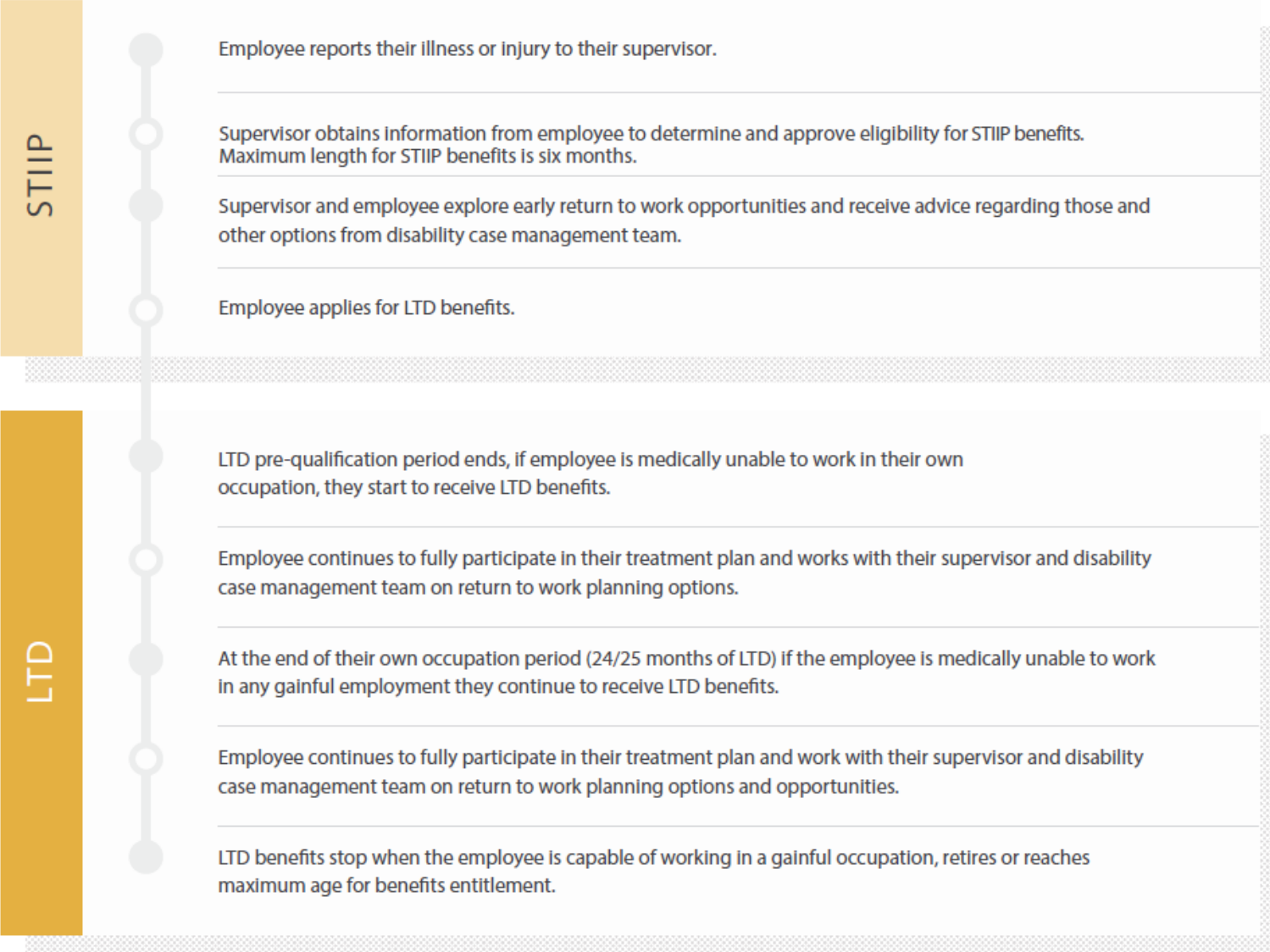
SERVICE STANDARD	GOAL	ACHIEVED	MET STANDARD
Claim responsiveness: Will respond to requests within 14 days.	90%	87.3%	Missed Target*
Claim responsiveness: Decisions will be communicated within 40 days of receiving a complete application	90%	100%	Exceeds
Claim payment: Accurate and timely payment of monthly benefit Within 30 days of eligibility	90%	95.9%	Exceeds

**Canada Life have put measures in place to address, and have a post-audit action plan in place.*

In addition to challenging service standards we also measure effectiveness through annual audits. Below is an excerpt from the 2019/2020 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%	100%	Exceeds
Financial claims management: Accuracy and timeliness of LTD payments Confirmed through an audit of 10% of all claims.	100%	100%	Met Standard

How the Plan Works



Participating Employers



- BC Excluded Employees' Association
- BC Ferry Services Inc.
- BC Financial Services Authority
- BC Infrastructure Benefits
- 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
- Consumer Protection BC
- Elections BC
- First Peoples' Cultural Council
- Forest Practices Board
- Freshwater Fisheries Society of BC
- Government House
- Habitat Conservation Trust Foundation
- Innovate BC
- Islands Trust
- Labour Relations Board
- Legislative Assembly of BC
- Liquor Distribution Branch
- Office of the Auditor General of BC
- Office of the Conflict of Interest and Ethics Commissioner
- Office of the Information and Privacy Commissioner
- Office of the Merit Commissioner
- Office of the Ombudsperson of BC
- Office of the Police Complaint Commissioner of BC
- Partnerships BC
- Professional Employees Association
- Representative for Children and Youth
- Royal BC Museum
- Transportation Investment Corporation
- Workers' Compensation Appeal Tribunal

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