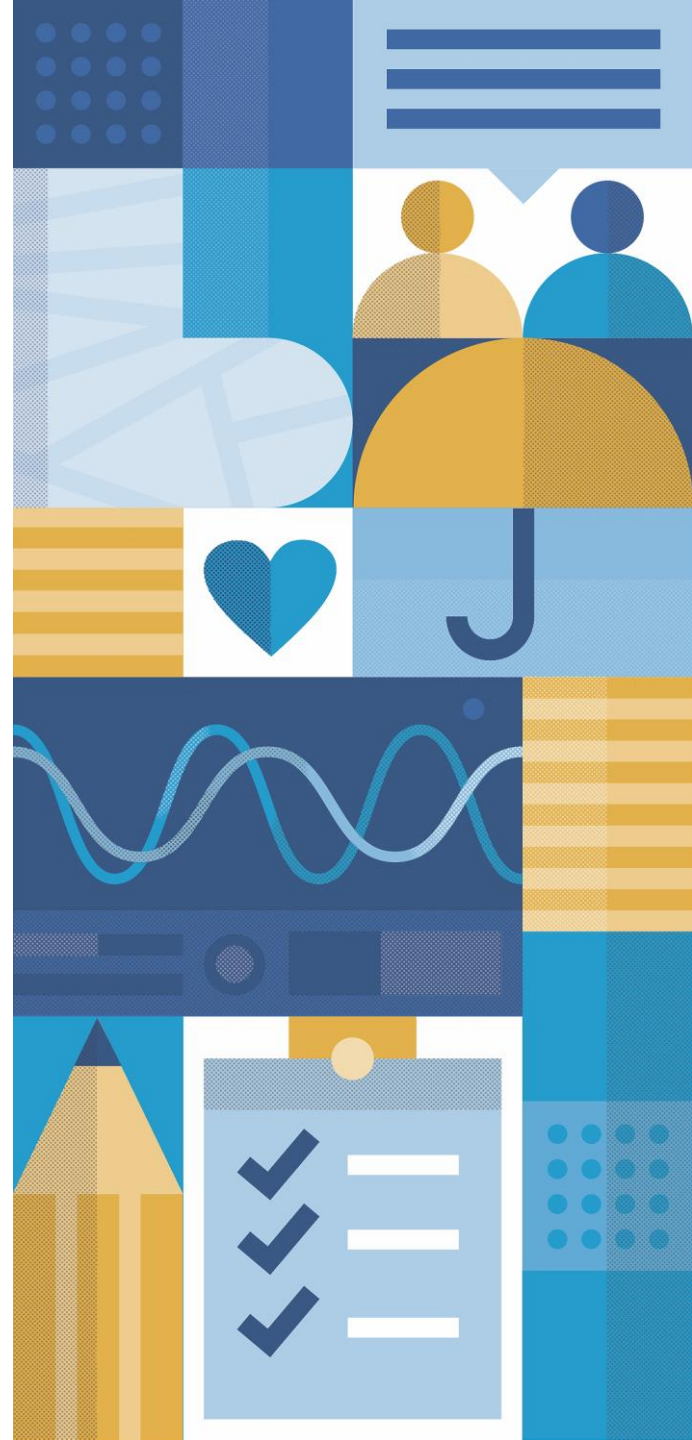


Long Term Disability Plan

Annual Report 2020-2021



Where ideas work



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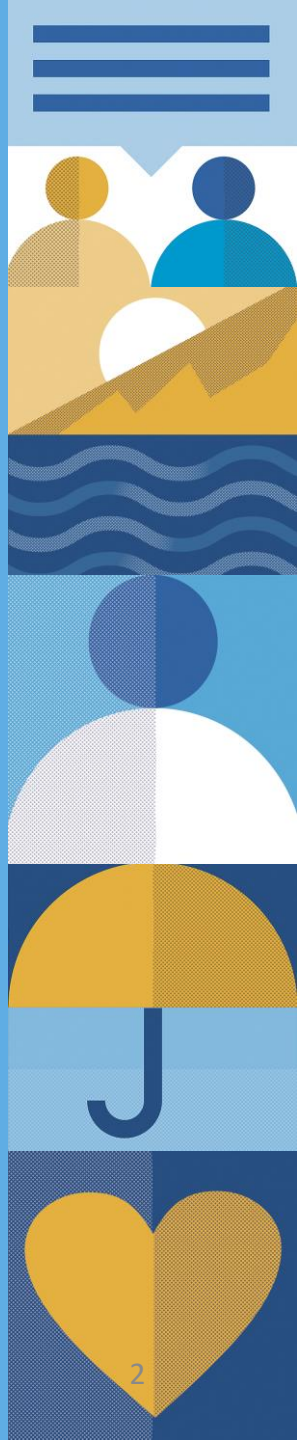
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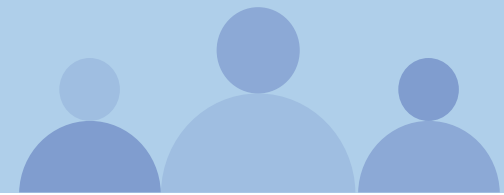
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Executive Message: from Bobbi Sadler, Deputy Minister, BC Public Service Agency



As Deputy Minister and Head of the BC Public Service Agency (PSA), I have a high-level view of public sector work-disability performance, the services and programs delivered by the PSA, and the positive impact that comes from collaboration between stakeholders and an employer focused on building a health and safety culture.

I am grateful for everyone's contributions to workplace health and safety during the COVID-19 pandemic. This focus on creating and maintaining a safe workplace creates positive reinforcement for employees, adds to recruitment and retention efforts, and reinforces the BC Public Service as an employer of choice.

Changes of note for the 2020/21 Long Term Disability (LTD) plan performance include:

- An increase in the rehabilitative opportunities offered to employees on LTD, including modified duties to help them transition back to work, benefitted The LTD plan and employees.
- The number of new accepted claims was lower than the past four years.
- Accepted claims for mental health conditions continue to represent a significant portion of new claims annually, and while the proportion of these claims may be higher, this reflects a reduction of other classes of disability claims. Nevertheless, the proportion of mental health claims is slightly higher than would be expected for the occupational mix compared to the plan carriers' book of business in this and prior years. This drives our focus on early intervention and rehabilitation, and may benefit from public service renewal initiatives and the focus on workplace mental health.
- No directly related COVID claims were reported, however delayed access to medical practitioners, surgeries, and treatments due to the pandemic may impact the LTD plan in the coming year(s).



Overall, the plan has benefitted from each participating organization prioritizing health and safety and implementing evidence-informed practices. Early intervention strategies, including modified duties, accessing resources and flexible work arrangements can be particularly helpful at supporting employees with their mental health. As participants in a shared risk LTD plan, improved performance in each organization will contribute to stability in corporate LTD performance.

As a reflection of the continuous efforts of the Workplace Health and Safety division and the Financial Management Services branch supporting the PSA, I am pleased to provide you with this 2020/21 Long Term Disability Plan Annual Report.

Long Term Disability Plan: Governance



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, 2021, there were approximately 39,140 members covered by the plan. This is an increase of 940 members from March 31, 2020.

The Long Term Disability (LTD) plan is 100 percent funded by the participating employers. Because the LTD plan for the Province of BC is self insured, the BC Public Service Agency has adopted practices to minimize risks. These measures include continuous funding, establishing policies for funding and rate-setting, and signing agreements with participating employers.

GOVERNANCE

Members' LTD benefits are established under the *Public Service Benefits Plan Act* and the *Long Term Disability Plan Regulation*. The Regulation outlines which employees are covered by the LTD plan, the eligibility criteria for receiving 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 of the BC Public Service Agency relies on several policies to govern the plan.

These policies include, but are not limited to:

LTD PLAN INVESTMENT POLICY: The BC 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 six per cent.

LTD PLAN FUNDING AND RATE SETTING POLICY: Uses actuarial valuation assessments to establish funding objectives and guidelines to adequately fund all payment obligations. Sets future rates that minimize large variations in contribution year to year. Ensures 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 division, 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.

	2020/21	DESCRIPTION
Gross Benefit	\$67.4M	Total gross benefit payable on any claims open during the fiscal year.
Rehab Offsets	\$2.9M	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	\$47.7M	The net benefit payable for the fiscal year.

Claims Summary

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

	2016/17	2017/18	2018/19	2019/20	2020/21
New claims as at March 31	454	529	494	492	421
Approximate Plan Members	32,600	33,643	35,419	38,200	39,140

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

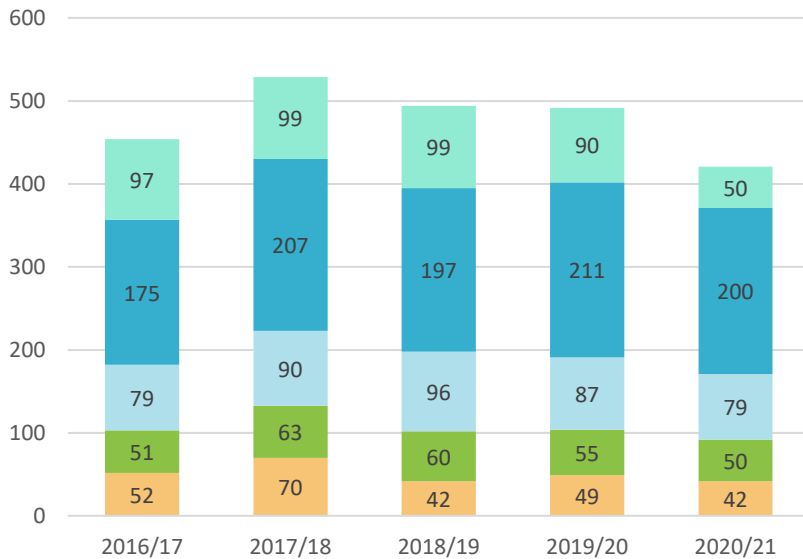
Discussion and Analysis



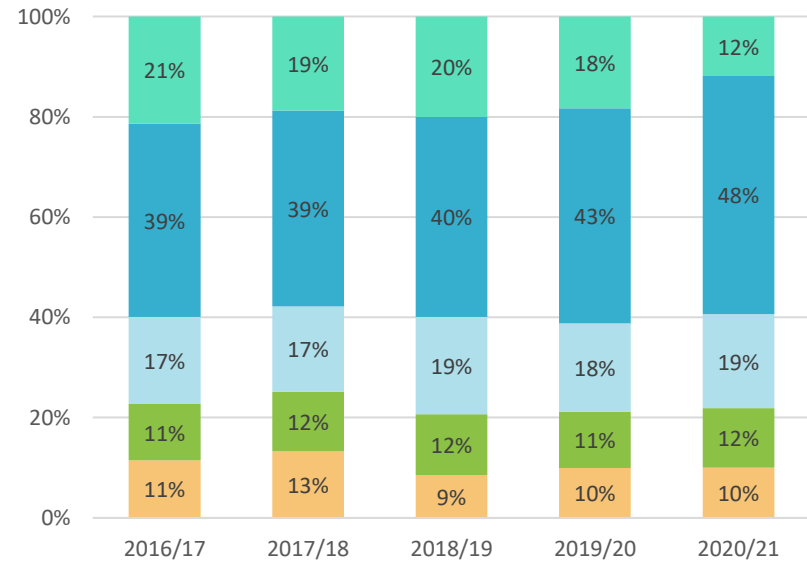
Claims Information

Disabling medical conditions are grouped into 19 different diagnosis categories. Of the 421 new claims in fiscal year 2020/21, 48 per cent were mental disorders and 19 per cent were medical 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 Claims Count



Percentage of New Accepted LTD Claims by Diagnosis Category



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

Discussion and Analysis



Performance

PLAN PARTICIPATION AND COMPARISON	2016/17	2017/18	2018/19	2019/20	2020/21
Active claims as at April 1	1860	1831	1920	1893	1863
Approved	453	547	507	518	450
Re-opened	43	82	56	86	94
Resolved	525	540	590	634	589
Active Claims as at March 31	1831	1920	1893	1863	1818

Source: Canada Life Period Summary

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 2020/21.

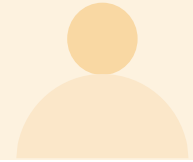
SERVICE STANDARD	GOAL	ACHIEVED	MET STANDARD
Claim responsiveness: Will respond to requests within 14 days.	90%	83.5%	Missed Target*
Claim responsiveness: Decisions will be communicated within 40 days of receiving a complete application	90%	100%	Exceeds
Claim payment: Accurate and timely payment of monthly benefit Within 30 days of eligibility	90%	95.9%	Exceeds

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

In addition to challenging service standards, effectiveness is measured through annual audits. Below is an excerpt from the 2020/2021 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



STIIP

Employee reports their illness or injury to their supervisor.

Supervisor obtains information from employee to determine and approve eligibility for STIIP benefits. Maximum length for STIIP benefits is six months.

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 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
- InBC
- 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

FOR MORE INFORMATION CONTACT:

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