To: Chair and Members
Corporate Administration Committee

From: Catherine Graham
General Manager,
Human Resources

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Date: December 13, 2005

Re: Return to Work / Work Accommodation (HUR06002) - (City Wide)

Council Direction:

Further to the October 20, 2004 Disability Management presentation to Corporate Administration Committee, made by Mark Amorosi, Director, Employment and Client Services. The information below provides an update on the implementation of the new Return to Work / Work Accommodation Services model.

Information:

In May 2004 a Disability Management Program Audit was completed. As a result of the audit there were a number of recommendations set out and in mid 2004, the Human Resources Department commenced implementing the recommendations.

The Audit analyzed the following thirteen areas related to disability management.

1. Clear Objectives
2. Plan Design
3. Documented Policies and Procedures
4. Clear Roles and Responsibilities
5. Knowledgeable and Skilled Staff
6. Third Party Adjudication
7. Medical and Vocational Rehabilitation
8. Disability Management Intervention Strategies
9. Work Place Modifications
10. Prevention and Wellness
11. Tracking and Analysis of Claims Data
12. Communication
13. Privacy and Confidentiality
This report provides a breakdown of recommendations and the steps the Return to Work/Work Accommodation Services (RTW/WA) Section has taken to implement these changes.

Feedback from departments has been very positive. With any new program difficulties may be experienced in the early stages. RTW/WA Services is working closely with departments to ensure that staff fully understand their role in accommodating employees as well as the role of RTW/WA Services.

The audit made staffing recommendations which have been implemented. The most significant decision was to move away from an “in house” medical model. Emphasis has shifted to completion of Physical Demands Analyses (PDA’s), intervention via third party assessments and Independent Medical Examinations (IME) and the use of information provided by employees’ physicians where appropriate, to expedite returns to work.

Through the development of relationships with community clinics, the costs associated with pre-placement functional testing are being reduced by as much as 60%. For example, the assessments conducted for HSR previously cost $250.00 per assessment; through partnership negotiations, the cost per assessment is now $90.00.

Provided below is a summary of costs experienced City wide in the year 2004 and 2005:

<table>
<thead>
<tr>
<th>Benefit</th>
<th>January – September 2004</th>
<th>January – September 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>STD (excludes HPL &amp; Police)</td>
<td>$ 5,636,636</td>
<td>$5,253,616</td>
</tr>
<tr>
<td>WSIB (includes all depts., boards and Pensions)</td>
<td>$ 5,317,342</td>
<td>$3,889,479</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$ 10,953,978</td>
<td>$ 9,143,095</td>
</tr>
</tbody>
</table>

**Short Term Disability Cost Comparison (January through September)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$ 5,636,636</td>
<td>$ 5,253,616</td>
</tr>
<tr>
<td>% Decrease</td>
<td>Base Year</td>
<td>- 7%</td>
</tr>
</tbody>
</table>

*Figures exclude Hamilton Public Library (HPL) and Police (own plan)*

**WSIB Cost Comparison (January through September)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$ 5,317,342</td>
<td>$ 3,889,479</td>
</tr>
<tr>
<td>% Decrease</td>
<td>Base Year</td>
<td>- 26%</td>
</tr>
</tbody>
</table>

*Figures include all departments, boards and pensions*

**Long-Term Disability Cost Comparison**

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$ 604,412</td>
<td>$ 916,369</td>
<td>$ 1,349,406</td>
<td>$ 1,468,664*</td>
</tr>
<tr>
<td>% Increase</td>
<td>Base Year</td>
<td>+ 51.61%</td>
<td>+ 47.26%</td>
<td>+ 8.84%</td>
</tr>
</tbody>
</table>

*Figures exclude Hamilton Public Library (HPL), Police and Fire (own plan through association)*
AUDIT FINDINGS

Clear Objectives

The Program Audit recommended that:

- Objectives must be clearly documented and communicated to all levels of the organization.
- Statistical data and benchmarking must be established to ensure objectives are being met.
- Ongoing reporting sessions should be established with stakeholders to determine progress and the ongoing viability of specified goals.

Implemented Change

The objectives of the RTW/WA section were communicated to all City staff in the form of information sessions to supervisory staff, a presentation to Extended Management Team (EMT), and a Connections communication to all City staff. In June, 2005, the website information relating to RTW/WA was updated to reflect the new focus of the section.

Statistical tracking and benchmarking is manually tracked. The information is gathered and provided to departments on a monthly and quarterly basis. Statistics gathered in 2005 will provide a benchmark for all future comparisons.

Plan Design

The Program Audit recommended that:

- Short-Term and Long-Term Disability plans should be characterized by early intervention and aggressive monitoring and treatment
- STD & LTD plans are most successful when integrated within a disability management program that streamlines structure, coordination and administration to support early intervention and assertive claims management
- Provide a consistent corporate Return to Work plan that is applied equally to all City employees

Implemented Change

The disability management program has been restructured to provide better integration and coordination of intervention of claims management activities.

As noted below documented plans will be established by the latter part of 2005.

Documented Policies and Processes

The Program Audit recommended that:

- Clearly documented disability management policies and processes are needed to ensure each employee receives equal and consistent treatment
Implemented Change

In December 2004 the RTW/WA section met to revise the existing RTW Procedure. The RTW procedure was completed but there are a number of related policies that need to be reviewed and revised. These include Permanent Work Accommodation Procedures, Temporary Work Accommodation Procedures, Work Accommodation Procedures, Work Accommodation Policy, Income Protection Plan Policy, Reporting and Absence Procedure, Claiming Disability Benefits Procedures and Health Assessment/Reviews Procedures. The expected date of completion for this project is December 31, 2005.

Clear Roles and Responsibilities

The Program Audit recommended that:

- Corresponding roles, responsibilities and organizational structure must be clearly documented and understood by all stakeholders.

Implemented Change

Information sessions were conducted with all City departments. During the sessions the roles and responsibilities of the section were communicated to the attendees.

Knowledgeable and Skilled Staff

The Program Audit recommended that:

- Staff must be knowledgeable and skilled in the area of integrated disability management practices.
- Rehabilitation efforts should be coordinated by a centralized staff member(s) for a consistent and structured process of early intervention, medical management and return to work programming.

Implemented Change

The RTW/WA Section is now fully staffed with Specialists and the focus on early and safe returns to work has been strengthened.

Third Party Adjudication

The Program Audit recommended that:

- It is valuable for a qualified third-party to adjudicate or review Short-Term Disability claims to ensure an unbiased, expert opinion as required.
- Documentation of ongoing case management is an effective tool in shortening disability claims.
**Implemented Change**

As a result of hiring experienced and knowledgeable staff it was determined that there was not a need for a third party adjudication, except in complex / exceptional cases. RTW Specialists through the process of case management, adjudicate claims based on medical information provided by treating practitioners. Detailed case management notes are kept by all RTW/WA staff as it relates to claims.

**Medical and Vocational Rehabilitation**

The Program Audit recommended that:

- The program must have a support network of medical and vocational rehabilitation specialists

**Implemented Change**

Relationships have been established with local clinics and specialists. There is a roster of Independent Medical Examiners currently being developed for the use of all RTW Specialists.

**Disability Management Intervention Strategies**

The Program Audit recommended that:

- Successful RTW is made more likely the earlier involvement begins with ill/injured employees
- Physical demands analyses are the cornerstone of disability management intervention
- Independent Medical Evaluations (IME) are best used in conjunction with Functional Capacities Evaluation (FAC/FAE) and Physical Demands Analyses (PDA’s)

**Implemented Change**

Early Intervention is the cornerstone of the success of this program. RTW/WA staff make contact either via telephone or mail as soon as RTW/WA is made aware of an absence.

Between October and December 2004 there were approximately 30 PDA’s completed across the City. The positions assessed were chosen because of their high incident rate or high placement rate. The PDA’s completed to date have proven to be useful to third party assessors when conducting IME’s and FAE’s as well as to physicians when determining job suitability.

Further PDA’s are being completed; it is the goal of RTW/WA to complete PDA’s on all city positions as resources permit.

**Work Site Modifications**

The Program Audit recommended that:

- The preventative benefit of simple workstation modifications out-weights the cost of ergonomic assessments.
Implemented Change

RTW/WA staff conduct and make ergonomic recommendations on physical workstations. If employees continue to experience physical problems the WSIB or an independent expert is contacted and they will provide complete ergonomic assessments as a preventative action. The cost of this is included within our administrative fee to the WSIB.

Prevention and Wellness

The Program Audit recommended that:

- Progressive companies support wellness initiatives that reduce disabilities and improve productivity through the promotion of a healthy workforce.

Implemented Change

The City Of Hamilton is dedicated to promoting a healthy workforce. The Human Resources Department is developing a wellness program tailored to the requirements of the workforce, in keeping with the commitments in the City’s Human Resources Strategy.

Tracking and Analysis of Claims Data

The Program Audit recommended that:

- Tracking of claims provides a baseline of information to monitor the benefits of an integrated disability management program.

Implemented Change

At the time of this report, statistics are being gathered and tracked manually. Tracking includes the number of claims received per month and the duration of the claims. Effective September 2005 the PeopleSoft Health and Safety module was fully implemented and this will assist in the tracking of claims as well as providing the associated costs of claims to departments.

Communication

The Program Audit recommended that:

- Organizations should communicate policy, procedure and legislative responsibilities to their employees, management and union on a regular basis.

Implemented Change

Information sessions were provided to all managers, supervisors and forepersons across the City. A communication via Connections was distributed to all staff in June 2005. Participation on departmental management team meetings occurs upon request. Claims status update reports are provided monthly to all departments.
Privacy and Confidentiality

The Program Audit recommended that:

- Employers should take a proactive role in protecting employee information and initiating privacy protocol that protects the personal information of both their employees and any parties they deal with.

**Implemented Change**

All medical information is now housed in one employee health file. Upon request employees may have access to their medical records. If they choose to copy or review their file they must provide a written request and sign for any copies of records. Signed consents are maintained within the file for treating practitioners and/or third party service providers. This may include motor vehicle accidents (MVA) carriers and the LTD carrier.

**Program Audit Implementation - Status**

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>COMPLETED – YES</th>
<th>COMPLETED – NO</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase staff to full complement</td>
<td>✅</td>
<td></td>
<td>Section was at full complement as of December 15/04</td>
</tr>
<tr>
<td>Implement adjudication process with third party provider</td>
<td></td>
<td>✅</td>
<td>It was determined through process that a third party provider was not required on a regular basis to adjudicate STD claims. This is being completed by the RTW Specialists.</td>
</tr>
<tr>
<td>Creation of standardized documents</td>
<td>✅</td>
<td></td>
<td>Letter and report templates were created for the RTW Specialists. Promotes consistency across the organization.</td>
</tr>
<tr>
<td>Update Physical Demands Analyses (PDA)</td>
<td>✅</td>
<td></td>
<td>PDA’s were completed on approximately 30 positions in November and December 2004. A further 40 will be completed by December 31, 2005.</td>
</tr>
<tr>
<td>Provide education and training to Managers and Supervisors across the City.</td>
<td>✅</td>
<td></td>
<td>Training was provided to all City departments between March and June 2004.</td>
</tr>
<tr>
<td>Complete file reviews with RTW Specialists on a regular basis.</td>
<td>✅</td>
<td></td>
<td>File reviews are scheduled on a monthly basis with RTW Specialists. This provides an opportunity for the Coordinator to provide guidance and direction on claims.</td>
</tr>
<tr>
<td>Develop community resources</td>
<td>✅</td>
<td></td>
<td>Development of an IME roster is a work-in-progress. Relationships have been</td>
</tr>
</tbody>
</table>
OBJECTIVE | COMPLETED – YES | COMPLETED – NO | COMMENTS
--- | --- | --- | ---
| | | | developed with two community medical centres. These clinics provide on site medical attention for injured employees within a relatively quick timeframe.

Regular reporting to departments. | ✓ | | Departments are provided with monthly caseload summaries. This report outlines the current status of all claims.

Expand section to include Lost Time and WSIB | ✓ | | The WSIB Analysts and Lost Time Coordinators were physically moved to the 11th floor. This has resulted in a consistent flow of information as well as a further step towards an integrated RTW program.

Active Cases -Summary

An overall decrease of 22% in active claims is noted. At this time there is no system to track the associated costs. With the implementation of the PeopleSoft Health and Safety module, cost data should be available for future reports.

<table>
<thead>
<tr>
<th>Division</th>
<th>December 3, 2004</th>
<th>June 30, 2005</th>
<th>Sept 30/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macassa Lodge</td>
<td>50</td>
<td>33</td>
<td>35</td>
</tr>
<tr>
<td>Wentworth Lodge</td>
<td>26</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>PHCS</td>
<td>54</td>
<td>43</td>
<td>35</td>
</tr>
<tr>
<td>Fire</td>
<td>23</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>EMS</td>
<td>16</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Human Resources</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Planning and Economic Development</td>
<td>5</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Public Works (excluding HSR)</td>
<td>86</td>
<td>73</td>
<td>65</td>
</tr>
<tr>
<td>HSR</td>
<td>28</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>4</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>City Manager’s Office</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Library</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>RTW/WA was not managing claims in 2004 for the library</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>HECFI</td>
<td>2</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Total Claims</td>
<td>296</td>
<td>245</td>
<td>231</td>
</tr>
</tbody>
</table>
HEALTH AND SAFETY - WSIB CLAIMS ANALYSIS

<table>
<thead>
<tr>
<th>Year</th>
<th>Lost Time</th>
<th>Medical Aid</th>
<th>Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003 (12 months)</td>
<td>402</td>
<td>407</td>
<td>944</td>
</tr>
<tr>
<td>2004 (12 months)</td>
<td>333</td>
<td>368</td>
<td>813</td>
</tr>
<tr>
<td>2005 (Jan – June)</td>
<td>191</td>
<td>218</td>
<td>418</td>
</tr>
</tbody>
</table>

*Figures includes all City Departments and Boards*

The significant reduction in WSIB incidents/claims in 2004 can be viewed as the success of a number of interventions, including, but not limited to the following:

- CMT’s commitment and attention to OHS issues.
- Increased Training and Awareness sessions, including Bill C-45 and ongoing health and safety training.
- Establishment of the new OHS Advisory Group and the continuing work of Joint Health and Safety Committees (JHSC’s)
- Addition of 2 Safety/Wellness Advisors in Public Works (1) and Public Health (1) respectively
- 10% reduction goal

It is our belief that continued attention by CMT and all departments to improvements in OHS programming, "in-the-field" application of a high level of OHS awareness and proper procedures, and increased OHS training initiatives will translate into continuous improvements in the bottom line of incident reduction and associated WSIB cost reduction.

Catherine Graham
General Manager
Human Resources
Hamilton

Return to Work / Work Accommodation Services
CASE STUDY #1
POTENTIAL COST OF UNMANAGED NON-OCCUPATION CLAIMS

Employee Profile
41 Year old male
16 year employee
Physically demanding position
Annual salary = $44,239.00
Condition: Heart Attack at home
### CASE STUDY #1
NON-OCCUPATION CLAIMS COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Term Disability (STD) 50 days at 100%</td>
<td>$ 8507.60</td>
</tr>
<tr>
<td>Short-Term Disability (STD) 80 days at 66 2/3%</td>
<td>$ 9073.86</td>
</tr>
<tr>
<td>Long-Term Disability 2 years of own occupation Disability at 66 2/3%</td>
<td>$ 58,979.43</td>
</tr>
<tr>
<td>Long-Term Disability to age 65 paid at 66 2/3%</td>
<td>$ 634,028.76</td>
</tr>
<tr>
<td><strong>Total claim cost</strong></td>
<td><strong>$ 710,589.65</strong></td>
</tr>
</tbody>
</table>
CASE STUDY #2
POTENTIAL COST OF UNMANAGED NON-OCCUPATION CLAIMS

Employee Profile
50 Year old female
25 year employee
Physically demanding position
Annual salary = $ 49,791.30
Condition: Knee Injury
## CASE STUDY #2
NON-OCCUPATION CLAIMS COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Term Disability (STD) 80 days at 100%</td>
<td>$15,320.40</td>
</tr>
<tr>
<td>Short-Term Disability (STD) 50 days at 66 2/3%</td>
<td>$6,638.86</td>
</tr>
<tr>
<td>Long-Term Disability 2 years of own occupation Disability at 66 2/3%</td>
<td>$66,381.76</td>
</tr>
<tr>
<td>Long-Term Disability to age 65 paid at 66 2/3%</td>
<td>n/a</td>
</tr>
<tr>
<td>Total claim cost</td>
<td>$88,341.02</td>
</tr>
</tbody>
</table>
CASE STUDY #1
POTENTIAL COST OF UNMANAGED WSIB CLAIMS

Employee has a heart attack on the job

Employees are entitled to 85% of pre-disability earnings (net)
$ 44,423.00 = $ 547.00 per week

 Totally disabled to age 65 = $ 682,656
WSIB Administrative charge = $ 204,796
Total Claim cost = $ 887,452
CASE STUDY #2
POTENTIAL COST OF UNMANAGED WSIB CLAIMS

Employee damages knee while working

Employees are entitled to 85% of pre-disability earnings (net)
$ 608.00 per week

WSIB benefits for 2 years = $63,232
WSIB Administrative charge = $18,969

Total Claim prior to labour market re-entry program = $ 82,801
LABOUR MARKET RE-ENTRY PROGRAM

Includes:
• Skills upgrading
• Formal Education (tuition, books, mileage)
• External case managers
• Full WSIB benefits during program
• Possible partial WSIB benefits upon completion of program

Estimated program cost = $400,000
CITY OF HAMILTON
LEGAL OBLIGATIONS

• Ontario Human Rights

• Workplace Safety and Insurance Act
Ontario Human Rights Commission dictates that employers have a duty to accommodate up to the point of undue hardship.

**Section:** Part 1, Freedom From Discrimination, Section 2.1

“Every person has a right to equal treatment with respect to the occupancy of accommodation, without discrimination because of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, marital status, family status, disability or the receipt of public assistance.”

Ontario Human Rights Code

**Redress:** Ontario Human Rights Commission has the ability to award monetary penalties and/or jobs
WORKPLACE SAFETY & INSURANCE ACT

Employer obligations
Duty to cooperate in Return to Work – Section 40
Obligation to re-employ - Section 41
Duty to accommodate - Section 41

Fines
Penalty to re-employ is equivalent to up 2 years of WSIB benefits for each offence.