OMERS Disability Administration Review

OASBO Payroll & Benefits Committee
Celine Chiovitti, VP, Pension Operations
September 21, 2017
Review of OMERS disability benefits administration

Feedback to us indicated:

- Our process and communications are complicated
- Process requires more rigor
- Employers control the timing of application
- Generally more guidance on complex cases (rehabilitation, modified work programs)

Leading to a Review:

Objectives of our Review

- Simplify the experience
- Strengthen guidance and training
- Streamline workflows
- Incorporate Best Practices

This review only addressed considerations and approaches to improve the administration process and did not deal with Plan design issues
Two types of OMERS disability benefits that members can apply for:

- **Disability Waiver of Contributions**
  - Credited service accrual without contributions (member and employer)

- **Disability Pension**
  - Unreduced immediate pension for life (upon member’s election)

Both types of disability benefits require medical evidence to support the application.
The application for disability benefits consists of many steps

The initial application is only approved when the information from all parties is complete.
A waiver or disability pension can be processed retroactively.
Disability Waiver statistics and trends

The number of members on Waiver (2%-3% of active membership) has remained stable and in line with total active membership growth.

Waived contributions (both sides)

Approximately $77 Million/year

The number of members on Waiver (2%-3% of active membership) has remained stable and in line with total active membership growth.
Disability Pension statistics and trends

The number of members on disability pension has been decreasing slightly over the past five years.

95% of disability pensioners are age 55+.
We consulted broadly during our review...

Peer Practice Review

Historical Reviews

Communications Review

Internal Consultations

Employer Consultations

Member Consultations

Union/Association Consultations

Future State Recommendations
### Summary of what we heard...

All stakeholders said that our communications are confusing, our process is complex and our current approach allows for too much discretion.

<table>
<thead>
<tr>
<th>Members/Member Associations</th>
<th>Employers</th>
<th>Internal Concerns</th>
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<tbody>
<tr>
<td>• Enforce a consistent application approach for members</td>
<td>• Provide a consistent administration guideline</td>
<td>• Potential for inconsistent practices</td>
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<td>• More communication with members</td>
<td>• More tools to address complex cases and rehabilitation.</td>
<td>• Need to simplify communications</td>
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<td>• Simplify language</td>
<td>• More rigorous reviews and follow-ups</td>
<td>• Need enhanced internal skills and support</td>
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<td>• Member election</td>
<td>• Automate and simplify process (self-service, enhance e-access, less paper and forms)</td>
<td>• Roadmap to automate processes</td>
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We will be making changes to our Disability Administration Process in four distinct areas

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<tr>
<th>Communication</th>
<th>Employer Support</th>
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| 1. Simpler communications in general.  
2. Reduce the number of letters and forms.  
3. Follow up with members who do not respond. | 1. Customize approach to deal with complex cases.  
2. Enhance responsiveness and automate when possible.  
3. **Provide clear employer guidelines and require all employers to inform OMERS of member’s absence prior to 5th month.** |

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<tr>
<th>System</th>
<th>Medical Reviews</th>
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| 1. Improve processes through OASYS Phase 1 and 2.  
2. Enhance self service functionality and secure portal.  
3. Allow Employers to upload and pull reports on portal. | 1. Create standard operating procedures and guidelines for physicians.  
2. Better define staff role versus physician’s role.  
3. **Create ‘Disability Claims Manager’ Role** |
Application Process to be started before the 5th month of absence
If a member will be absent from work due to illness or injury that is expected to go beyond 4 months, employers must notify OMERS by the 4th month of absence

• OMERS will send an application form to the member
• If approved by OMERS, employers will be informed of the date of approval and must stop member and employer contributions.

Create New Internal Role ‘Disability Claims Manager’
This role will oversee the disability administration process including the medical doctors

• Oversee the development of procedures and guidelines for medical doctors
• Work with employers on complex cases including modified work, rehabilitation, return to work protocols.

We will communicate changes over the remainder of the year and will fully implement by June 2018.
Examples of other changes to be fully implemented within 36 months

**Themes**

**Communication (0-12 months)**
- Simplify forms and letters (Medical Review Form, Employer Admin Manual)
- Create new letters for members who are making an election between waiver and/or continued sick leave
- Notify employer when a member is applying for a disability pension

**Employer Support (6-12 months)**
- Focused employer training on rehab periods and other complex situations
- Establish guidelines and clearer direction
- Enable direct channel for employers to contact disability team on complex cases

**Medical Reviews (6-12 months)**
- Create procedures for the review process (initial and definition change)
- Define Physician role versus staff role and create capacity

**System (24-36 months)**
- Allow employers to report an event through e-channels
- Develop secure tool to share and receive information
- Expand self-service functionality, reduce paper and forms
Targeted approach to strengthen our disability administration process and improve satisfaction with members and employers.

1. Communication
   - FAQs
   - Plain language
   - Clear direction
   0-12 months

2. Employer Support
   - One consistent approach
   - Customized employer support
   6-12 months

3. Medical Reviews
   - Dedicated Claims Manager
   - Streamlined reviews
   6-12 months

4. System
   - LEAP / OASYS
   - Self-service
   - Digital tools
   24-36 months