



HBT POLICY:  
Cost Benefit Analysis  
Rehabilitation Services A-3.3  
Policy Number OC-11-7-v1

## Policy Statement:

This policy provides a framework for gathering the information necessary to create a Cost Benefit Analysis (CBA) to determine if a Rehabilitation Plan is cost-effective.

## Principles

- The Rehabilitation needs of the Employee are balanced by the provisions of the Long Term Disability (LTD) Plan
- The CBA ensures that Rehabilitation provided reduces costs to the LTD Plan

## Guidelines

1. Rehabilitation Services uses conservative estimates in projecting for future savings to the LTD Plan
2. Rehabilitation Services uses both costs and other factors in projections for the CBA
3. When a cost benefit cannot be demonstrated, Rehabilitation Services revises the Rehabilitation Plan

## Practice

Rehabilitation Services evaluates potential costs associated with the proposed Rehabilitation Plan to prepare the CBA. Various other factors associated with the success of the Rehabilitation Plan are also used in the CBA projections. Results of the CBA determine if the Rehabilitation Plan will be implemented as proposed.

- 1) Rehabilitation Services evaluates all expenditures associated with the Rehabilitation Plan to create the CBA including:
  - a) Length of LTD claim
    - i) Without Rehabilitation
    - ii) With recommended Rehabilitation as per the Rehabilitation Plan

- b) Involvement with Canada Pension Plan (CPP), Insurance Corporation of BC (ICBC) or WorkSafe BC (WSBC) and potential sharing or recovery of Rehabilitation costs
  - c) LTD benefit amount or estimate
    - i) Pre-LTD cases based on 70% of Employee monthly earnings
  - d) Rehabilitation costs
  - e) Likelihood of success of the Rehabilitation Plan and potential to reduce the LTD claim duration
- 2) In addition to cost, Rehabilitation Services considers the following factors in the projections:
- a) Type of disability, severity, prognosis
  - b) Length of time on claim or in Rehabilitation
  - c) Status of LTD claim, including definition change date or other potential termination of benefits
  - d) Employee's job, education, training, transferable skills, motivation
  - e) Complicating factors
  - f) Employer's ability to accommodate Employee
- 3) Rehabilitation Services also uses information from the Intake Assessment (Policy A-3.1 Intake Assessment) to determine ancillary costs in the CBA:
- a) Childcare (Policy A-3.3.1 Child Care Expenses)
  - b) Transportation (Policy A-3.3.2 Transportation, Accommodation and Meal Expenses)
- 4) When the CBA is complete, Rehabilitation Services evaluates whether the expenditures identified in a Rehabilitation Plan (Policy 3.2 Rehabilitation Plan) will result in a cost savings to the LTD Plan
- 5) If the CBA cannot demonstrate a cost savings to the LTD plan:
- a) The Rehabilitation Plan is revised

## Definitions

- **Cost Benefit Analysis (CBA)** – A forecast of the savings to the Long Term Disability (LTD) Plan if Rehabilitation is successful in resolving barriers to Employability
- **Employability** – The ability to perform Gainful Employment
- **Employee** – Employees of HBT's member employers who are covered by the HBT LTD Plan (plus the HSA LTD Trusts)
- **Gainful Employment** – Occupation for which the Employee has the education, training and/or experience at a rate of pay defined by the Employee's LTD plan (see Collective Agreements: Long Term Disability Insurance Plans in *Relevant Documents/Links*)
- **Intake Assessment** – Includes an evaluation of medical information, an Employee interview, a discussion with the employer to identify current or potential barriers to Employability and, if barriers exist, an evaluation of the possibility of these barriers being addressed by Rehabilitation

- **Rehabilitation**
  1. **Medical Rehabilitation** – Treatment designed to facilitate recovery from injury, illness, or disease and to restore sufficient physical, sensory, and mental functions to enable Gainful Employment. Treatment also includes assisting the Employee to compensate for deficits that cannot be reversed medically.
  2. **Vocational Rehabilitation** – Services offered to enable Employees with mental or physical disabilities to attain skills, resources, attitudes, and expectations needed to achieve Gainful Employment. Services offered may include skills enhancement or retraining.
- **Rehabilitation Costs** – Rehabilitation Expenditures plus total LTD benefit costs or estimated LTD benefit (pre-LTD) costs paid during the Rehabilitation Plan time period
- **Rehabilitation Expenditures** – Any monies spent on Employee Rehabilitation including assessment, treatment, training, etc.
- **Rehabilitation Plan** – Documentation of Medical and Vocational Rehabilitation required to resolve barriers to Gainful Employment including outcome measures and a timeline

## Relevant Documents / Links

- A: Collective Agreements: Long Term Disability Insurance Plans  
<http://www.heabc.bc.ca/Page20.aspx>  
[http://www.cssea.bc.ca/public\\_documents.php](http://www.cssea.bc.ca/public_documents.php)

## Audit and Compliance

1. All Rehabilitation Plan expenditures set out in the CBA are approved at an appropriate level of authority
2. A documented Rehabilitation Plan and authorized CBA are required for administrative staff to process Rehabilitation Expenditures within the Rehabilitation Plan