



Hamilton

# INFORMATION REPORT

<b>TO:</b>	Chair & Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	October 3, 2019
<b>SUBJECT/REPORT NO:</b>	Semi-Annual Employee Attendance Report 2019 (HUR19020) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
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<b>SIGNATURE:</b>	

## Council Direction:

Human Resources reports on employee attendance performance measures to the Audit Finance and Administration Committee on an annual and semi-annual basis. This report presents absence data covering January 1 to June 30, 2019 with comparisons from 2015 through 2018 for the same period (Q1 and Q2). In accordance with Council's direction at the March 21, 2019 Audit, Finance and Administration Committee meeting, this analysis will also include information on absenteeism for certain divisions, specifically the top five divisions with the highest absenteeism levels.

## Information:

This report is an analysis of the days lost to Short-Term Disability (STD), Long-Term Disability (LTD), Work Accommodation and Personal Emergency Leave (PEL) days for eligible active employees during the reporting period, excluding Police and Library. The data utilized in this semi-annual update has been extracted from PeopleSoft and Parklane reporting records. In addition to providing an overall summary of city-wide absenteeism, this report also focuses on those divisions with higher levels of absenteeism and the variety of efforts used to mitigate those levels.

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### **Executive Summary:**

For the review period January to June 2019, days lost per eligible employee covered by the Income Protection Plan (IPP) due to Short-Term Disability (STD) and Long-Term Disability (LTD) increased in 2019 over 2018, while Personal Emergency Leave (PEL) days lost decreased. Overall, when looking at all absences types per eligible employee, the total number of days lost decreased slightly from 10.9 (2018) to 10.8 (2019).

STD absences increased in some categories and decreased in others from 2018 to 2019 respectively within the period January to June. Specifically,

- Significant sick absences increased from 3.4 days to 3.6 days per employee.
- Incidental sick absences increased from 2.1 days to 2.4 days.
- Modified sick absences decreased by 0.1 day and Chronic sick absences remained the same at 0.3 days (see Appendix A to Report HUR19020).

### **Fire Department (Sick Bank)**

The number of days lost per eligible employee decreased from 7.4 days in 2018 to 6.6 days in 2019. This reduction is the lowest level of sick absenteeism for this group in the last 5 years and is largely reflective of the collaborative efforts between Human Resources and Fire Department leadership.

### **Corporate Mitigation Efforts**

Division-specific efforts have been taken to mitigate those areas experiencing higher levels of absenteeism, including increased efforts employed in the areas of mental health and well-being. Favourable results have also been observed as a result of greater contact with absent employees, increasing employee engagement, multi-stakeholder case consultation, identification of suitable modified work, and increasing awareness of the Employee and Family Assistance Program (EFAP) supports and greater levels of intervention by a number of Human Resources staff. This report includes details on the efforts made and the initiatives underway to address absenteeism in targeted divisions, as requested by Council.

### **Detailed Report Findings:**

#### **Background**

This report identifies average days lost per eligible employee covered by the Income Protection Plan (IPP) or Accumulated Sick Bank, where applicable. Absences are the result of STD and LTD and PEL days.

Absences due to occupational illness or injury (i.e. WSIB) are excluded from this report as they are contained in the annual and semi-annual Occupational Injury and Illness Reports (refer to Report HUR19021).

## **Definitions**

**Income Protection Plan (IPP)** - provides eligible employees with an income if they cannot perform their normal duties due to illness/non-occupational injury during both STD and LTD.

- **Eligible Employee** - a full-time employee who meets the conditions of their collective agreement or employment contract eligibility for payment through the IPP as a result of illness or non-occupational injury.
- **Short-Term Disability (STD)** - includes absences of less than 1 day up to 130 days. STD includes the following types of absences:
  - **Incidental sick absences** are less than 6 days in duration and are managed primarily by an employee's supervisor and do not require a sick claim form. **Note:** Effective January 1, 2020, renegotiated collective agreements as well as the updated policies for non-union employees will require employees to submit medical documentations for those absences extending to the 4<sup>th</sup> working day.
  - **Significant sick absences** are 6 days up to 130 days in duration and require a medical claim form(s) and are additionally managed with the assistance of Return to Work Services staff in Human Resources.
  - **Modified sick absences** are for those employees who are participating in a graduated return to work program and are paid for partial sick days.
  - **Chronic Sick Absence** - a chronic condition (disease) of long duration and generally slow progression or a long-term condition which has fluctuating periods of poor health and deterioration or relapse while the person generally maintains a level of functionality. These absences are self-identified by employees and monitored by the Occupational Health Nurse in Human Resources.
- **Sick Bank Plan** – allows employees to accumulate sick credits that can be used to cover lost time if they cannot perform their normal duties due to illness/non-occupational injury. For the purposes of this Report, Sick Bank entitlement is exclusive to the Fire Department.

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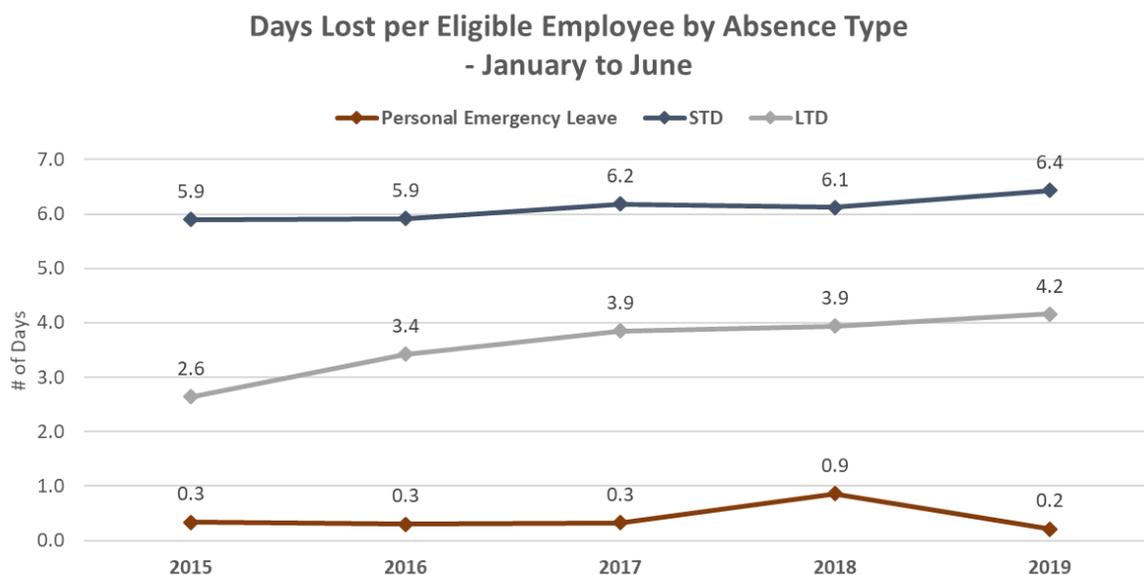
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- **Long-Term Disability (LTD)** – includes absences that extend beyond a 6-month qualifying period (i.e. 130 days), when an employee continues to be totally disabled beyond their STD absence. The LTD absences are currently managed by Manulife Financial.
- **Personal Emergency Leave (PEL)** - a legislated job protected leave covered under the Employment Standards Act.
- **Working Days** - defined as a 7-hour shift.

**City of Hamilton Absenteeism (Excluding Fire)**

**Figure 1: Days Lost Per Eligible Employee**



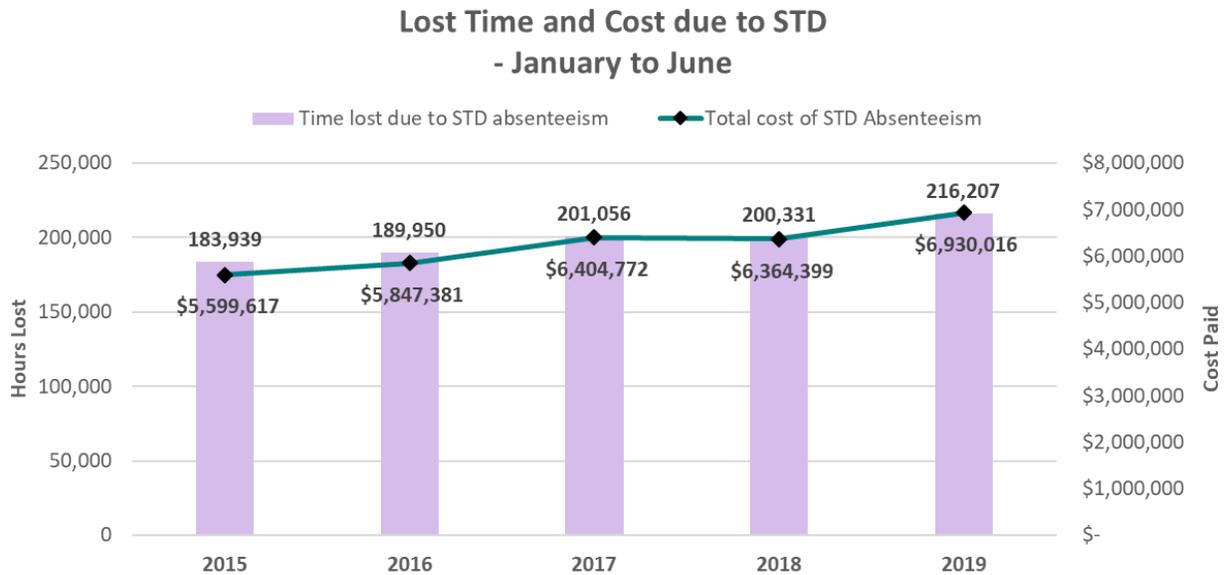
Overall, 10.8 days per eligible employee were lost during the first 6 months of 2019. Of the 10.8 days, 6.4 days were attributed to STD, of which 2.4 days related to incidental absences. Figure 1 represents the trend over the last 5 years. Notably, there are slight increases in absences due to STD and LTD during this period while there was a 0.7 day decrease in PEL absences. Overall, there was a slight decrease in absenteeism (i.e. 0.1 day) for this period January to June 2019 as compared to 2018 (i.e. 10.9 vs. 10.8).

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**Figure 2: STD Lost Time and Cost**



An estimated 216,207 hours were lost due to STD during the first six months of 2019. This is equivalent to 6.4 days per eligible employee. The associated STD cost is higher in 2019 when compared to 2018 (\$6.9M vs. \$6.3M). This increase in costs is primarily attributable to the increase in salaries and other employee related costs for 2019 as compared to 2018.

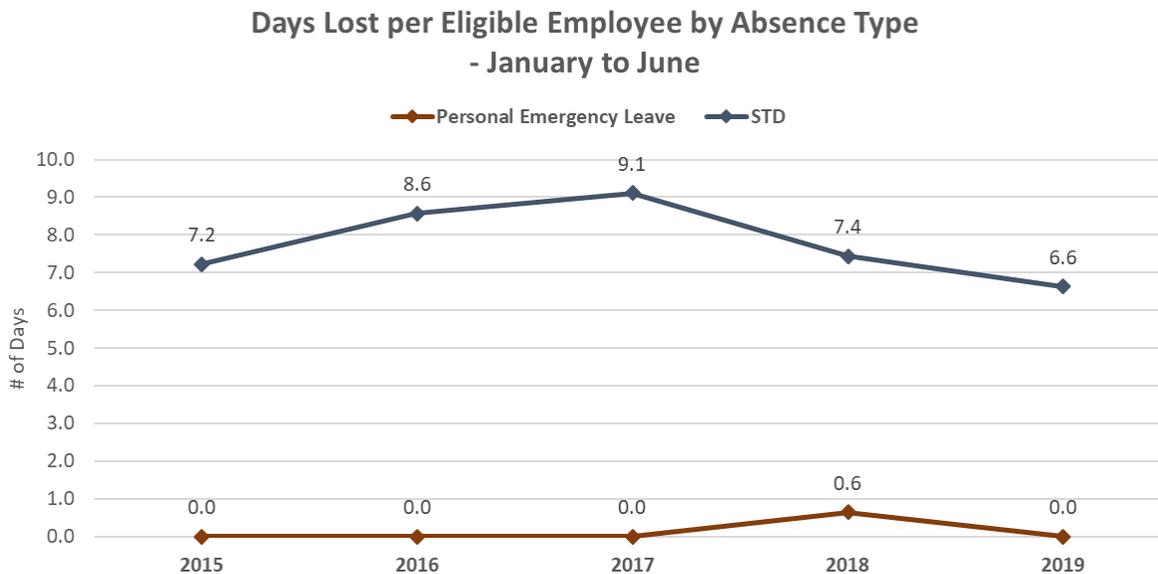
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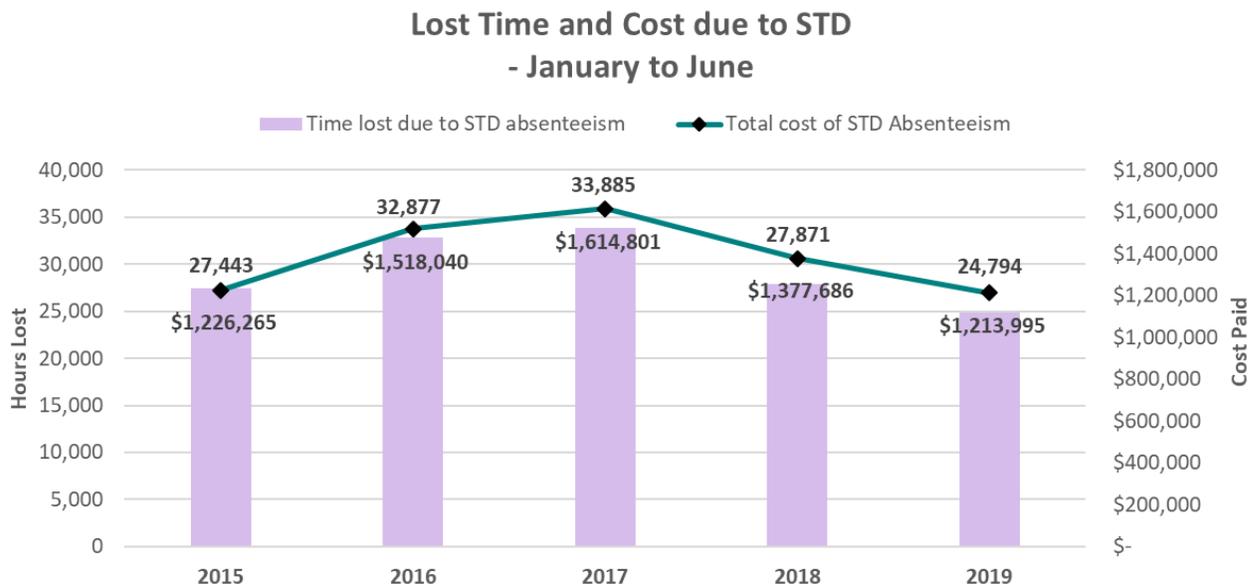
**Fire Department Absenteeism (Sick Bank Plan)**

**Figure 3: STD Days Lost (Fire)**



The above figure shows the year over year days lost by absence type between January to June during the 5 year period 2015 – 2019 for the Fire Department. The number of days lost per eligible employee decreased from 7.4 days in 2018 to 6.6 days in 2019. This is the lowest level of sick absenteeism for this group in the last 5 years.

**Figure 4: STD Costs (Fire)**



The above figure shows the year over year total time lost and cost for the Fire Department due to STD absenteeism between January to June over 5 year period from 2015 - 2019.

Total hours lost is approximately 11% lower than last year between January to June (24,794 in 2019 vs. 27,871 in 2018). The cost of STD absences for the same period is also lower than 2018 (\$1.21M vs. \$1.377M). Despite an increase in salaries and other employee related costs, STD related costs in the Fire Department have decreased in 2019.

**Drivers of Short-term Disability Claims**

In order to gain greater insight into employee absenteeism, Human Resources staff have started analyzing broad-based data on the medical conditions that are causing employees to miss time from work. Documentation was only available for sick absences 6 days to 130 days in length. The analysis found the top 2 indicators for the last 18 months (January 1, 2018 to June 30, 2019) were:

- Musculoskeletal injuries accounted for 22% of claims
- Mental Health accounted for 19%

The remaining claims were related to various respiratory, digestive, neurological and other conditions. Human Resources staff will continue to review STD claims information to help inform its employee health programs and will include this data and activities in future reports.

Health Status Indicators (derived from Extended Health Care Benefits Information)

The most common five indicators are:

- Infections
- High Blood Pressure
- Depression
- Ulcer / Reflux
- Allergy

The above indicators are based on drug utilization for all Extended Health Care (EHC) plans at the City (including the boards and retiree plans). Benefit plans are structured based on union code and not by department, therefore every union has a benefit plan specific to their negotiated benefits. Manulife is unable to report on indicator data at the department level, however the top 5 common indicators are consistent across most of the City's benefit plans and as such, it would be expected that the data would be similar between each department.

### **Employee and Family Assistance Program (EFAP)**

The City provides counselling and health coaching support through Homewood Health.

#### **EFAP Utilization Rates:**

Homewood Health received 541 new cases from January 1 – June 30, 2019. This represents 7.73% utilization by our employee population, which equates to a projected annual utilization of 15.47%. In comparison, Q1 - Q2 utilization in 2018 was 584 new cases, or 8.35% utilization rate, equating to an annual utilization rate of 16.69% for 2018.

In terms of primary presenting issues, the top concerns of individuals accessing the services are psychological in nature which represents the most utilized aspect of EFAP services of 248 cases (or 57.4% of EFAP cases), followed by relationship concerns with 63 cases (14.6% of EFAP cases), followed by family concerns with 41 cases (9.5% of all cases).

### **Addressing Absenteeism at the Division Level**

Further to Council's request from the 2018 Annual Absenteeism Report, the following provides a summary of division specific absenteeism data for those divisions experiencing higher levels of absenteeism, corresponding trends and the targeted Human Resources (HR) related initiatives to address such absenteeism. For each area, specific initiatives have been implemented to help increase employee well-being and provide greater management control of absenteeism.

## **Transit**

- For the first six months of 2019, approximately 9.9 days were lost per eligible employee due to STD. This is the highest level of STD absenteeism within the last five years and is 9% higher than STD absenteeism recorded in 2018.
- Lost time due to incidental sick absences is 3.2 days, approximately 28% higher than the same period in 2018 (see Appendix B to Report HUR19020).

## **Initiatives to Address Absenteeism**

- For HSR employees whose absence extends to the third working day, the Attendance Management Coordinator is contacting the employee via telephone to offer support and early intervention.
- The HSR is piloting a new attendance data-base which provides opportunity for improved absence monitoring, reporting and sharing of information with RTW Services.
- HSR Management adopted measures in accordance with the collective agreement, whereby identified patterned absenteeism will require submission of a completed STD claim form on the first day of absence.
- In the case of culpable absenteeism, appropriate disciplinary action is taken. In cases where absenteeism is innocent, yet excessive, the City is reviewing data and circumstances to determine if termination on the basis of frustration of employment contract is warranted.
- Several Our People Survey (OPS) action items focused on providing additional support for employee engagement, health and wellness. These action items include staffing and resource plans, customer education and communication strategy to reinforce appropriate customer interactions, as well as a Green Belt project to reduce the number of collisions. Anticipated results will support appropriate staffing levels, reduce negative customer interactions and provide for safer working conditions, all of which will help promote employees staying at work.
- Human Resources and HSR leadership will be piloting a new Attendance Management Program (AMP) that monitors both the amount and patterns of absences. The new program will replace the existing trigger-based non-culpable program with one that focuses on culpable absenteeism with no identifiable triggers.
- Human Resources (RTWS) is working with HSR Management to identify and expand the scope of available modified work to increase early and safe return to work opportunities.
- The HR Business Partner assigned to HSR is facilitating and coordinating efforts to mitigate unfavourable trends/issues.

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### **Ontario Works (OW)**

- For the first six months of 2019, approximately 7.5 days were lost per eligible employee due to STD. This lost time is 18% lower than observed in 2018.
- The days lost due to significant sick absences is 3.5 days, approximately 33% lower than the same period in 2018 (Appendix C to Report HUR19020).

### **Initiatives to Address Absenteeism**

- In consultation with RTW Services and Labour Relations, OW Management reviews cases of culpable absenteeism, or patterned absenteeism, and where appropriate, disciplinary action is taken. In cases where absenteeism is innocent, yet excessive, the City is reviewing data and circumstances to determine if termination on the basis of frustration of employment contract is warranted
- Working group meetings are scheduled on a regular basis to continue case reviews with OW Management, RTW Services and Labour Relations. These discussions also include Health, Safety and Wellness Specialists to determine opportunities to leverage mental health training and EFAP support, as a number of employees reported conditions related to a mental health diagnosis.
- Human Resources and Ontario Works leadership will be piloting the new Attendance Management Program (AMP) that monitors both the amount and patterns of absences and focuses on the more problematic and incidental absences.
- The HR Business Partner assigned to OW is facilitating and coordinating efforts to mitigate unfavourable trends/issues.
- OW leadership is currently reviewing opportunities for increased mental health training for all staff.
- Positions with frequent absences were evaluated for determining the potential need for Physical and Cognitive Demands Analyses. This will help clearly define the physical and cognitive requirements of the positions and support the creation of appropriate modified and return to work plans.

### **Lodges**

- For the first six months of 2019, approximately 10 days were lost per eligible employee due to STD. This lost time is 11% higher than observed in 2018.
- The days lost due to significant sick absences is 5.4 days, approximately 32% higher when compared to the same period in 2018.
- The days lost due to incidental sick absences is 3.8 days, approximately 19% higher when compared to the same period in 2018 (see Appendix D to Report HUR19020).

### **Initiatives to Address Absenteeism**

- Return to Work (RTW) Services is working closely with Lodges Management to identify suitable modified work to support early and safe return to work for PSW positions, which are often difficult to accommodate.
- In consultation with RTW Services and Labour Relations, Lodges Management regularly review cases of culpable absenteeism, or patterned absenteeism, and where excessive levels of absenteeism warrant a termination based on frustration of employment contract. In cases where absenteeism is innocent, yet excessive, the City is reviewing data and circumstances to determine if termination on the basis of frustration of employment contract is warranted
- Human Resources and Lodges Management will be piloting a new Attendance Management Program (AMP) that monitors both the amount and patterns of absences and focuses on the more problematic and incidental absences.
- Human Resources and Lodges Management are currently reviewing opportunities to provide enhanced resources to support the Lodges unique staffing challenges.
- The HR Business Partner assigned to the Lodges is facilitating and coordinating efforts to mitigate unfavourable trends/issues.

### **Hamilton Paramedic Services**

- For the first six months of 2019, approximately 9.3 days were lost per eligible employee due to STD. This lost time is 18% higher than that observed in 2018.
- The days lost due to significant sick absences is 3.6 days, approximately 38% higher when compared to the same period in 2018 (see Appendix E to Report HUR19020).

### **Initiatives to Address Absenteeism**

- In consultation with RTW Services and Labour Relations, Paramedic Services Management reviews cases of culpable absenteeism, or pattern absenteeism, and where appropriate, disciplinary action is taken. This includes circumstances where excessive levels of absenteeism warrant a termination based on frustration of the employment contract.
- Working group meetings have been scheduled on a regular basis to continue case reviews with Paramedic Services Management, RTW Services and Labour Relations. These discussions include Health, Safety and Wellness staff to determine opportunities to leverage mental health training and EFAP support, as a number of absent employees reported absenteeism related to a mental health diagnosis.
- The HR Business Partner assigned to Hamilton Paramedic Services is facilitating and coordinating efforts to mitigate unfavourable trends/issues.

- Paramedic Services Management and RTW Services are proactively reviewing opportunities for increased availability for early and safe return to work.

### **City Housing Hamilton**

- For the first six months of 2019, approximately 6.1 days were lost per eligible employee due to STD. This lost time is 24% lower than that observed in 2018.
- The days lost due to significant sick absences is 3.9 days, approximately 33% lower when compared to the same period in 2018 (see Appendix E to Report HUR19020).

### **Initiatives to Address Absenteeism**

- Positions with frequent absences were evaluated for determining the potential need for Physical and Cognitive Demands Analysis. This will help clearly define the physical and cognitive requirements of the positions and support the creation of appropriate modified and return to work plans.
- Working group meetings have been scheduled with City Housing Management, RTW Service and Labour Relations. These discussions would also include Health, Safety and Wellness staff to determine opportunities to leverage mental health training and non-violent crisis intervention (for client interactions).

### **Broad Scope Initiatives**

- Human Resources is exploring opportunities for providing staff with virtual health services to facilitate timely access to professional medical and health advice. Such services could potentially reduce the need for employees to miss time from work through earlier interventions of medical guidance and medical treatments. These services could be provided through current benefits providers or enhancements to future contracts with these providers.
- Commencing January 1, 2020, changes have been made to collective agreements and non-union policies that will require employees to submit medical documentation earlier in their sick absence, specifically in cases where their absence extends to the 4th working days. Where the nature of their illness or injury is such that an employee expects to be off for 8 working days or more, a claim form will need to be submitted on or before the 8<sup>th</sup> day of absence. Employees who do not submit the required medical documentation will not be paid for their absence.
- Some employee benefit plans have been changed to increase benefit levels for psychological care and allow claims for a wider range of healthcare professionals including clinical psychologists, psychiatrists, psychotherapists and social workers.

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- Human Resources is piloting a new Attendance Management Program (AMP) that monitors both the amount and patterns of absences. The focus will be on the more problematic and incidental absences within specific work groups. It is anticipated that this more targeted focus will result in the identification of more culpable absences, and with proper intervention, will likely result in improved attendance.
- Human Resources has established a contract with Cubic Health, a third-party consultant who will conduct more extensive analysis into the health state of City employees from a drug and health claims perspective. This analysis will provide the City with “Population Health Mapping”, which will assess the prevalence of acute and chronic disease within the workforce. The review will also assess the appropriateness and effectiveness of the current extended health care plan design and provide recommendations on potential plan design changes to eliminate inefficient spending and highlight areas that require further investment to address emerging needs. The review will initially be completed for the non-union group in 2019 with plans to evaluate the unionized extended health care plans in 2020 and beyond.
- Human Resources is undergoing a review of its RTW and Health, Safety and Wellness sections through a third party vendor with expertise in disability management. It is anticipated that the outcome of the review will provide Human Resources with a path forward that will better rationalize the provision of services and lead to improved outcomes for the organization. It is hoped that by making much needed adjustments to return to work processes and practices, Human Resources will be better able to eliminate any remaining inefficiencies that are potential barriers to a more effective disability management system.
- Human Resources is currently reviewing the criteria used to address chronic health conditions. Most recently, efforts are being made to update employee medical information that will allow Return to Work Services to better understand changes in the frequency of absence.
- Preliminary discussions are ongoing between Human Resources and McMaster University’s Institute for Research on Aging. Working collaboratively with HR, the McMaster study team will collect City data that will measure employee levels of health and well-being. The area of study will include physiological, psychological, social and lifestyle indicators of health. It is anticipated that a pilot study will commence in the latter part of 2019 in targeted areas experiencing higher levels of absenteeism.

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**APPENDICES AND SCHEDULES ATTACHED**

Appendix A to Report HUR19020 - Absence Summary from January to June 2019

Appendix B to Report HUR19020 - Absence Summary for Transit Division

Appendix C to Report HUR19020 - Absence Summary for Ontario Works Division

Appendix D to Report HUR19020 - Absence Summary for Lodges Division

Appendix E to Report HUR19020 - Absence Summary for Hamilton Paramedic Services Division

Appendix F to Report HUR19020 - Absence Summary for City Housing Hamilton Division

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