

# DISABILITYnews

VPA, INC. • THE INTEGRATED DISABILITY CLAIMS MANAGEMENT COMPANY

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## VPA Celebrates 20th Anniversary

**T**his year, VPA celebrates its 20th anniversary and two decades of providing answers to America's disability benefits administration challenges.

It was twenty years ago this July that Jack Bredehorn, VPA President, founded Voluntary Plan Administrators, Inc. (known today as VPA, Inc.) in Tarzana, California. "I had been working at a similar firm in the industry as Director of Marketing and when that company shifted its emphasis to Workers' Compensation administration, I decided to strike out on my own."

That decision, and the hiring of VPA's first employee, Thelma Wilson, who is still Jack's Executive Assistant, set VPA on its way to becoming the nation's largest privately held disability administrator.

"We started off with the idea of showing companies in California how to self insure their mandatory California State Disability Insurance Benefits," says Jack.

The company's first clients, Sambo's Restaurants and Loma Linda University, hired VPA as consultants

for their internally administered self-insured California Voluntary Plans.

Within six months, VPA secured two more clients that began to change the face of the company; Taco Bell and Union Bank-still clients today who would eventually ask VPA to administer and integrate a range of disability benefits.

During those early years, VPA concentrated on building its business with organizations that self-insured California State Disability Insurance (SDI) Plans. Within ten years the company was administering more than 50% of such plans. As business grew, VPA outgrew its Tarzana location and, in 1985, moved to the company's current headquarters in Calabasas.

During that first ten-year period, VPA invested in technology that put it a step ahead of the competition. It was the first administrator to provide employees and physicians 800-number phone-in service for short-term disability claims processing and the first to provide an interactive voice response system (IVR). The IVR allows claimants to call in 24 hours a day, seven days a week for claims sta-

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VPA's 20th year in business is a milestone. As the leader in integrated disability management, we celebrate this accomplishment with great excitement. In a time of continuing merger and divestiture activity, VPA remains independent and strong.

Our focus since 1979 has been on one business—benefit administration of absence and disability management programs. Our long-term relationships with our customers and partners demonstrate our ability to stay at the forefront of disability management. In fact, over 40% of our clients have been with us for 10 years or more.

We are proud of our growth and position in the marketplace. VPA has risen from a small employee benefits company self-insuring California statutory SDI plans to a national disability management administrator. Today, we are the largest, independently owned disability benefit administrator in the United States.

Our staff is devoted to solving the needs of our customers. We help employers and their employees by reducing the administrative burden and by initiating proactive

steps in returning to work.

Throughout our history, we have continually invested in state-of-the-art technology. This allows us the flexibility to respond to any need and create the electronic connections our customers depend on.

Entering 1999, we welcome the addition of several new clients, including Silicon Graphics, Inc. and Belden Inc. We have also expanded our services with Tricon Global Restaurants, for whom we provide statutory and short-term disability management, to include long-term disability administration. We welcome each new client to the VPA family and look forward to building long and successful relationships.

VPA's Mission states, "We will provide superior value to our customers." Over the past 20 years, this has been possible by anticipating our customers' expectations and exceeding their needs for integrated disability management programs. Just like people, we realize every company is different. 20 years has taught us how to listen to our customers and how to build benefit solutions that really work.

# WHO DO YOU CALL?

Who do you call with questions?

Plan design, claim forms, ID cards, plan implementation, procedure manuals, and customer service:

Julie Santen, VP, Client Services  
e-mail: [jsanten@VPAinc.com](mailto:jsanten@VPAinc.com)  
(818)222-3143

Management reports, state reporting requirements, auditing, client relations:

John Koval, VP, Quality Assurance & Reporting  
e-mail: [jkoval@VPAinc.com](mailto:jkoval@VPAinc.com)  
(818)222-3103

Enrollment, applications, checking accounts, bonding:

Thelma Wilson, Director, Plan Services  
e-mail: [twilson@VPAinc.com](mailto:twilson@VPAinc.com)  
(818)222-3105

Fee reconciliation, contracts, service agreements:

Robert Schulte, Director, Contract Administration  
e-mail: [rschulte@VPAinc.com](mailto:rschulte@VPAinc.com)  
(818)222-3104

# VPA Client Wins Prestigious Baldrige Award

**S**olar Turbines, a Caterpillar Company and manufacturer of gas turbine engines, has been named a winner of the Malcolm Baldrige National Quality Award.

The Malcolm Baldrige National Quality Award recognizes U.S. companies for their achievements in quality and business excellence. The criteria and process to qualify as a candidate is extremely complex, including extensive reviews by the National Institute of Standards and Technology (NIST) and in-depth site visits from Baldrige examiners.

On February 4, 1999, President Clinton and the Department of Commerce presented the award to Solar Turbines. They are the only company in San Diego to have ever won the Malcolm Baldrige National Quality Award.

VPA congratulates our client for their outstanding achievement in quality and excellence. In 1989, VPA implemented Solar Turbines' statutory disability program and is currently implementing an ERISA STD program.

## CREATIVE EXCELLENCE IN BENEFITS AWARDED TO VPA CLIENT

**T**oo often, good benefit programs do not get the attention they deserve. For this very reason, The International Foundation of Employee Benefit Plans (IFEFP) annually recognizes organizations that have implemented innovative employee benefits programs by presenting them with their Creative Excellence in Benefits Award.

We are pleased to announce that PepsiCo has received honorable mention from IFEFP for their Integrated Health and Disability Program.

PepsiCo's Integrated Program coordinates case management efforts of their disability, medical, and mental health/substance abuse programs. This collaboration quickly identifies resources for employees who need them the most.

In the role of general contractor and disability administrator of PepsiCo's Integrated Program, VPA coordinates all claims activities and employee information into a centralized data source. This system platform acts as a reservoir of claimant information. All group health and disability vendors electronically access the data source and share clinical and non-clinical activities.

PepsiCo's Integrated Program was recognized at the Corporate Benefits Conference in October and appeared in the December edition of Employee Benefits Digest.

## 1999 STATE DISABILITY SUMMARY

STATE	WHAT IS THE CONTRIBUTION RATE?	WHAT ARE THE WEEKLY BENEFITS?	WHEN DO BENEFITS BEGIN?	MAXIMUM PERIOD?
<b>CALIFORNIA</b>	Employee: 0.5% of first \$31,767 of annual gross earnings (\$158.84 yearly maximum). Employer: Optional, may elect to pay all or part of employee amount.	55% of average weekly earnings in highest quarter of Base Period. (Minimum: \$ 50.00 / Maximum: \$336.00) Benefits payable for less than one week will be paid in increments of 1/7th of the weekly benefit.	On eighth (8th) consecutive day of disability.	Fifty-two (52) weeks.
<b>HAWAII</b>	Employee: Up to one-half (1/2) of plan costs, but not more than 0.5% of average weekly earnings or \$3.14 per week, whichever is less. (Taxable Wage Base = \$628.05/wk). Employer: At least one-half (1/2) of plan costs, plus any additional costs not chargeable to employee.	58% of average weekly earnings; (Minimum: \$ 14.00 / Maximum: \$365.00) Benefits payable for less than one week will be paid in increments of 1/5th of the weekly benefit.	On eighth (8th) consecutive day of disability.	Twenty-six (26) weeks.
<b>NEW JERSEY</b>	Employee: 0.5% of first \$20,200 of annual earnings (\$101.00/year). Employer: 0.1% to 1.1% of the first \$20,200 of annual earnings of each employee, depending on experience rating.	66-2/3% of average weekly wage: (Maximum \$381.00) Benefits payable for less than one week will be paid in increments of 1/7th of the weekly benefit.	On eighth (8th) consecutive day of disability (on first (1st) day if disability lasts longer than twenty-one (21) days).	Twenty-six (26) weeks.
<b>NEW YORK</b>	Employee: one half of 1% (0.5%) of the first \$120 of weekly wage up to a maximum of \$0.60 per week. Employer: Balance of plan costs not covered by employee.	50% of average weekly wage: (Minimum: \$ 20.00 / Maximum: \$170.00) Benefits payable for less than one week will be paid in increments of the weekly benefit divided by the number of the EE's normal work days per week.	On eighth (8th) consecutive day of disability.	Twenty-six (26) weeks.
<b>PUERTO RICO</b>	0.6% of first \$9,000 of annual earnings. The contribution may be shared (i.e., 0.2% Employee + 0.4% Employer, or 0.3% Employee + 0.3% Employer).	65% of weekly earnings: (Minimum: \$ 12.00 / Maximum: \$113.00) (\$55 maximum for agricultural workers). Benefits payable for less than one week will be paid in increments of 1/7th of the weekly benefit.	On eighth (8th) consecutive day of disability (or first day of hospitalization, if earlier).	Twenty-six (26) weeks
<b>RHODE ISLAND</b>	Employee: 1.2% of first \$38,000 of annual earnings. <i>(Note: 1.2% contribution rate was effective since 1997)</i>	4.62% of total high Base Period quarter wages. (Minimum: \$ 48.00/wk / Maximum: \$463.00/wk) <b>**NOTE:</b> EE's are eligible for an additional benefit of the greater of 7% of their weekly rate or \$10.00 for each child under age 18 - called "Dependent Award"	On eighth (8th) consecutive day of disability (on first (1st) day, if disability lasts longer than twenty-eight (28) days)	Thirty (30) weeks in any Benefit Year.

If you would like a copy of the complete schedule that VPA has available, please contact Thelma Wilson, Director, Plan Services, at 818-222-3105.

# Anniversary

*Continued from page 1.*

tus. VPA was also the first to provide a full payroll service for tax deductions based on an employee's W4 status and elective deduction withholdings.

In addition to its technological capabilities, VPA expanded its product line to include self-insured ERISA short-term and long-term disability plans. For example, Union Bank became the first client to fully integrate SDI, short-term disability and long-term disability benefits administration in 1982.

"Another pivotal year was 1990, when we acquired Hewlett-Packard (H-P) as a client," says Jack. "For the first time, H-P fully integrated disability benefits for their operations throughout the United States—all of the self-insured state disability insurance benefits in California, Hawaii, New York and New Jersey as well as the self-insured short-term disability and long-term disability benefits for all states." This was a major step in growing VPA from a regional administrator of self-insured California SDI benefits programs to a national company administering benefit programs in all 50 states.

Today, VPA clients are headquartered in all areas of the country. To keep up with the need for VPA's services throughout the United States, the company opened a marketing office in New York in 1997.

Over the past three years, VPA has focused on developing and expanding their expertise in administering integrated disability benefits programs. This has included adding Workers' Compensation disability benefits to the mix through partnerships with Workers' Compensation administrators and insurers.

VPA has also successfully integrated medical disability case management as illustrated by its partnerships with both PepsiCo and Tricon Global Restaurants. VPA works directly with medical and mental health disability case management vendors to provide seamless case management. This program won the 1999 Astra Pharmaceuticals/National Managed Health Care Congress Partnership Award. The award recognizes successful managed care partnerships that have led to significant reductions

in health care costs and improvement in the quality and accessibility of health care. This same program received honorable mention from the International Foundation of Employee Benefit Plans for The Creative Excellence in Benefits Award in 1998.

Several new programs are in the works to offer additional services to clients. VPA will begin to provide Family Medical Leave Act (FMLA) administrative services shortly. "We are also in the process of developing a 'total absence management' program for clients that will include daily absence tracking and reporting systems," says Bob Trotta, Vice President, New Business Development. "This will be important for tracking absences for FMLA and other purposes." Being able to analyze total absence will give insight into the reasons employees miss work and will help companies develop solutions for controlling absence.

Over the next few years, VPA anticipates rapid growth from new clients and expanded services for existing clients. Today, VPA has more than 160 employees. In the year 2000, it plans to expand its Calabasas headquarters to accommodate the increased growth. As business continues to expand, the company will also consider satellite offices in other parts of the country when appropriate.

VPA will also continue to live up to its reputation as a high-tech company within the disability administration industry. The company purchased all new software and computer systems within the past year to ensure Y2K compliance and to move from a mainframe environment to a client server environment. This conversion will not only allow VPA to export its claims system easily to any satellite offices that may be established in the future, but the system can be expanded indefinitely as VPA's business grows.

The phone system is also in the process of being updated which will introduce CTI (computer telephony interface), enhancing customer service response capabilities. The upgraded system will also dramatically enhance the interactive voice response system (IVR) and voicemail options already available.

"Over 40% of our 112 clients have been with us for over 10 years," says Jack. "We're determined to continue providing services and customer support that will keep them with us for the next ten years, and well beyond."



New Clients Welcomed

Since the last edition of Disability News, VPA is pleased to welcome these new accounts to our offices:

Belden, Inc. – VPA has been selected as the disability administrator of Belden’s short-term and long-term disability program.

Silicon Graphics, Inc. – VPA has been selected as the new disability administrator of Silicon Graphics’ statutory disability and short-term disability programs.

Tricon Global Restaurants, Inc. – The new contract encompasses Tricon’s self-insured long-term disability program. VPA will continue to administer their statutory disability and short-term disability programs.

## VPA seeks CPDM designation

VPA has begun courses for CPDM designation beginning February 1999. Jointly sponsored by IEA and DMEC, the Certified Professional in Disability Management (CPDM) program is highly regarded in the group health, workers’ compensation, managed care, and disability industries.

“The CPDM program will give our employees an increased awareness of issues encompassing the ever-evolving integrated benefits

environment. From a business stand point, CPDM designation is a great move for us. It is going to help our employees and our clients,” reports Bob Ann Walkden, Vice President of VPA’s Claim Operations.

The first of 3 college-level courses is being hosted at VPA’s Calabasas claims office. Individuals completing the CPDM course will be required to complete 6 hours of continuing education on the topics of disability management each year.

### IMPORTANT FILING DATES

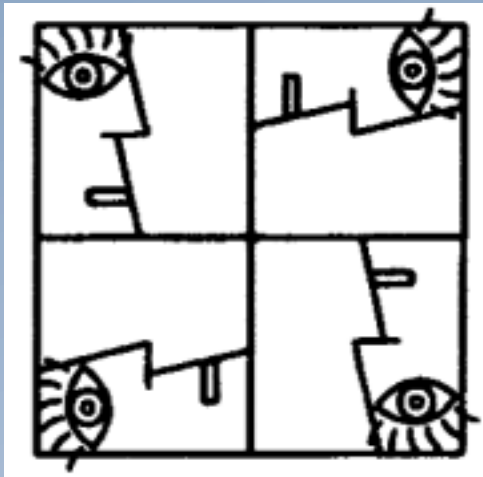
As we enter into a new year, VPA would like to remind our clients of some important dates related to the financial reporting of your self-insured disability programs. If you have any questions, please contact the VPA Quality Assurance and Reporting Department at (800) 473-9761, extension 3120.

STATE DISABILITY PLANS	Period Reported	Due Date	Prepared By
California Voluntary Disability Plans			
Report of Self-Insured Voluntary Plan Transactions (Form# DE2568V)	Each Calendar Qtr	90 Days After End of Qtr	VPA
New York Private DBL Plans			
Self-Insurer’s Annual Report (Form# DB-681)	1998	January 31, 1999	VPA
Hawaii Temporary Disability Insurance (TDI) Plans			
Annual Report for TDI (Form# TDI-21)	1998	March 1, 1999	VPA / Client
New Jersey Private Plans			
<ul style="list-style-type: none"> <li>Quarterly Report of Temporary Disability Benefits</li> <li>Annual Report of Private Plan Self-Insured Employer</li> </ul>	Each Calendar Qtr 1998	45 Days After End of Qtr March 15, 1999	VPA VPA
ERISA SELF-INSURED STD / LTD PLANS	Period Reported	Due Date	Prepared By
Annual Return/Report of Employee Benefit Plan (Form 5500)	1998 Plan Year Calendar or Fiscal	7 Month’s After End of Plan Year	VPA or Client
Return of Organization Exempt From Income Tax (Form 990)	1998 Plan Year Calendar or Fiscal	15th Day of the Fifth Month After End of Annual Acctng Period	Client
Application For Extension of Time To File Certain Employee Plan Returns (Form 5558)	1998 Plan Year Calendar or Fiscal	7 Month’s After End of Plan Year	Client
Summary Annual Report	1998 Plan Year Calendar or Fiscal	2 Month’s After Due Date of Form 5500	VPA or Client



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Look inside  
for 1999  
Disability Updates!



## 1999 Compensation and Benefits Exposition

BOSTON / May 2 - 4

Look for VPA at the 1999 ACA International Conference and Exposition, May 2-5, 1999. Held at the Hynes Convention Center in Boston, this year's conference promises new perspectives on compensation and benefit issues. Be sure to stop at VPA's exhibit in space 610. To make a special appointment with us during the conference, call Bob Trotta at (800) 473-9761, ext. 3040.

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Vice President  
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**John Gernert**  
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